

Q4 & 12 months 2023 AS Tallink Grupp

February 2024

Presenters



PAAVO NÕGENE
CHAIRMAN OF THE MANAGEMENT
BOARD



HARRI HANSCHMIDT
MEMBER OF THE MANAGEMENT
BOARD



MARGUS SCHULTS
MEMBER OF THE MANAGEMENT
BOARD



KATRI LINK
GROUP HEAD OF
COMMUNICATIONS AND ESG



Tallink Grupp

The leading European provider of leisure and business travel and sea transportation services in the Baltic Sea region.

STRONG BRANDS



KEY FACTS ABOUT TALLINK GRUPP as at 31 DEC 2023



15 vessels

13 passenger vessels
2 cargo vessels



5 regular routes
on the Baltic Sea



5 vessels in charter

Both long-term
and short-term



3.1 million
Club One members



4 hotels

3 in Tallinn
1 in Riga



21 Burger King restaurants
Estonia, Latvia, Lithuania



**2 stand-alone
restaurants**

in Tallinn



4900+ employees

Estonia, Finland, Germany,
Sweden, Latvia and
Lithuania



Shopping

on-board, on-shore,
on-line

Tallink Grupp in 2023

- Revenue of EUR 835.5 million
- EBITDA of EUR 214.5 million
- Net profit of EUR 78.9 million
- Served 5.7 million passengers
- Transported 324 thousand cargo units
- Operated EUR 1.6 billion asset base
- 4,912 employees at the end of FY 2023
- 3.1 million loyalty program members
- 38,894 shareholders and FDR-holders of which 30,563 on Tallinn Stock Exchange and 8,331 on Helsinki Stock Exchange



Key takeaways

WRAP-UP OF THE YEAR – Q4 2023

- EBITDA of EUR 36.8 million
- Net debt to EBITDA ratio 2.8
- Impact of low fuel market prices set off partly by high logistics cost component in fuel price, interest rates and inflation
- Chartering of vessels supporting stable cash flows. As at 31 December 2023 5 vessels on charter (3 long-term & 2 short-term)
- Loan refinancing agreement in the amount of EUR 298 million signed in December 2023 to repay outstanding balances of 5 lending facilities
- Extension of the charter agreement of the cruise ferry Silja Europa until the end of 2024
- The cruise ferry Victoria I added to the Tallinn-Helsinki route from October 2023

EVENTS AFTER REPORTING DATE

- Sale of the cruise vessel Isabelle



Fleet by routes and chartered vessels

Tallinn – Helsingi



Megastar

Vessel type High-speed ro-pax
Built/renovated 2017
Route Estonia–Finland
Other information Shuttle service



MyStar

Vessel type High-speed ro-pax
Built/renovated 2022
Route Estonia–Finland
Other information Shuttle service



Victoria I

Vessel type Cruise ferry
Built/renovated 2004
Route Estonia–Finland
Other information Overnight cruise

Tallinn – Stockholm



Baltic Queen

Vessel type Cruise ferry
Built/renovated 2009
Route Estonia–Sweden
Other information Overnight cruise

Turku – Stockholm



Baltic Princess

Vessel type Cruise ferry
Built/renovated 2008
Route Finland–Sweden
Other information Overnight cruise

Helsingi – Stockholm



Silja Symphony

Vessel type Cruise ferry
Built/renovated 1991
Route Finland–Sweden
Other information Overnight cruise



Silja Serenade

Vessel type Cruise ferry
Built/renovated 1990
Route Finland–Sweden
Other information Overnight cruise

Chartered long-term



Isabelle

Vessel type Cruise ferry
Built/renovated 1989
Other information Chartered out



Atlantic Vision

Vessel type High-speed ro-pax
Built/renovated 2002
Other information Chartered out



Oscar Wilde (Star)

Vessel type High-speed ro-pax
Built/renovated 2007
Other information Chartered out

Paldiski – Kapellskär



Regal Star

Vessel type Ro-ro caro vessel
Built/renovated 1999
Route Estonia–Sweden
Other information Cargo transportation



Sailor

Vessel type Ro-ro caro vessel
Built/renovated 1987
Route Estonia–Sweden
Other information Cargo transportation

Chartered short-term



Galaxy I

Vessel type Cruise ferry
Built/renovated 2006
Other information Chartered out



Silja Europa

Vessel type Cruise ferry
Built/renovated 1993/2016
Other information Chartered out

In lay-up



Romantika

Vessel type Cruise ferry
Built/renovated 2002
Other information In lay-up



Q4 2023 revenues

- Revenue EUR 193.7m (EUR -9.9m or -4.9% vs LY)
 - 39.0% decrease in chartering revenues due to less vessels on charter
 - Strong result in accommodation and ticket sales segment
- Costs
 - Lower global prices supported a 17.3% drop in fuel cost to EUR 24.7m (EUR -5.2m vs LY)
 - Net finance costs increased by EUR 3.1m year-on-year mainly due to increased Euribor and transaction costs related to refinancing
- EBITDA of EUR 36.8m (EUR -13.6m or -26.9% vs LY)
- Net profit of EUR 2.2m (EUR -14.6m or -87.1% vs LY)
- CAPEX of EUR 5.9m (EUR -173.8m or -96.7% vs LY)
 - Majority of investments were related to maintenance and repair of vessels

Selected Key Figures (financials in million euros)	Q4 2022	Q4 2023 ⁽¹⁾	Change
Number of passengers	1,296,047	1,338,921	3.3%
Number of cargo units	96,052	76,198	-20.7%
Number of passenger cars	175,539	172,972	-1.5%
Revenue	203.7	193.7	-4.9%
Gross profit	41.8	34.9	-16.5%
EBITDA	50.4	36.8	-26.9%
EBIT	23.5	11.4	-51.6%
Net result for the period	16.7	2.2	-87.1%
Capital expenditures	179.7	5.9	-96.7%
As at:	31.09.23	31.12.23⁽¹⁾	Change
Total assets	1,597.4	1,555.2	-2.6%
Total equity	783.7	785.8	0.3%
Interest-bearing liabilities	684.8	649.3	-5.2%
Net debt	620.4	607.3	-2.1%

Notes: (1) 2023 unaudited



Sales & results by geographical segments Q4 2023

ESTONIA-FINLAND

The segment reflects operations of two shuttle vessels – MyStar and Megastar and the cruise ferry Victoria I since October 2023

ESTONIA-SWEDEN

The results reflect operations of two cargo vessel (Paldiski-Kapellskär) and one cruise ferry on the Tallinn-Stockholm route

FINLAND-SWEDEN

The results reflect the operations of one cruise ferry on the Turku-Kapellskär, and two on the Helsinki-Stockholm route

OTHER

The segment reflects the chartering of vessels, accommodation sales and retail activities

SALES (in million euros)



RESULTS (in million euros)



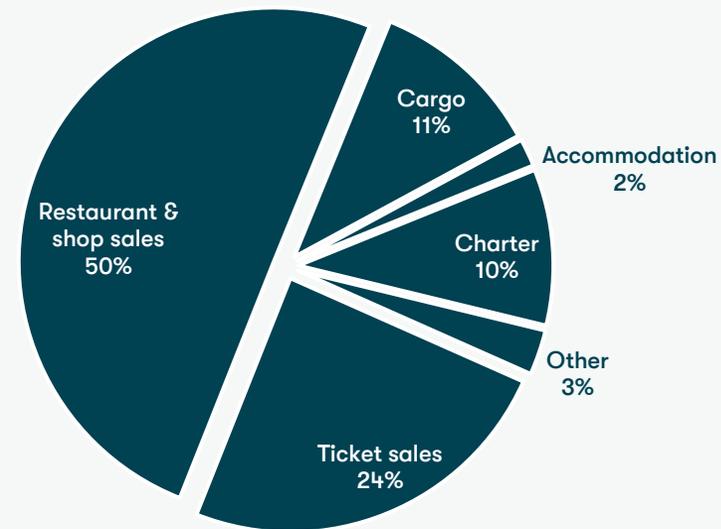
Notes: (1) 2023 unaudited



Sales by operational segments Q4 2023

- As at the end of Q4 2023 total of 5 vessels on charter compared to 6 vessels in Q4 2022
- High competition in cargo transportation market
- Revenue from operations related to travelling, shopping, restaurants and accommodation services up by EUR 3.9 million compared to Q4 2022

REVENUE STRUCTURE Q4 2023⁽¹⁾



Notes: (1) 2023 unaudited



FY2023 revenues

- Revenue EUR 835.3m (EUR +63.9m or 8.3% vs LY)
 - 53.7% increase in chartering revenues
 - Strong result in accommodation and ticket sales segment
- Costs
 - Lower global prices supported a 32.6% drop in fuel cost to EUR 97.2m (EUR -47.0m vs LY)
 - Net finance costs increased by EUR 10.9m year-on-year mainly due to increased Euribor
- EBITDA of EUR 214.5m (EUR +78.7m or 58.0% vs LY)
- Net profit of EUR 78.9m (EUR +64.9m or 466.0% vs LY)
- CAPEX of EUR 28.2m (EUR -175.1m vs LY)
 - Majority of investments were related to maintenance and repair of vessels

Selected Key Figures (financials in million euros)	2022	2023 ⁽¹⁾	Change
Number of passengers	5,462,085	5,705,600	4.5%
Number of cargo units	409,769	323,990	-20.9%
Number of passenger cars	819,229	840,881	2.6%
Revenue	771.4	835.3	8.3%
Gross profit	113.5	203.8	79.6%
EBITDA	135.8	214.5	58.0%
EBIT	37.7	113.3	200.8%
Net result for the period	13.9	78.9	466.0%
Capital expenditures	203.3	28.2	-86.1%
As at:	31.12.22	31.12.23⁽¹⁾	Change
Total assets	1,691.6	1,555.2	-8.1%
Total equity	706.9	785.8	11.2%
Interest-bearing liabilities	853.5	649.3	-23.9%
Net debt	738.6	607.3	-17.8%

Notes: (1) 2023 unaudited

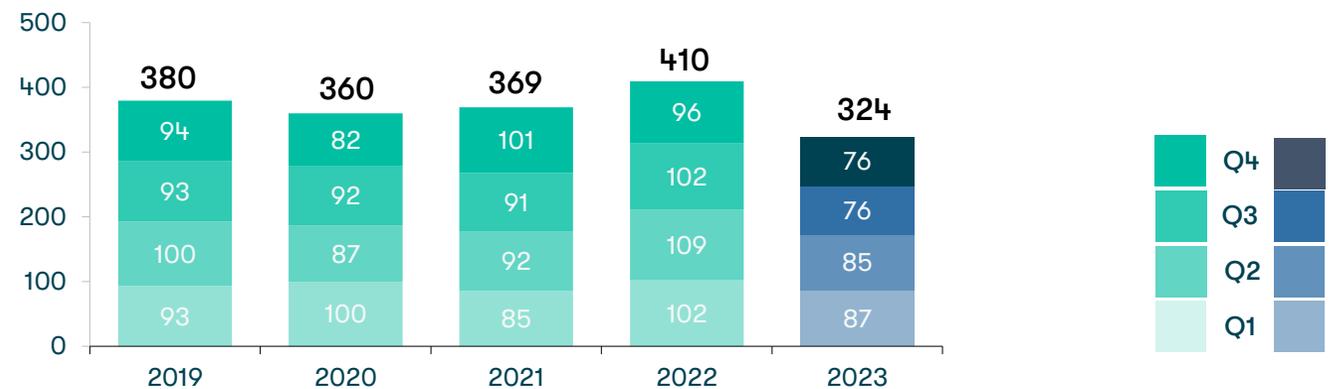


Dynamics of seasonality

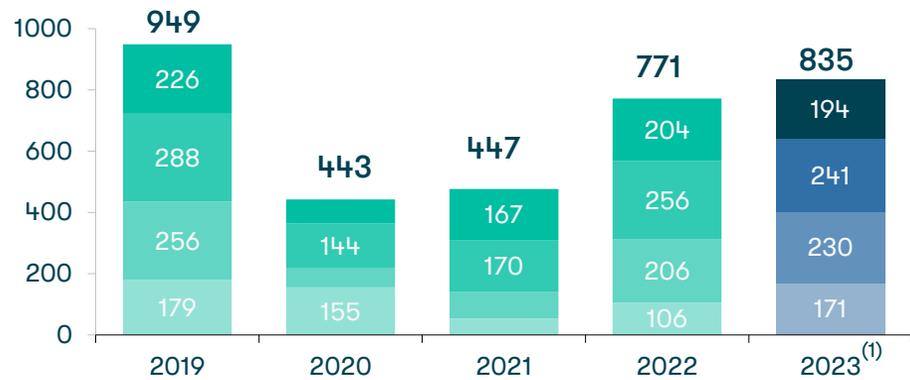
Passenger (millions)



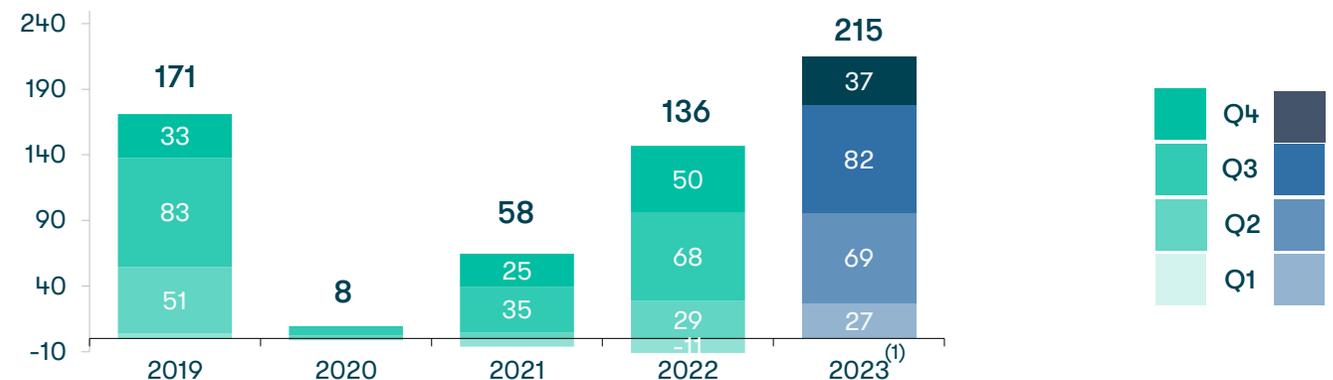
Cargo (th. units)



Revenue (in million euros)



EBITDA (in million euros)

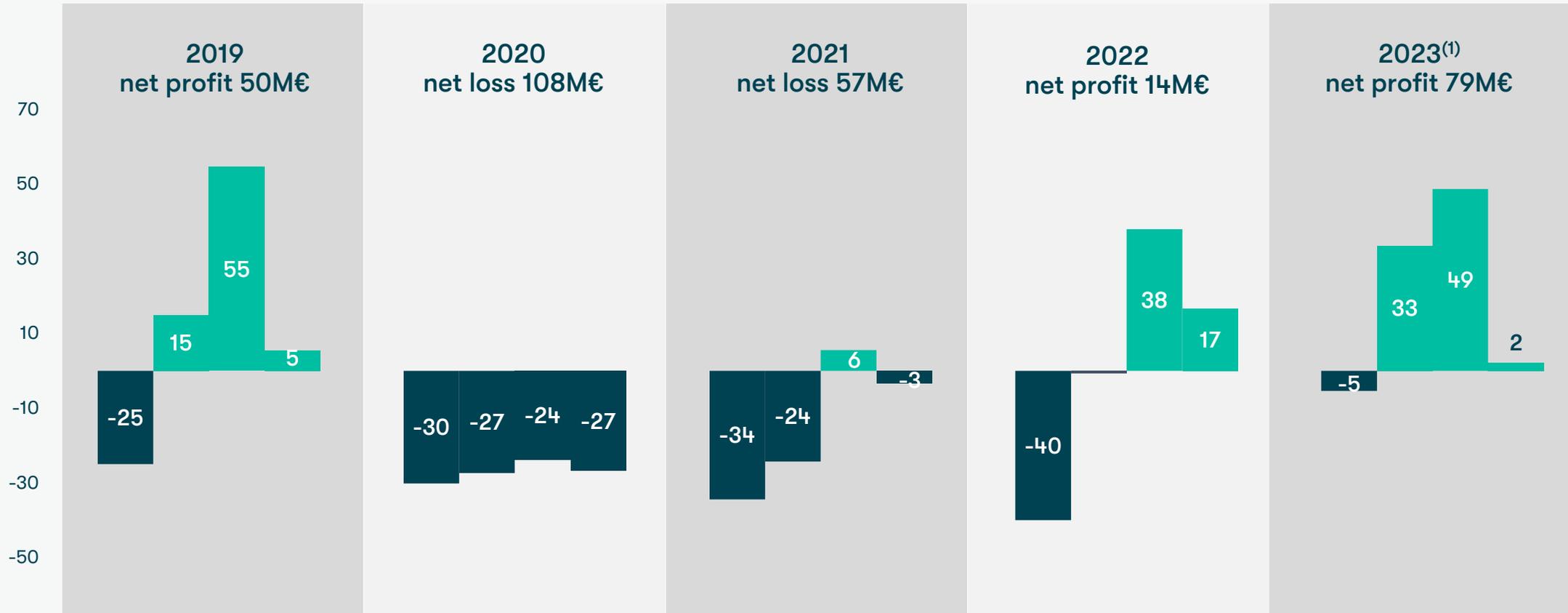


Notes: (1) 2023 unaudited



Dynamics of seasonality

Quarterly net result (in million euros)



Notes: (1) 2023 unaudited



Most of profits are typically earned in summer, the high season

Sales & results by geographical segments FY2023

ESTONIA-FINLAND

The segment reflects operations of two shuttle vessels – MyStar and Megastar and the cruise ferry Victoria I since October 2023. The cruise ferry Silja Europa has been chartered out since August 2022 and shuttle vessel Oscar Wilde since 5 May 2023.

ESTONIA-SWEDEN

The results reflect operations of two cargo vessel (Paldiski-Kapellskär) and one cruise ferry on the Tallinn-Stockholm route.

FINLAND-SWEDEN

The results reflect the operations of one cruise ferry on the Turku-Stockholm/Kapellskär, and two on the Helsinki-Stockholm route. The cruise ferry Galaxy I has been chartered out since September 2022.

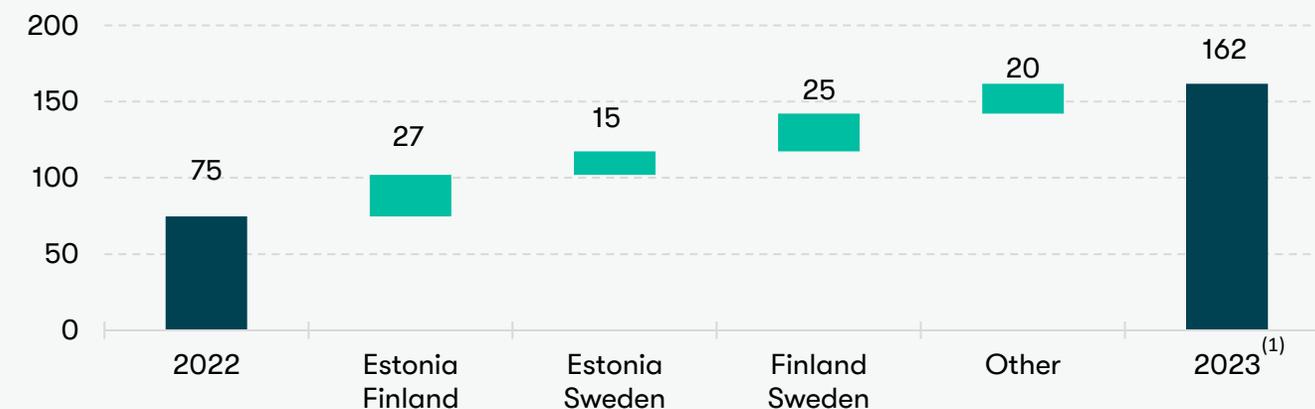
OTHER

The segment reflects the chartering of vessels, accommodation sales and retail activities.

SALES (in million euros)



RESULTS (in million euros)



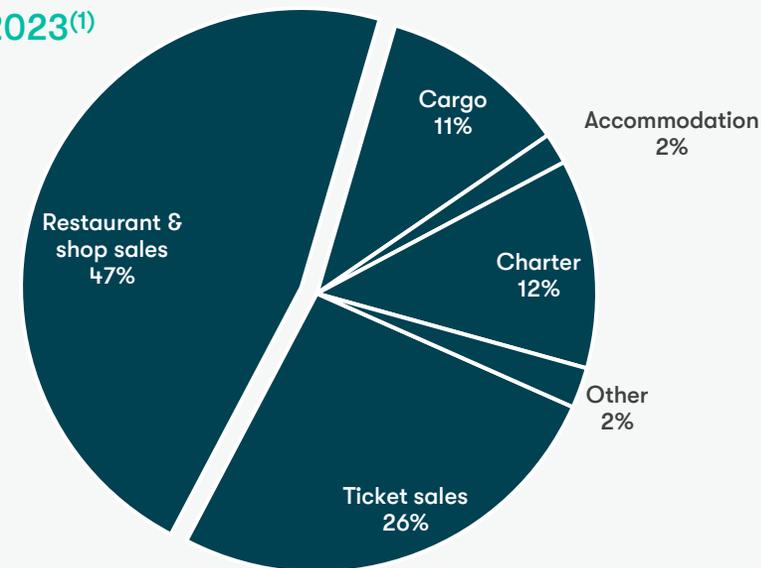
Notes: (1) 2023 unaudited



Sales by operational segments FY2023

- Chartering of vessels supporting stability of revenues
- High competition in cargo transportation market
- Revenue from operations related to travelling, shopping, restaurants and accommodation services up by EUR 43 million compared to FY2022

REVENUE STRUCTURE 2023⁽¹⁾



Notes: (1) 2023 unaudited



Consolidated income statement

In million euros

	2022	2023 ⁽²⁾	Q4 2022	Q4 2023 ⁽²⁾
Sales	771	835	204	194
Cost of sales ⁽¹⁾	-658	-631	-162	-159
Marketing & administrative cost ⁽¹⁾	-87	-95	-24	-26
Other operating items, net	11	4	6	3
EBITDA	136	215	50	37
Margin (%)	17.6%	23.8%	24.8%	19.0%
Net Result	14	79	17	2
EPS	0.019	0.106	0.022	0.003

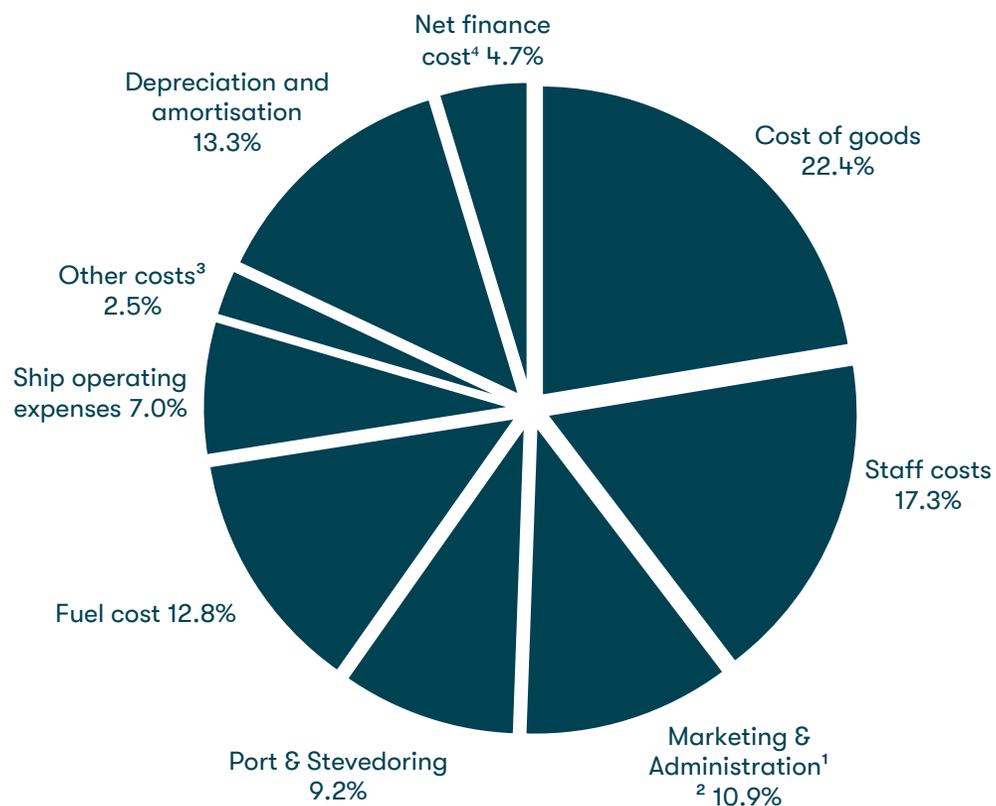
Notes: Totals may not sum due to rounding;

(1) Includes depreciation and amortization;

(2) unaudited



Full year cost breakdown



(EUR millions)	2022	2023 ⁽⁵⁾	Change
Cost of goods	160.6	170.6	6.2%
Staff costs	120.0	131.7	9.8%
Marketing & Administration ⁽¹⁾⁽²⁾	74.3	83.0	11.7%
Port & Stevedoring	77.2	69.9	-9.4%
Fuel cost	144.1	97.2	-32.6%
Ship operating expenses	51.6	53.6	3.8%
Other costs ⁽³⁾	18.7	19.1	2.3%
Total costs from operations	646.4	625.1	-3.3%

Depreciation & amortisation	98.1	101.2	3.1%
Net finance cost ⁽⁴⁾	24.7	35.6	43.9%

Total costs	769.3	761.9	-1.0%
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- Notes: (1) Depreciation and amortisation excluded
 (2) Includes marketing and administration staff costs
 (3) Includes package costs
 (4) Includes share of profit/loss of equity-accounted investees
 (5) unaudited



Consolidated cash flow statement

In million euros

	2022	2023 ⁽²⁾	Q4 2022	Q4 2023 ⁽²⁾
Operating cash flow	144	203	57	34
Capital expenditure	-203	-28	-180	-6
Asset disposal	3	1	0	0
Free cash flow	-56	177	-122	29
Debt financing (net effect)	69	-213	141	-40
Interests & other financial items	-25	-37	-7	-11
Change in cash	-13	-73	12	-23

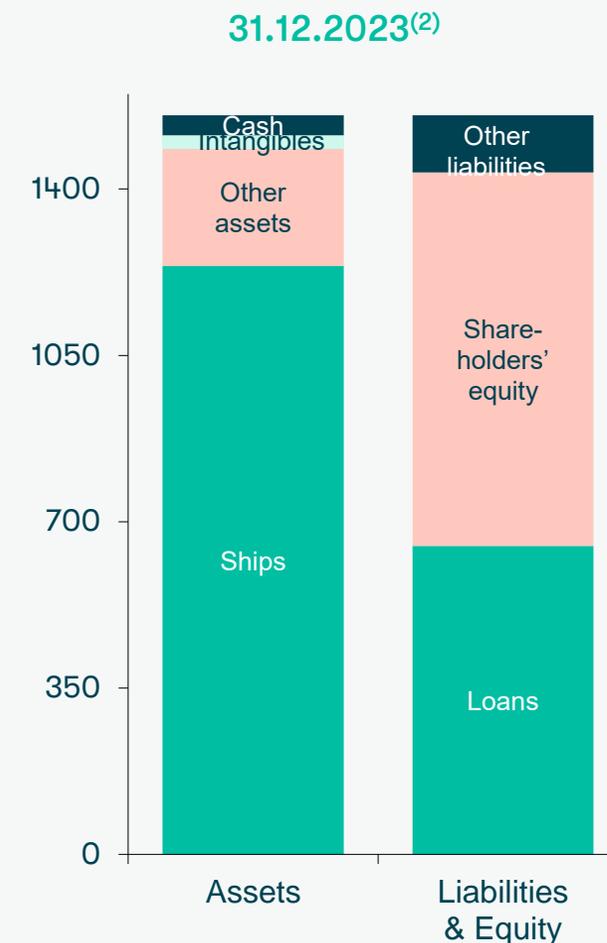
Notes: Totals may not sum due to rounding;
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(2) unaudited



Consolidated statement of financial position

In million euros

	31.12.2021	31.12.2022	30.09.2023	31.12.2023 ⁽²⁾
Total assets	1,586	1,692	1,597	1,555
Non-current assets	1,383	1,496	1,447	1,432
Current assets	203	196	150	123
- of which cash	128	115	64	42
Total liabilities	893	985	814	769
Interest bearing liabilities	780	854	685	649
Other liabilities	113	131	129	120
Shareholders' equity	693	707	784	786
Net debt/EBITDA	11.2x	5.4x	2.7x	2.8x
Net debt	652	739	620	607
Equity/assets ratio	44%	42%	49%	51%
BVPS ⁽¹⁾ (in EUR)	0.93	0.95	1.05	1.06



Notes: Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) 2023 unaudited



Total liquidity (cash + unused overdraft) of EUR 116.9 million

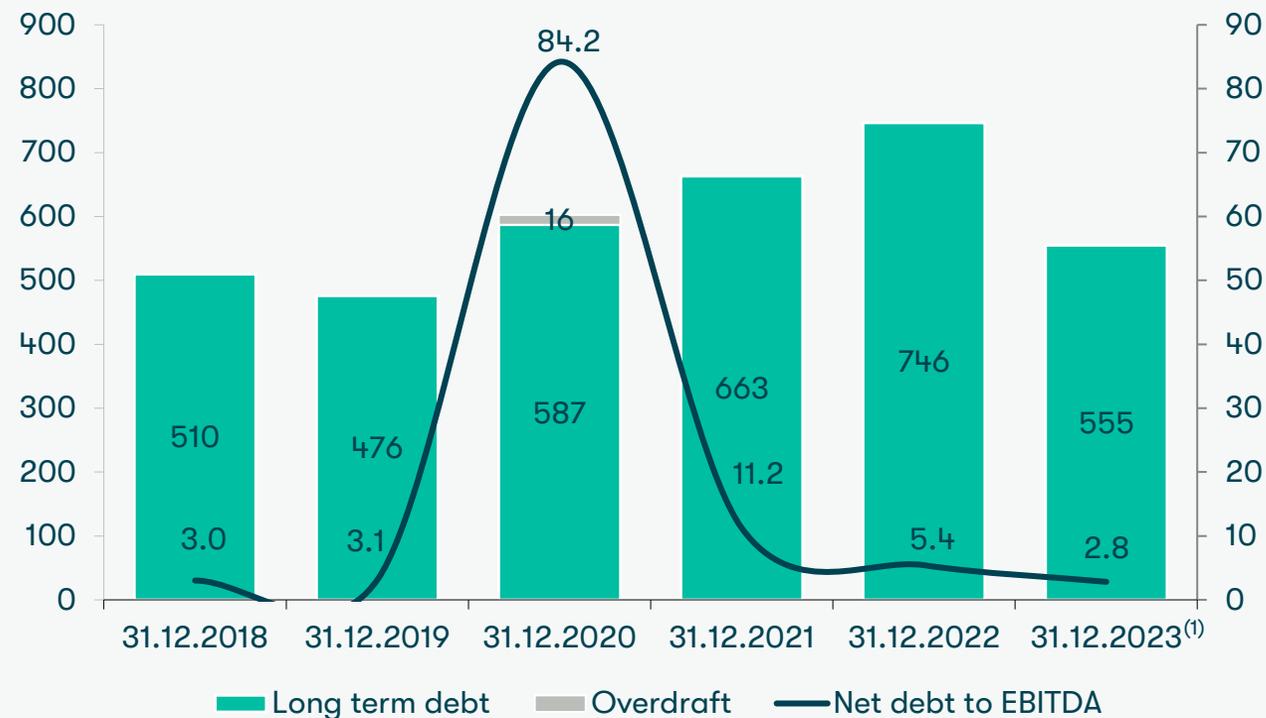
Loan portfolio structure

LONG-TERM BANK LOANS

- EUR 555 million as at 31 December 2023
- 3 loan agreements outstanding: syndicated loan and two ship building loans
- Maturing 5 – 11 years
- EUR denominated, fixed and EURIBOR floating

OVERDRAFT

- As at 31 December 2023 unused overdraft of EUR 75 million



Notes: (1) 2023 unaudited

Total interest-bearing liabilities of EUR 649.3 million





Concorded with the Supervisory Board of the Group, the Management Board has decided to prepare a proposal to the General Meeting of Shareholders to pay a dividend of

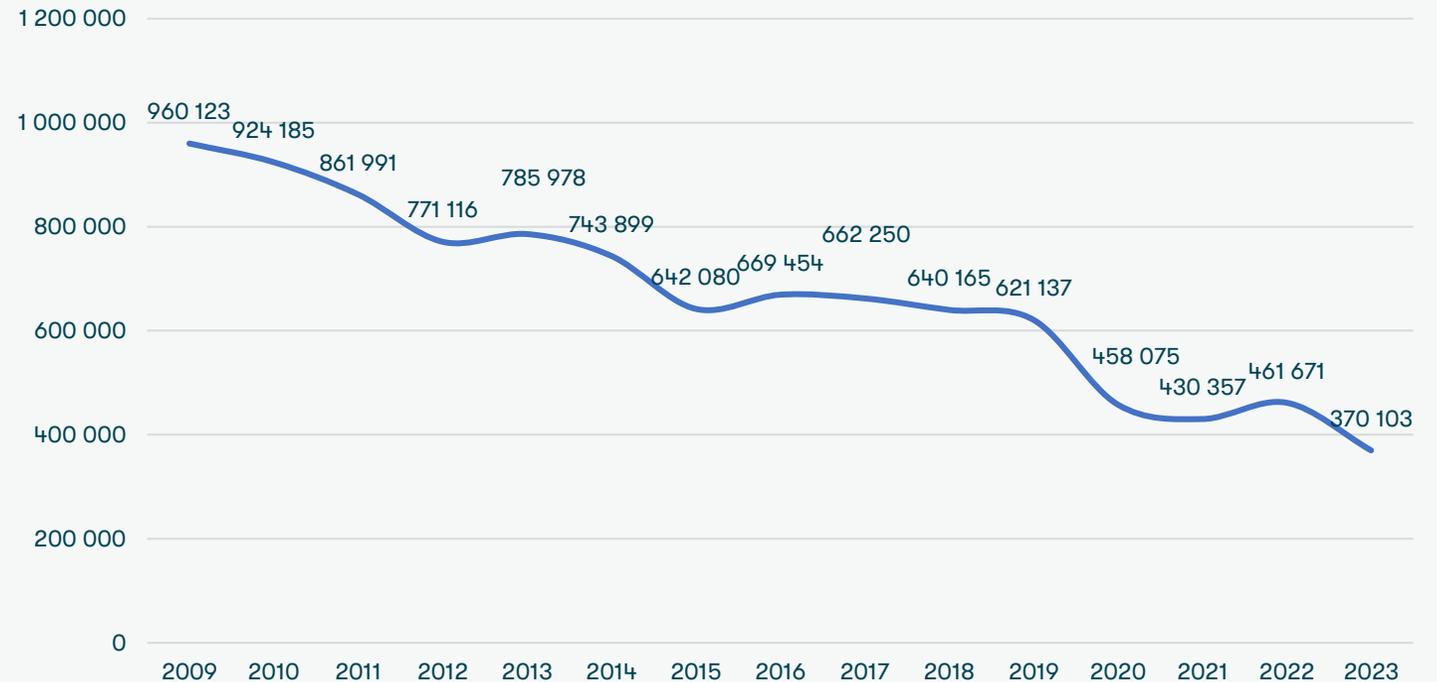
6 cents per share in 2024

for the financial year of 2023

ESG focus areas in 2024

- 2023 and 2024 focus on achieving compliance with CSRD requirements and new reporting standards
- First CSRD compliant ESG report published in 2025 with limited audit assurance
- Current activities: Double Materiality finalisation, ESG target setting and policy and data review – Q1 & Q2 2024
- Key material impact areas include tackling climate change and emissions, customer safety and security, own workforce topics, supply chain management, data protection.
- Investment focus on emissions reductions

TOTAL CO₂ EMISSIONS



Q & A



PAAVO NÕGENE

CHAIRMAN OF THE MANAGEMENT BOARD



 **TALLINK** | **SILJA LINE** 