

# Q4 2022

## AS TALLINK GRUPP



# TALLINK GRUPP

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

## OPERATIONS

- Fleet of 15 vessels
- Six ferry routes (1 suspended)
- Operating four hotels (1 closed)

## KEY FACTS

- Revenue of EUR 771.4 million in 2022
- Served 5.5 million passengers in 2022
- Transported 410 thousand cargo units
- Operating EUR 1.7 billion asset base
- 4,904 employees at the end 2022
- 3.0 million loyalty program members
- 39,985 shareholders and FDR-holders of which 30,808 on Tallinn Stock Exchange and 9,177 on Helsinki Stock Exchange



## STRONG BRANDS

 **TALLINK**

**SILJA LINE** 

# STRATEGIC PLAN

## TALLINK'S VISION

To be the market pioneer in Europe by offering excellence in leisure and business travel and sea transportation services

## LONG TERM OBJECTIVES TOWARD INCREASING THE COMPANY VALUE AND PROFITABILITY

- Strive for the highest level of customer satisfaction
- Improve profitability and strengthen the leading position on our home markets
- Develop a wide range of quality services directed at different customers and pursue new growth opportunities
- Based on the demand on the core routes, manage optimal capacity by operating or chartering out vessels
- Ensure cost efficient operations
- Manage the optimal debt level that will allow sustainable dividends

## CURRENT STRATEGIC CORNERSTONES AND COMPETITIVE ADVANTAGES

MOST MODERN  
FLEET

STRONG MARKET SHARE  
& BRAND AWARENESS

WIDE ROUTE  
NETWORK

HIGH SAFETY LEVEL &  
ENVIRONMENTAL  
STANDARDS

# Q4 2022 OVERVIEW

Q4 Selected Key Figures (financials in million euros)	Q4 2021	Q4 2022	Change
Number of passengers	1,122,892	1,296,047	15.4%
Number of cargo units	101,486	96,052	-5.4%
Number of passenger cars	171,037	175,539	2.6%
Revenue	166.6	203.7	22.2%
Gross profit	20.0	41.8	108.9%
EBITDA	25.1	50.4	100.7%
EBIT	0.9	23.5	2,565.5%
Net result for the period	-3.3	16.7	600.9%
Capital expenditures	9.2	179.7	1,855.1%
As at:	30.09.22	31.12.22	Change
Total assets	1,535.3	1,691.6	10.2%
Total equity	690.2	706.9	2.4%
Interest-bearing liabilities	711.5	853.5	20.0%
Net debt	608.7	738.6	21.3%

2022 unaudited

- **Revenue EUR 203.7m (EUR +37.0m or 22.2% vs LY)**
  - Recovery in passenger numbers from COVID-19 related travel restrictions
  - 156.3% increase in chartering revenues
  - Strong recovery in hotel, shops & shore restaurant segment
- **Costs & support**
  - Cost of sales increased by 10.4% or EUR 15.2m
  - Fuel cost increased by 13.0% or by EUR 3.4m
- **EBITDA of EUR 50.4m (EUR +25.3m or 100.7% vs LY)**
- **Net profit of EUR 16.7m (EUR +20.1m or 600.9% vs LY)**
- **CAPEX of EUR 179.7m (EUR +170.5m vs LY)**
  - Delivery of the new EUR 252m shuttle vessel MyStar in December 2022 including EUR 176.7m CAPEX in FY2022

# 2022 OVERVIEW

Selected Key Figures (financials in million euros)	2021	2022	Change
Number of passengers	2,961,975	5,462,085	84.4%
Number of cargo units	369,170	409,769	11.0%
Number of passenger cars	602,033	819,229	36.1%
Revenue	476.9	771.4	61.7%
Gross profit	21.7	113.5	423.9%
EBITDA	58.3	135.8	133.0%
EBIT	-37.0	37.7	201.7%
Net result for the period	-56.6	13.9	124.6%
Capital expenditures	20.2	203.3	905.7%
As at:	31.12.21	31.12.22	Change
Total assets	1,585.9	1,691.6	6.7%
Total equity	692.5	706.9	2.1%
Interest-bearing liabilities	779.9	853.5	9.4%
Net debt	652.4	738.6	13.2%

2022 unaudited

- **Revenue EUR 771.4m (EUR +294.5m or 61.7% vs LY)**
  - Recovery in passenger numbers from COVID-19 related travel restrictions
  - 117.3% increase in chartering revenues
  - Strong recovery in hotel, shops & shore restaurant segment
- **Costs & support**
  - Cost of sales increased by 44.5% or EUR 202.6m
  - Fuel cost increased by 99.5% or by EUR 71.9m
- **EBITDA of EUR 135.8m (EUR +77.5m or 133.0% vs LY)**
- **Net profit of EUR 13.9m (EUR +70.5m or 124.6% vs LY)**
- **CAPEX of EUR 203.3m (EUR +183.1m vs LY)**
  - Delivery of new EUR 252m shuttle vessel MyStar in December 2022 including EUR 176.7m CAPEX in FY2022

# Q4 2022 SALES & RESULTS BY GEOGRAPHICAL SEGMENTS

Route	Key Figures (financials in EUR million)	Q4 2021	Q4 2022 <sup>(2)</sup>	Change	No COVID-19 restrictions in 2022; high restrictions & limited operations in 2021
Estonia-Finland	Passengers (thousands)	578	732	26.7%	The segment reflects operations of two shuttle vessels. New shuttle-vessel MyStar added in mid-December 2022
	Cargo units (thousands)	67	73	9.3%	
	Revenue	55.5	65.0	17.2%	
	Segment result	6.6	13.9	111.3%	
Finland-Sweden	Passengers (thousands)	431	433	0.4%	The results reflect the operations of one cruise ferries on the Turku-Stockholm and two on the Helsinki-Stockholm route
	Cargo units (thousands)	20	11	-42.3%	
	Revenue	64.2	66.4	3.4%	
	Segment result	2.9	3.4	16.2%	
Estonia-Sweden	Passengers (thousands)	114	132	15.4%	The results reflect operations of two cargo vessel (Paldiski-Kapellskär) and one cruise ferry on Tallinn-Stockholm route
	Cargo units (thousands)	15	12	-21.9%	
	Revenue	19.4	21.3	9.6%	
	Segment result	-1.1	-1.4	-24.3%	
Other	Revenue <sup>(1)</sup>	28.0	52.4	87.1%	Increase mainly driven by chartering of vessels and accommodation sales, to a lesser extent by various retail activities; includes expenses previously reported under Latvia-Sweden segment
	Segment result <sup>(1)</sup>	2.7	14.6	442.4%	
	Intersegment revenue	-0.5	-1.4	-189.4%	

(1) Segment result is the result before administrative expenses, finance costs and taxes

(2) 2022 unaudited

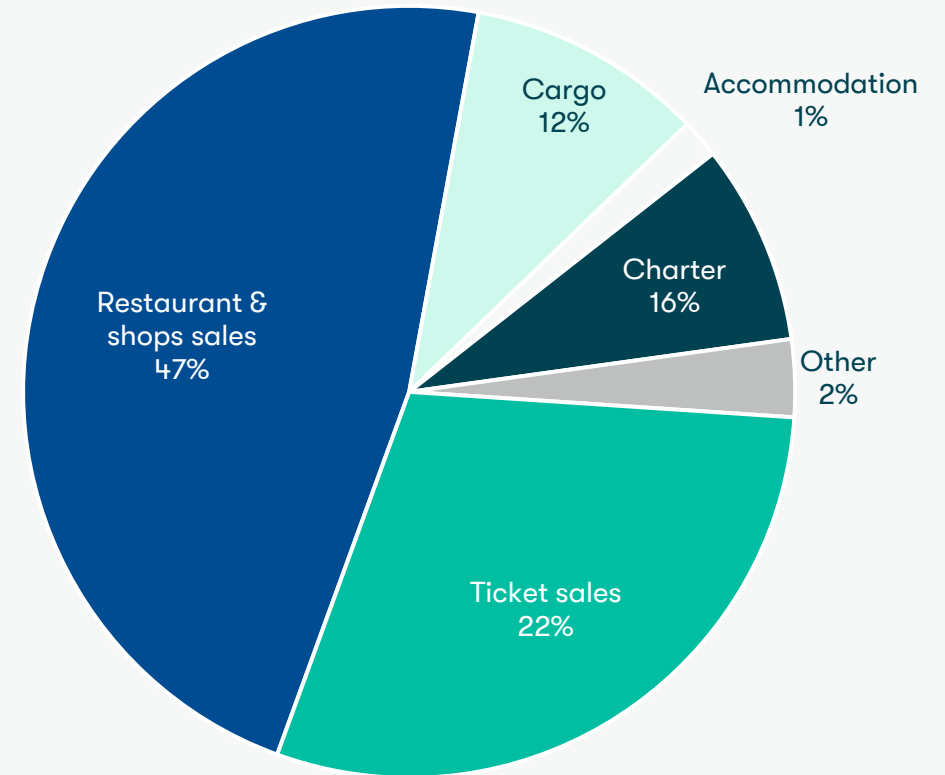
# Q4 2022 SALES & RESULTS BY OPERATIONAL SEGMENTS

Revenue (EUR million)	Q4 2021	Q4 2022	Change
Restaurant and shop sales on-board and onshore	87.0	96.2	10.5%
Ticket sales	34.3	44.8	30.6%
Sales of cargo transportation	26.5	23.6	-10.7%
Accommodation sales	1.4	2.9	107.0%
Income from charter of vessels	12.3	31.6	156.3%
Other sales	5.1	4.5	-10.8%
<b>Total revenue</b>	<b>166.6</b>	<b>203.7</b>	<b>22.2%</b>

- Restaurant and shop sales on-board and onshore increased mainly due to higher number of passengers
- Increase in ticket sales attributable to increased demand and increased supply of overnight services
- Delivery of MyStar to Tallinn-Helsinki route
- Total of 6 vessels chartered out in Q4 2022
- High competition in cargo transportation market

2022 unaudited

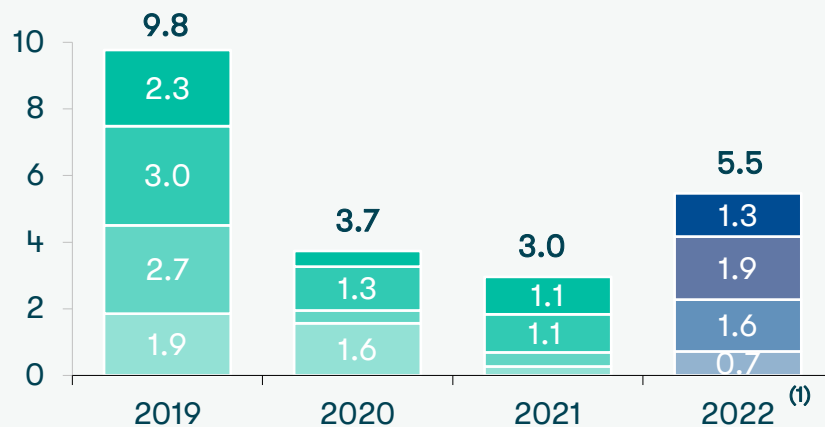
## REVENUE STRUCTURE IN Q4 2022



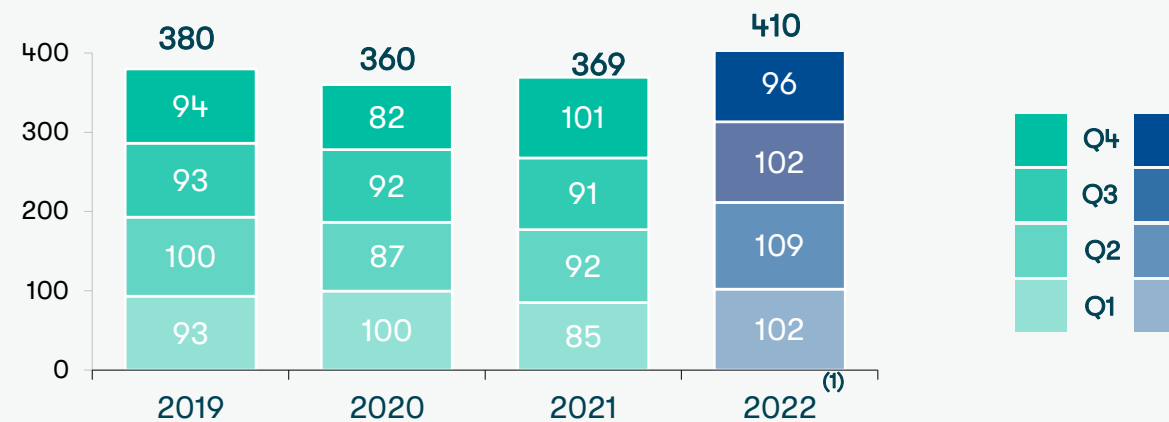
# RESULTS

## QUARTERLY SEASONALITY BREAKDOWN

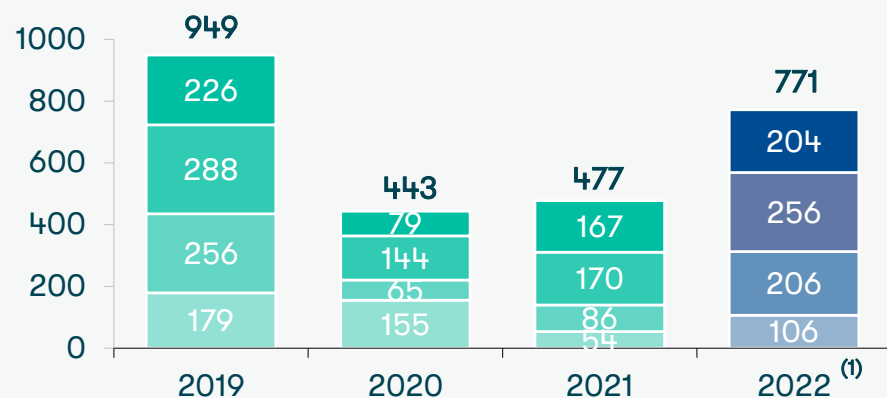
### PASSENGERS (MILLIONS)



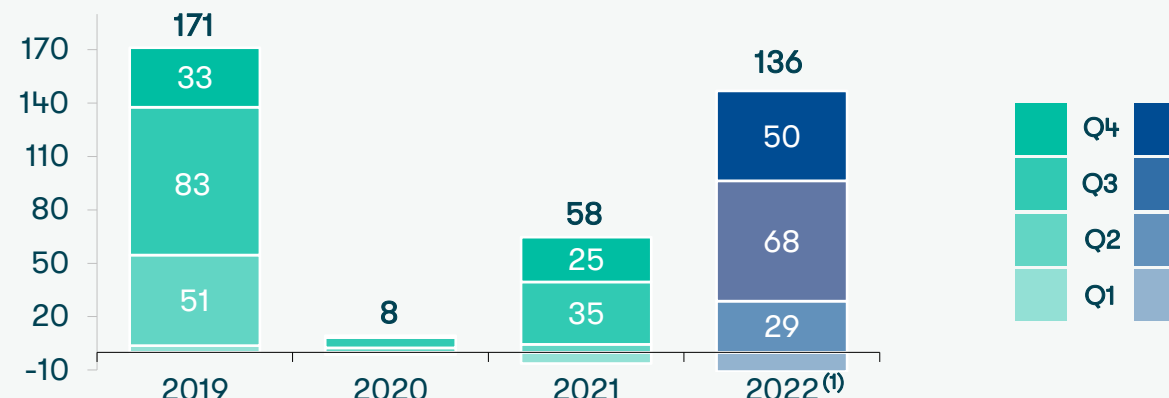
### CARGO (TH. UNITS)



### REVENUE (EUR MILLION)



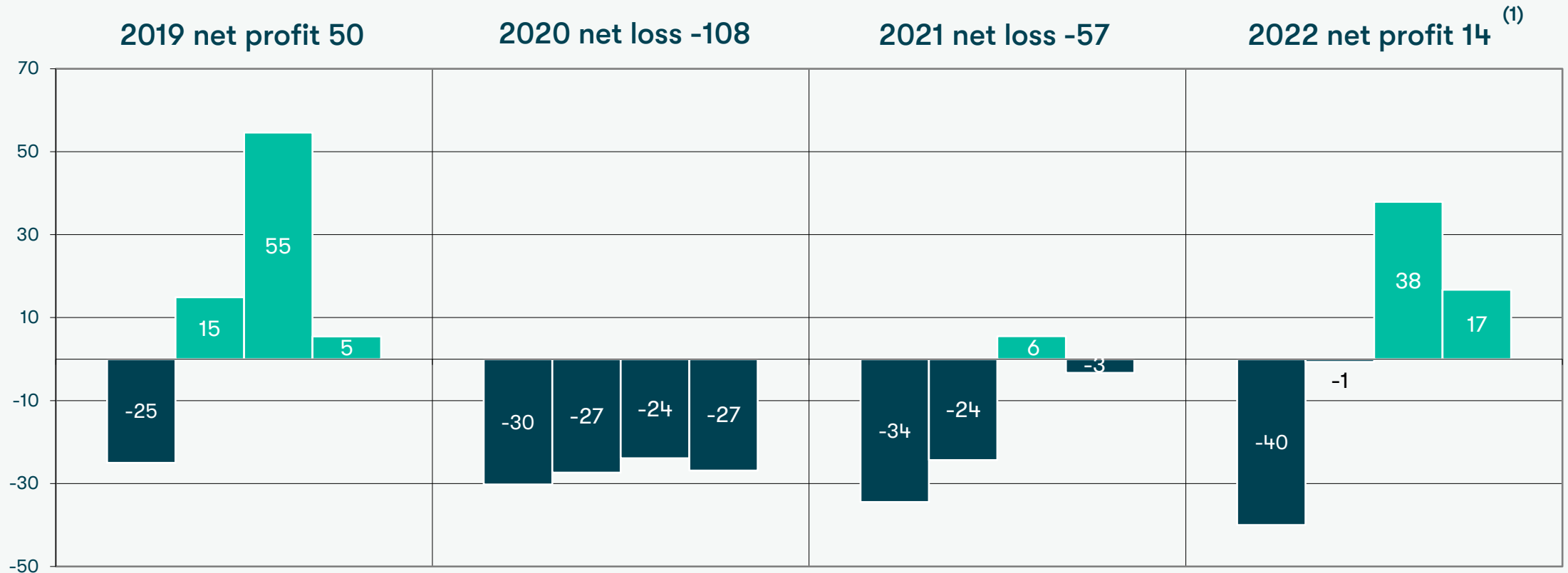
### EBITDA (EUR MILLION)





# THE DYNAMICS OF HIGH SEASONALITY ON THE PROFIT LEVEL

NET PROFIT BY QUARTERS (EUR MILLION)



MOST OF THE PROFITS ARE TYPICALLY EARNED IN SUMMER, THE HIGH SEASON

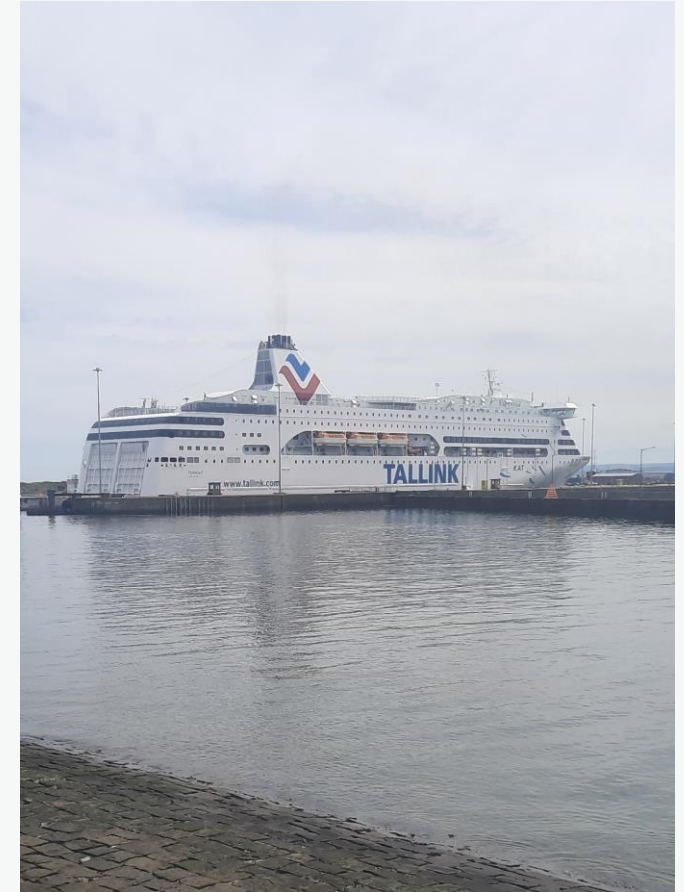
# Q4 2022 DEVELOPMENTS AND KEY FACTS

## OPERATING ENVIRONMENT

- Geopolitical situation and war in Ukraine since February
- High inflation of global fuel and energy prices as well as prices of food products and materials
- Raising interest rates
- Consumer and business confidence in home markets improve compared to all time low in September 2022

## ACTIVITIES AND EVENTS

- Amendment and restatement of EUR 280 million loan from December 2016s
- Extension of two short-term charter agreements – one with the Estonian Social Insurance Board and the other with Scottish Government
- Delivery of MyStar in December 2022



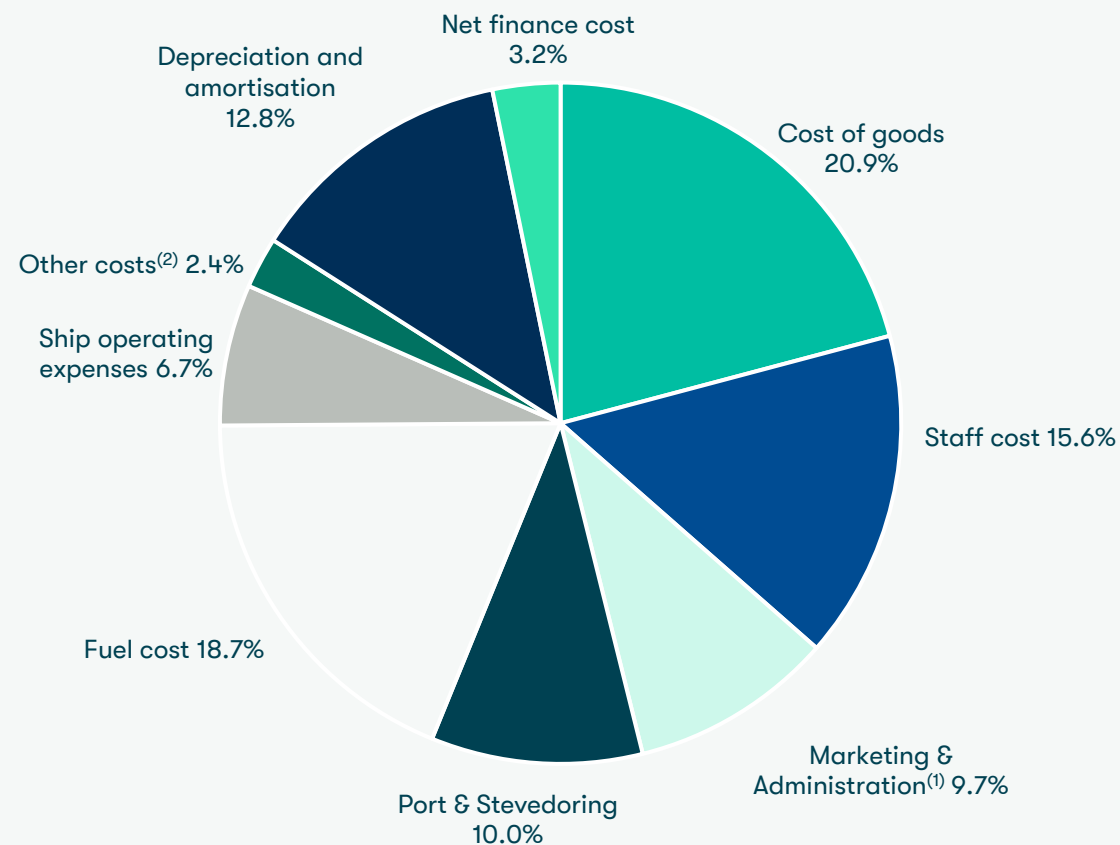
*Victoria I arriving in Leith locks*

# CONSOLIDATED INCOME STATEMENT

(EUR million)	2021	2022 <sup>(2)</sup>	Q4 2021	Q4 2022 <sup>(2)</sup>
<b>Sales</b>	477	771	167	204
Cost of sales <sup>(1)</sup>	-455	-658	-147	-162
Marketing & administrative cost <sup>(1)</sup>	-75	-87	-22	-24
Other operating items, net	16	11	3	6
<b>EBITDA</b>	<b>58</b>	<b>136</b>	<b>25</b>	<b>50</b>
Margin (%)	12.2%	17.6%	15.1%	24.8%
<b>Net Result</b>	<b>-57</b>	<b>14</b>	<b>-3</b>	<b>17</b>
<b>EPS</b>	<b>-0.081</b>	<b>0.019</b>	<b>-0.004</b>	<b>0.022</b>

# FULL YEAR COSTS BREAKDOWN

(EUR thousands)	2021	2022 <sup>(5)</sup>	Change
Cost of goods	110,451	160,556	45.4%
Staff costs	86,101	120,018	39.4%
Marketing & Administration <sup>(1)(2)</sup>	62,075	74,262	19.6%
Port & Stevedoring	62,998	77,198	22.5%
Fuel cost	72,234	144,141	99.5%
Ship operating expenses	34,363	51,607	50.2%
Other costs <sup>(3)</sup>	6,768	18,667	175.8%
<b>Total costs from operations</b>	<b>434,991</b>	<b>646,449</b>	<b>48.6%</b>
Depreciation & amortisation	95,313	98,136	3.0%
Net finance cost <sup>(4)</sup>	21,967	24,746	12.7%
<b>Total costs</b>	<b>552,271</b>	<b>769,331</b>	<b>39.3%</b>



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

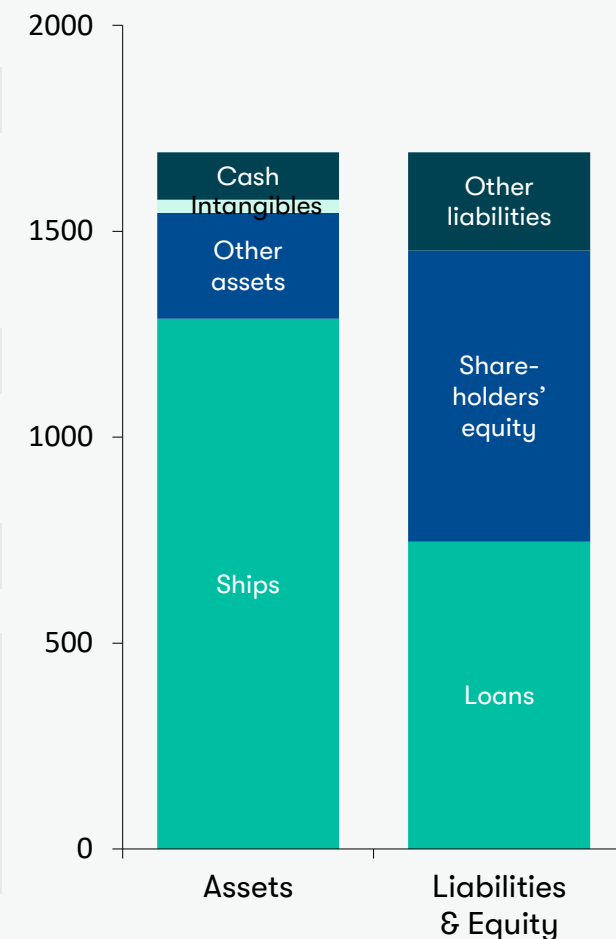
(EUR million)	2021	2022 <sup>(1)</sup>	(1)	Q4 2021	Q4 2022 <sup>(1)</sup>
Operating cash flow	59	144		28	57
Capital expenditure	-20	-203		-9	-180
Asset disposal	1	3		0	0
Free cash flow	40	-56		18	-122
Debt financing (net effect)	45	69		-30	141
Interests & other financial items	-20	-25		-4	-7
Increase of share capital	35	0		0	0
Change in cash	100	-13		-16	12

Totals may not sum due to rounding

(1) 2022 unaudited

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2020	31.12.2021	30.09.2022 <sup>(2)</sup>	31.12.2022 <sup>(2)</sup>
<b>Total assets</b>	<b>1,516</b>	<b>1,586</b>	<b>1,535</b>	<b>1,692</b>
Non-current assets	1,427	1,383	1,338	1,496
Current assets	89	203	197	196
- of which cash	28	128	103	115
<b>Total liabilities</b>	<b>802</b>	<b>893</b>	<b>845</b>	<b>985</b>
Interest bearing liabilities	705	780	711	854
Other liabilities	97	113	134	131
<b>Shareholders' equity</b>	<b>714</b>	<b>693</b>	<b>690</b>	<b>707</b>
<b>Net debt/EBITDA</b>	<b>84.2x</b>	<b>11.2x</b>	<b>5.5x</b>	<b>5.4x</b>
<b>Net debt</b>	<b>677</b>	<b>652</b>	<b>609</b>	<b>739</b>
<b>Equity/assets ratio</b>	<b>47%</b>	<b>44%</b>	<b>45%</b>	<b>42%</b>
<b>BVPS<sup>(1)</sup> (in EUR)</b>	<b>1.07</b>	<b>0.93</b>	<b>0.93</b>	<b>0.95</b>



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) 2022 unaudited

# DEBT STRUCTURE

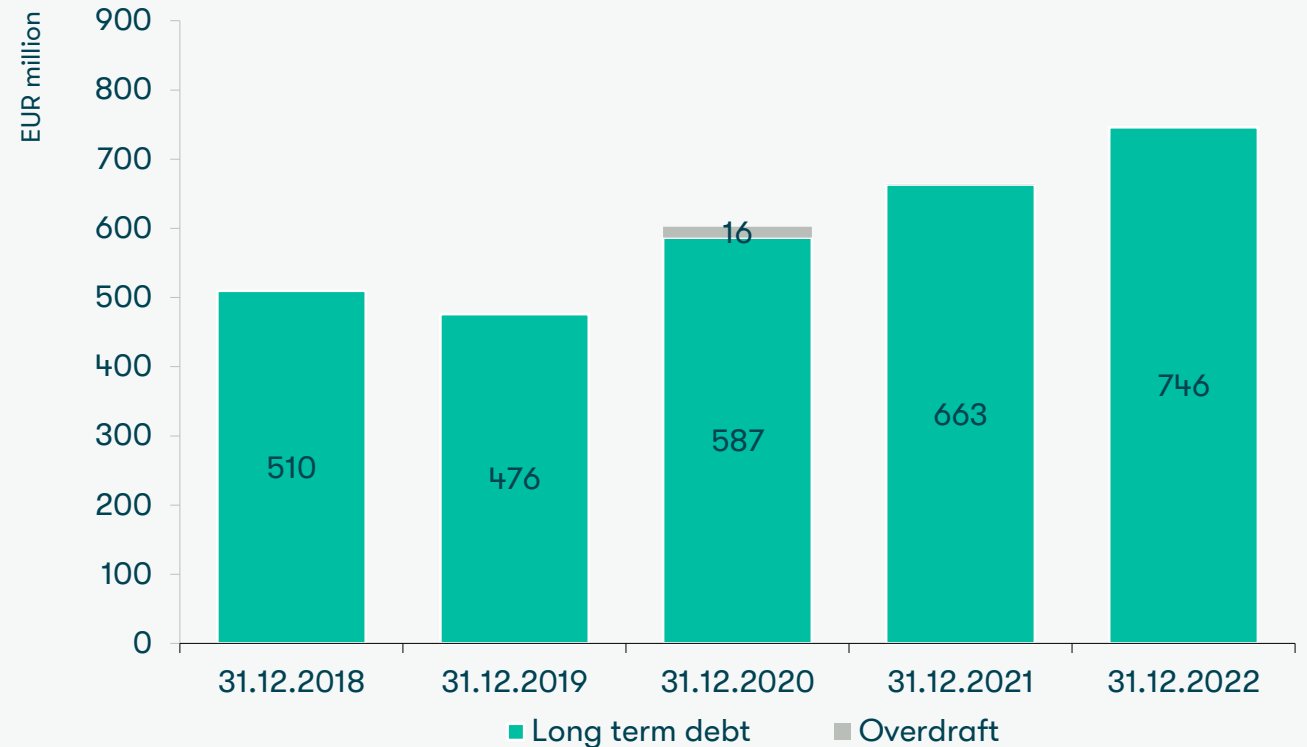
## LONG TERM BANK LOANS

- EUR 746 million as at 31.12.2022
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 0.8–12 years
- EUR denominated, fixed and EURIBOR floating

## OVERDRAFTS (as at 31.12.2022)

- EUR 135.0 million unused

Total EUR 746 million long-term bank loans and used overdrafts as at 31.12.2022



2022 unaudited

PAYMENT OF PREVIOUSLY POSTPONED PRINCIPAL PAYMENTS UNDER EXISTING LOAN AGREEMENTS RESTARTED IN Q2 2022 AND AMOUNTED TO EUR 110 MILLION IN 2022

# CORPORATE GOVERNANCE

## MANAGEMENT BOARD

### Paavo Nõgene – Chairman of the Management Board



Born in 1980, with the company since 2018  
CEO since May, 2018

### Kadri Land



Born in 1964, with the company since 2005.  
Member of Management Board since February, 2019

### Harri Hanschmidt



Born in 1982, with the company since 2009.  
Member of Management Board since February, 2019

### Piret Mürk-Dubout



Born in 1970, with the company and Member of Management Board since April, 2019

### Margus Schults



Born in 1966, with the company since 2008  
Member of Management Board since April, 2021

### Enn Pant - Chairman of the Supervisory Board



Born in 1965, with the company since 1996  
Chairman of the Supervisory Board since 2015  
CEO of AS Tallink Grupp in 1996-2015

### Toivo Ninnas



Born in 1940, with the Supervisory Board since 1997

### Kalev Järvelill



Born in 1965, with the Supervisory Board since 2007

### Eve Pant



Born in 1968, with the Supervisory Board since 1997

### Ain Hanschmidt



Born in 1961, with the Supervisory Board since 2005

### Raino Paron



Born in 1965, with the Supervisory Board since 2019

### Colin Douglas Clark



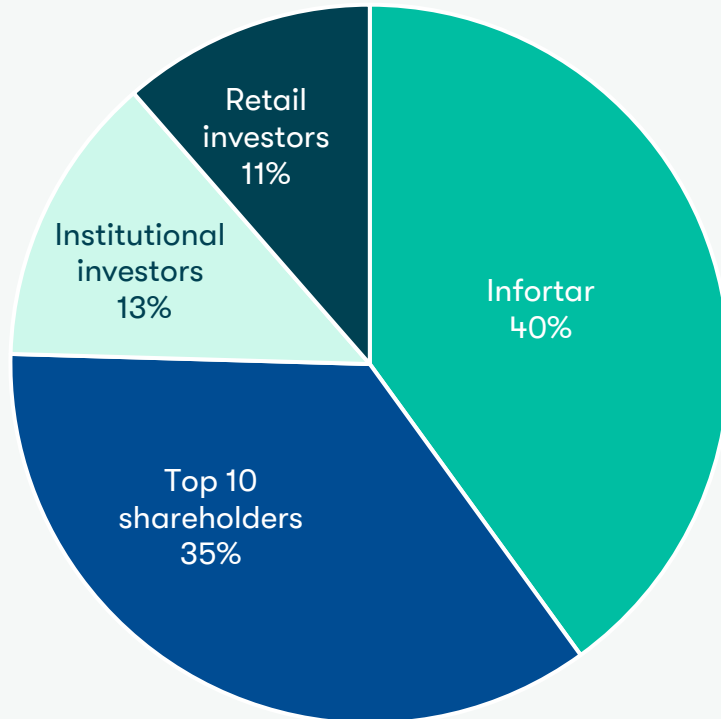
Born in 1974, with the Supervisory Board since 2013

## SUPERVISORY BOARD



# SHAREHOLDERS AND SHARE PERFORMANCE

## SHAREHOLDERS OF AS TALLINK GRUPP



## TEN LARGEST SHAREHOLDERS AS OF 31.12.2022

Infortar AS	40%
Baltic Cruises Holding, L.P.	11%
ING Luxembourg S.A. AIF Account	6%
Baltic Cruises Investment L.P.	6%
Citigroup Venture Capital International G.P	4%
Nordea Bank Abp / Clients FDR	4%
Mersok OÜ	2%
Luksusjaht AS	1%
Clearstream Banking AG	1%
LHV Pensionifond L	1%



# EVENTS AFTER THE REPORTING PERIOD & OUTLOOK



Victoria I in Scotland, July 2022

- Continuously exploring options for chartering out vessels
- New 4-year collective agreement signed with the Estonian Seamen's Independent Union on 6 February 2023
- Extension of short-term charter agreement for Silja Europa until 19 June 2023
- In January 2023, shuttle-vessel Star started operating on the Tallinn-Helsinki route under the new light-class concept

# THANK YOU



AS Tallink Grupp

Sadama 5, 10111, Tallinn, Estonia

[www.tallink.com/investors](http://www.tallink.com/investors)

[investor@tallink.ee](mailto:investor@tallink.ee)

