

22 FEBRUARY 2023

Q4 2022

AS TALLINK GRUPP
RESULTS WEBINAR



PRESENTERS



PAAVO NÕGENE

CHAIRMAN OF THE MANAGEMENT BOARD



HARRI HANSCHMIDT

MEMBER OF THE MANAGEMENT BOARD



MARGUS SCHULTS

MEMBER OF THE MANAGEMENT BOARD

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 

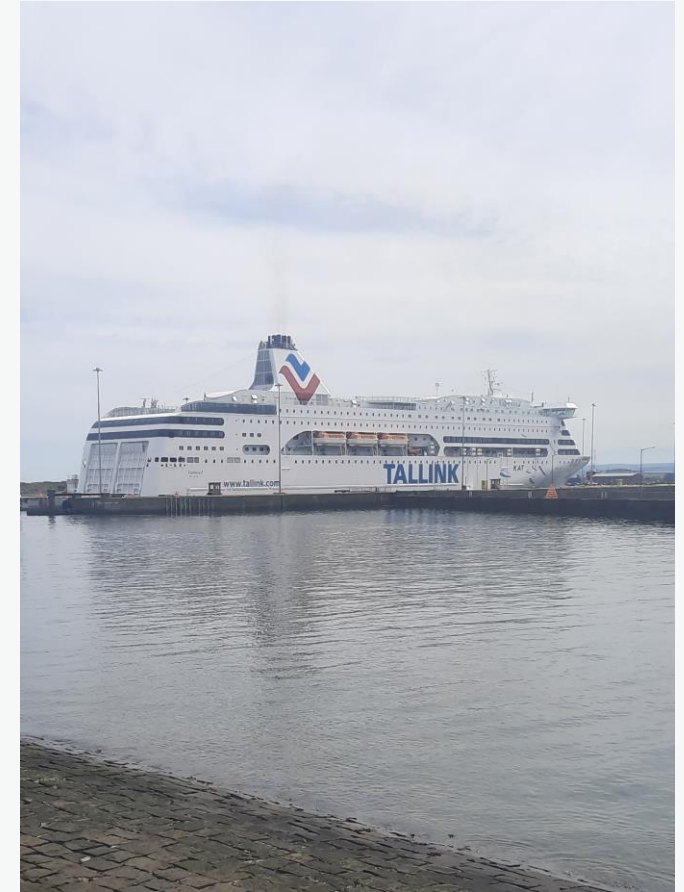
Q4 2022 DEVELOPMENTS AND KEY FACTS

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
- Increasing 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 2016
- 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

Q4 2022 OVERVIEW

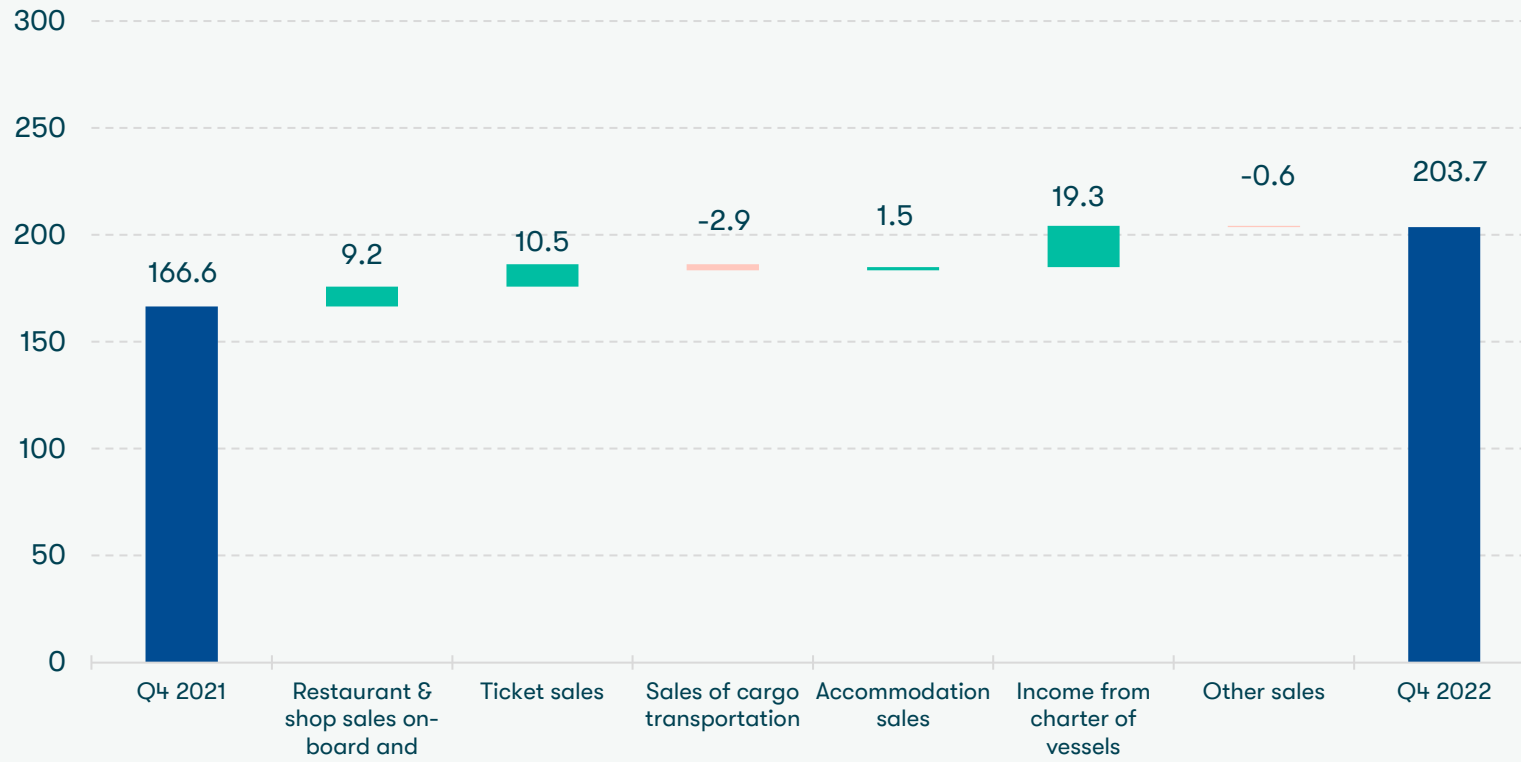
Q4 Selected Key Figures (financials in million euros)	Q4 2021	Q4 2022	Change
Number of passengers	1,122,892	1,296,047	15.4%
Number of cargo units	101,486	96,052	-5.4%
Number of passenger cars	171,037	175,539	2.6%
Revenue	166.6	203.7	22.2%
Gross profit	20.0	41.8	108.9%
EBITDA	25.1	50.4	100.7%
EBIT	0.9	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

Q4 2022 REVENUE DEVELOPMENT BY OPERATING SEGMENTS

(EUR MILLION)



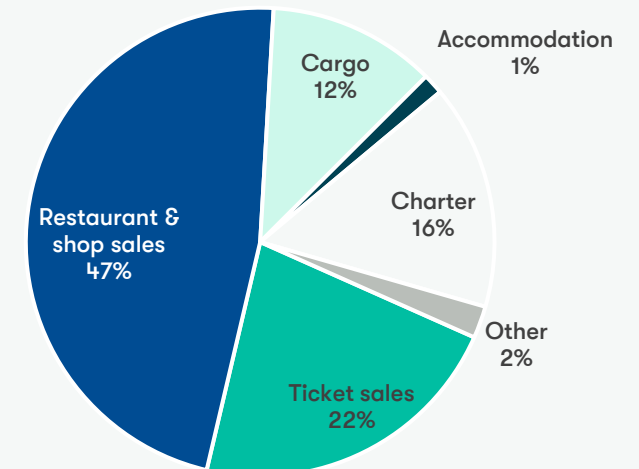
Restaurant and shop sales on-board and onshore increased mainly due to higher number of passengers

Increase in ticket sales attributable to increased demand and increased supply of overnight services

High competition in cargo transportation market

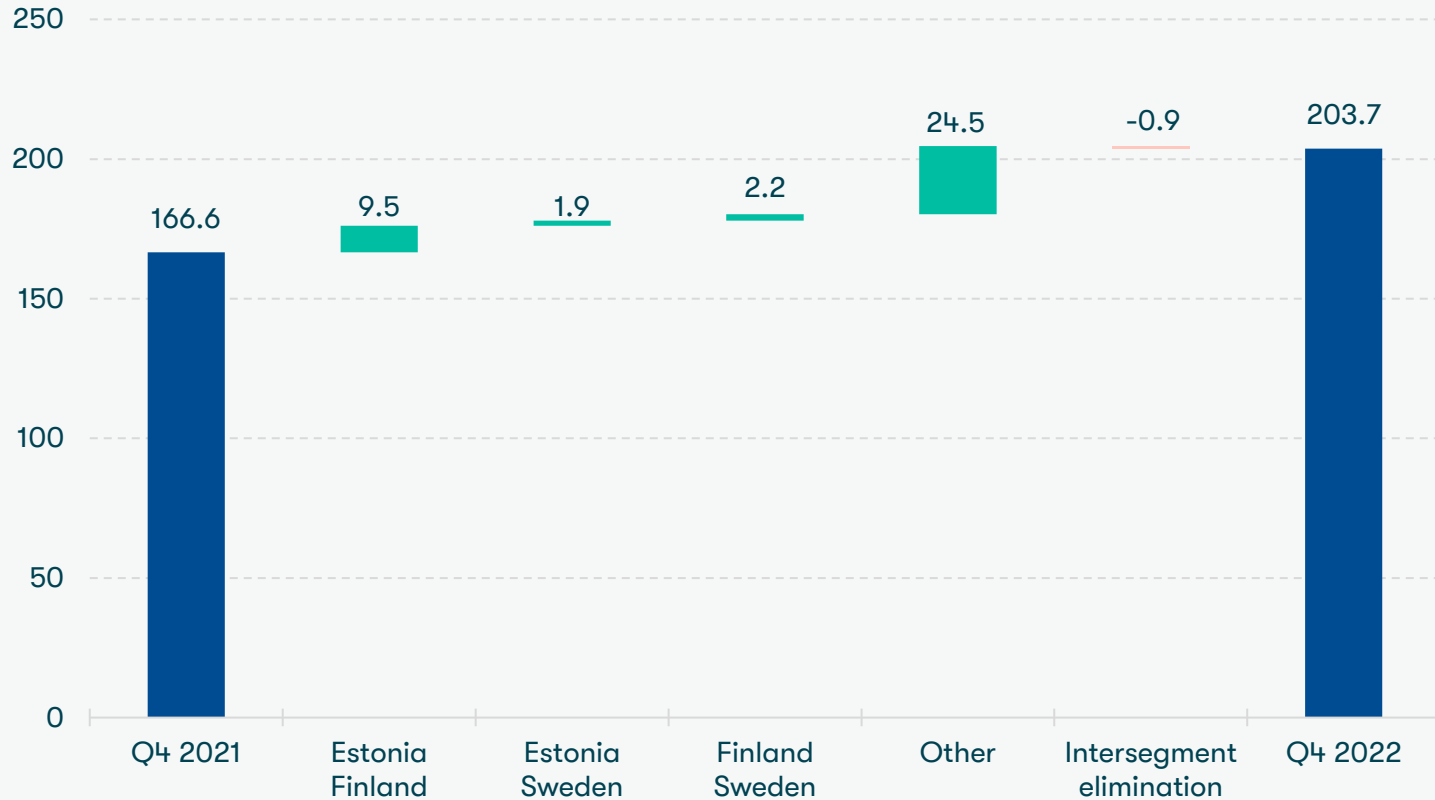
Total of 6 vessels chartered out in Q4 2022

REVENUE STRUCTURE IN Q4 2022



Q4 2022 REVENUE DEVELOPMENT BY GEOGRAPHICAL SEGMENTS

(EUR MILLION)



Overall increase in demand and increased supply of overnight services

Estonia-Finland

Segment reflects operations of two shuttle vessels

Estonia-Sweden

Results reflect operations of two cargo vessels (Paldiski-Kapellskär) and one cruise ferry on the Tallinn-Stockholm route

Finland-Sweden

Results reflect the operations of one cruise ferries on the Turku-Stockholm and two cruise ferries on the Helsinki-Stockholm route

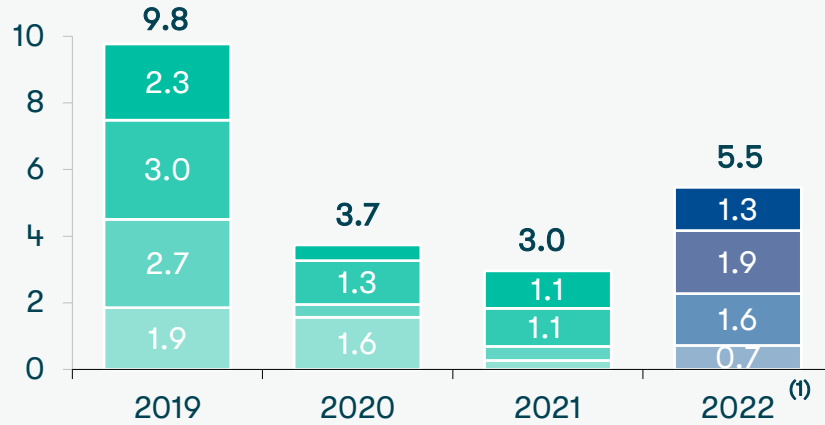
Other

Increase was mainly driven by chartering of vessels and accommodation sales, to a lesser extent by various retail activities

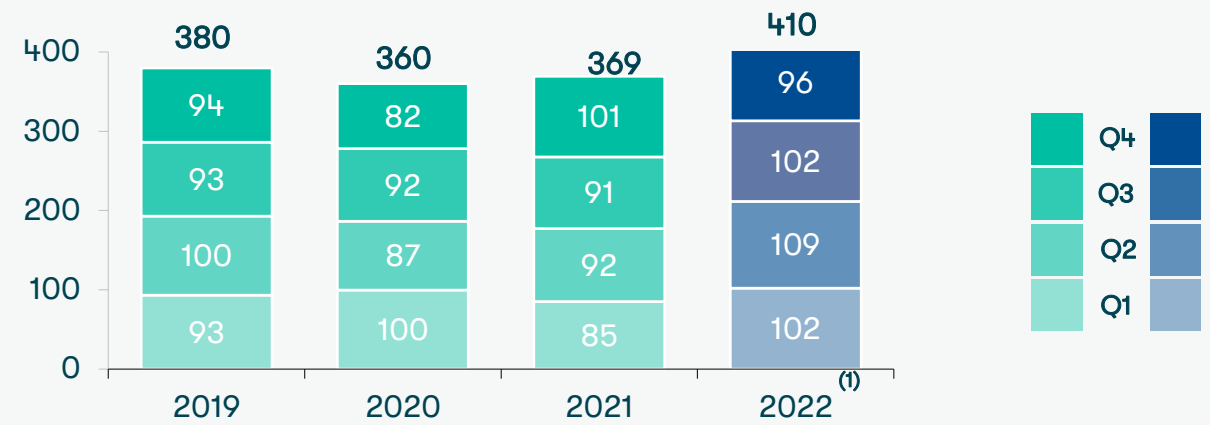
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

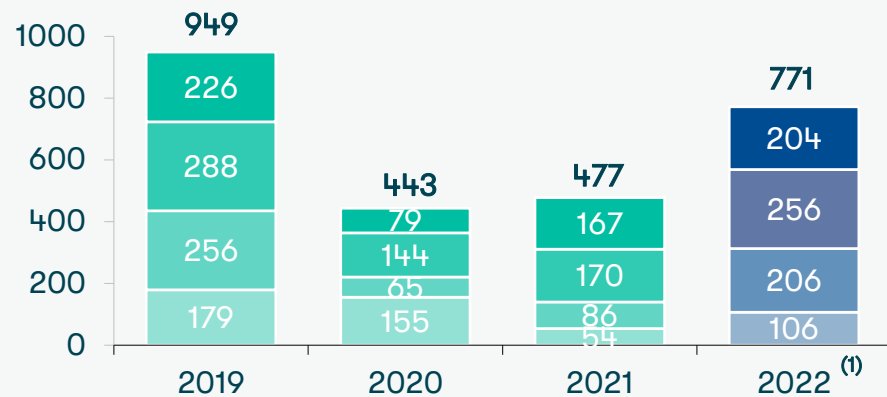
PASSENGERS (MILLIONS)



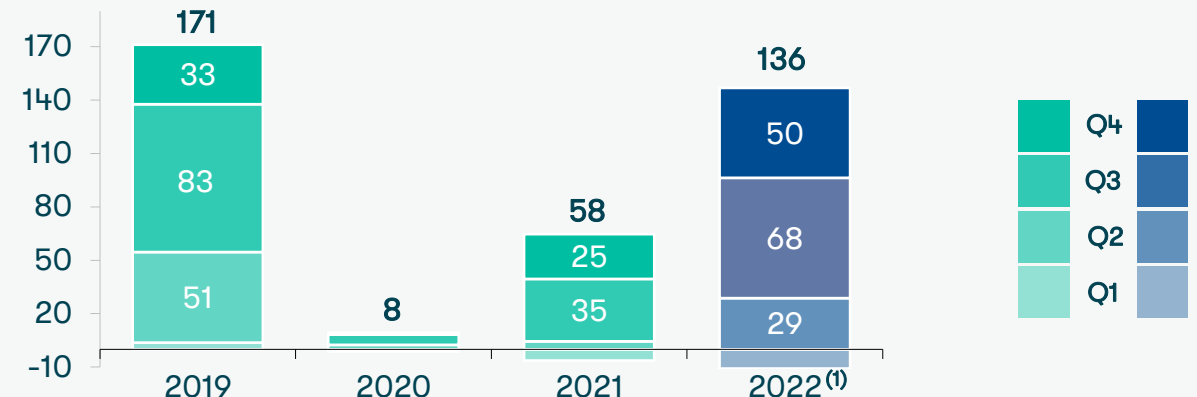
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

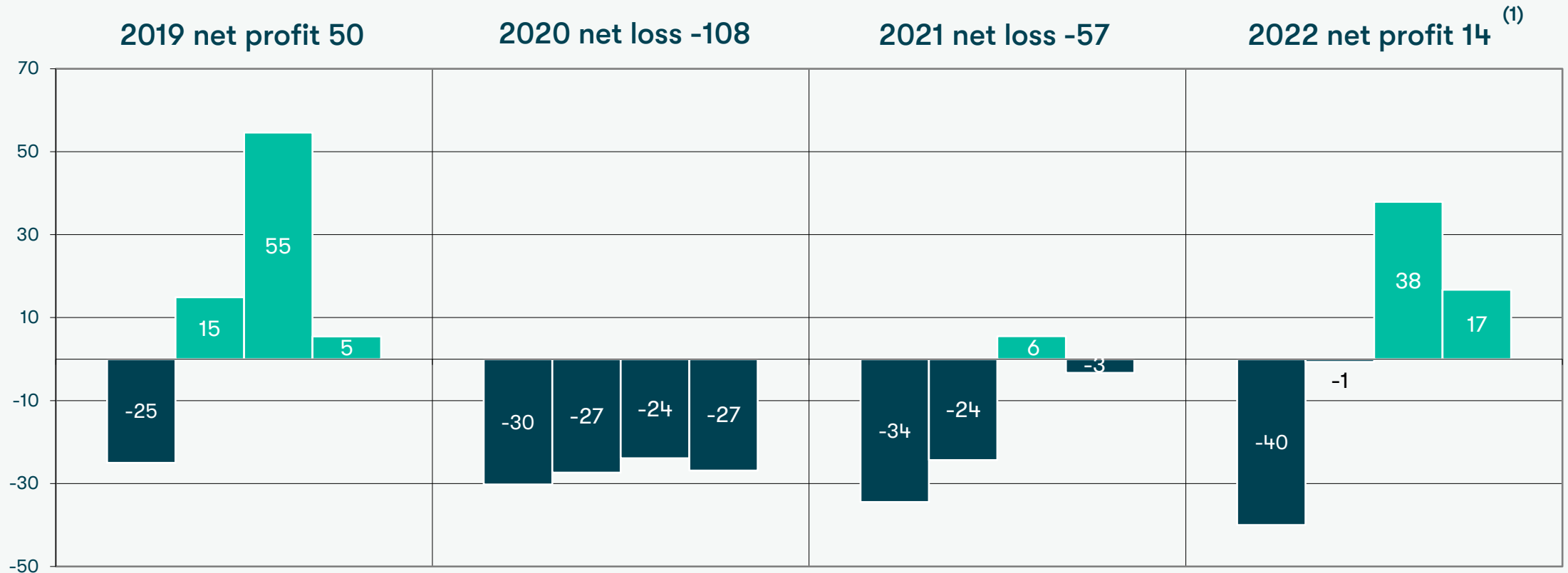


EBITDA (EUR MILLION)



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

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%
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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

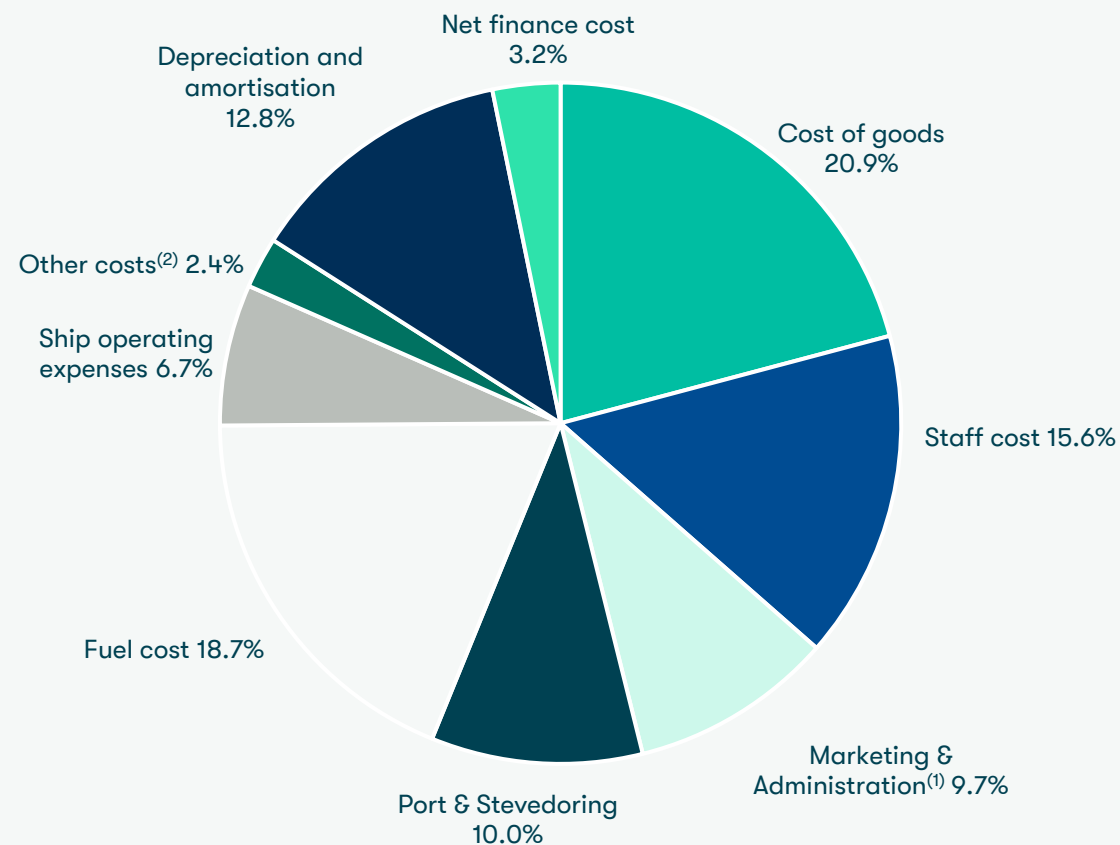
- **Revenue EUR 771.4m (EUR +294.5m or 61.7% vs LY)**
 - Recovery in passenger numbers from COVID-19 related travel restrictions
 - 117.3% increase in chartering revenues
 - Strong recovery in hotel, shops & shore restaurant segment
- **Costs & support**
 - Cost of sales increased by 44.5% or EUR 202.6m
 - 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 the new EUR 252m shuttle vessel MyStar in December 2022 including EUR 176.7m CAPEX in FY2022

CONSOLIDATED INCOME STATEMENT

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

FULL YEAR COSTS BREAKDOWN

(EUR thousands)	2021	2022 ⁽⁵⁾	Change
Cost of goods	110,451	160,556	45.4%
Staff costs	86,101	120,018	39.4%
Marketing & Administration ⁽¹⁾⁽²⁾	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 ⁽³⁾	6,768	18,667	175.8%
Total costs from operations	434,991	646,449	48.6%
Depreciation & amortisation	95,313	98,136	3.0%
Net finance cost ⁽⁴⁾	21,967	24,746	12.7%
Total costs	552,271	769,331	39.3%



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

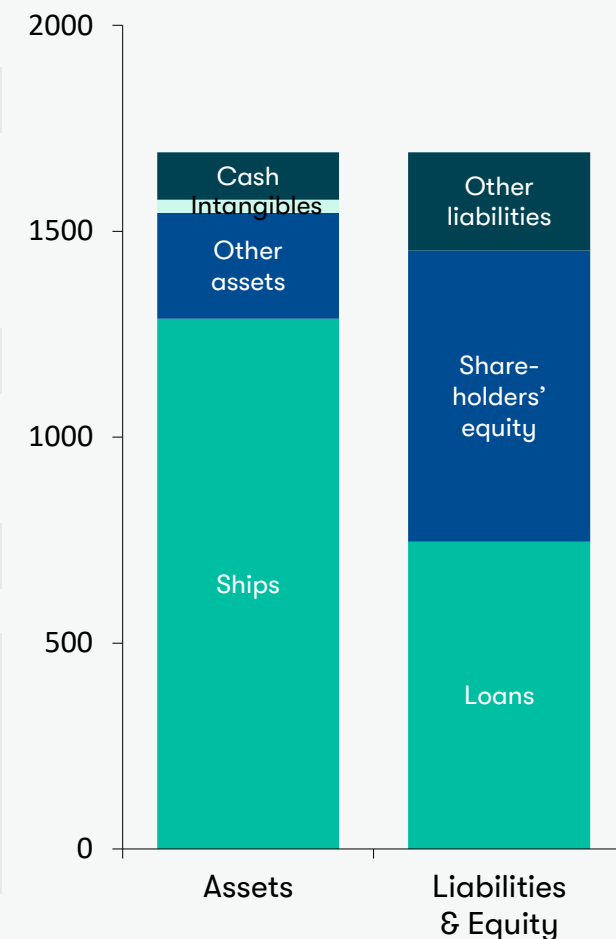
(EUR million)	2021	2022 ⁽¹⁾	Q4 2021	Q4 2022 ⁽¹⁾
Operating cash flow	59	144	28	57
Capital expenditure	-20	-203	-9	-180
Asset disposal	1	3	0	0
Free cash flow	40	-56	18	-122
Debt financing (net effect)	45	69	-30	141
Interests & other financial items	-20	-25	-4	-7
Increase of share capital	35	0	0	0
Change 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 ⁽²⁾	31.12.2022 ⁽²⁾
Total assets	1,516	1,586	1,535	1,692
Non-current assets	1,427	1,383	1,338	1,496
Current assets	89	203	197	196
- of which cash	28	128	103	115
Total liabilities	802	893	845	985
Interest bearing liabilities	705	780	711	854
Other liabilities	97	113	134	131
Shareholders' equity	714	693	690	707
Net debt/EBITDA	84.2x	11.2x	5.5x	5.4x
Net debt	677	652	609	739
Equity/assets ratio	47%	44%	45%	42%
BVPS⁽¹⁾ (in EUR)	1.07	0.93	0.93	0.95



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) 2022 unaudited

DEBT STRUCTURE

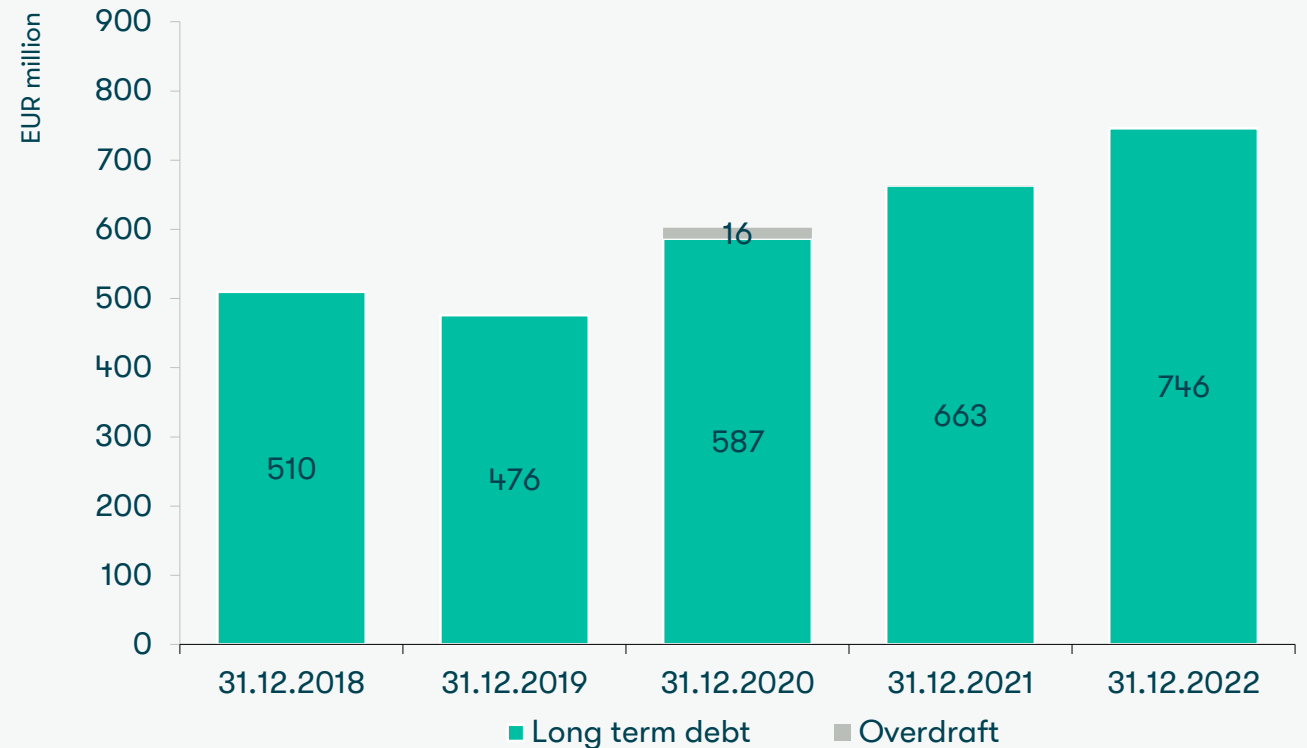
LONG TERM BANK LOANS

- 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

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

QUESTIONS & ANSWERS



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THANK YOU



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