

27 OCTOBER 2022

Q3 2022

TALLINK GRUPP AS 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 14 vessels
- Seven ferry routes (1 suspended)
- Operating four hotels (1 closed)

KEY FACTS

- Revenue of EUR 477 million in 2021
- Served 3.0 million passengers in 2021
- Transported 369 thousand cargo units
- Operating EUR 1.6 billion asset base
- 4 916 employees (end of Q3 2022)
- 3.0 million loyalty program members
- 39 786 shareholders and FDR-holders of which 30 497 on Tallinn Stock Exchange and 9 289 on Helsinki Stock Exchange



STRONG BRANDS

 **TALLINK**

SILJA LINE 

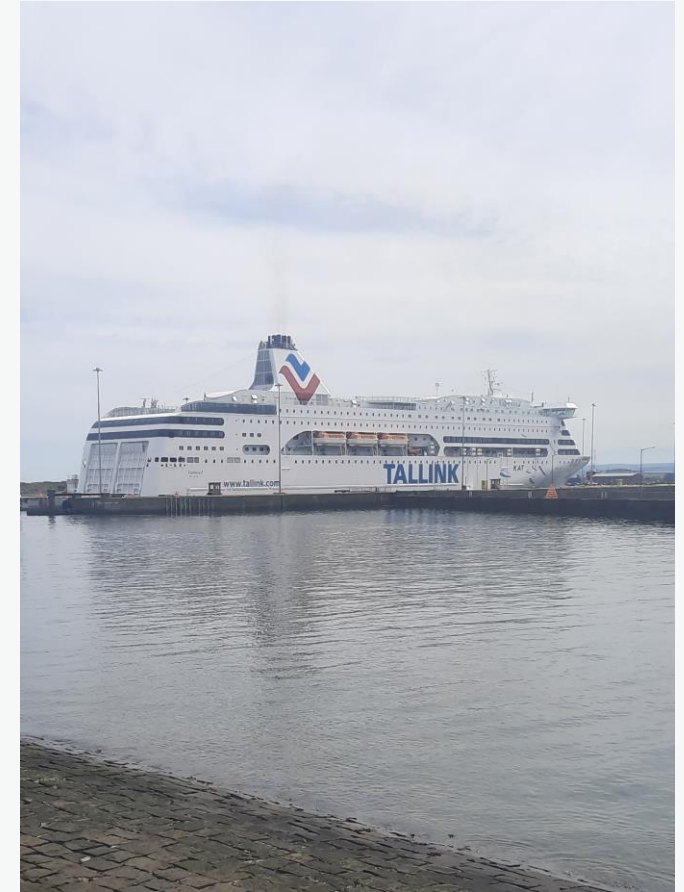
2022 Q3 DEVELOPMENTS AND KEY FACTS

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 in decline

ACTIVITIES AND EVENTS

- Additional short-term charters of Victoria I, Silja Europa and Galaxy
- Extension of vessel charter agreement of Atlantic Vision for 18 months (+ optional 12 months)
- Successful sea trials of MyStar in September 2022
- Riga-Stockholm route not operated in 2022



Victoria I arriving in Leith locks

Q3 2022 OVERVIEW – RECOVERY FROM COVID-19 RESTRICTIONS

Q3 Selected Key Figures (financials in million euros)	2022	2021	Change
Number of passengers	1 893 603	1 144 092	65.5%
Number of cargo units	102 399	90 538	13.1%
Number of passenger cars	277 747	229 468	21.0%
Revenue	255.6	170.5	49.9%
Gross profit / loss	66.0	30.3	117.8%
EBITDA	67.7	35.1	92.7%
EBIT	43.9	11.5	283.6%
Net result for the period	37.9	5.5	586.1%
Capital expenditures	5.5	3.7	49.2%
As at:	30.09.22	30.06.22	Change
Total assets	1 535.3	1 550.1	-1.0%
Total equity	690.2	652.3	5.8%
Interest-bearing liabilities	711.5	746.5	-4.7%
Net debt	608.7	655.9	-7.2%

2022 unaudited

- **Revenue EUR 255.6m (EUR +85.1m or 49.9% vs LY)**
 - Recovery in passenger numbers from COVID-19 related travel restrictions, limited somewhat by impacts of war in Ukraine
 - 115% increase in revenues from chartering
 - Strong recovery in hotel, shops & shore restaurant segment
- **Costs & support**
 - Cost of sales increased by 35% or EUR 49.4m
 - Fuel cost increased by more than 100% or by nearly EUR 22m
- **EBITDA of EUR 67.7m (EUR +32.6m vs LY)**
- **Net profit of EUR 37.9m (EUR +32.4m vs LY)**

RECENT PERFORMANCE VS PRE-PANDEMIC

PASSENGER VOLUME RELATIVE TO 2019



* 2 vessels on TAL-STO in 2019,
1 vessel in 2021/2022

Selected Key Figures (financials in million euros)	Last 12 months	2021	2020	2019
Number of passengers	5 288 930	2 961 975	3 732 102	9 763 210
Number of cargo units	415 203	369 170	359 811	379 634
Revenue	734.3	476.9	442.9	949.1
EBITDA	110.5	58.3	8.0	171.1
EBITDA margin, %	15.0%	12.2%	1.8%	18.0%
Net result for the period	-6.1	-56.6	-108.3	49.7

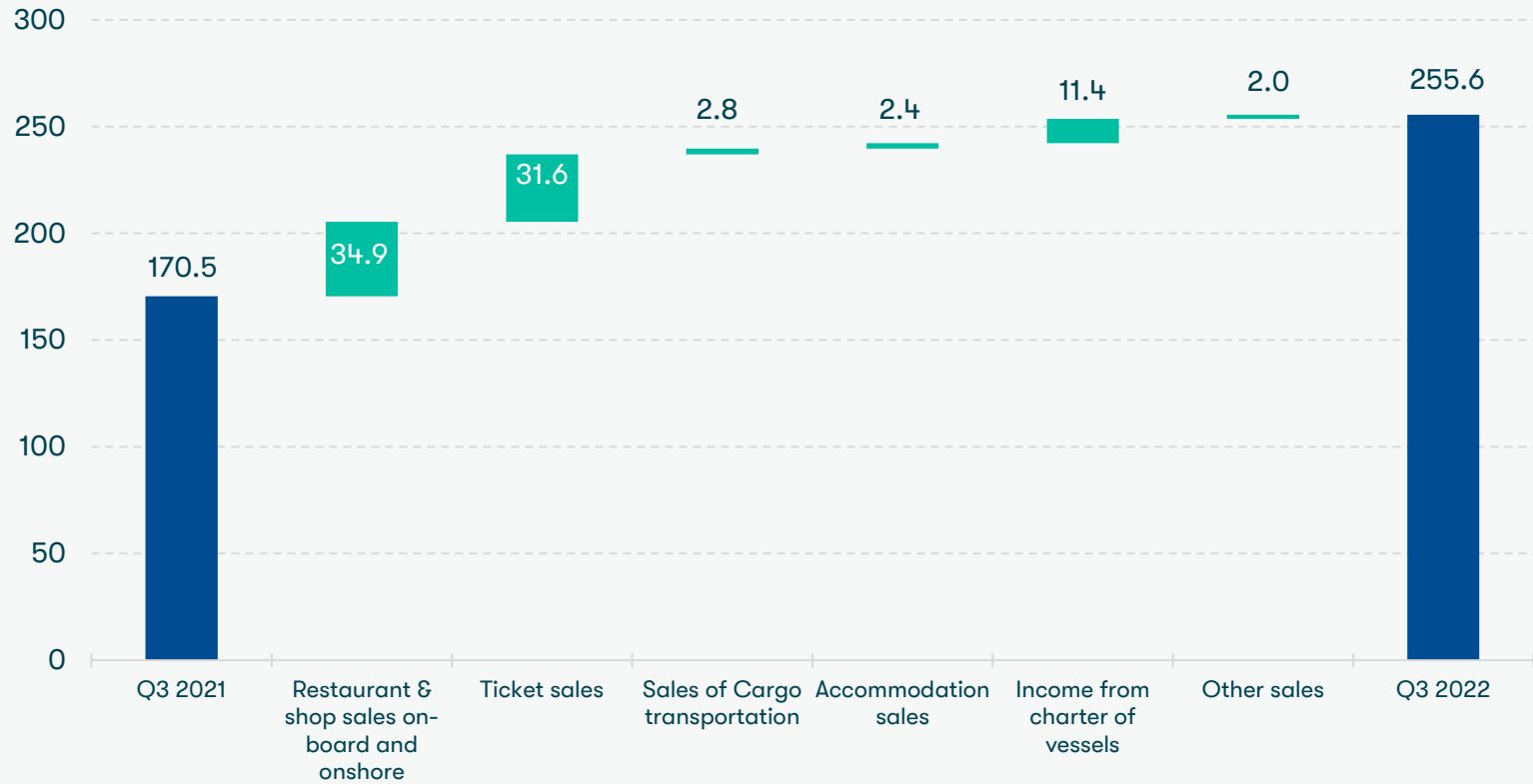
EVENTS AFTER THE REPORTING PERIOD & OUTLOOK



Victoria I in Scotland, July 2022

- Continuously exploring options for chartering out vessels
- The new dual fuel (LNG, MGO) shuttle vessel MyStar is expected to be delivered and start operations on the Tallinn-Helsinki route in November 2022
- Successful launch of new cruise concept on Turku–Kapellskär route

Q3 REVENUE DEVELOPMENT BY OPERATING SEGMENTS (EUR MILLION)



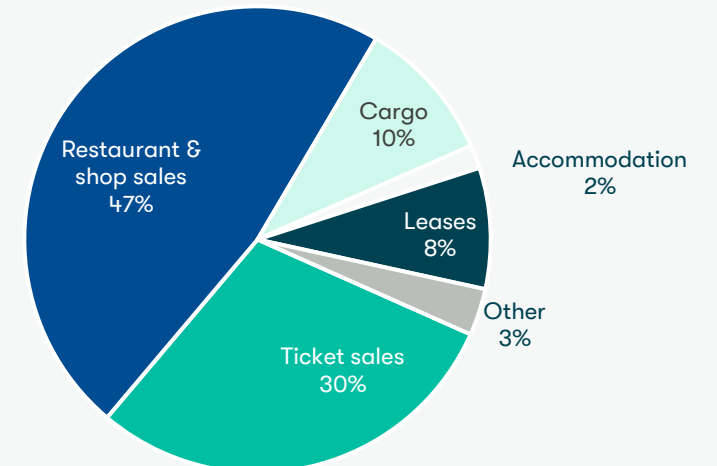
Restaurant and shop sales on-board and onshore increased mainly due to higher number of passengers

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

High competition in cargo transportation market

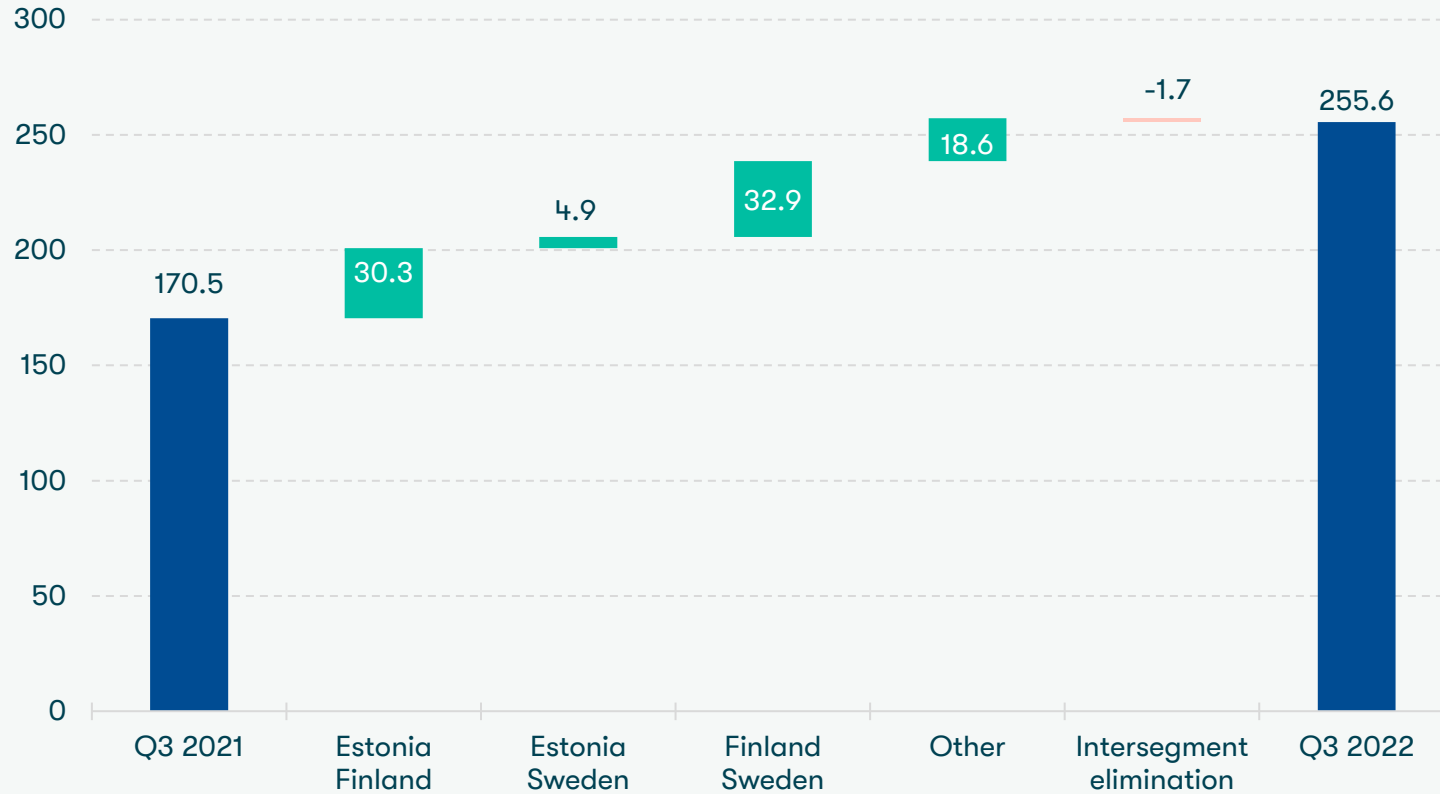
Three vessels chartered out in Q3 2022 (in total of 6 vessels chartered)

REVENUE STRUCTURE IN Q3 2022



Q3 REVENUE DEVELOPMENT BY GEOGRAPHICAL SEGMENTS

(EUR MILLION)



Overall increase in demand and increased supply of overnight services

Estonia-Finland

The segment reflects operations of two shuttle vessels, a cruise ferry, and a cargo vessel

Estonia-Sweden

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

Finland-Sweden

The results reflect the operations of Turku-Stockholm and Helsinki-Stockholm routes

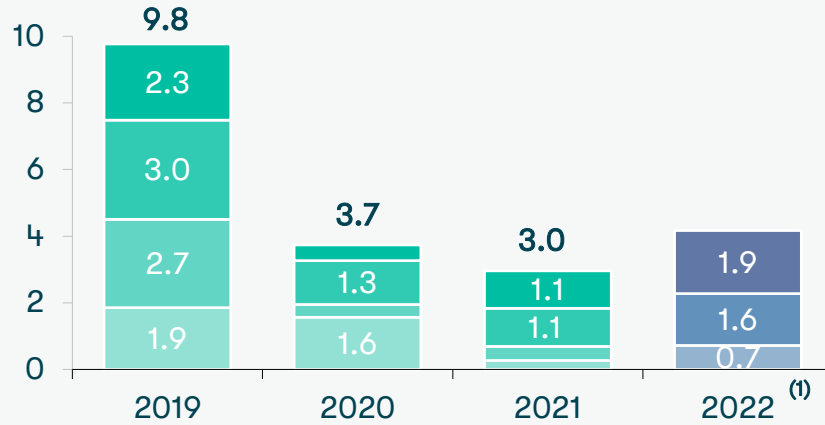
Other

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

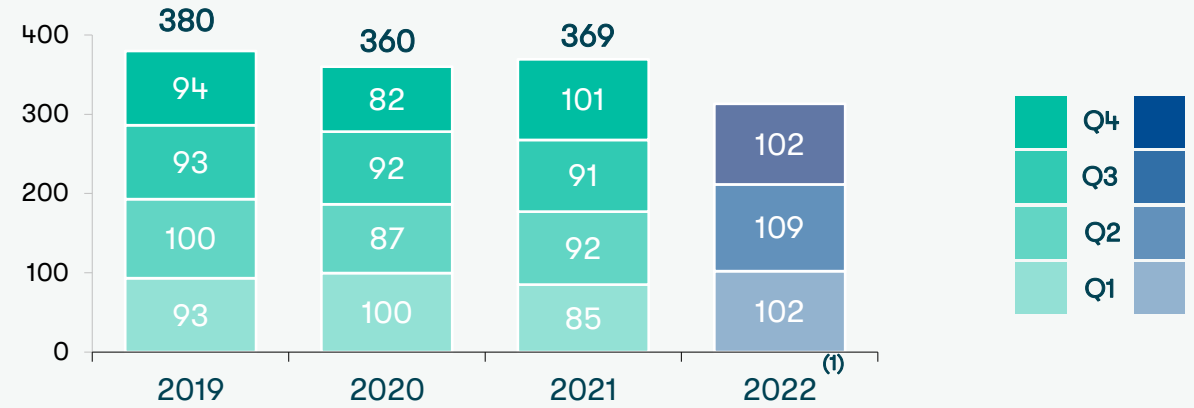
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

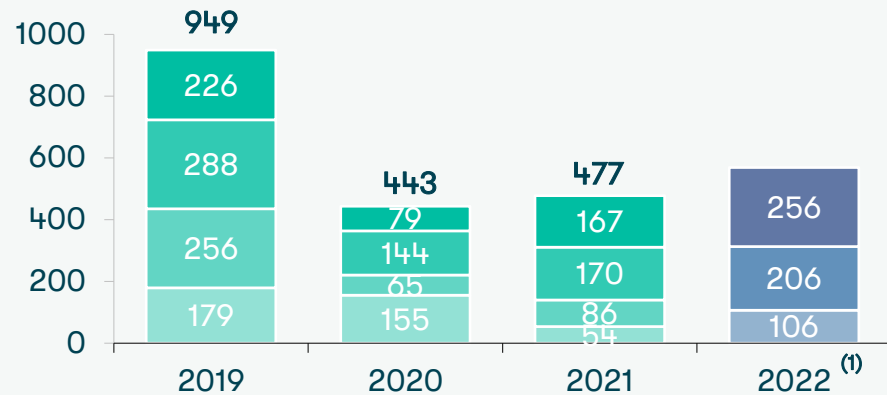
PASSENGERS (MILLIONS)



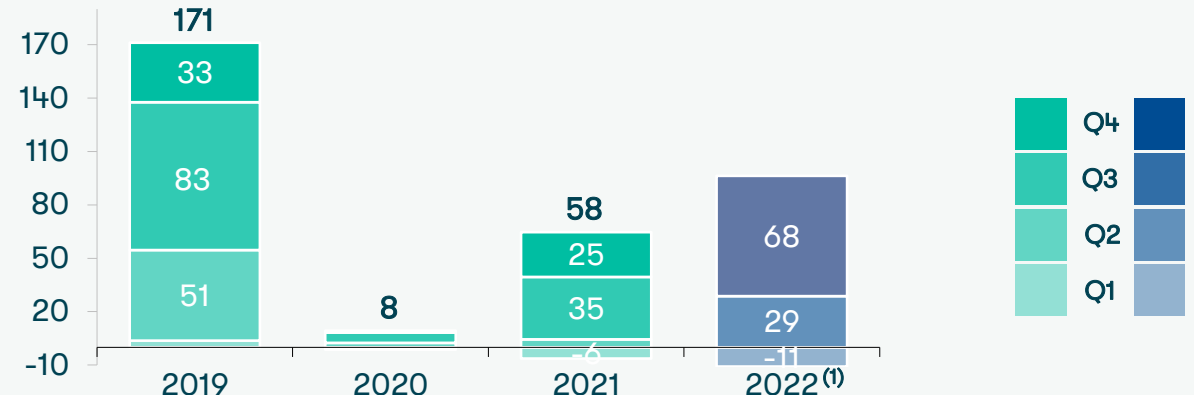
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

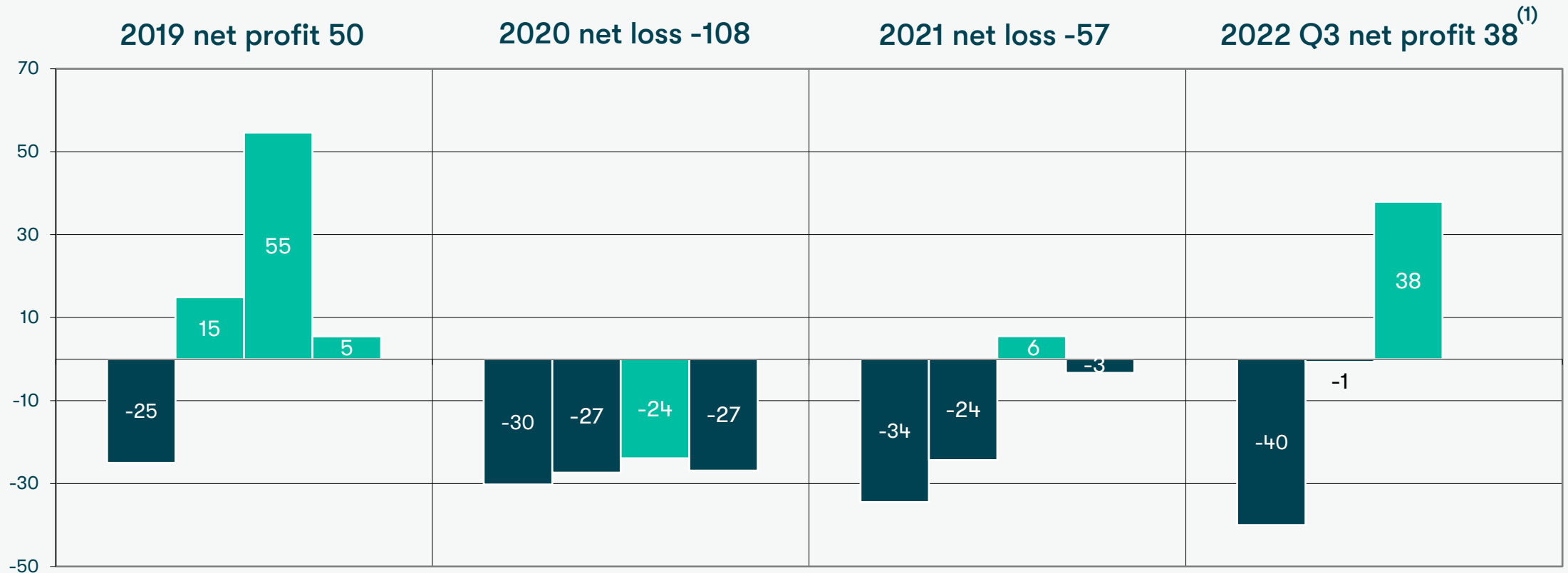


EBITDA (EUR MILLION)



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

CONSOLIDATED INCOME STATEMENT

(EUR million)	2020	2021	Q3 2021	Q3 2022 ⁽²⁾
Sales	443	477	170	256
Cost of sales ⁽¹⁾	(486)	(455)	(140)	(190)
Marketing & administrative cost ⁽¹⁾	(86)	(75)	(20)	(22)
Other operating items, net	37	16	1	(1)
EBITDA	8	58	35	68
Margin (%)	1.8%	12.2%	20.6%	26.5%
Net Result	(108)	(57)	6	38
EPS	(0.162)	(0.081)	0.008	0.051

CONSOLIDATED CASH FLOW STATEMENT

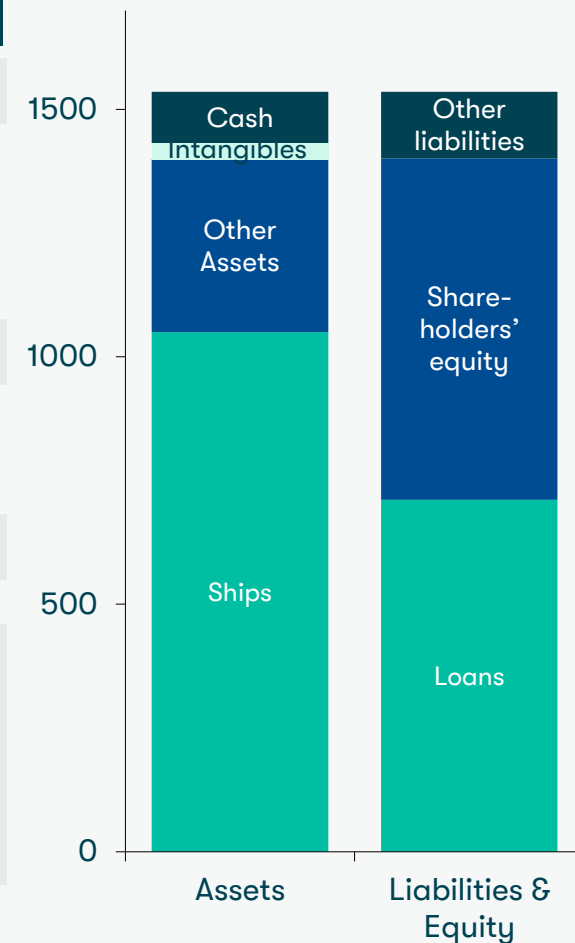
(EUR million)	2020	2021	Q3 2021	Q3 2022 ⁽¹⁾
Operating cash flow	(7)	59	24	60
Capital expenditure	(100)	(20)	(4)	(6)
Asset disposal	0	1	0	0
Free cash flow	(107)	40	21	55
Debt financing (net effect)	112	44	55	(36)
Interests & other financial items	(16)	(19)	(6)	(7)
Increase of share capital	0	35	35	0
Change in cash	(11)	100	105	12

Totals may not sum due to rounding

(1) 2022 unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2020	30.09.2021	31.12.2021	30.09.2022 ⁽²⁾
Total assets	1 516	1 617	1 586	1 535
Non-current assets	1 427	1 389	1 383	1 338
Current assets	89	227	203	197
- of which cash	28	143	128	103
Total liabilities	802	921	893	845
Interest bearing liabilities	705	803	780	711
Other liabilities	97	118	113	134
Shareholders' equity	714	696	693	690
Net debt/EBITDA	84.2x	19.2x	11.2x	5.5x
Net debt	677	660	652	609
Equity/assets ratio	47%	43%	44%	45%
BVPS⁽¹⁾ (in EUR)	1.07	0.94	0.93	0.93



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) 2022 unaudited

DEBT STRUCTURE

LONG TERM BANK LOANS

- EUR 593 million as at 30.09.2022
- 6 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 0.25 – 7.3 years
- EUR denominated, fixed and EURIBOR floating

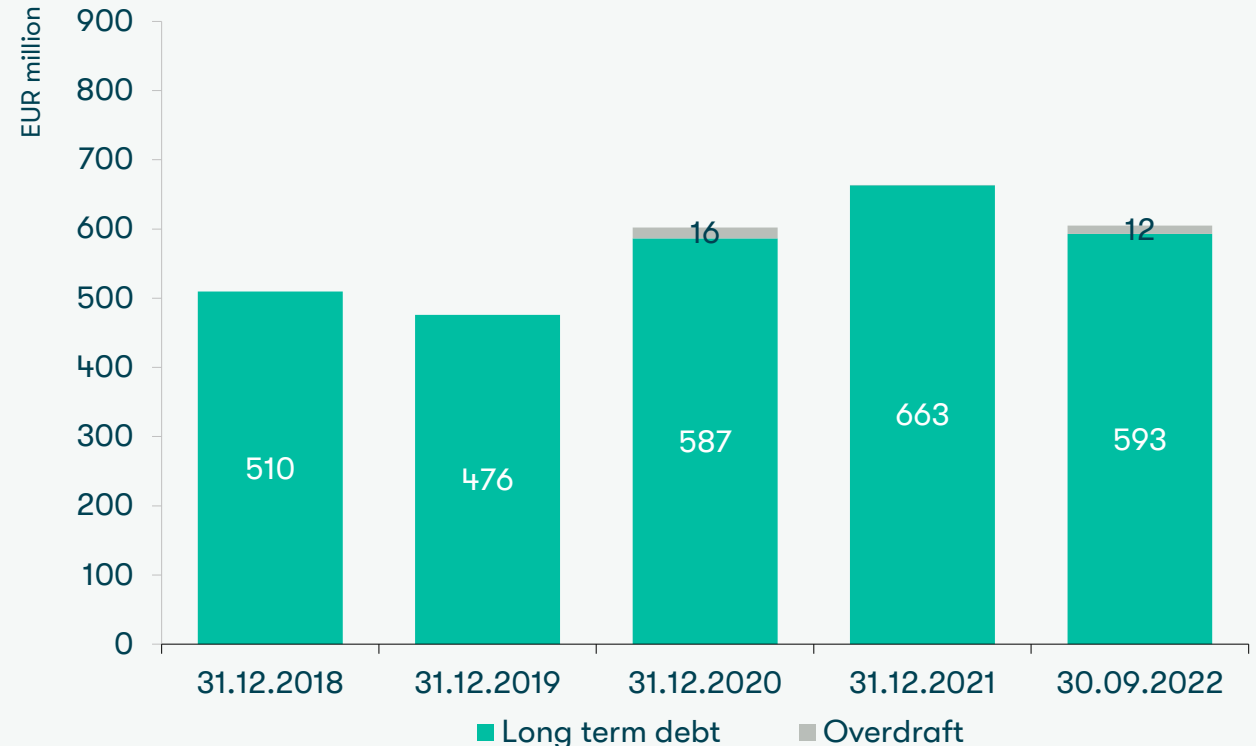
OVERDRAFTS (as at 30.09.2022)

- EUR 11.8 million used
- EUR 123.2 million unused

SIGNED, NOT YET DRAWN

- EUR 198 million from KfW IPEX-Bank GmbH (MyStar)

Total EUR 593 million long-term bank loans and used overdrafts as at 30.09.2022



2022 unaudited

PAYMENT OF PREVIOUSLY POSTPONED PRINCIPAL PAYMENTS UNDER EXISTING LOAN AGREEMENTS RESTARTED IN Q2 2022

THANK YOU



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