

# Q3 2022

## TALLINK GRUPP AS



# 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



# STRATEGIC PLAN

CURRENTLY THE STRATEGIC FOCUS IS ON MANAGING COSTS AND CASH FLOWS TO ENSURE SUSTAINABILITY AND TO BRING TALLINK GRUPP THROUGH THE GLOBAL CRISIS

## 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
- Increase volumes 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
- 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

# 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)**

# Q3 2022 SALES & RESULTS BY GEOGRAPHICAL SEGMENTS

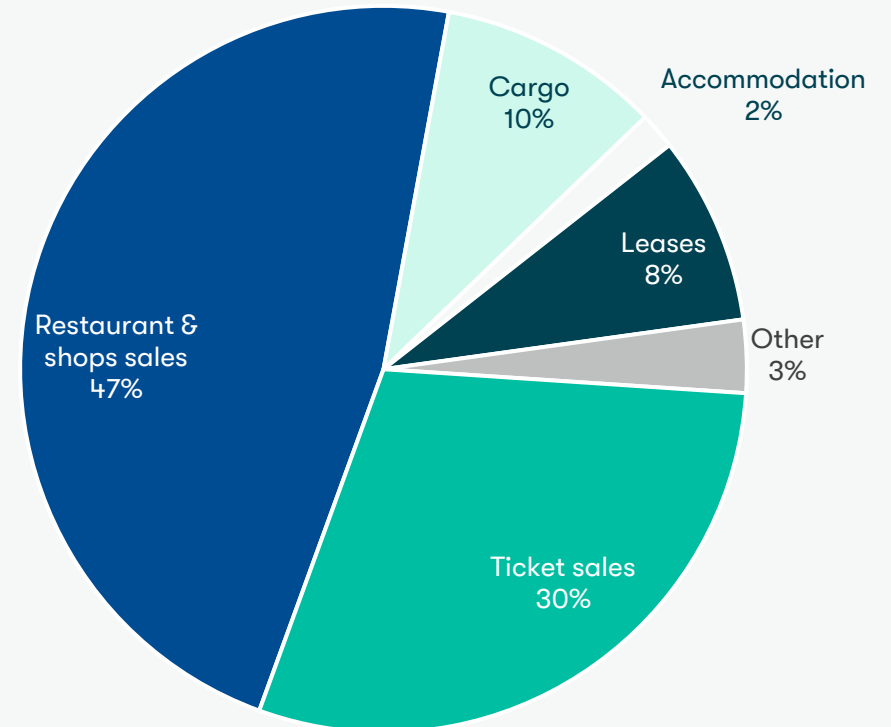
Route	Key Figures (financials in EUR million)	2022	2021	Change	No COVID-19 restrictions in 2022; high restrictions & limited operations in 2021
Estonia- Finland	Passengers (thousands)	1 083	649	66.9%	The segment reflects operations of two shuttle vessels, a cruise ferry, and a cargo vessel
	Cargo units (thousands)	76	61	24.8%	
	Revenue	93.5	63.2	48.0%	
	Segment result	26.7	10.1	164.7%	
Finland- Sweden	Passengers (thousands)	658	379	73.6%	The results reflect the operations of Turku-Stockholm and Helsinki-Stockholm routes
	Cargo units (thousands)	15	18	-15.9%	
	Revenue	93.8	60.9	53.9%	
	Segment result	10.9	6.3	72.0%	
Estonia- Sweden	Passengers (thousands)	152	116	31.5%	The results reflect operations of one cargo vessel (Paldiski-Kapellskär) and one cruise ferry on Tallinn-Stockholm route
	Cargo units (thousands)	12	12	-4.1%	
	Revenue	23.5	18.6	26.5%	
	Segment result	1.5	1.6	-4.7%	
Other	Revenue	46.8	28.2	66.2%	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	17.5	4.0	334.2%	
	Intersegment revenue	-2.1	-0.4	-475.2%	

# Q3 2022 SALES & RESULTS BY OPERATIONAL SEGMENTS

Revenue (EUR million)	2022	2021	Change
Restaurant and shop sales on-board and onshore	120.9	86.2	40.3%
Ticket sales	75.4	43.8	72.0%
Sales of cargo transportation	25.3	22.5	12.7%
Accommodation sales	4.1	1.7	142.3%
Income from charter of vessels	21.4	10.0	114.5%
Other sales	8.3	6.3	31.5%
<b>Total revenue</b>	<b>255.6</b>	<b>170.5</b>	<b>49.9%</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
- High competition in cargo transportation market
- Three vessels chartered out in Q3 2022 (total of 6 vessels chartered)

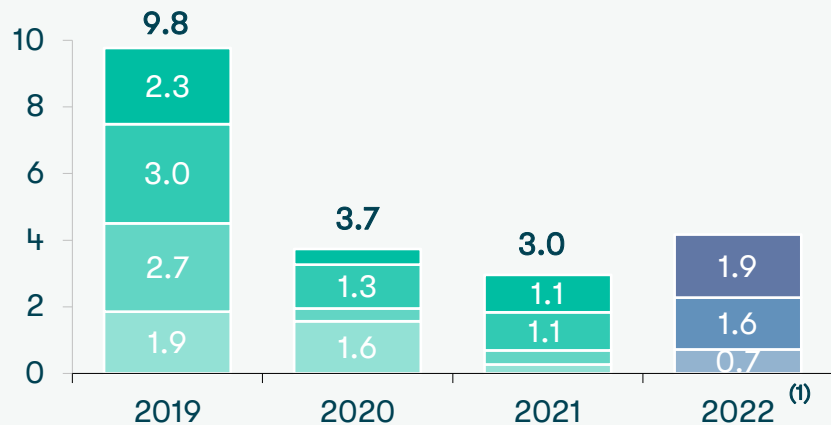
## REVENUE STRUCTURE IN Q3 2022



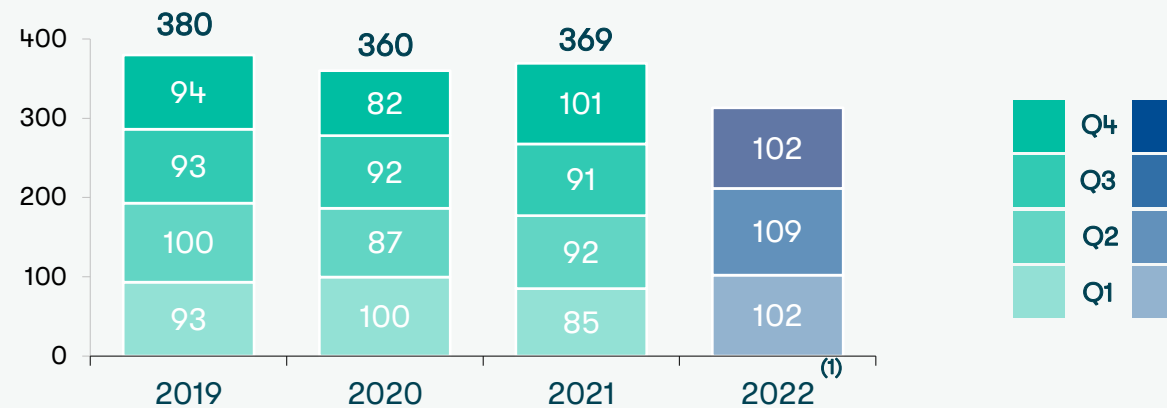
# RESULTS

## QUARTERLY SEASONALITY BREAKDOWN

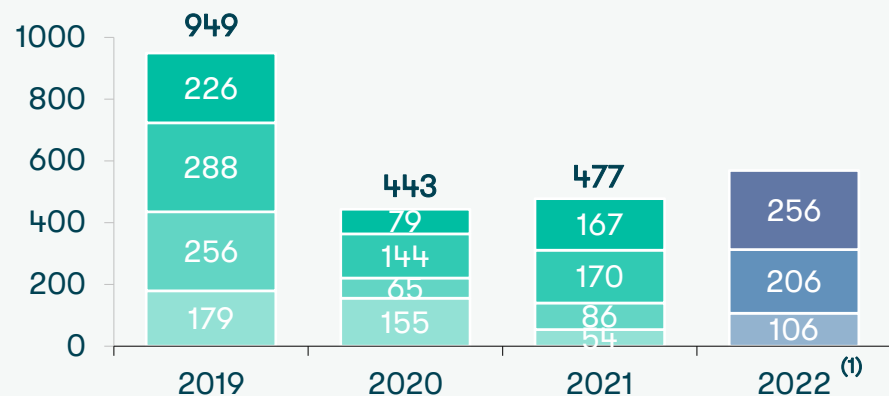
### PASSENGERS (MILLIONS)



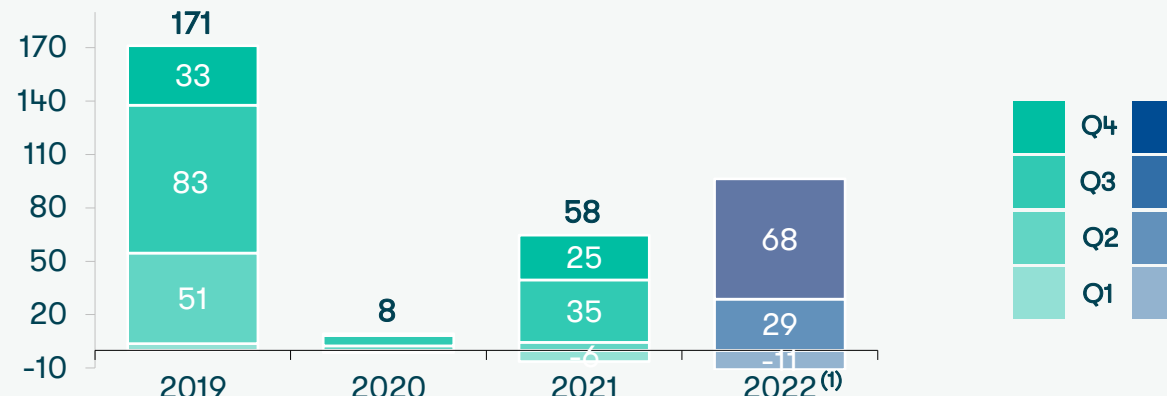
### CARGO (TH. UNITS)



### REVENUE (EUR MILLION)

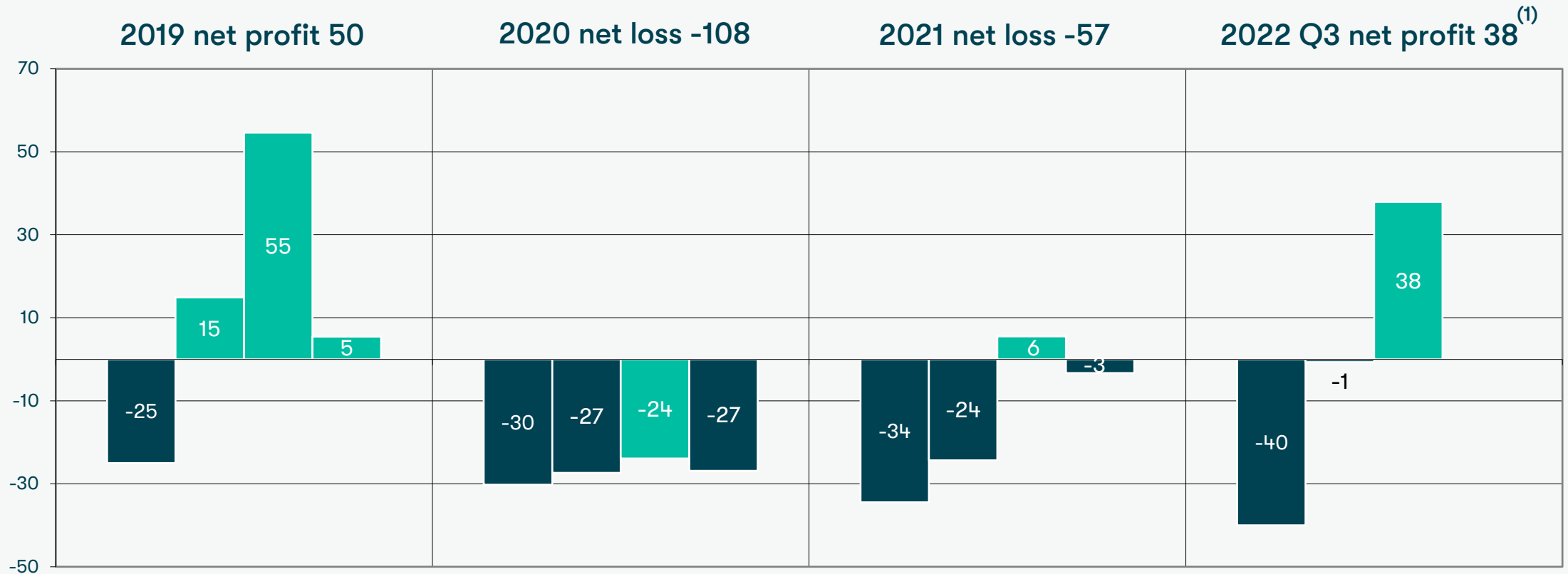


### EBITDA (EUR MILLION)



# 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



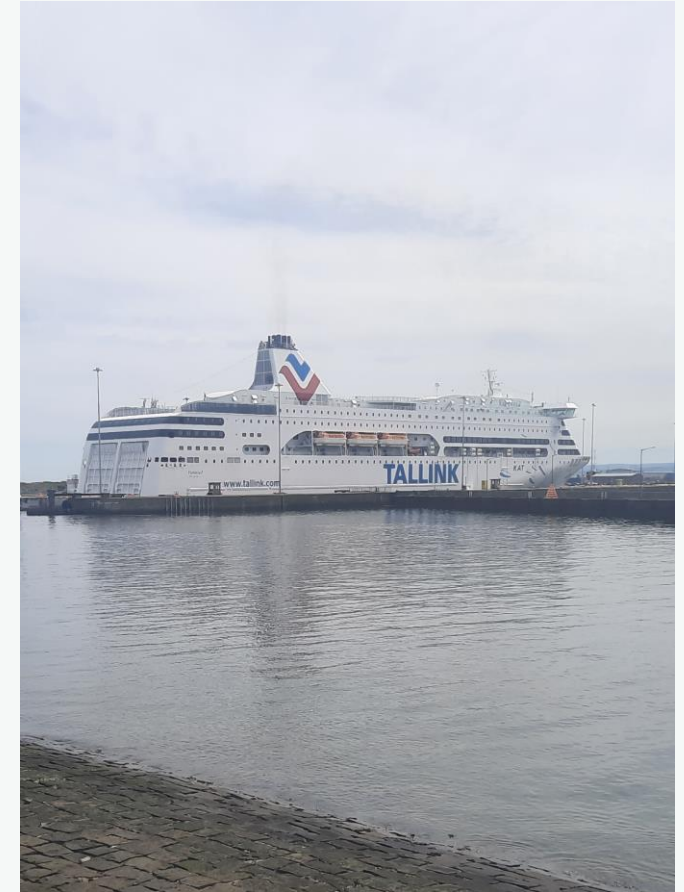
# 2022 Q3 DEVELOPMENTS AND KEY FACTS

## 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*

# 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

# CONSOLIDATED INCOME STATEMENT

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

# CONSOLIDATED CASH FLOW STATEMENT

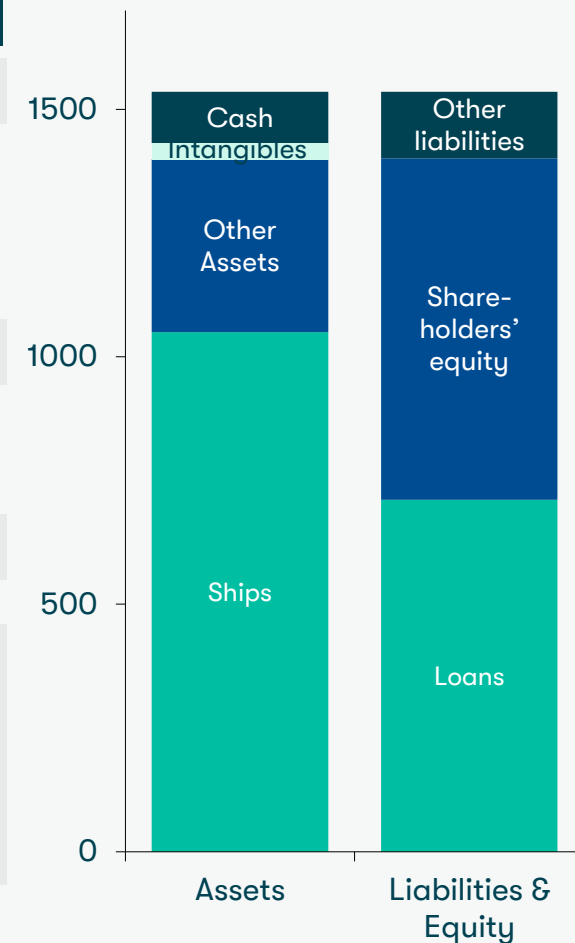
(EUR million)	2020	2021	Q3 2021	Q3 2022 <sup>(1)</sup>
Operating cash flow	(7)	59	24	60
Capital expenditure	(100)	(20)	(4)	(6)
Asset disposal	0	1	0	0
Free cash flow	(107)	40	21	55
Debt financing (net effect)	112	44	55	(36)
Interests & other financial items	(16)	(19)	(6)	(7)
Increase of share capital	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 <sup>(2)</sup>
<b>Total assets</b>	<b>1 516</b>	<b>1 617</b>	<b>1 586</b>	<b>1 535</b>
Non-current assets	1 427	1 389	1 383	1 338
Current assets	89	227	203	197
- of which cash	28	143	128	103
<b>Total liabilities</b>	<b>802</b>	<b>921</b>	<b>893</b>	<b>845</b>
Interest bearing liabilities	705	803	780	711
Other liabilities	97	118	113	134
<b>Shareholders' equity</b>	<b>714</b>	<b>696</b>	<b>693</b>	<b>690</b>
<b>Net debt/EBITDA</b>	<b>84.2x</b>	<b>19.2x</b>	<b>11.2x</b>	<b>5.5x</b>
<b>Net debt</b>	<b>677</b>	<b>660</b>	<b>652</b>	<b>609</b>
<b>Equity/assets ratio</b>	<b>47%</b>	<b>43%</b>	<b>44%</b>	<b>45%</b>
<b>BVPS <sup>(1)</sup> (in EUR)</b>	<b>1.07</b>	<b>0.94</b>	<b>0.93</b>	<b>0.93</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 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

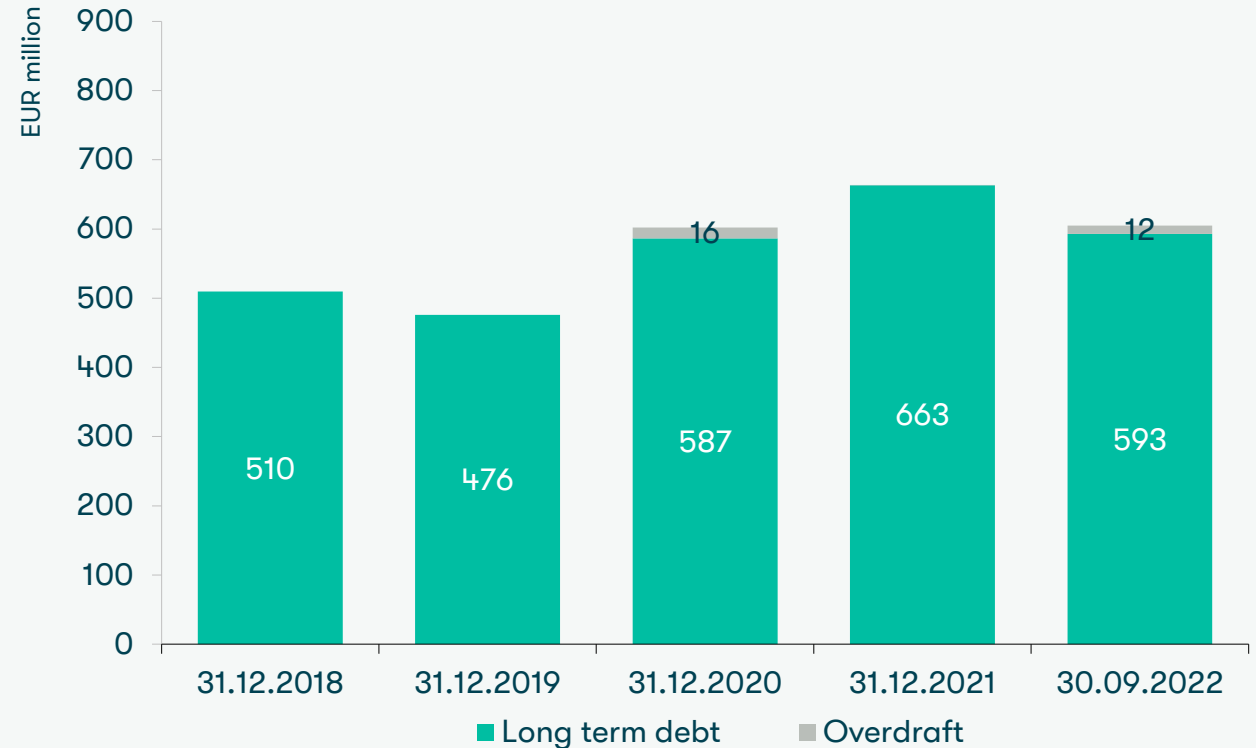
## OVERDRAFTS (as at 30.09.2022)

- 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

# 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

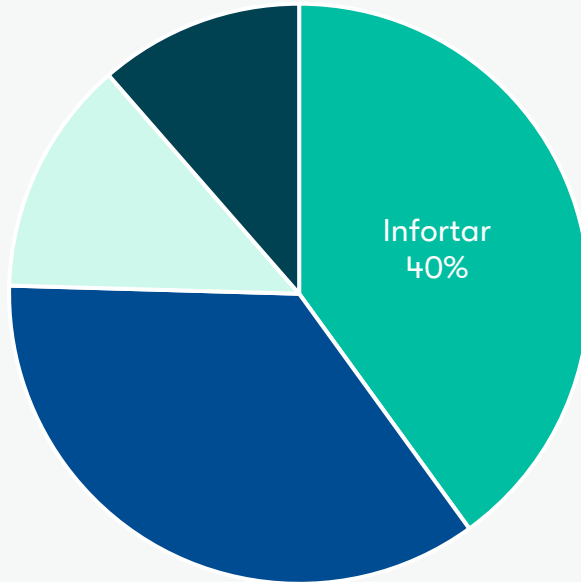


Born in 1974, with the Supervisory Board since 2013

## SUPERVISORY BOARD

# SHAREHOLDERS AND SHARE PERFORMANCE

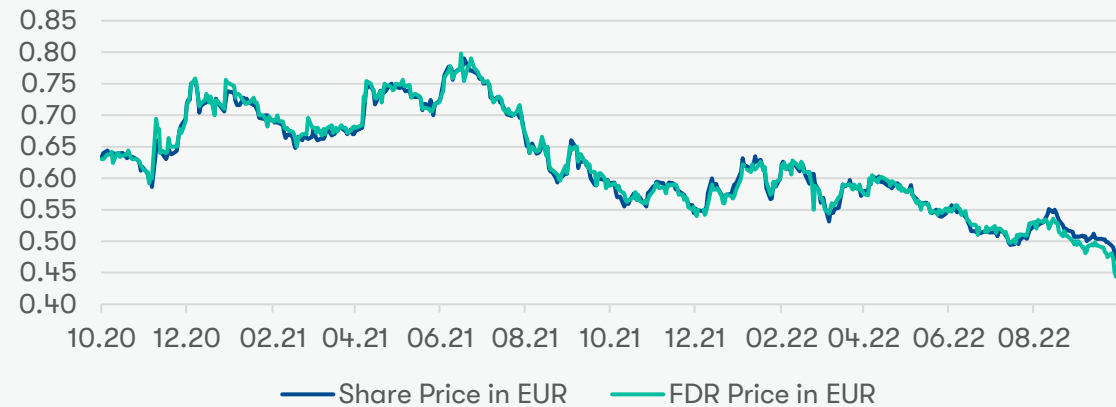
## SHAREHOLDERS OF AS TALLINK GRUPP



- Top 10 shareholders
- Institutional investors
- Retail investors

## TEN LARGEST SHAREHOLDERS AS OF 30.09.2022

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%



39,786 SHAREHOLDERS AND FDR-HOLDERS AT THE END OF THE QUARTER



# 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)

