

Q1 2023

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 (6 chartered out)
- Six ferry routes (1 suspended)
- Operated 4 hotels (1 suspended)

KEY FACTS

- Revenue of EUR 771.4 million in 2022
- Served 5.5 million passengers in 2022
- Transported 410 thousand cargo units in 2022
- Operated EUR 1.7 billion asset base as at 31 December 2022
- 4,924 employees as at 31 March 2023
- 3.0 million loyalty program members
- 39,796 shareholders and FDR-holders of which 30,704 on Tallinn Stock Exchange and 9,092 on Helsinki Stock Exchange as at 31 March 2023



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

Q1 2023 OVERVIEW

Selected Key Figures (financials in million euros)	Q1 2022	Q1 2023	Change
Number of passengers	720,261	1,049,777	45.7%
Number of cargo units	101,938	86,732	-14.9%
Number of passenger cars	140,380	157,639	12.3%
Revenue	106.1	171.2	61.3%
Gross profit	-19.9	24.8	224.5%
EBITDA	-11.0	27.1	347.2%
EBIT	-34.6	1.9	105.4%
Net result for the period	-40.0	-5.4	86.4%
Capital expenditures	8.9	11.5	29.5%
As at:	31.12.22	31.03.23	Change
Total assets	1,691.6	1,672.1	-1.2%
Total equity	706.9	701.6	-0.8%
Interest-bearing liabilities	853.5	831.8	-2.5%
Net debt	738.6	735.4	-0.4%

2023 unaudited

- **Revenue EUR 171.2m (EUR +65.1m or 61.3% vs LY)**
 - Recovery in passenger numbers from COVID-19 related travel restrictions
 - EUR 27.5m increase in chartering revenues vs LY
 - Strong recovery in hotel, shops & shore restaurant segment
- **Costs & support**
 - Cost of sales increased by 16.2% or EUR 20.4m vs LY
 - Fuel cost decreased by 6.0% or EUR 1.7m vs LY
- **EBITDA of EUR 27.1m (EUR +38.1m or 347.2% vs LY)**
- **Net loss of EUR 5.4m (EUR +34.6m or 86.4% vs LY)**
- **CAPEX of EUR 11.5m (EUR +2.6m or 4.0% vs LY)**
 - Maintenance and repair works amounted for majority of CAPEX (45 days in total)

Q1 2023 SALES & RESULTS BY GEOGRAPHICAL SEGMENTS

Route	Key Figures (financials in EUR million)	Q1 2022	Q1 2023 ⁽²⁾	Change	No COVID-19 restrictions in Q1 2023; high restrictions & limited operations in Q1 2022
Estonia-Finland	Passengers (thousands)	428	627	46.6%	The segment reflects operations of three shuttle vessels. New shuttle-vessel MyStar added in mid-December 2022.
	Cargo units (thousands)	70	64	-8.8%	
	Revenue	41.3	57.4	39.0%	
	Segment result	-1.4	6.2	550.3%	
Finland-Sweden	Passengers (thousands)	230	312	35.5%	The results reflect the operations of one cruise ferry on the Turku-Stockholm and two on the Helsinki-Stockholm route.
	Cargo units (thousands)	19	9	-53.8%	
	Revenue	37.6	47.7	26.7%	
	Segment result	-13.8	-3.4	75.7%	
Estonia-Sweden	Passengers (thousands)	63	111	77.4%	The results reflect operations of two cargo vessel (Paldiski-Kapellskär) and one cruise ferry on the Tallinn-Stockholm route.
	Cargo units (thousands)	13	14	8.5%	
	Revenue	12.3	19.4	57.4%	
	Segment result	-6.8	-1.5	78.2%	
Other	Revenue ⁽¹⁾	15.3	47.8	212.6%	Increase mainly driven by chartering of vessels and accommodation sales, to a lesser extent by various catering and retail activities; includes expenses previously reported under Latvia-Sweden segment.
	Segment result ⁽¹⁾	-5.2	14.4	374.8%	
	Intersegment revenue	-0.4	-1.1	-156.4%	

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

(2) 2023 unaudited

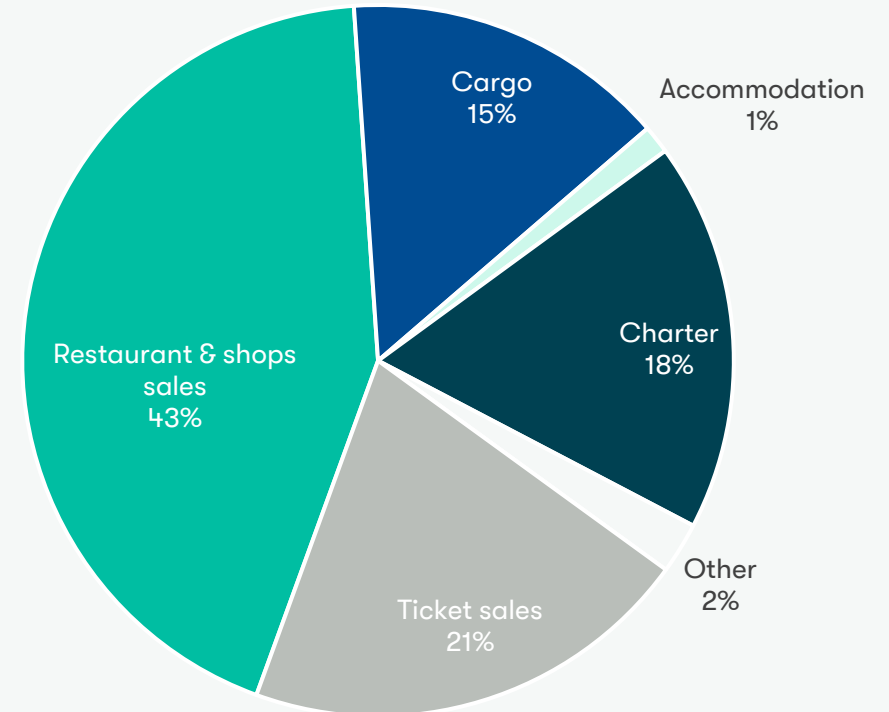
Q1 2023 SALES & RESULTS BY OPERATIONAL SEGMENTS

Revenue (EUR million)	Q1 2022	Q1 2023 ⁽¹⁾	Change
Restaurant and shop sales on-board and onshore	49.9	74.2	48.7%
Ticket sales	22.1	35.2	59.1%
Sales of cargo transportation	26.5	25.3	-4.5%
Accommodation sales	1.3	2.2	65.2%
Income from charter of vessels	2.9	30.3	964.7%
Other sales	3.4	4.0	15.9%
Total revenue	106.1	171.2	61.3%

- Restaurant and shop sales onboard and onshore increased mainly due to higher number of passengers
- Increase in ticket sales attributable to increased demand and pricing
- Demand is driving the increase in accommodation sales
- Delivery of MyStar to the Tallinn-Helsinki route
- Total of 6 vessels chartered out in Q1 2023
- High competition in cargo transportation market

(1) 2023 unaudited

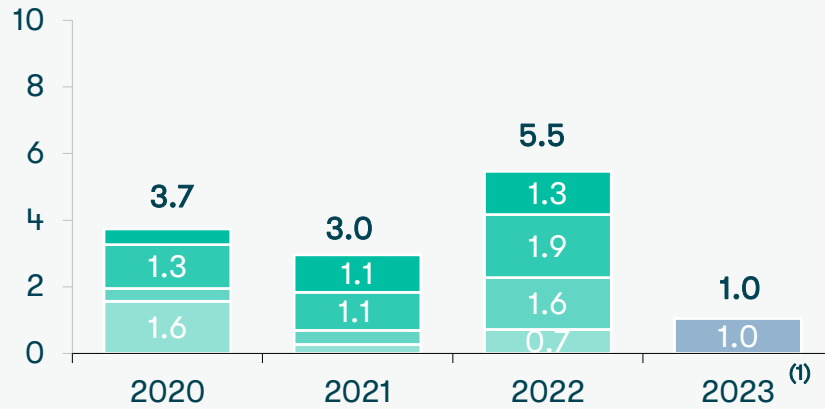
REVENUE STRUCTURE IN Q1 2023



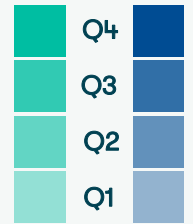
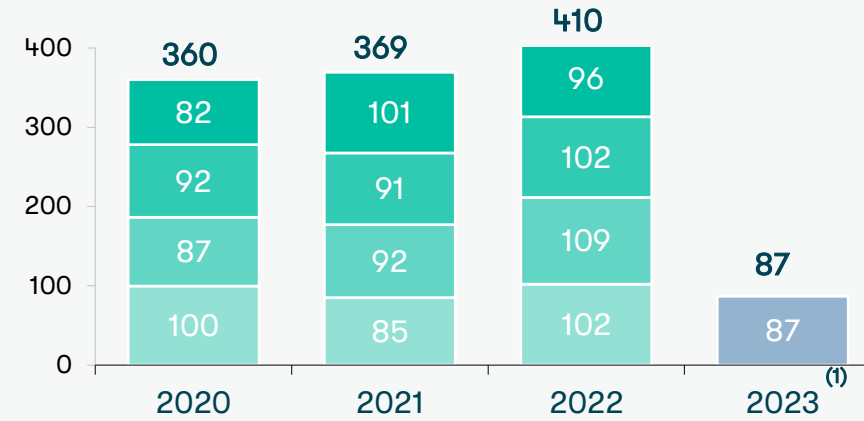
RESULTS

QUARTERLY SEASONALITY BREAKDOWN

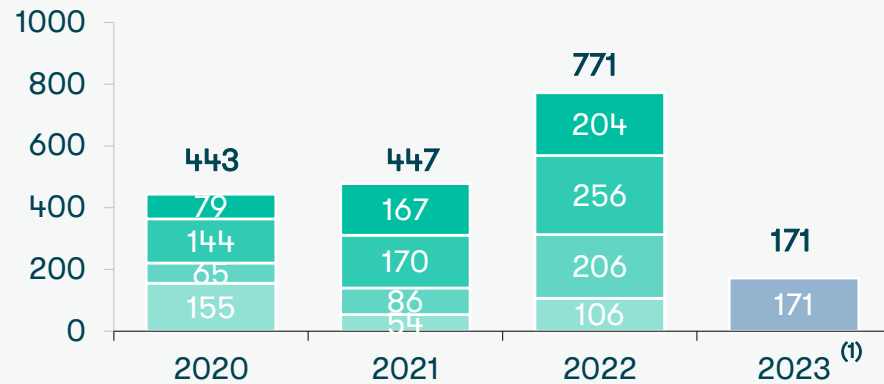
PASSENGERS (MILLIONS)



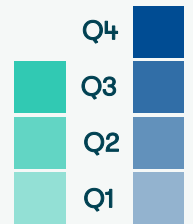
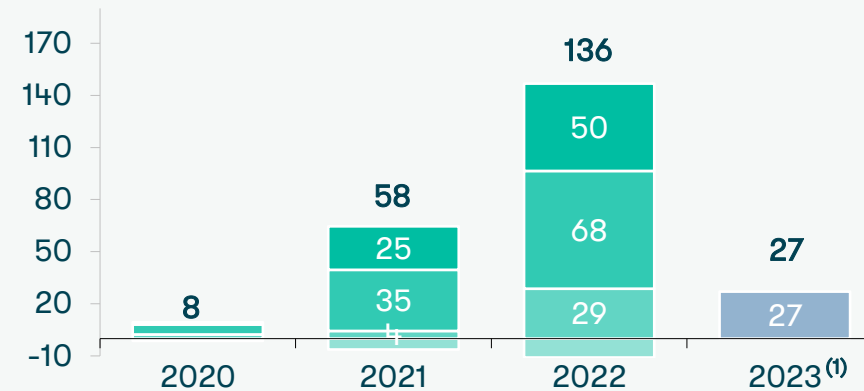
CARGO (TH. UNITS)



REVENUE (EUR MILLION)

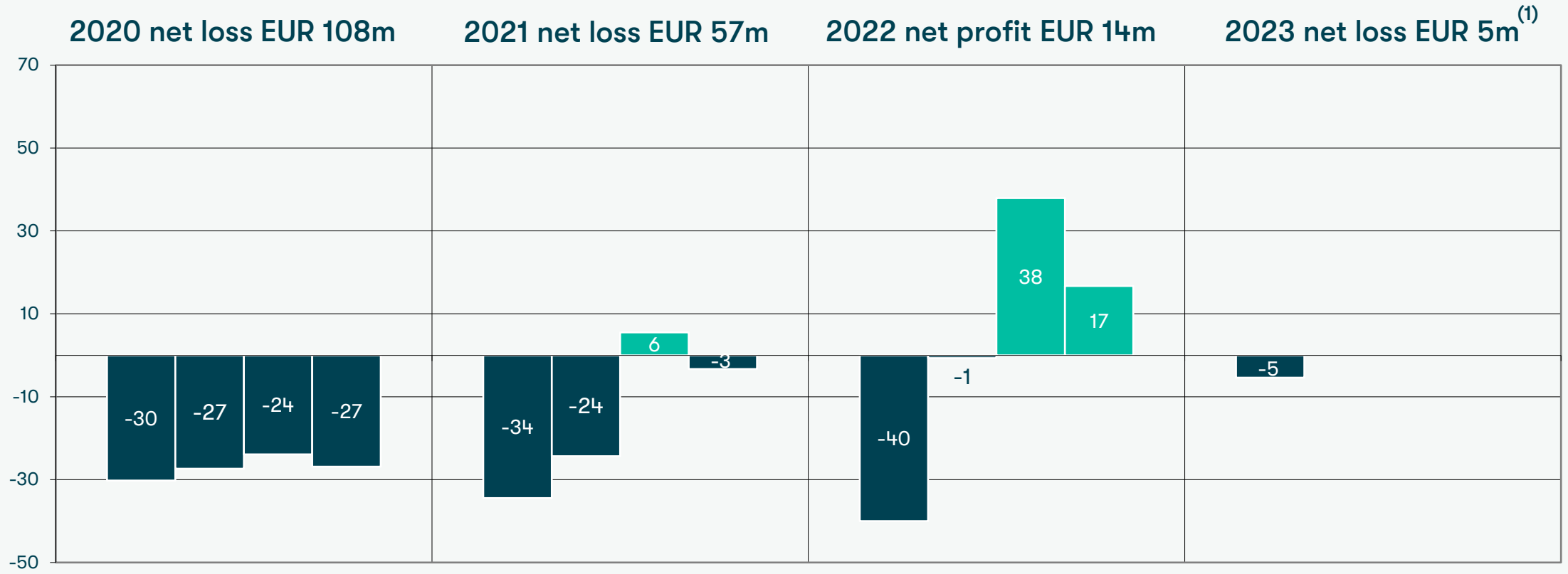


EBITDA (EUR MILLION)



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

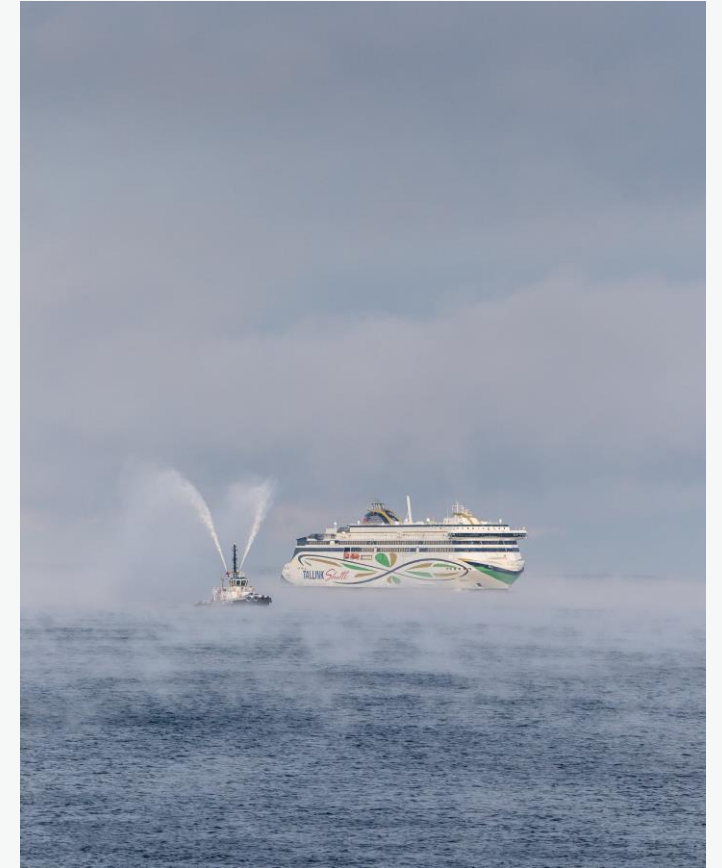
Q1 2023 DEVELOPMENTS AND KEY FACTS

OPERATING ENVIRONMENT

- Consumer and business confidence in home markets improved compared to all time low in September 2022
- Slowdown of increase in global fuel and energy prices as well as prices of food products and materials
- Rising interest rates
- Geopolitical situation and ongoing war in Ukraine

ACTIVITIES AND EVENTS

- Extension of two short-term charter agreements:
 - Cruise vessel Silja Europa agreement with Centraal Orgaan Opvang Asielzoekers (COA) in the Netherlands until June 2023
 - Cruise vessel Galaxy until October 2023
- New collective agreement with Estonian Seamen's Independent Union signed for the next 4 years



MyStar arriving in Tallinn, December 2022

CONSOLIDATED INCOME STATEMENT

(EUR million)	2021	2022	Q1 2022	Q1 2023 ⁽²⁾
Sales	477	771	106	171
Cost of sales ⁽¹⁾	-455	-658	-126	-146
Marketing & administrative cost ⁽¹⁾	-75	-87	-18	-23
Other operating items, net	16	11	4	0
EBITDA	58	136	-11	27
Margin (%)	12.2%	17.6%	-10.3%	15.8%
Net Result	-57	14	-40	-5
EPS	-0.081	0.019	-0.054	-0.007

CONSOLIDATED CASH FLOW STATEMENT

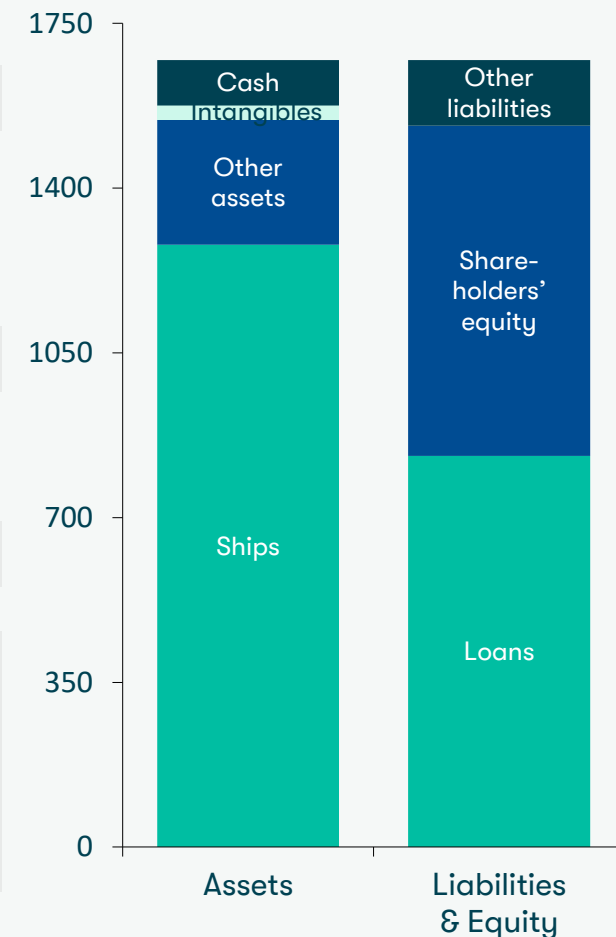
(EUR million)	2021	2022 ⁽¹⁾	Q1 2022	Q1 2023 ⁽¹⁾
Operating cash flow	59	144	-18	26
Capital expenditure	-20	-203	-9	-11
Asset disposal	1	3	0	0
Free cash flow	40	-56	-27	15
Debt financing (net effect)	45	69	7	-25
Interests & other financial items	-20	-25	-6	-8
Increase of share capital	35	0	0	0
Change in cash	100	-13	-27	-18

Totals may not sum due to rounding

(1) 2023 unaudited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR million)	31.12.2021	31.03.2022	31.12.2022	31.03.2023 ⁽²⁾
Total assets	1,586	1,560	1,692	1,672
Non-current assets	1,383	1,372	1,496	1,485
Current assets	203	188	196	187
- of which cash	128	101	115	96
Total liabilities	893	908	985	970
Interest bearing liabilities	780	789	854	831
Other liabilities	113	118	131	139
Shareholders' equity	693	653	707	702
Net debt/EBITDA	11.2x	12.8x	5.4x	4.2x
Net debt	652	688	739	735
Equity/assets ratio	44%	42%	42%	42%
BVPS⁽¹⁾ (in EUR)	0.93	0.88	0.95	0.94



Totals may not sum due to rounding

(1) Shareholders' equity / number of shares outstanding

(2) 2023 unaudited

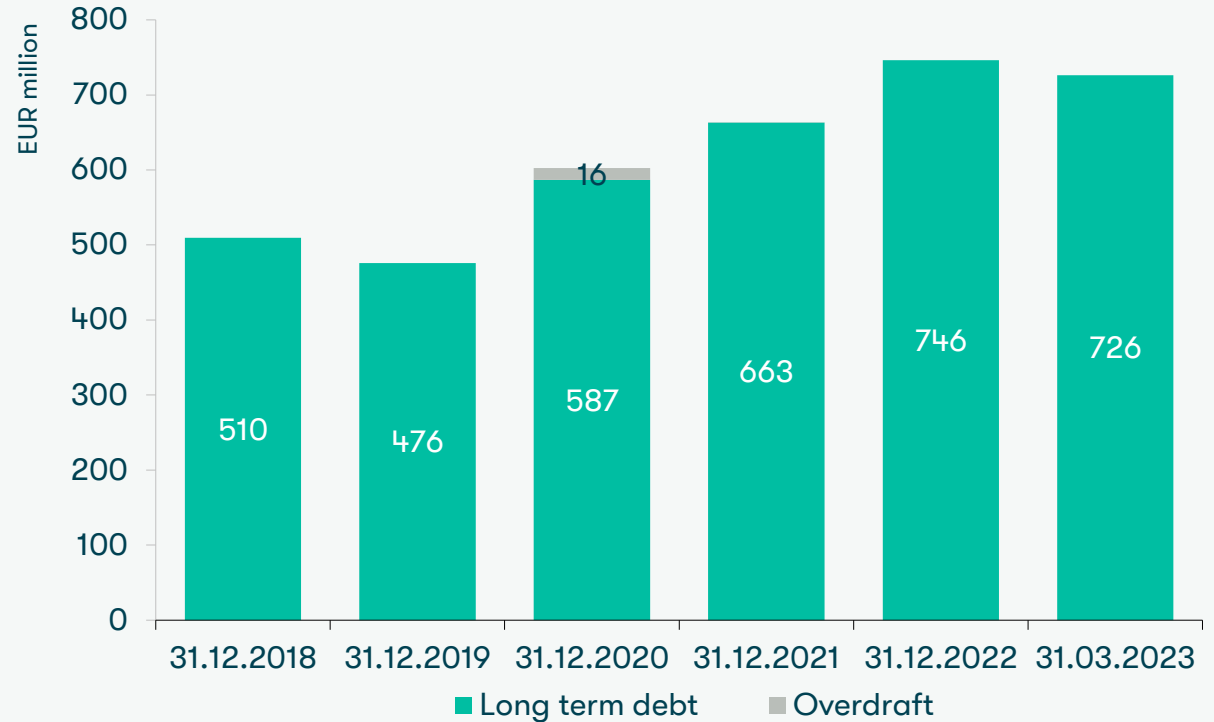
DEBT STRUCTURE

LONG TERM BANK LOANS

- EUR 726 million as at 31 March 2023
- 7 loan agreements outstanding: syndicated loans, amortizing project and working capital loans
- Maturities 0.6–12 years
- EUR denominated, fixed and EURIBOR floating

OVERDRAFTS (as at 31 March 2023)

- EUR 135.0 million unused



2023 unaudited

TOTAL INTEREST BEARING LIABILITIES EUR 831.8 MILLION AS AT 31 MARCH 2023

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

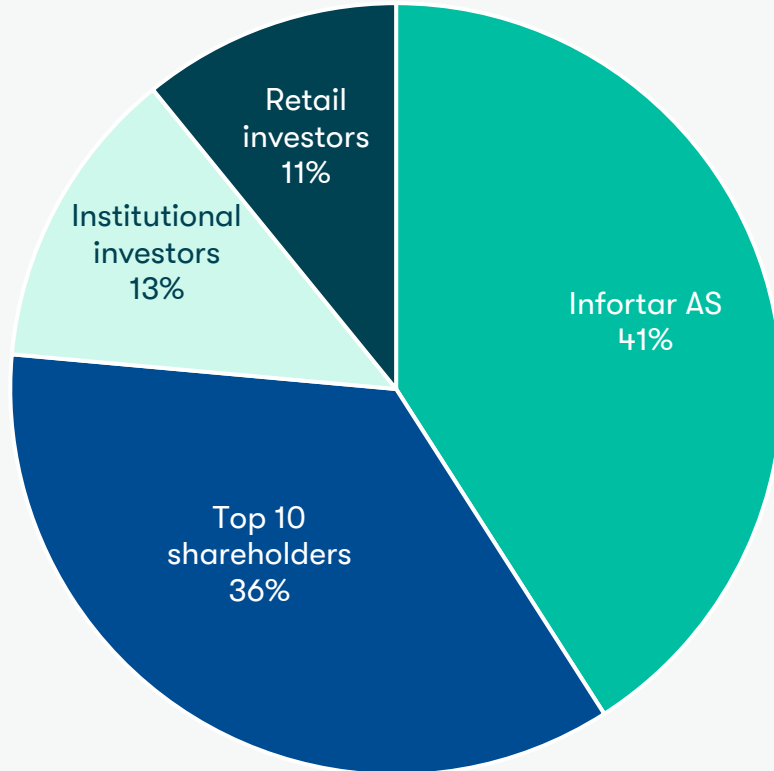


Born in 1974,
with the Supervisory
Board since 2013

SUPERVISORY BOARD

SHAREHOLDERS AND SHARE PERFORMANCE

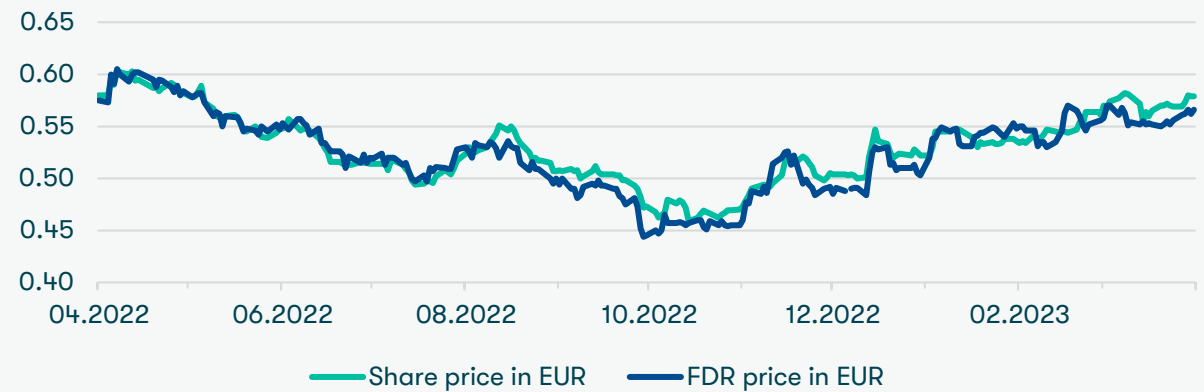
SHAREHOLDERS OF AS TALLINK GRUPP



LARGEST SHAREHOLDERS AS OF 31 MARCH 2023

Infortar AS	41%
Baltic Cruises Holding, L.P.	11%
Baltic Cruises Investment L.P.	6%
ING Luxembourg S.A. AIF Account	5%
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%
Enn Pant	1%

Share price in EUR



EVENTS AFTER THE REPORTING PERIOD & OUTLOOK



MyStar arrival, December 2022

- Long-term bareboat charter agreement with Canadian entity Bridgemans Floatel LP/Bridgemans Services Group LP was signed for chartering the cruise vessel Isabelle from 1 July 2023. The multi-year charter agreement includes a purchase option.
- Long-term bareboat charter agreement with Irish Continental Group plc was signed for chartering the shuttle vessel Star. The charter agreement that includes a purchase option was signed for 20 months with the possibility to extend the charter by 2+2 years.
- Charter agreement for the cruise vessel Victoria I was extended until 15 July 2023.
- On 14 April 2023, Tallink Hotel Riga was re-opened to customers after 2 ½ years of suspended operations.
- On 20 April 2023, the flag state of the cruise vessel Galaxy was changed from Sweden to Latvia. As a result, the new name of the cruise vessel is Galaxy I.
- On 24 April 2023, the Group started the collective redundancy process of up to 400 crew members in Estonia and up to 100 crew members in Latvia.

THANK YOU



AS Tallink Grupp

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