

Company AS TALLINNA SADAM
Type Company Release
Category Management interim statement or quaterly financial report
Disclosure time 14 Aug 2019 09:00:00 +0300

Attachments:

- ASTallinna-10002570931-en.pdf (<http://oam.fi.ee/en/download?id=4034>)
- ASTallinna-10002570933-et.pdf (<http://oam.fi.ee/en/download?id=4035>)

Currency

Title AS Tallinna Sadam financial results for 2019 Q2 and 6 months

In the second quarter of 2019, revenue, adjusted EBITDA and net profit of AS Tallinna Sadam (hereinafter "the Group") increased. Revenue amounted to EUR 32.8 million, growing by 0.2% compared to the same period last year. The Group's adjusted EBITDA was EUR 18.8 million in Q2, growing by 4.1% year on year. Net profit amounted to EUR 7.2 million.

According to Valdo Kalm, Chairman of the Management Board of the Group, the results of Q2 were influenced by the growth of dry bulk cargo, mainly due to the launch of the dry bulk terminal by the new cargo operator PK Terminal and by recovery of the liquid bulk volumes to the last year's level under conditions of continued strong competition. "In the second quarter, the number of passengers increased mainly due to the Tallinn-Helsinki route. At the end of June, Eckerö Line started operating on the Muuga-Vuosaari route with its vessel MS Finbo Cargo, which serves both lorries and vehicles and in addition, Tallink also started to serve passengers with vehicles on this route with its vessel Sea Wind. These events will have an impact on the Group's financial results mainly since the third quarter," said Kalm. The biggest growth in revenue and profitability was generated by the ferries operating on Saaremaa and Hiiumaa routes and by the icebreaker Botnica due to the indexation of contractual fees and the increase of operational efficiency.

Supported by the growth in passenger and cargo volumes, half-year revenue made a slight recovery to EUR 61.4 million, reducing the 3%-drop in Q1 caused by lower liquid cargo volume and scheduled maintenance of the passenger ships. Adjusted EBITDA remained at the previous year's level due to lower operating expenses in Q2. The strong growth in net profit over in 6 months year-on-year was due to EUR 20.5 million lower dividend income tax expense in 2019.

In the second quarter, the investments also increased compared to the same period last year due to the reconstruction of the passenger terminal D, dredging



works at the Paldiski South Harbour and the co-financing of the construction of Reidi road at the Old City Harbour.

The Management Board estimates that Tallinna Sadam will achieve the profit target set for 2019 and there will be no deviations from the dividend policy.

The members of the Management Board will present the financial results of the Group at a webinar on 14 August at 11:00 EET, to attend, please register here (<https://register.gotowebinar.com/register/2889630203974507267>). The webinar will be held in English.

Key figures (in million EUR):

	Q2	Q2	+/-	6 months	6 months	+/-
	2019	2018		2019	2018	
Revenue	32.8	32.8	0.2%	61.4	62.2	-1.3%
Adjusted EBITDA	18.8	18.1	4.1%	35.7	35.7	0.0%
Adjusted EBITDA margin	57.4%	55.2%	2.2	58.2%	57.4%	0.8
Operating profit	13.3	12.6	5.2%	24.7	25.0	-0.9%
Income tax	-5.8	-26.3	-78.0%	-5.8	-26.3	-78.0%
Profit for the period	7.2	-14.1	150.8%	18.2	-2.3	906.7%
Investments	7.1	3.3	118.1%	11.1	5.2	113.3%

	30.06.2019	31.12.2018	+/-
Total assets	608,7	623,6	-2,4%
Net debt	185,6	171,0	8,5%
Equity	350,7	367,7	-4,6%
Number of shares	263,0	263,0	0,0%

Revenue

Revenue for the 6 months of 2019 decreased by EUR 0.8 million, i.e. 1.3%, year on year. The decline is mostly attributable to the decline in liquid cargo volume and the decline in the number of ship calls during the first quarter due to planned repairs of passenger ships. Revenue from general and dry bulk vessels



increased through growth in cargo volumes and revenue from container vessels grew through a rise in their average size. In both Q2 and 6 months revenue increased in the Ferries and Other segments, but decreased in the Passenger harbours and Cargo harbours segment.

Passenger harbours revenue for Q2 remained at the same level as in the previous year but decreased in the first half of the year due to lower number of calls in Q1 due to planned maintenance of passenger vessels and due to the discounts for the vessels with lower level of emissions.

Cargo harbours revenue for Q2 did not change significantly year on year, but in the first half of the year decreased by 2.6% mainly due to the decrease of liquid cargo volume in Q1.

The revenue of the Ferry segment grew because of a rise in fee rates, which are linked to the Estonian consumer.

The revenue of the segment Other grew through the indexation of the contractual fees of the icebreaker Botnica to the Estonian consumer price index.

EBITDA
Compared to Q2 2018, adjusted EBITDA increased by EUR 0.7 million influenced by growth in all segments, covering the decline in Q1. Adjusted EBITDA margin increased from 57.4% to 58.2% in 6 months as a result of Q2 growth, from 55.2% to 57.4%. Adjusted EBITDA for the first 6 months was EUR 35.7 million, remaining on the same level as last year.

Net profit
In the second quarter of 2019, the Group declared a dividend of EUR 35.2 million. Related income tax expense amounted to EUR 5.76 million, being EUR 20.5 million smaller than in the previous year when the Group declared a record-high dividend (EUR 105 million). Due to the decrease in income tax expense, net profit for six months (EUR 18.2 million) exceeded the result of the comparative period (a loss of EUR 2.26 million) by EUR 20.5 million.

Investments
In the first half of 2019, the Group invested EUR 11.1 million, including EUR 7.1 million in Q2 (6 months 2018: EUR 5.2 million). Investments of the period were mostly related to the reconstruction of passenger terminal D at the Old City Harbour, dredging works at the Paldiski South Harbour and the co-financing of the construction of Reidi road at the Old City Harbour.

Interim condensed consolidated statement of financial position:

In thousands of euros	30 June 2019	31 December 2018

ASSETS		



Current assets		
Cash and cash equivalents	24,638	42,563
Trade and other receivables	10,872	8,017
Contract assets	369	0
Inventories	341	305
Total current assets	36,220	50,885

Non-current assets		
Investments in associates	1,451	1,569
Other long-term receivables	151	196
Property, plant and equipment	568,841	568,965
Intangible assets	2,024	2,024
Total non-current assets	572,467	572,754

Total assets	608,687	623,639

LIABILITIES

Current liabilities

Loans and borrowings	15,766	15,766
Derivative financial instruments	393	425
Provisions	1,105	1,957
Government grants	85	174
Taxes payable	6,895	5,844



Trade and other payables	11,201	9,485
Contractual liabilities	3,988	32
Total current liabilities	39,433	33,683
<hr/>		
Non-current liabilities		
Loans and borrowings	194,463	197,846
Government grants	23,130	23,418
Other payables	79	79
Contract liabilities	919	939
Total non-current liabilities	218,591	222,282
<hr/>		
Total liabilities	258,024	255,965
<hr/>		
EQUITY		
Share capital at par value	263,000	263,000
Share premium	44,478	44,478
Statutory capital reserve	18,520	18,520
Hedge reserve	-393	-425
Retained earnings (prior periods)	6,859	17,678
Profit for the period	18,199	24,423
Total equity	350,663	367,674
<hr/>		
Total liabilities and equity	608,687	623,639
<hr/>		

Interim condensed consolidated statement of profit or loss:



In thousands of euros	6 months 6 months			
	Q2 2019	Q2 2018	2019	2018
Revenue	32,822	32,752	61,350	62,166
Other income	305	241	580	444
Operating expenses	-9,319	-10,004	-16,717	-17,587
Personnel expenses	-4,817	-4,782	-9,108	-8,972
Depreciation, amortisation and impairment	-5,643	-5,546	-11,193	-10,949
Other expenses	-75	-50	-181	-152
Operating profit	13,273	12,611	24,731	24,950
Finance income and costs				
Finance income	14	8	27	8
Finance costs	-443	-527	-881	-1,038
Finance costs - net	-429	-519	-854	-1,030
Share of profit of an associate accounted for under the equity method	81	74	86	74
Profit before income tax	12,925	12,166	23,963	23,994
Income tax	-5,764	-26,250	-5,764	26,250
Profit for the period	7,161	-14,084	18,199	-2,256
Attributable to owners of the Parent	7,161	-14,084	18,199	-2,256
Basic and diluted earnings per share (in				



euros)	0.03	-0.07	0.07	-0.01
Basic and diluted earnings per share - continuing operations (in euros)	0.03	-0.07	0.07	-0.01

Interim condensed consolidated statement of cash flows:

	6 months	6 months
In thousands of euros	2019	2018
Cash receipts from sale of goods and services	65,769	67,535
Cash receipts related to other income	151	56
Payments to suppliers	-20,480	-20,676
Payments to and on behalf of employees	-8,791	-8,019
Payments for other expenses	-216	-185
Income tax paid on dividends	-4,949	0
Cash from operating activities	31,484	38,711
Purchases of property, plant and equipment	-9,975	-5,908
Purchases of intangible assets	-233	-385
Proceeds from sale of property, plant and equipment	24	0
Interest received	25	2
Cash used in investing activities	-10,159	-6,291
Contributions to share capital	0	122,287
Redemption of debt securities	0	-1,250
Repayments of loans received	-3,383	-3,383



Change in overdraft (liability)	0	-2,566
Repayments of finance lease principal	0	-1
Dividends paid	-34,970	-85,000
Interest paid	-887	-1,020
Other payments related to financing activities	-10	-37
Cash from/used in financing activities	- 39,250	29,030
<hr/>		
NET CASH FLOW	-17,925	61,450
<hr/>		
Cash and cash equivalents at beginning of the period	42,563	6,954
Change in cash and cash equivalents	-17,925	61,450
Cash and cash equivalents at end of the period	24,638	68,404
<hr/>		

Tallinna Sadam is one of the largest cargo- and passenger port complexes in the Baltic Sea region, which in 2018 serviced 10.6 million passengers and 20.6 million tons of cargo. In addition to passenger and freight services, Tallinna Sadam group also operates in shipping business via its subsidiaries - OÜ TS Laevad provides ferry services between the Estonian mainland and the largest islands, and OÜ TS Shipping charters its multifunctional vessel m/v Botnica for icebreaking and construction services in Estonia and offshore projects abroad. Tallinna Sadam group is also a shareholder in an associate AS Green Marine, which provides waste management services. Tallinna Sadam group's sales in 2018 totaled EUR 130.6 million, adjusted EBITDA EUR 74.4 million and net profit EUR 24.4 million.

Additional information:

Marju Zirel
Head of Investor Relations
AS Tallinna Sadam
m.zirel@ts.ee (mailto:m.zirel@ts.ee)

