



# Unique asset for investment

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Marju Zirel, IR

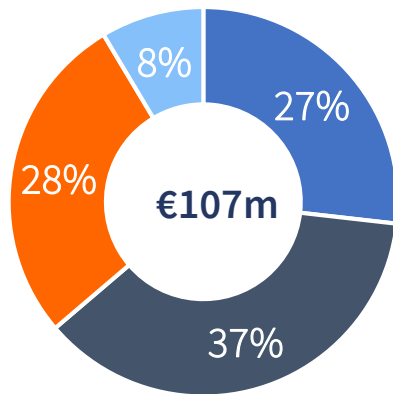
**PORT OF  TALLINN**  
The Port of Good News

# Resilient infrastructure business model

PORT OF  TALLINN

## DIVERSIFICATION

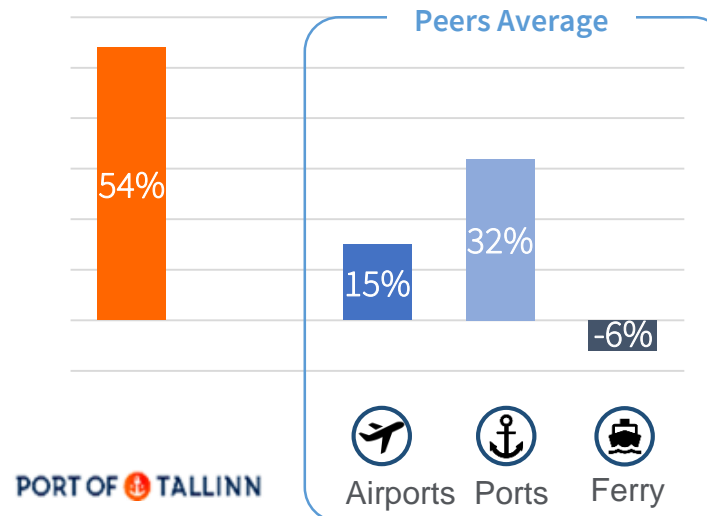
2020 Revenue



■ Passenger H ■ Cargo H ■ Ferry ■ Other

## PROFITABILITY

2020 Adjusted EBITDA Margin



PORT OF  TALLINN



Airports



Ports



Ferry

## STABLE CLIENT BASE



## STRONG DIVIDEND PROFILE

*min 70% of net profit for dividends*

# Dividend stock

## Equity story

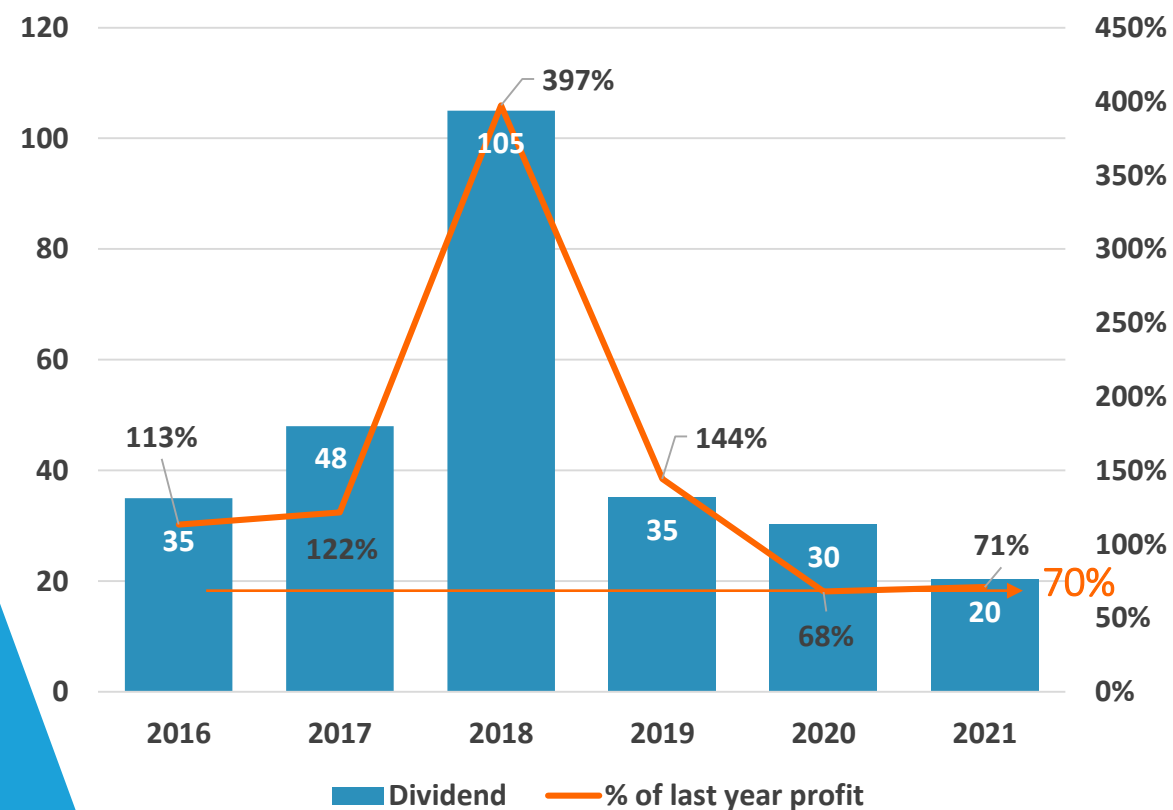
- Expectations of the State as the majority shareholder for continuous stable dividends

## DIVIDEND POLICY

- Min EUR 30M annually in 2019 and 2020
- starting 2021 at least 70% of net profit

*Income tax 20% or 14% ,gross-up, based on dividends*

Dividends paid (mln EUR)





# Where we operate

## ESTONIA

- Part of EU, eurozone, OECD and NATO
- Currency EUR
- Next door to Russia, Scandinavia, Baltics
- Stable credit rating outlook A1 (Moody's) and AA- (S&P)
- Consistently lowest government debt level in EU



# A Well Balanced Business Profile

## Business segments

### Passenger Harbours

International ferry lines, cruise, ro-ro

#### Old City Harbour (main)

- International PAX lines to Helsinki, Stockholm, St.Petersburg
- Serving PAX vessels' Ro-Ro cargo
- Cruise vessels

#### Saaremaa Harbour

- Cruise and dry bulk



### Cargo Harbours

Liquid bulk, Ro-Ro, dry bulk, containers, general cargo, industrial parks, PAX with vehicles

#### Muuga Harbour

- Main cargo harbour in Estonia

#### Paldiski South Harbour

- Estonian export-import, cars, outsized goods



### Other

#### Icebreaking (MPSV Botnica)

- Long-term agreement with the state for winter until Q2 2032
- Off-shore and other projects in summer



### Ferry

Operation of local ferry lines to the main islands

- 2 routes with 5 ferries
- 10-year agreement with the state until Q3 2026



### Waste Management

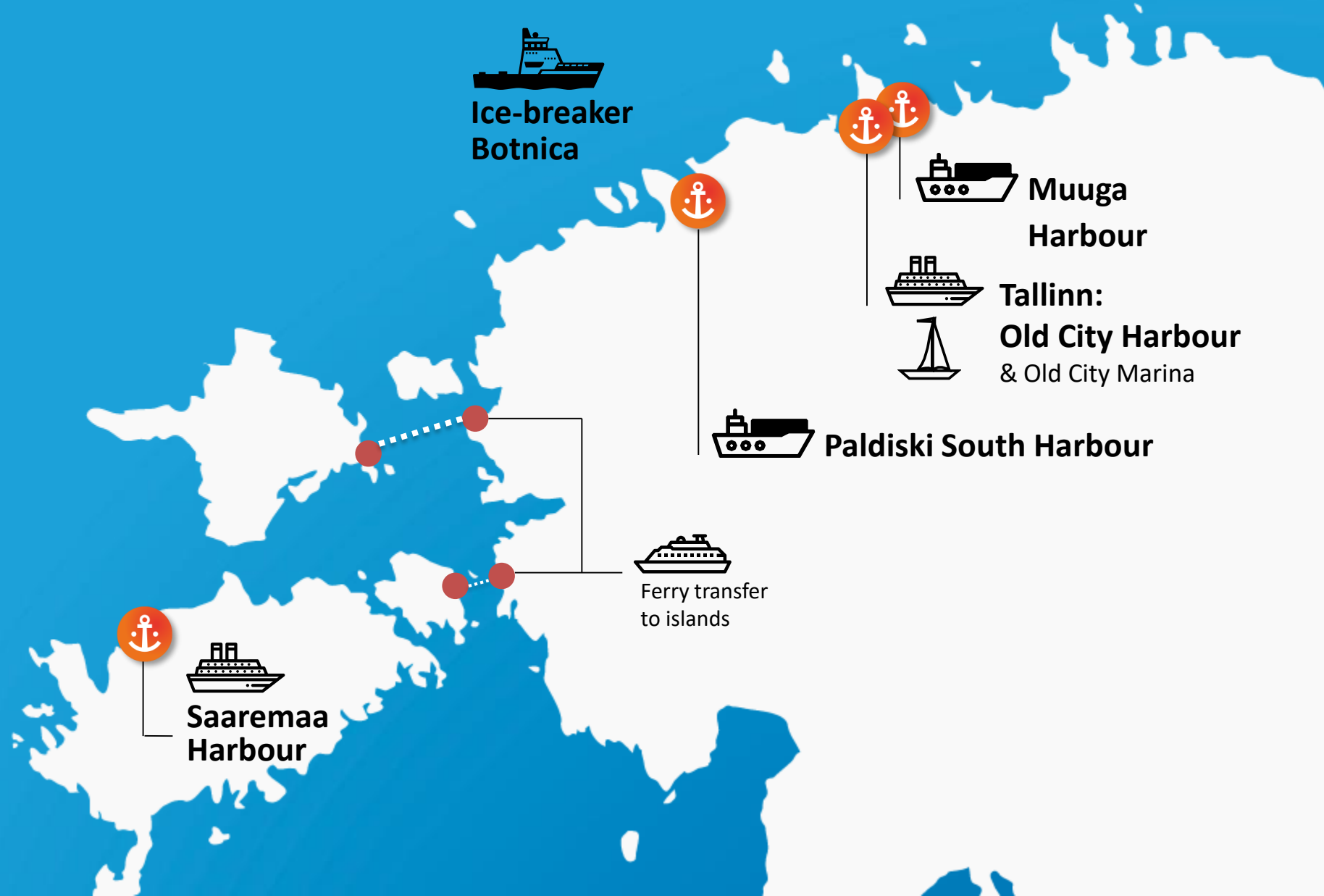
- Joint venture AS Green Marine (51%)

# Where we operate

from harbours  
to vessel operations

Port of Tallinn doesn't by far mean ports in the city limits of Tallinn.

Port of Tallinn is a port complex with harbours located all over Estonia.



# Revenue Structure & Main Customers

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## Passenger harbours

### Regular lines



### Cruise



## Other

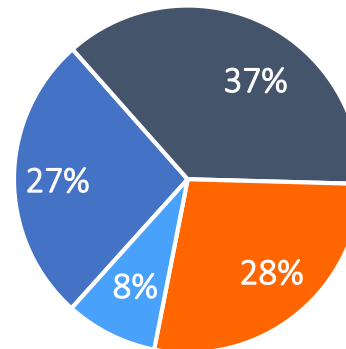
### Botnica



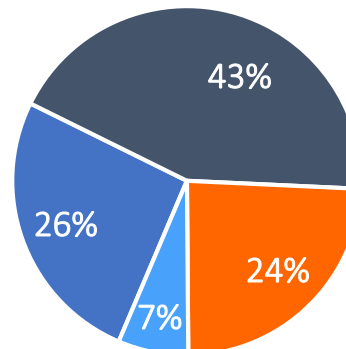
Republic of Estonia



## Revenue 2020



## Adj. EBITDA 2020



## Cargo harbours

### Terminal operators



### Shipping lines



## Ferry

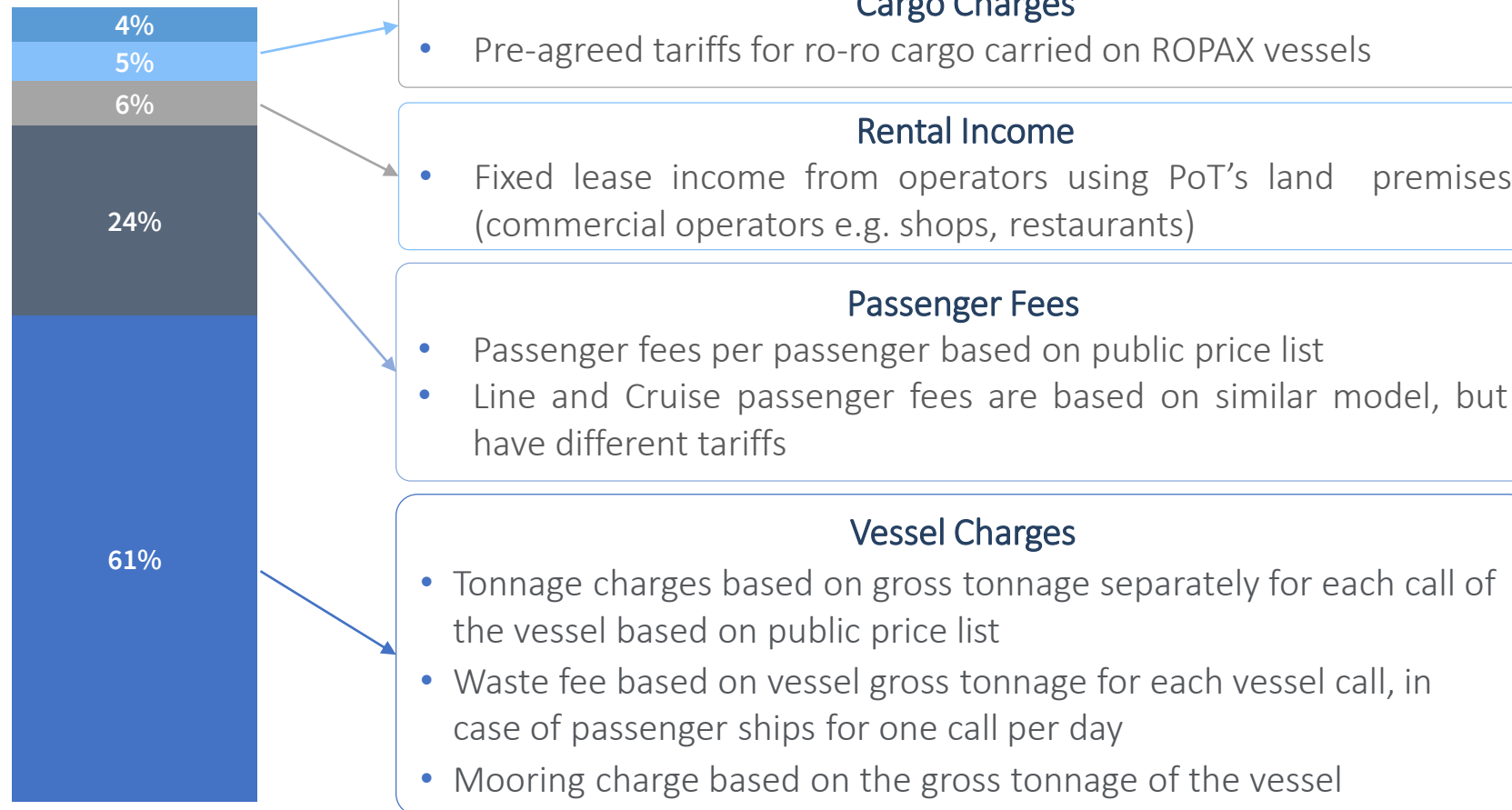
### Clients



Republic of Estonia

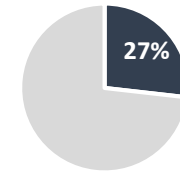
# Revenue model

## Passenger harbours

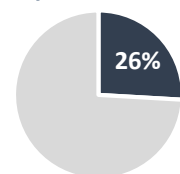


### 2020 Contribution

#### Revenue



#### Adjusted EBITDA



### Key Customers

#### Regular Lines



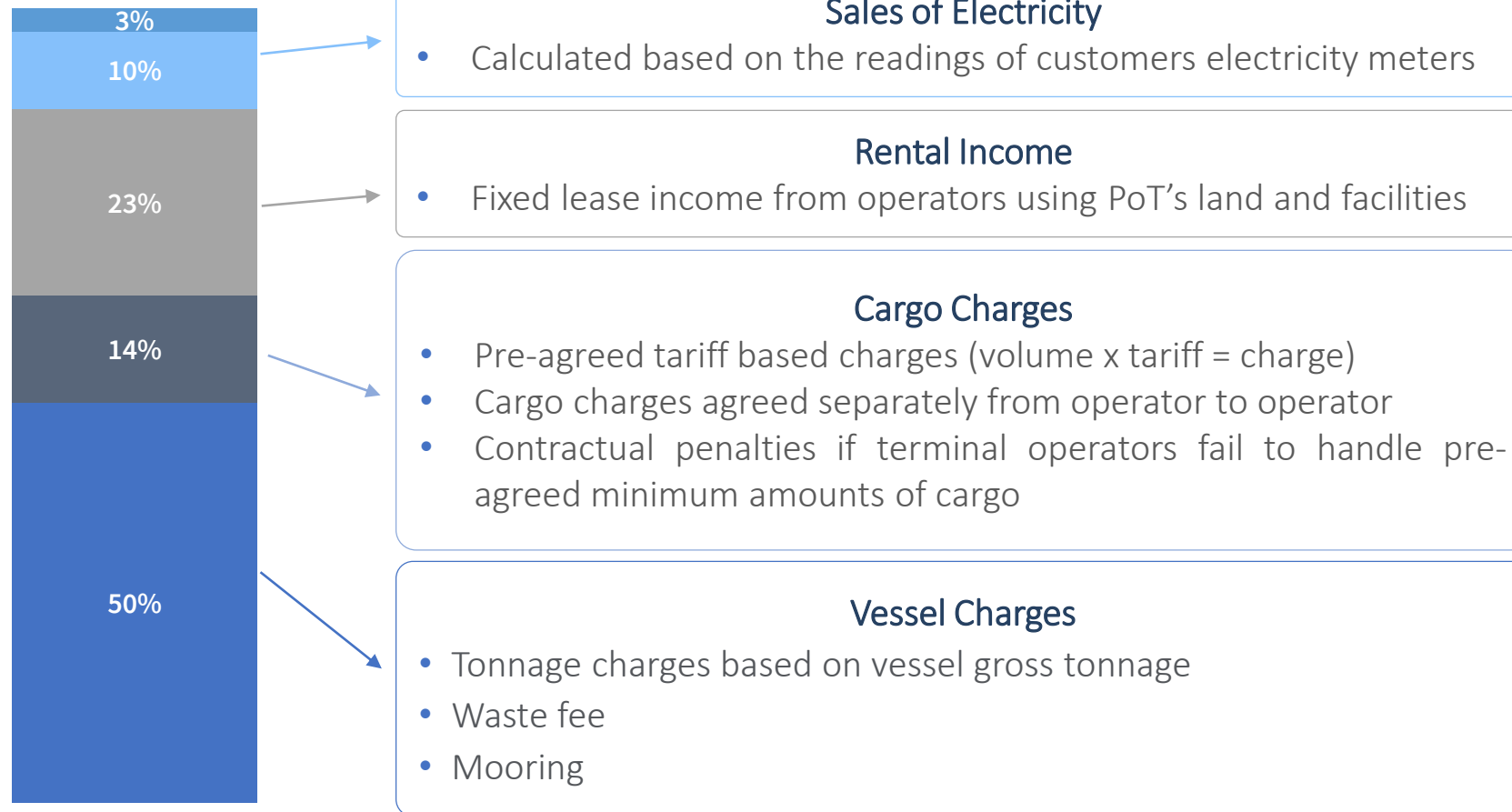
#### Cruise





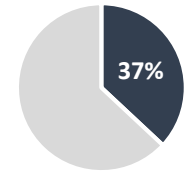
# Revenue model

## Cargo harbours

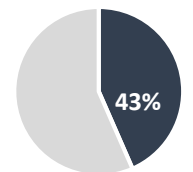


### 2020 Contribution

#### Revenue



#### Adjusted EBITDA



### Key Customers

#### Terminal Operators

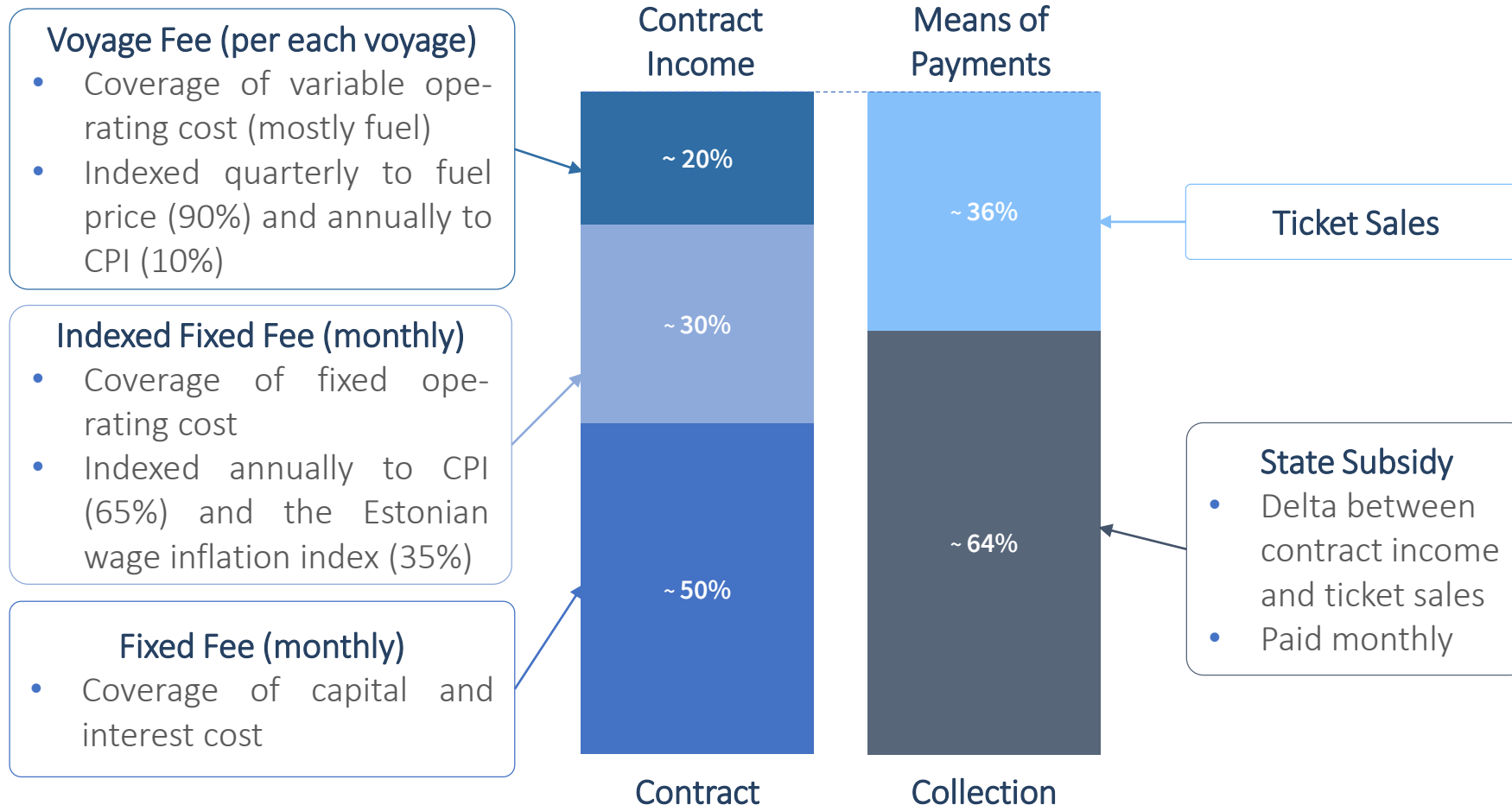


#### Shipping Lines



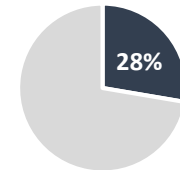
# Revenue model

## Ferry business

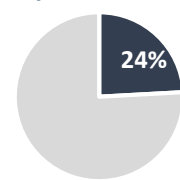


### 2020 Contribution

#### Revenue



#### Adjusted EBITDA



### Customer



State of Estonia

# COVID-19 impact

## Passengers

- Strong downturn from March 2020, min cruise calls. Temporary restrictions for passenger movement, ro-ro cargo keeps ROPAX vessels moving



## Cargo

- Continuous volume growth (ro-ro and dry bulk). Temporary lines in Paldiski



## Shipping

- Ferry: no significant impact
- MPSV Botnica summer charter ongoing
- Green Marine stabilizing



## Real estate

- Investments continue. More effective operations





An aerial photograph of the Port of Tallinn, Estonia, showing the city's layout, the harbor, and several large ships docked at the piers. The image is overlaid with a semi-transparent blue filter.

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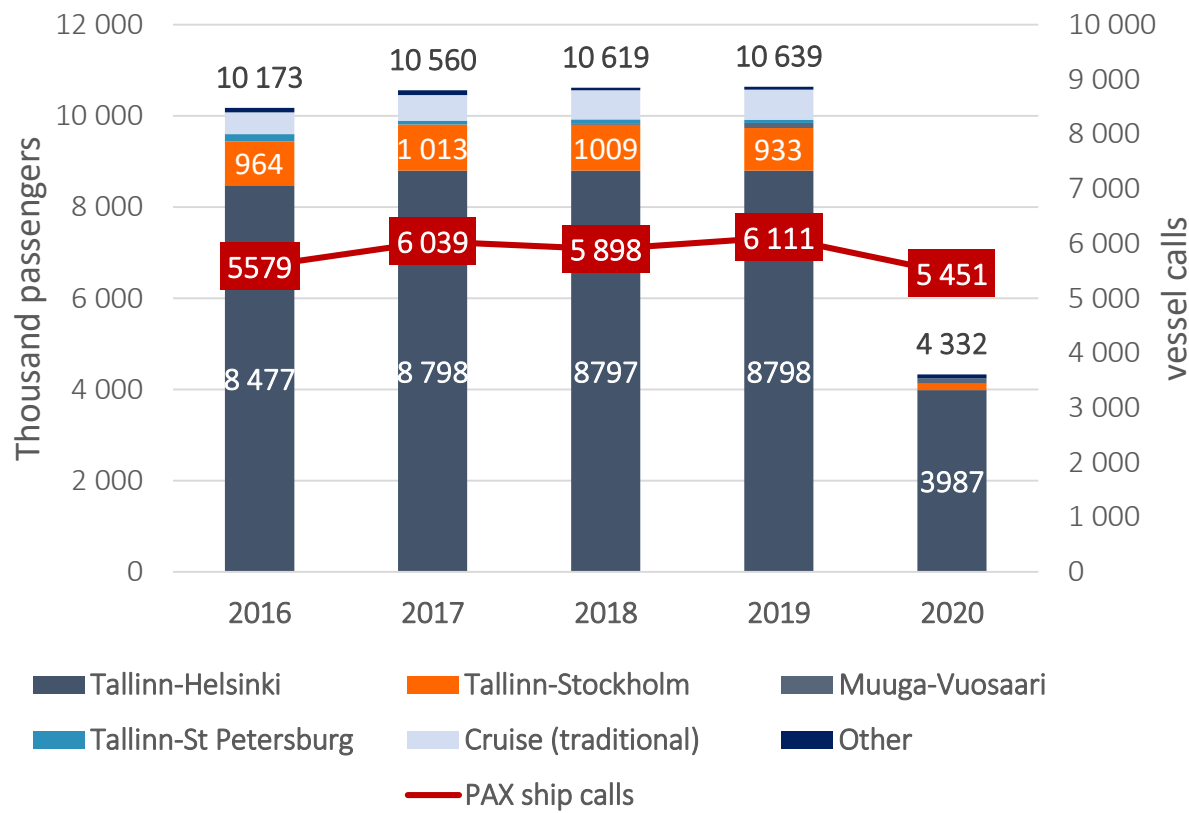
# Competitive position and strategy



# 3<sup>rd</sup> biggest passenger port in Northern Europe

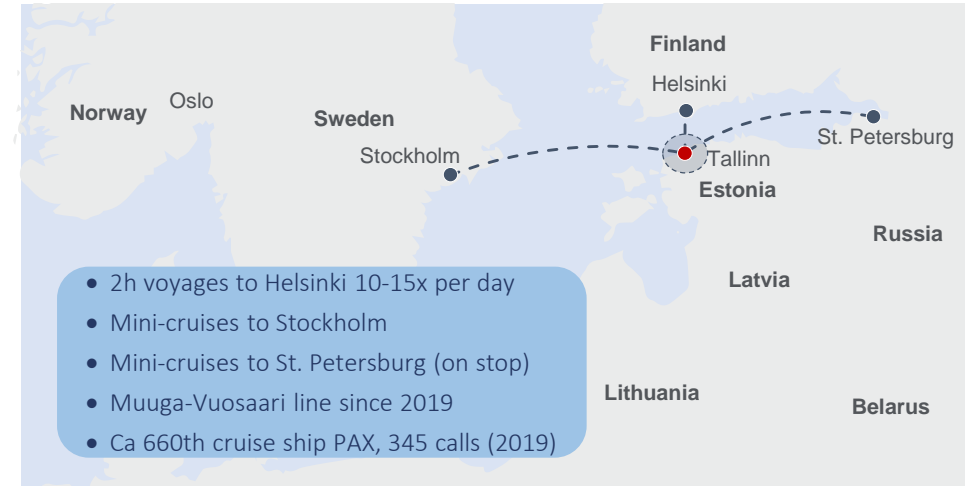
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PAX: consecutive growth for 12 years before COVID-19

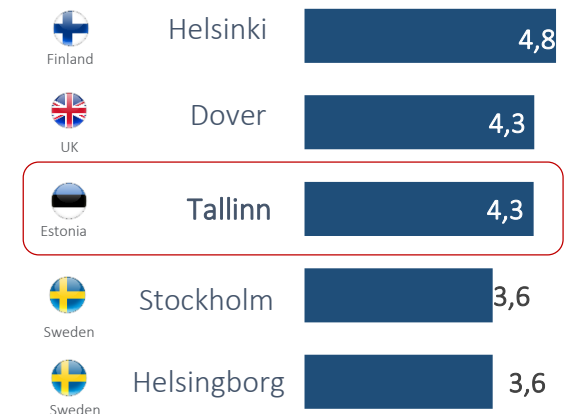


✓ Natural monopoly

✓ Tallinn-Helsinki twin-city

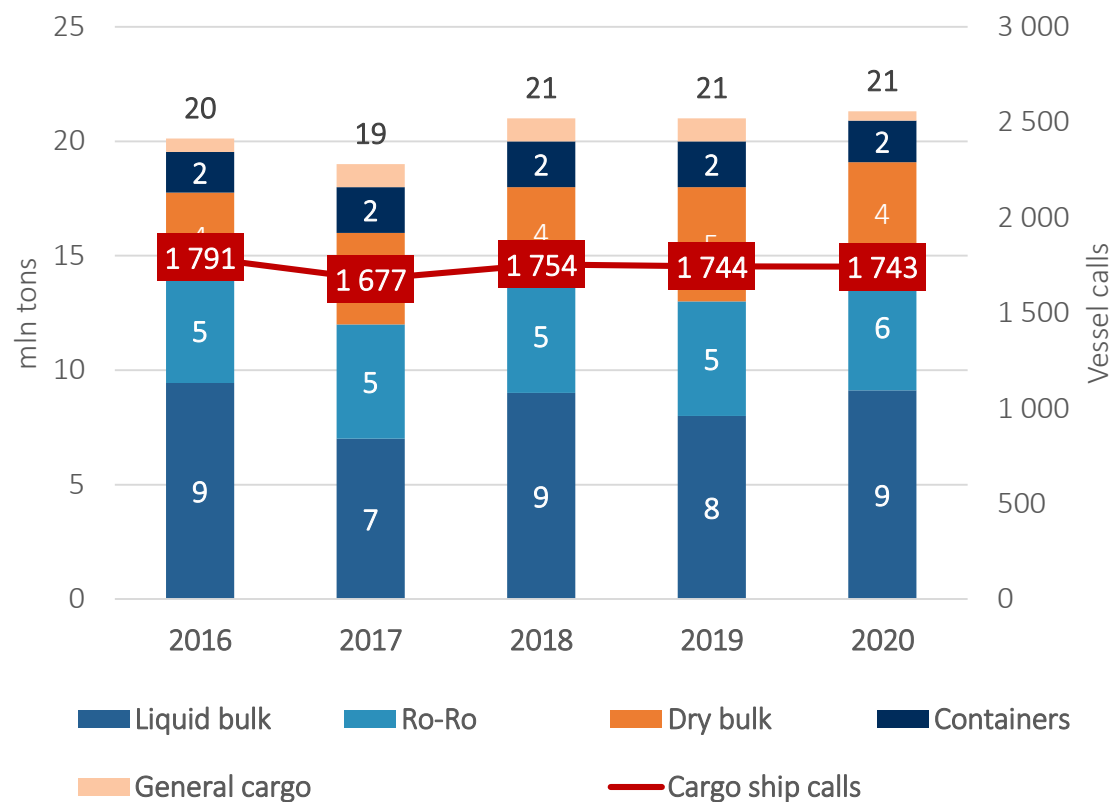


Top 5 PAX Ports in Northern Europe in 2020 (millions)

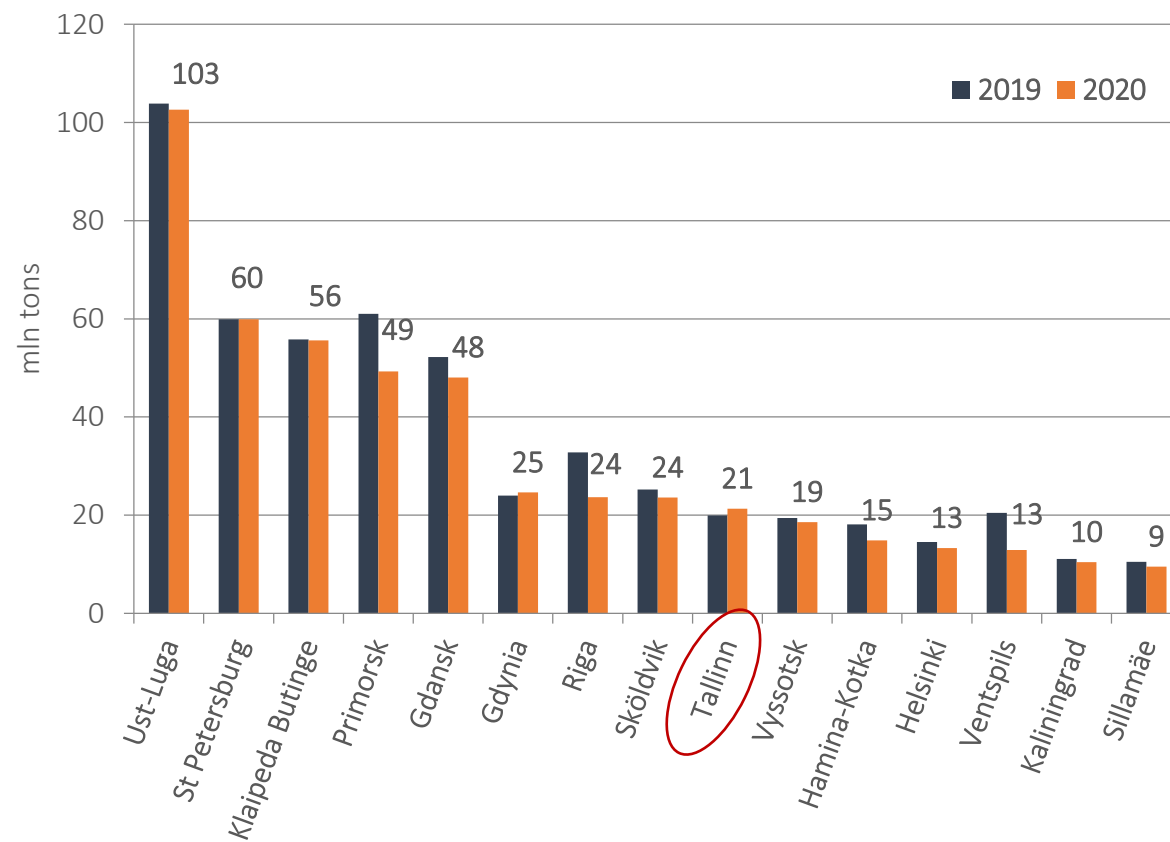


# TOP 10 cargo port in the eastern part of the Baltic Sea

Resilient volume growth and vessel calls



Largest cargo ports on the eastern shores of the Baltic Sea



Less dependency on Russian transit



Changes in supply chains and logistics

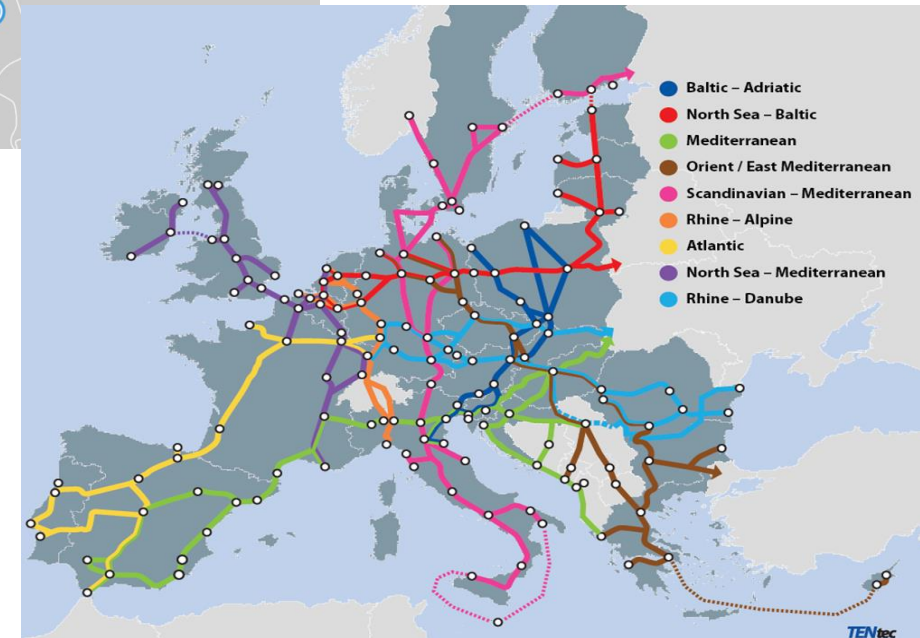
# Cargo logistics chain developments

- A shift from East-West to North-South cargo flows
- New operators/owners and business models
- Cooperation with Helsinki and other ports
- EU TEN-T network connection
- China Belt and Road connection
- Digitalisation



## Rail Baltica 2029

<http://www.railbaltica.org/>







Vopak E.O.S. →  
Liwathon E.O.S.  
(liquid bulk)

Oiltanking →  
Olerex  
(liquid bulk)

New: PK Terminal  
(dry bulk, break bulk)

Stivis → Baltic  
Maritime  
Logistics Group  
(dry bulk, break bulk)

Transiidikeskus  
→ HHLA TK  
(containers)

New: MPG  
AgroProduction (oil  
seed complex), in  
progress

New: Bulk&Tank  
(dry bulk, break bulk), in  
progress

Rail Baltica freight  
terminal, in progress

# MUUGA HARBOUR

New projects, cargo operators and owners

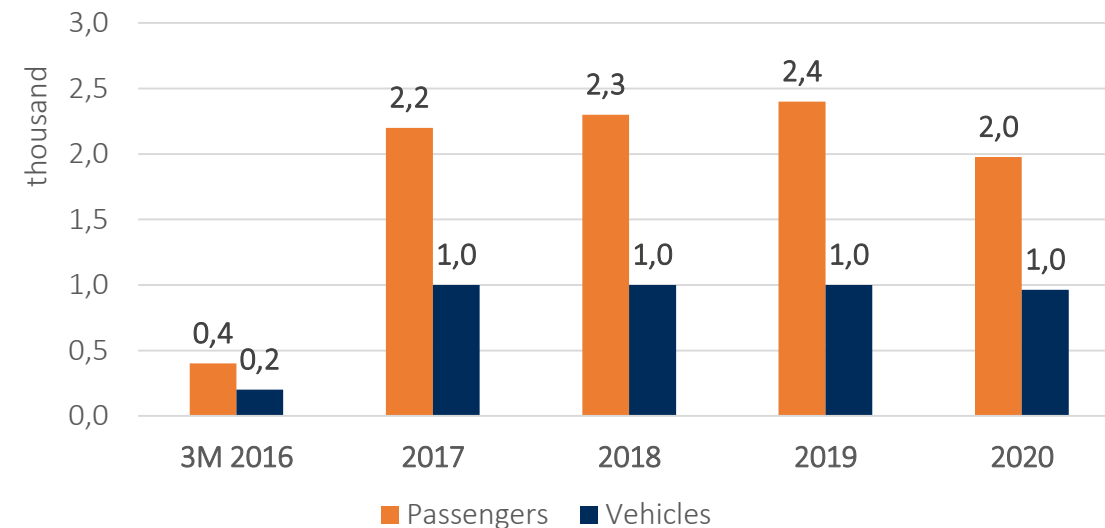


# Ferry business

- Subsidiary TS Laevad
- Operating 5 vessels on 2 routes
- Agreement with the State until Sept 2026
- Additional trips on summer peak-time

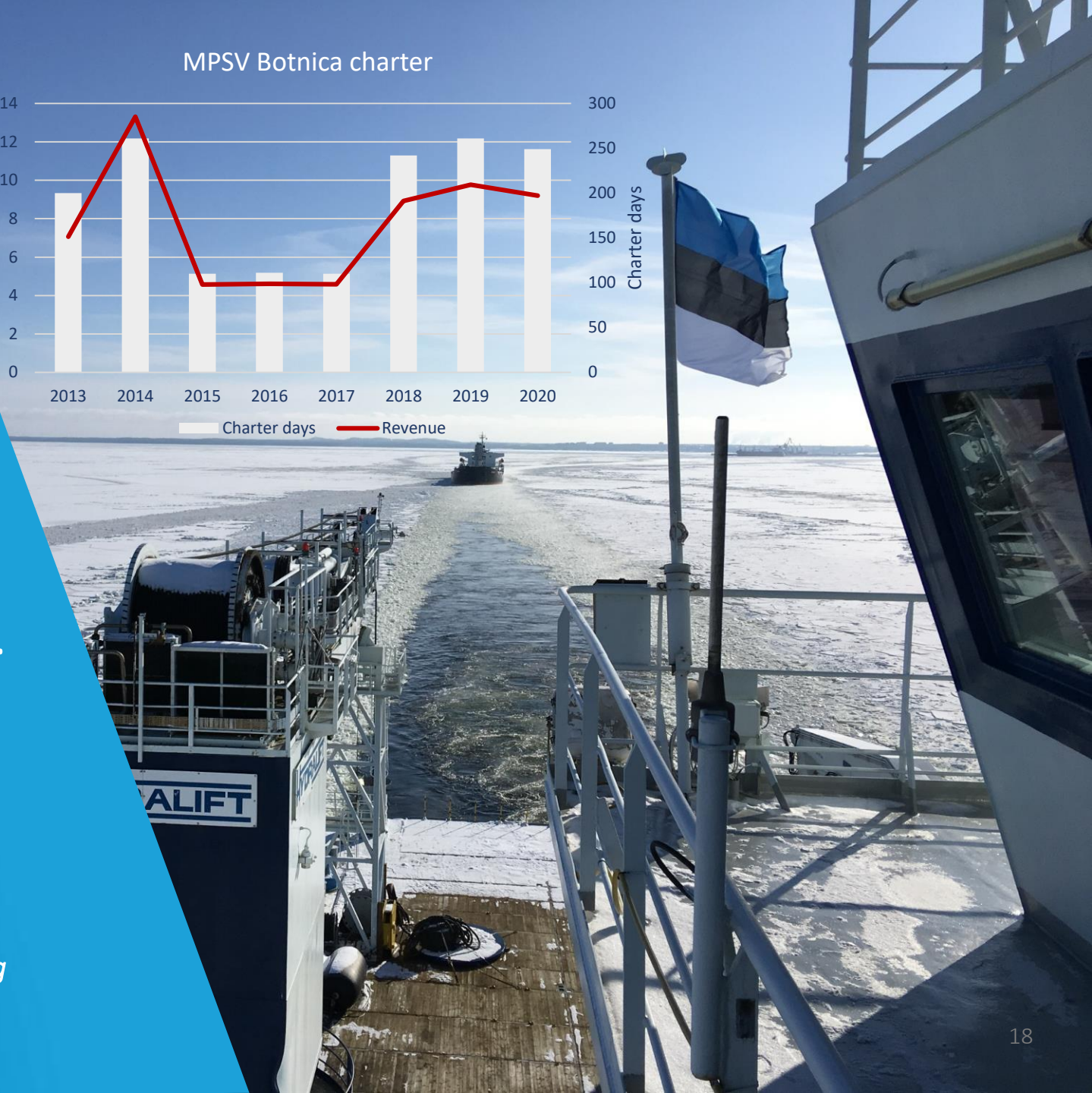
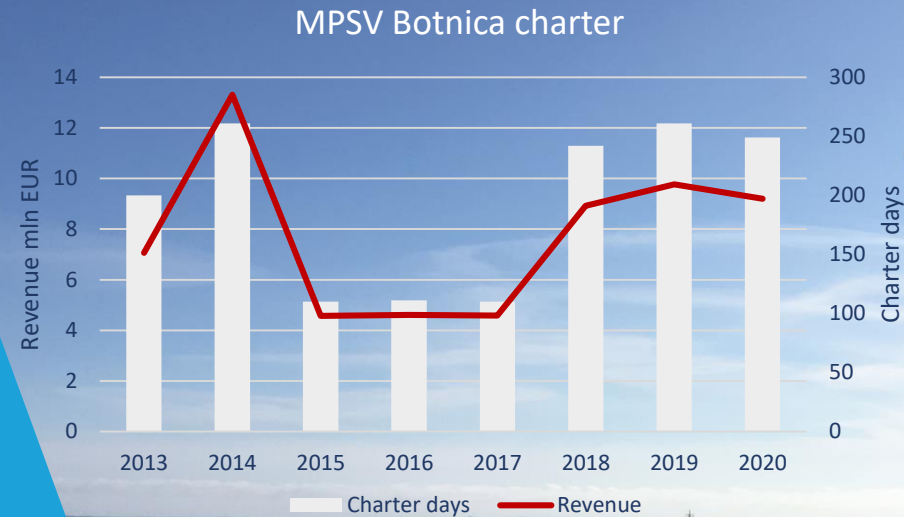


Ferry traffic



# MPSV Botnica

- Subsidiary TS Shipping
- Agreement with the State for icebreaking in winter until Apr 2032
- Summer charters (May-Nov):
  - 2018-2022: Baffinland Iron Mines. *Ice management and escort service for iron ore shipments from Baffin island.*
  - 2014: Karmorneftegaz (Rosneft + ExxonMobil). *Support of drilling campaign at the Kara Sea.*
  - 2013: NDE Offshore, Siemens. *Air diving works in the North Sea renewables sector.*



# Sustainable development and ESG

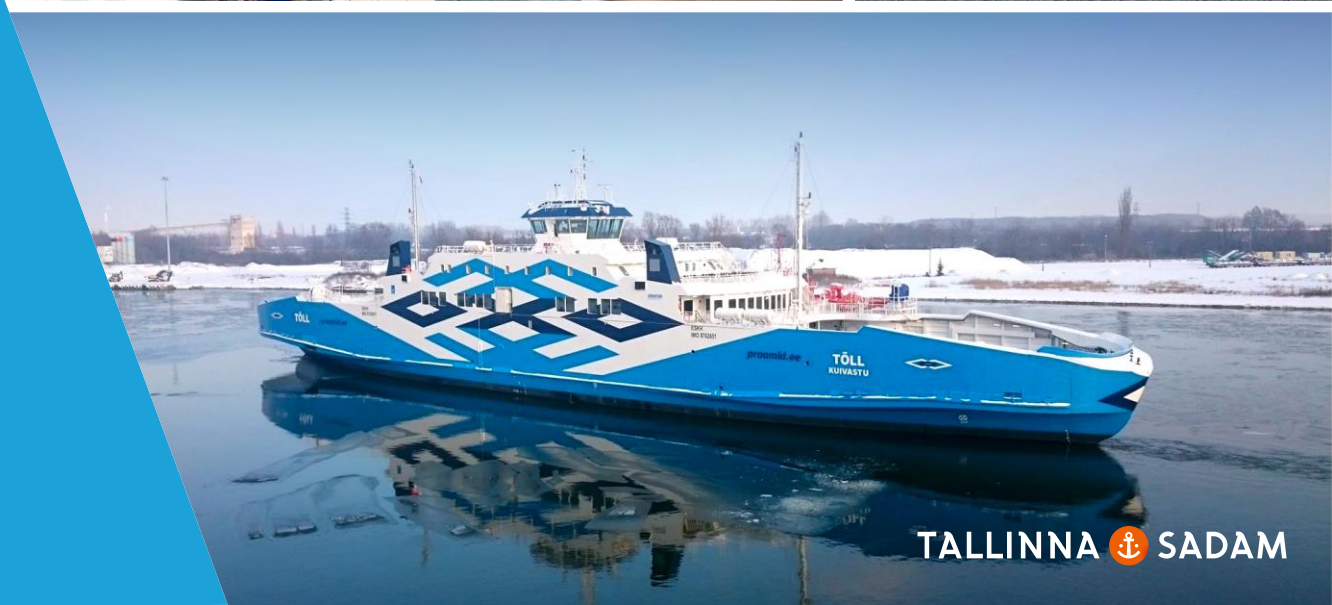
- Strategy, action plan, indicators
- Main goals: climate neutrality 2050 and clean Baltic Sea
- Cooperation with the universities
- Represented on the Nasdaq ESG and CDP platforms
- Silver quality label in CSR





# Green solutions

- Dues discount for vessels based on ESI index
- Consuming renewable energy
- 93% of ship generated waste reused in the circular economy
- Waste water reception via pipeline
- On-shore Power Supply
- Auto-mooring system
- Hybrid ferry Tõll
- LNG bunkering for ROPAX ships
- E-nose smell detecting system in Muuga





## MEGATRENDS

Climate change and  
green solutions



Digitalization and  
automation



Changes in global  
supply chains



Growing expectations  
on service quality



## VISION

Port as green  
infrastructure hub, H<sub>2</sub>

Unmanned vessels,  
automated terminals,  
digital data

Nearshoring, multimodality,  
alternative routes

Excellent ESG and  
customer experience

# *Growth opportunities*

## Passengers

- Recovery of passenger flows
- Line traffic development – Muuga-Vuosaari line
- New line operators
- Increased terminal capacity
- Raising service speed and quality - Smart Port and traffic management systems, auto-mooring, tramline





# *Growth opportunities*

## Cargo

- Trade increase Scandinavia-Mediterranean (incl. Rail Baltica)
- Belt and Road (e-trade, distribution center)
- Nearshoring
- Green energy and container goods market growth – offshore windparks, H<sub>2</sub>
- Increased cooperation and further digitalization of the logistics chain
- Available existing capacity for growth





# *Growth opportunities*

## Shipping

### Ferry service:

- Growing demand on existing lines – new ferry?
- Efficiency of operations
- New routes

### Icebreaking/offshore:

- MPSV Botnica summer charter (increasing demand)





# Growth opportunities

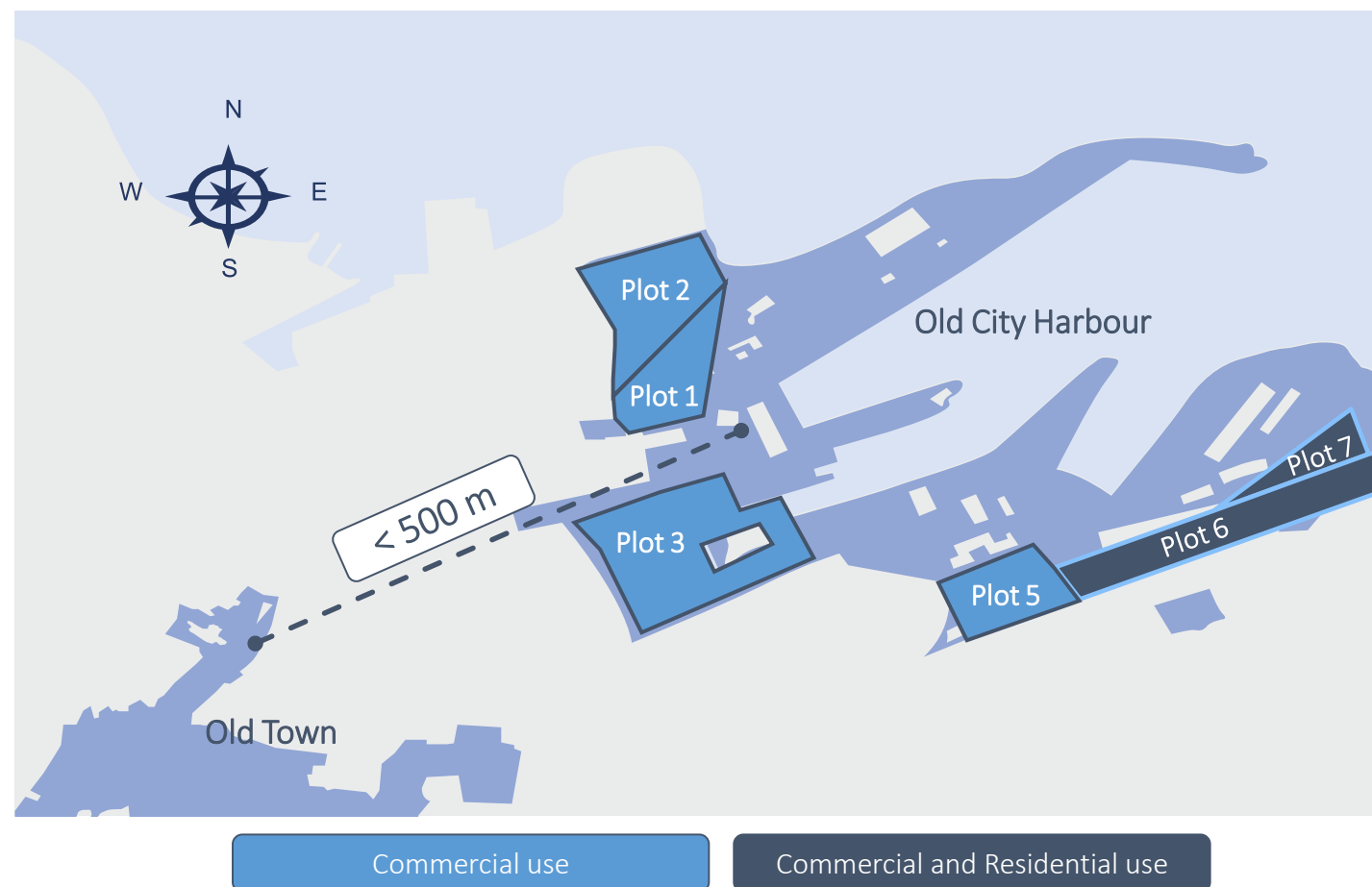
## - Real estate

Tallinn Old City Harbour  
development plan  
**Masterplan 2030+**

- *Detail planning process ongoing with 5 areas*
- *Total build up area of 240 000 m<sup>2</sup> gross area + extension possibility by land reclamation*

Development of the industrial parks in Muuga (76ha) and Paldiski (34ha) and providing additional value

## Prime Real Estate in Tallinn City Centre



Total land area (for real estate) of 16.2 ha



# Tallinn Old City Harbour „Masterplan 2030+“

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*Future vision by Zaha Hadid Architects*

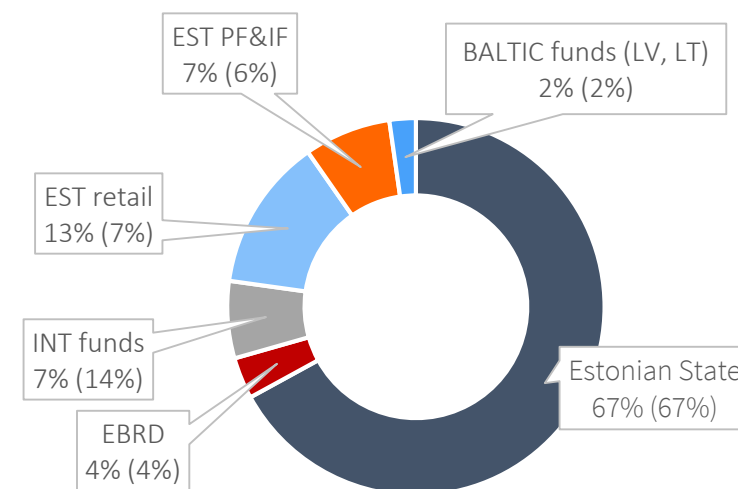
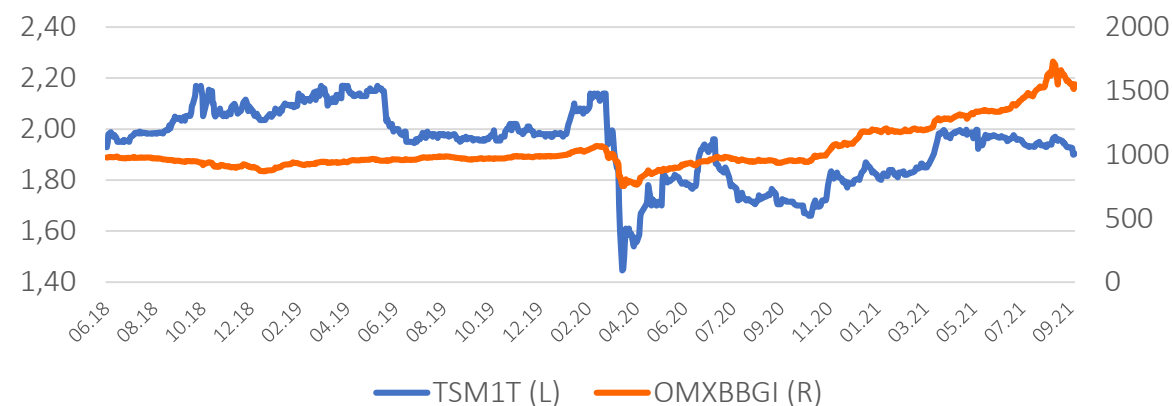


# Trading of the share

Listed on Nasdaq Baltic Main list

- Among most traded shares in the Baltics
- Stable shareholder structure
- Market capitalisation EUR 502 mln (03.10.2021)
- Free float 33%, i.e. 86.7 million shares
- **Analyst coverage:** Citi, ERSTE, Carnegie, SEB, Swedbank, LHV, Enlight Research

Share price (EUR)



\*as at 30.09.2021 compared to 12.06.2018 in brackets



# Experienced Management and a Supportive Governance Framework

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## Management Board



**Valdo Kalm**

CEO

*Joined: 2016*

*Previously CEO of  
Eesti Telekom*



**Marko Raid**

CFO

*Joined: 1997*

*Various managerial  
positions within PoT*



**Margus Vihman**

CCO

*Joined: 2016*

*Several executive  
positions at various  
organisations*

Supervisory Board / Board of Directors  
*6/8 independent members*

## Main objectives of the State as majority shareholder:

Strategic

To function as the maritime vehicle and the driver of strategic initiatives in the Estonian logistics sector

Financial

To operate efficiently and profitably in order to support stable and growing dividends

Trans-  
parency

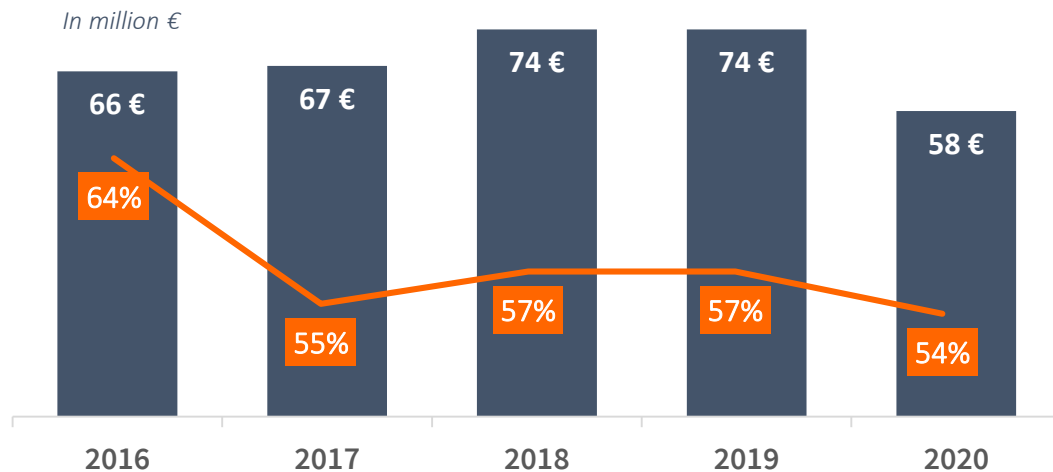
To set the standard for best-practice business culture



# Substantial Cash Flow Generation

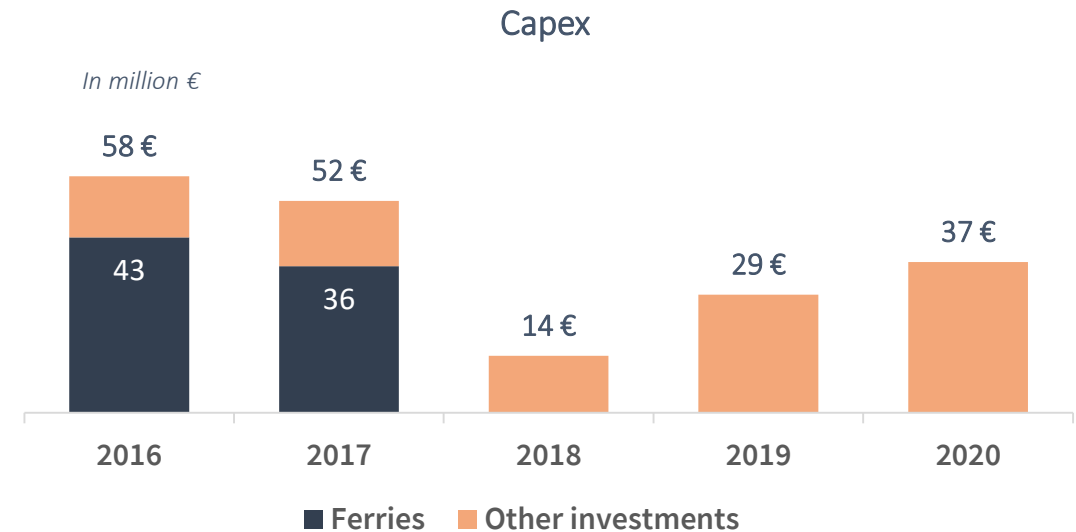
## Strong Margins...

Adjusted EBITDA<sup>(1)</sup> & Margin



Margin evolution driven by changing business mix

## ...with Major Investments Completed in Recent Years



4 newbuild ferries,  
1 used



Upgrade of passenger  
infrastructure

Expected average annual capex 20-25 mEUR

An aerial photograph of the Port of Tallinn, showing various piers, ships, and industrial buildings. The image is overlaid with a semi-transparent blue filter. The text "PORT OF TALLINN" is centered in the upper half of the image, with an anchor icon replacing the word "OF".

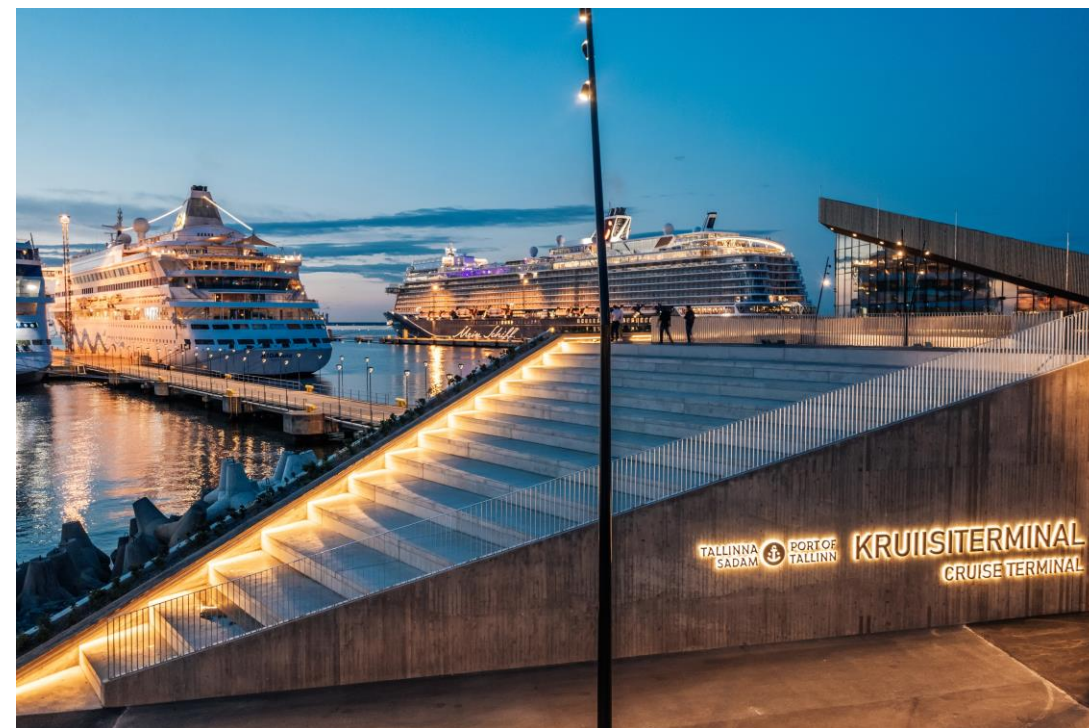
PORT OF TALLINN

# Volumes and financial results



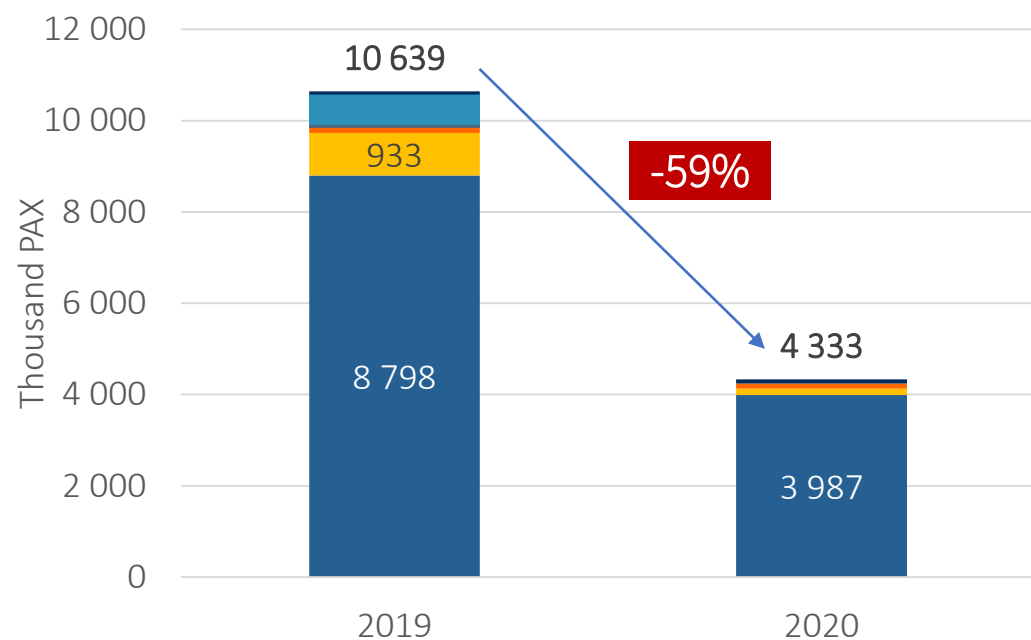
# Recent events *in 2021*

- Record volume of ro-ro and 10 year record of dry bulk cargo
- Cruise vessels and tourists returning
- MPSV Botnica 10-year agreement with the state (20.12.2022–20.04.2032)
- Stricter environmental measures adopted for vessels
- Transition to green electricity consumption
- Opening of parking house of passenger terminal D, cruise terminal and pedestrian bridge



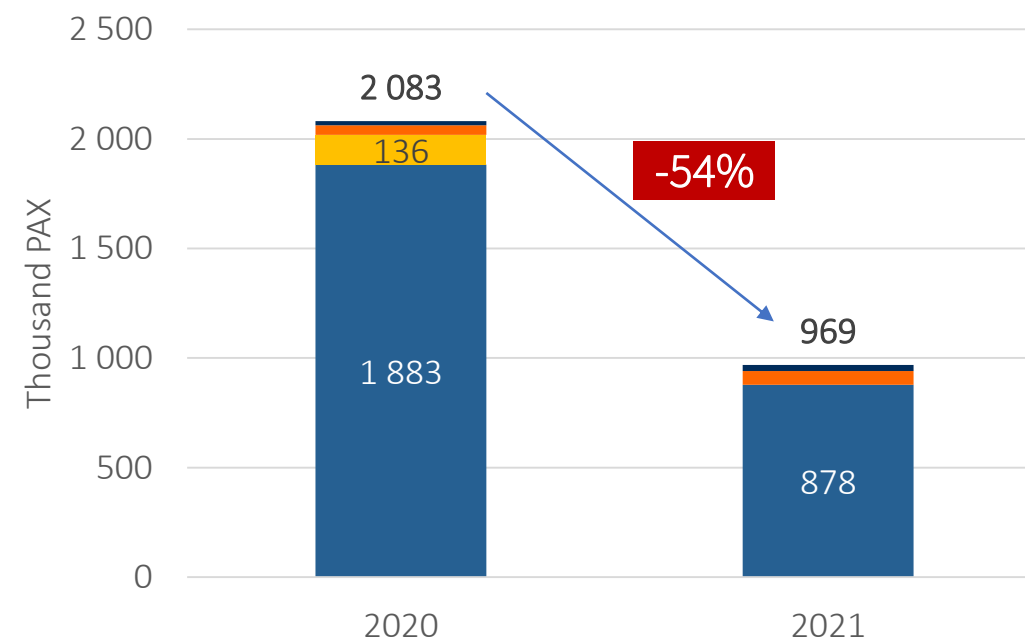
# Passenger volume

Full year



■ Tallinn-Helsinki ■ Tallinn-Stockholm ■ Muuga-Vuosaari  
■ Tallinn-St Petersburg ■ Cruise (traditional) ■ Other

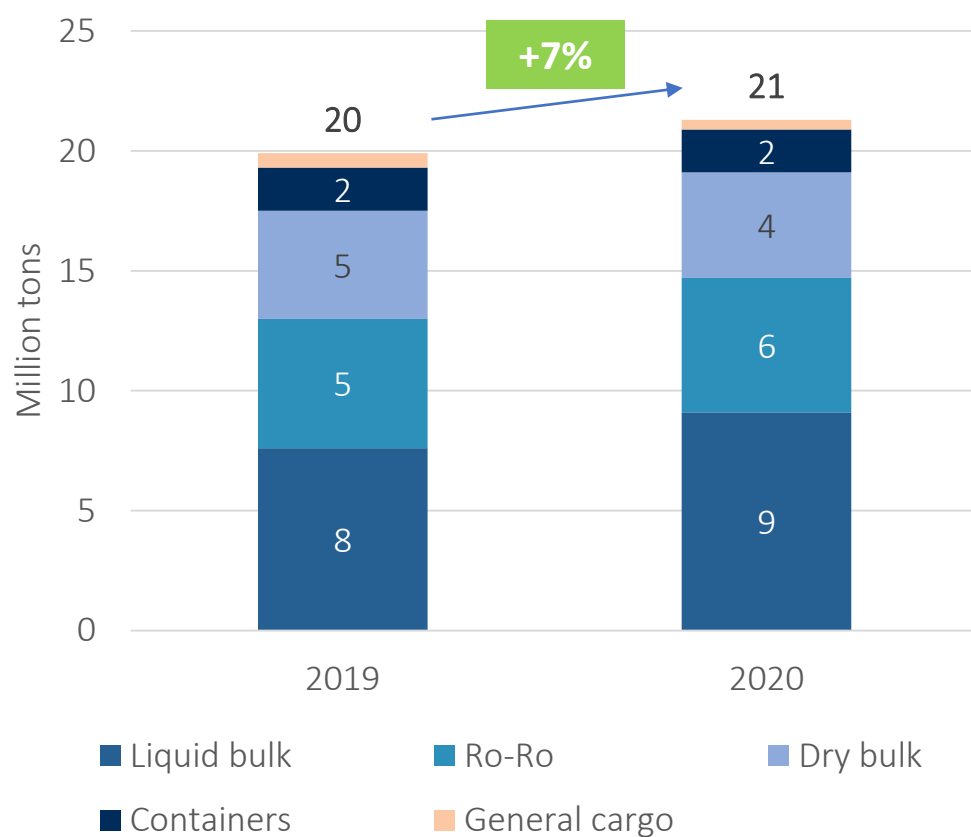
6 months



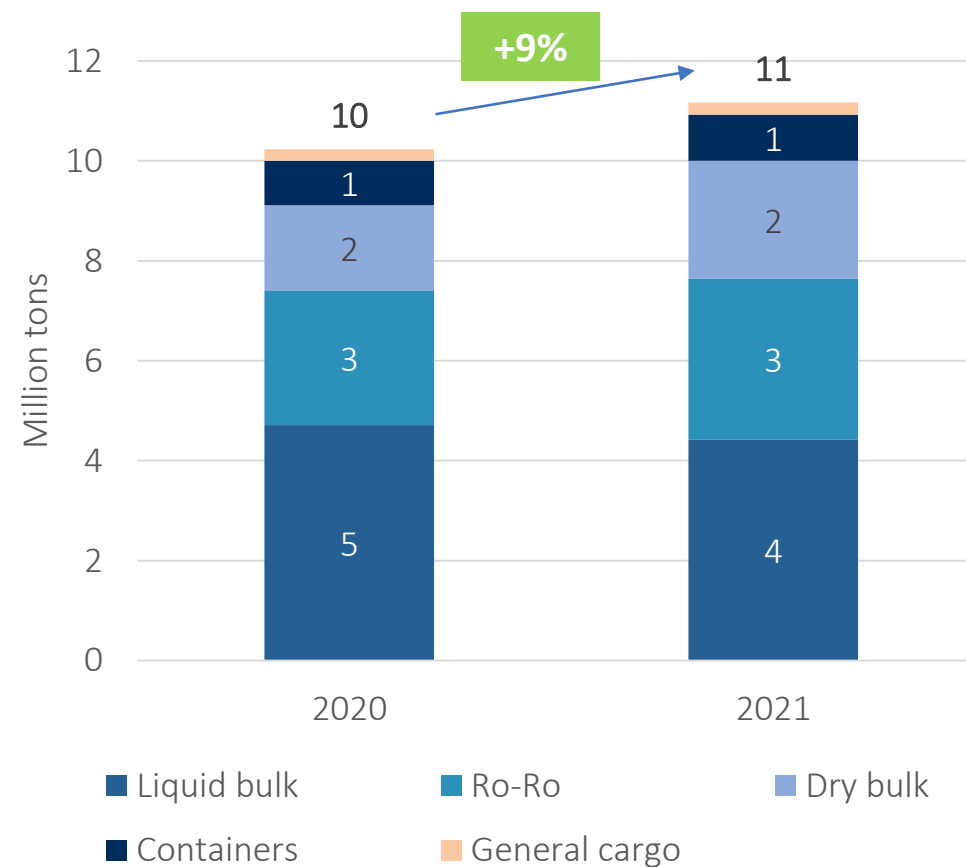
■ Tallinn-Helsinki ■ Tallinn-Stockholm ■ Muuga-Vuosaari  
■ Tallinn-St Petersburg ■ Cruise (traditional) ■ Other

# Cargo volume

Full year



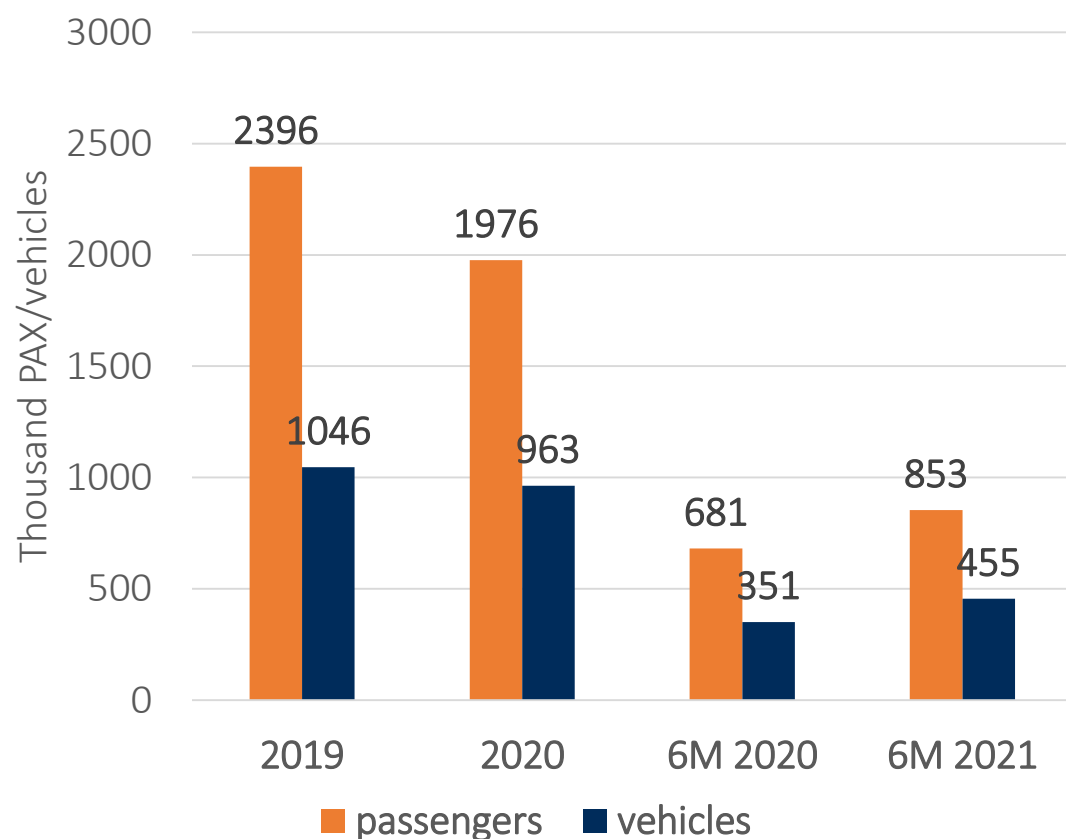
6 months



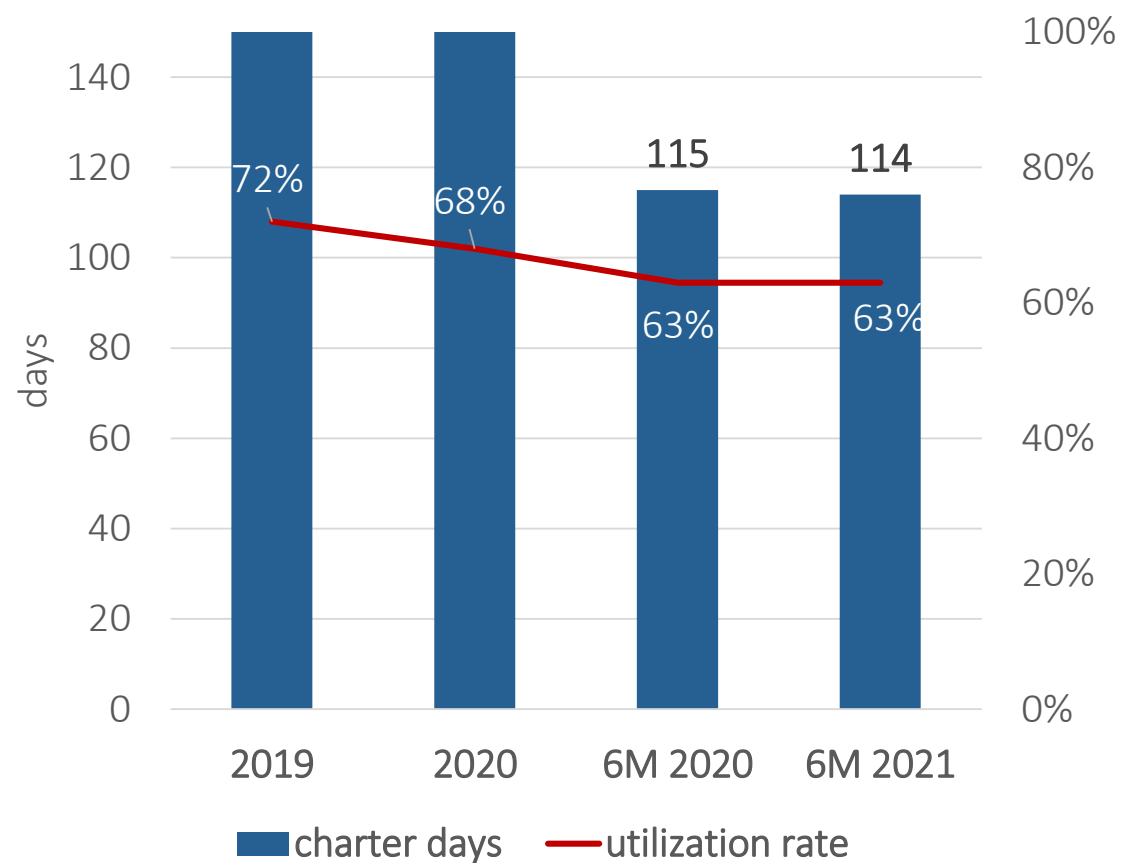


# Shipping volumes

## Ferries



## MPSV Botnica



# Results of the Group (1/2)

<i>In thousand EUR</i>	2020	2019	6M 2021	6M 2020
Revenue	107 358	130 536	49 248	50 289
Operating profit	35 562	51 679	12 439	15 133
Adjusted EBITDA	58 423	74 292	24 153	26 394
Depreciation, amortisation and impairment	-24 094	-23 037	-12 098	-11 912
Income tax	-4 913	-5 764	-3 275	-4 913
<b>Profit for the period</b>	<b>28 518</b>	<b>44 404</b>	<b>8 501</b>	<b>9 151</b>
Investments	37 138	29 484	7 930	17 382
Number of employees (average)	465	492	467	471
Cargo volume (th tons)	21 327	19 931	11 168	10 235
Number of passengers (th)	4 333	10 639	969	2 083
Number of vessel calls	7 088	7 855	3 514	3 197

# Results of the Group (2/2)

<i>In thousand EUR</i>	2020	2019	6M 2021	6M 2020
Operating profit/revenue	33.1%	39.6%	25.3%	30.1%
<b>Adjusted EBITDA/revenue</b>	<b>54.4%</b>	<b>56.9%</b>	<b>49.0%</b>	<b>52.5%</b>
Profit for the period/revenue	26.6%	34.0%	17.3%	18.2%
EPS: Profit for the period/weighted average number of shares (EUR)	0.11	0.17	0.03	0.03
Equity/number of shares (EUR)	1.43	1.43	1.38	1.35
Profit for the period/total assets	4.5%	7.1%	1.4%	1.4%
Profit for the period/equity	7.6%	11.8%	2.3%	2.6%

<i>In thousand EUR at period end</i>	2020	2019	6M 2021
Total assets	628 093	625 532	618 631
Net debt	184 901	172 663	187 806
Equity	375 432	377 018	363 755
Number of shares (th)	263 000	263 000	263 000
Share price	1.80	1.99	1.97

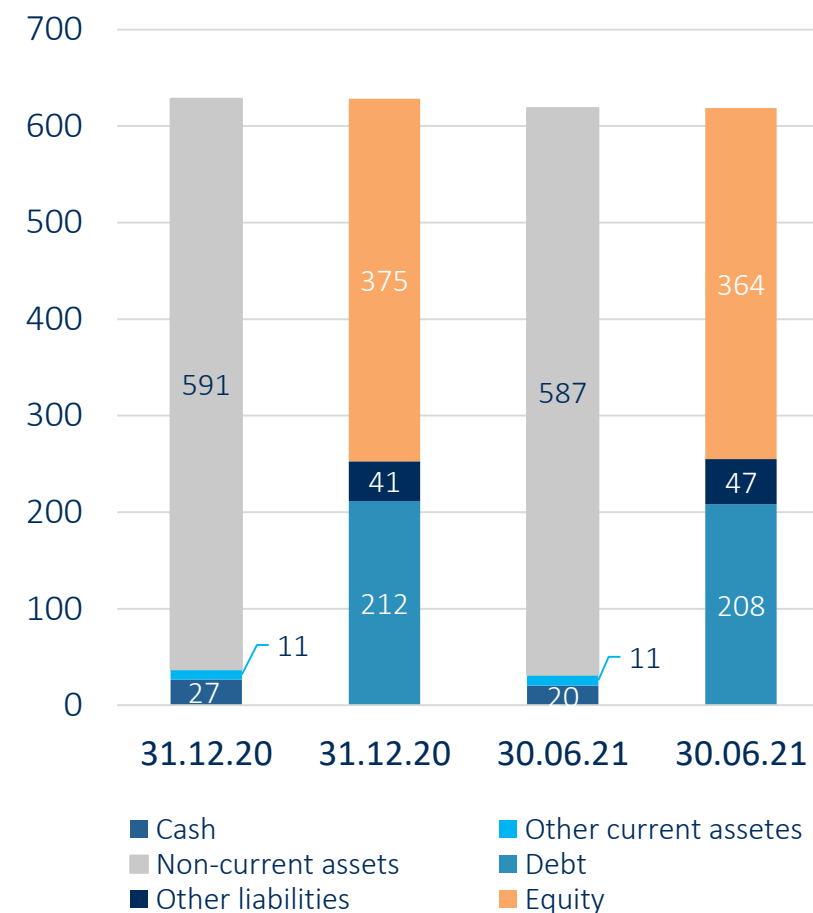


# Cash Flow and Financial Position

## Cash Flow statement

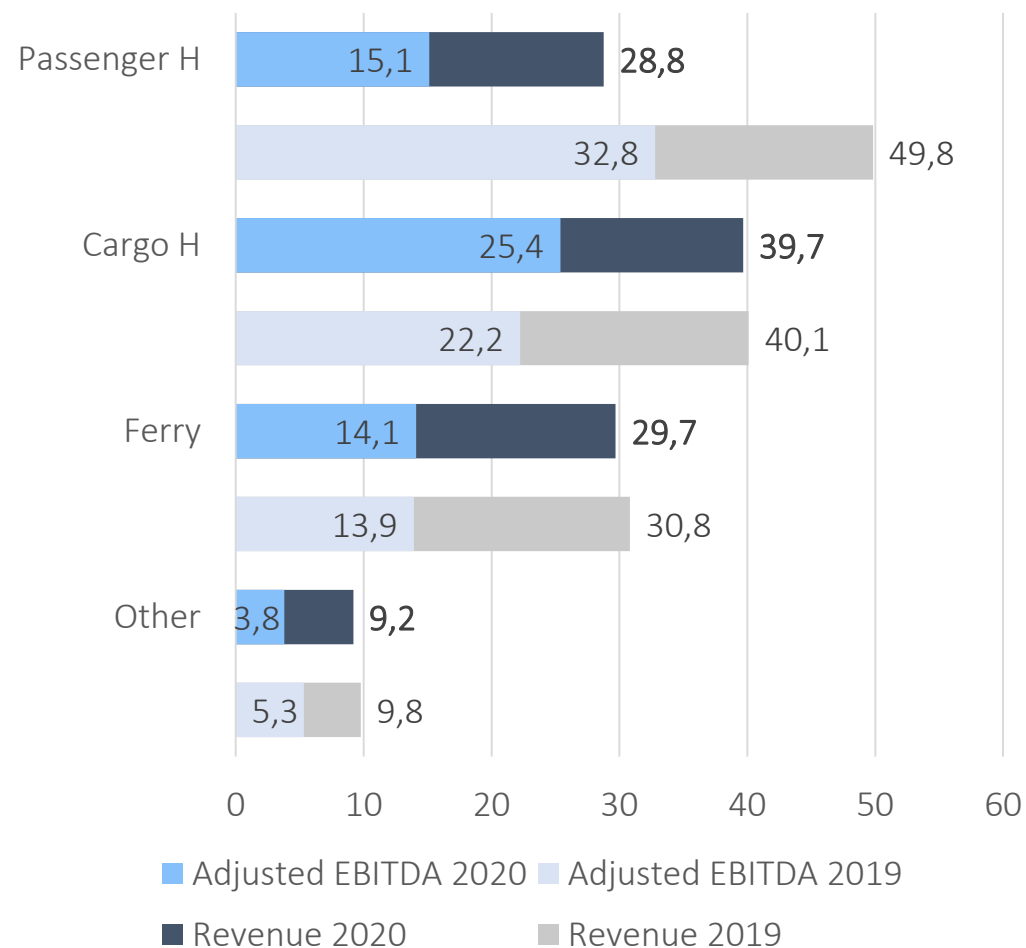
In thousands	2019	2020	6M 2020	6M 2021
Cash from operating activities	63 419	49 516	26 610	27 329
Cash used in investing activities	-28 244	-30 033	-13 257	-9 417
Free cash flow (FCF)	35 175	10 659	13 353	17 912
Cash from/used in financing activities	-42 555	-27 987	-4 205	-24 200
NET CASH FLOW	-7 380	-8 504	9 148	-6 288
NET DEBT (at the end of the period)	172 663	184 901	160 132	187 806

## Financial position

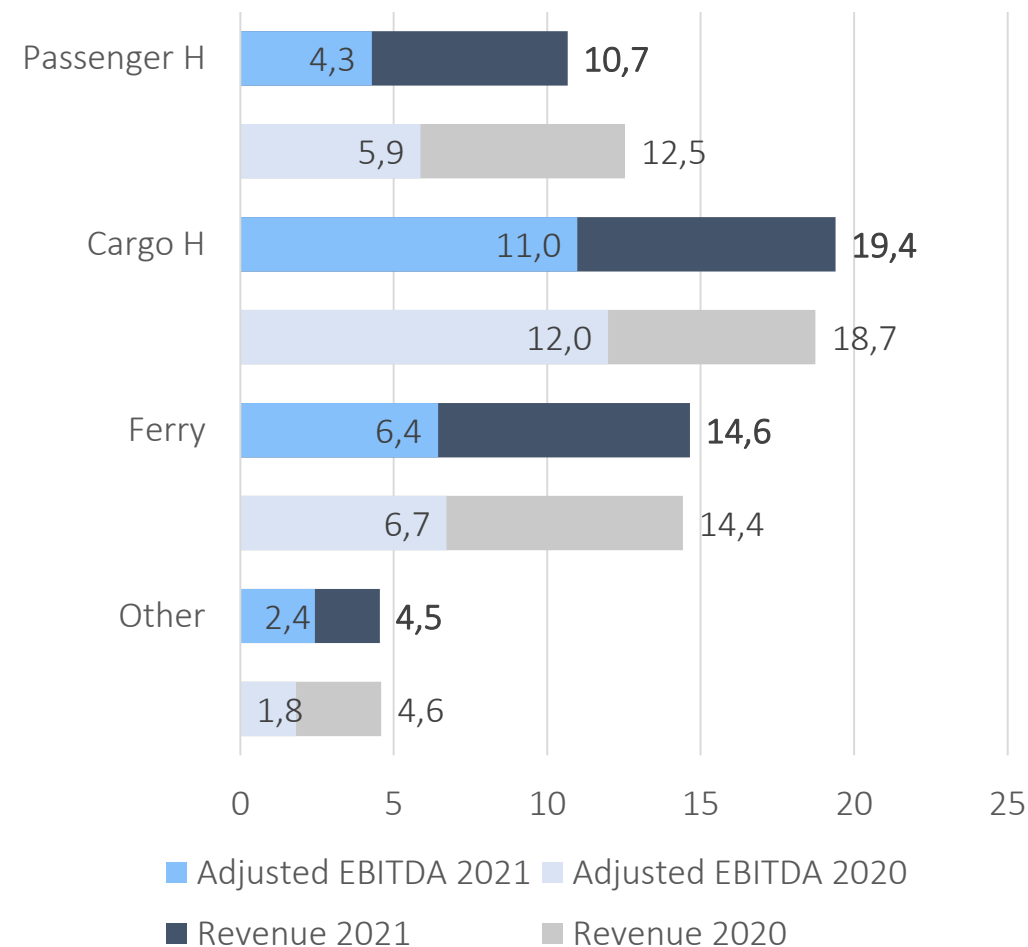


# Results by business segments

## Full year segments (mEUR)

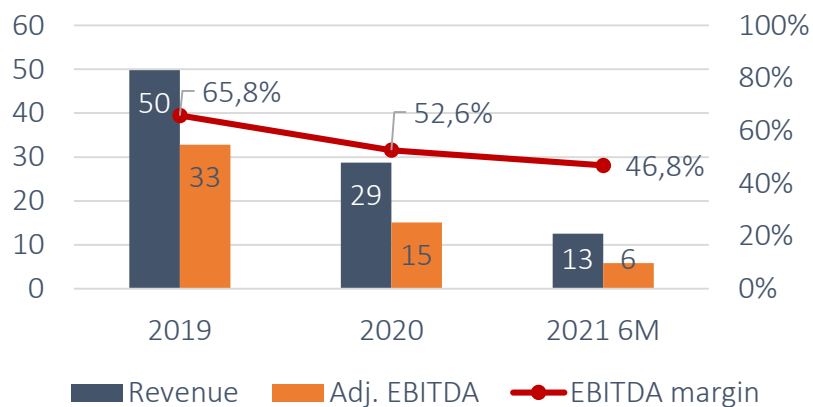


## 6 months segments (mEUR)

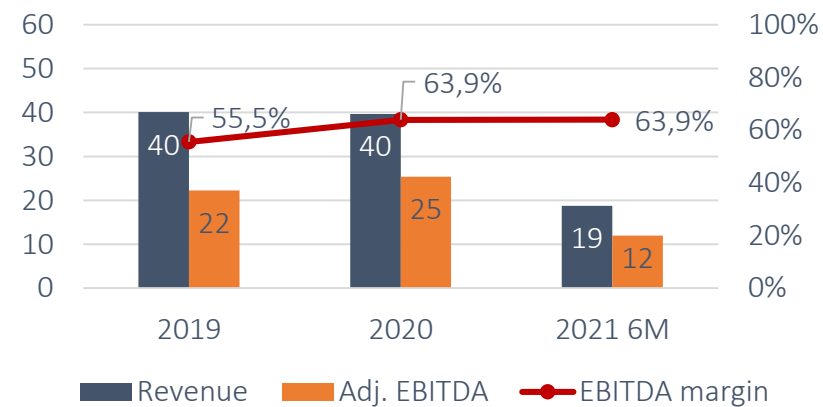


# Revenue generation by segments

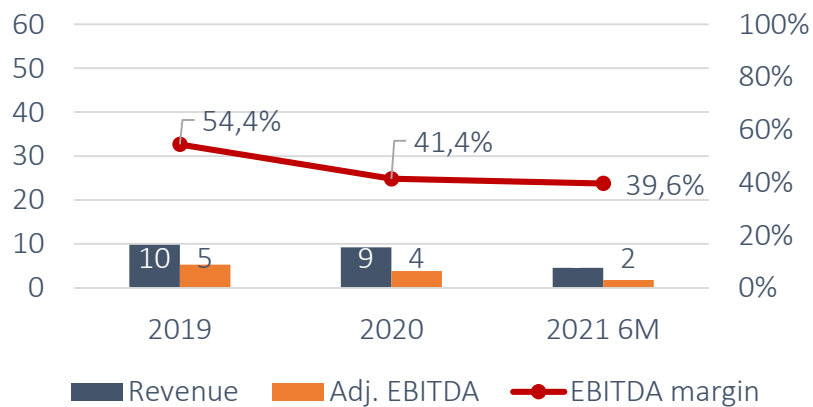
## Passenger harbours



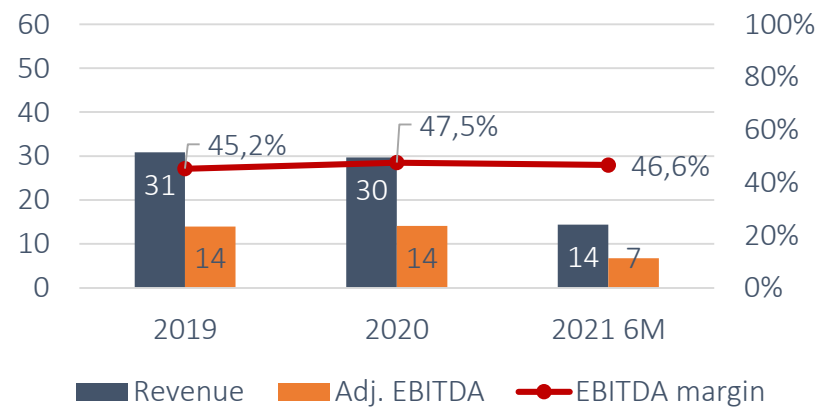
## Cargo harbours



## Other



## Ferry





# Thank You!

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[www.ts.ee](http://www.ts.ee)

 **NASDAQ  
BALTIC AWARDS**

**2021** INVESTOR RELATIONS  
OF THE YEAR