

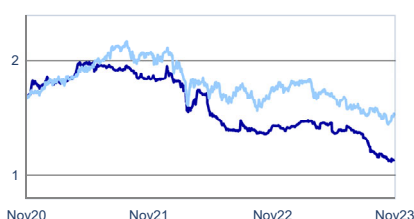
## Tallinna Sadam

Business Services  
Estonia

## KEY DATA

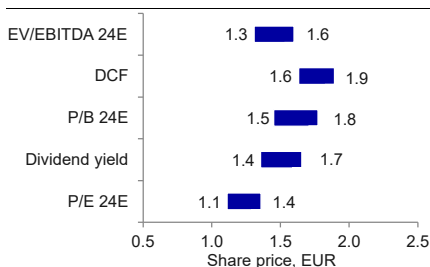
Stock country	Estonia
Bloomberg	TSM1T EE
Reuters	TSM1T.TL
Share price (close)	EUR 1.15
Free float	33%
Market cap. (bn)	EUR 0.30/EUR 0.30
Website	www.ts.ee
Next report date	28 Feb 2024

## PERFORMANCE



Nov20 Nov21 Nov22 Nov23  
— Tallinna Sadam  
— Finland OMX Helsinki All-Share (Rebased)  
Source: Refinitiv

## VALUATION APPROACH (EUR/SHARE)



Source: Nordea estimates

## ESTIMATE CHANGES

Year	2023E	2024E	2025E
Sales	-2%	-3%	-2%
EBIT (adj)	-8%	-5%	-3%

Source: Nordea estimates

## Nordea IB &amp; Equity - Analysts

Pasi Väisänen  
Director

## Positive momentum should return in 2024

The Q3 2023 results landed on the softer side and, in our view, Q4 may not bring clear relief just yet. The company is confident, however, regarding its positive earnings (EBITDA) momentum for next year. It also could continue paying a stable dividend of EUR 0.073 in the spring, regardless of growth investments. We lower our 2023 forecasts by 2% for net sales and by 8% for EBIT. Our valuation approach is based on the combination of DCF, dividend yield and a peer group comparison, which together yield a fair value range of EUR 1.4-1.7 per share.

## Adjusted EBITDA margin was EUR 43% in Q3

Group net sales were EUR 31.4m in Q3 (our estimate: EUR 34m). The company's adjusted EBITDA was EUR 13.5m (our estimate: EUR 15m). Net sales and adjusted EBITDA declined y/y for all segments except Ferry. Reasons for the soft results included weakening cargo volumes, a lower number of cruise calls and low summer charter revenues for Baltica. The total number of passengers was up 3% y/y in Q3 and the company expects to reach eight million passengers this year, i.e. ~76% of the 2019 level.

## The decline in cargo volumes could end in H1 2024

Tallinna Sadam has not been able to raise prices in line with inflation due to competition and economic uncertainty. Therefore, cost savings and a focus on personnel and maintenance expenses are needed for 2024. The company's ferry business should at least remain stable, and Tallink Victoria could support y/y net sales next year. The company also expects a more stable development in total cargo volumes for H1 2024. The new quay in Paldiski will be able to serve the transport of wind turbine components in 2025. Tallinna Sadam is also considering the order of a wind farm commissioning service operation vessel (CSOV), but a final investment decision has not yet been made.

## We forecast y/y EBITDA improvement next year

We estimate 2024 net sales of EUR 121m, indicating a 5% increase y/y, and an EBITDA margin of 46.6% (2023E: 43.3%). The company has highlighted the possibility of a dividend payout ratio of more than 100% for next spring, which is why we upgrade our dividend forecast to match what was paid out last spring. The company's P/B has fallen below the average for the peer group and we do not view the valuation as challenging.

## SUMMARY TABLE - KEY FIGURES

EURm	2019	2020	2021	2022	2023E	2024E	2025E
Total revenue	131	107	110	122	116	121	127
EBITDA (adj)	75	60	55	56	50	56	62
EBIT (adj)	52	36	30	31	24	30	33
EBIT (adj) margin	39.6%	33.1%	27.0%	25.3%	21.0%	24.9%	26.1%
EPS (adj, EUR)	0.17	0.11	0.10	0.09	0.06	0.07	0.08
EPS (adj) growth	58.2%	-35.8%	-10.2%	-3.2%	-39.8%	26.1%	12.4%
DPS (ord, EUR)	0.12	0.08	0.10	0.07	0.07	0.07	0.07
EV/Sales	5.3	6.1	6.0	4.3	3.9	3.8	3.6
EV/EBIT (adj)	13.4	18.5	22.1	16.8	18.6	15.4	13.8
P/E (adj)	11.7	16.6	19.1	15.1	20.2	16.0	14.3
P/BV	1.4	1.3	1.3	1.0	0.8	0.8	0.8
Dividend yield (ord)	5.8%	4.3%	5.2%	5.1%	6.4%	6.4%	6.3%
FCF Yield bef A&D, lease	6.7%	4.1%	7.8%	13.9%	4.0%	2.0%	8.5%
Net debt	173	185	168	143	150	163	157
Net debt/EBITDA	2.3	3.1	3.1	2.5	3.0	2.9	2.5
ROIC after tax	7.8%	5.2%	4.4%	4.6%	3.7%	4.6%	5.0%

Source: Company data and Nordea estimates

# Quarterly segment estimates

## SEGMENT ESTIMATES PER QUARTER (EURm)

	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23E	Q1 24E	Q2 24E	Q3 24E	Q4 24E
<b>Passenger harbours</b>												
Sales (EURm)	6.0	10.7	13.0	8.1	8.0	10.0	10.7	8.8	8.6	10.8	11.8	9.7
Sales growth (%)	21%	88%	34%	-3%	33%	-7%	-17%	8%	7%	8%	10%	10%
Adj. EBIT (EURm)	0.6	4.5	5.6	0.2	1.2	3.9	4.3	1.7	1.9	4.2	4.8	2.2
Adj. EBIT margin (%)	10%	42%	43%	3%	15%	39%	40%	20%	22%	39%	41%	23%
<b>Cargo harbours</b>												
Sales (EURm)	9.7	9.9	9.4	9.9	7.9	7.7	7.2	7.4	7.4	7.8	7.6	7.9
Sales growth (%)	1%	0%	-14%	-5%	-18%	-22%	-23%	-25%	-7%	1%	6%	7%
Adj. EBIT (EURm)	3.1	3.0	1.5	0.9	1.2	1.1	0.5	0.5	0.7	1.1	0.7	1.0
Adj. EBIT margin (%)	32%	31%	16%	9%	16%	15%	7%	6%	9%	14%	9%	12%
<b>Ferry segment</b>												
Sales (EURm)	7.4	8.8	10.2	8.3	8.4	9.4	10.4	8.7	8.9	9.9	10.9	9.2
Sales growth (%)	9%	13%	18%	12%	13%	7%	2%	5%	5%	5%	5%	5%
Adj. EBIT (EURm)	1.8	2.5	3.0	1.6	2.4	2.7	3.1	2.0	2.6	2.9	3.5	2.3
Adj. EBIT margin (%)	24%	28%	30%	20%	28%	29%	30%	23%	30%	29%	32%	25%
<b>Other</b>												
Sales (EURm)	3.7	1.0	3.8	1.9	4.0	1.7	3.1	2.1	3.8	1.6	3.4	2.2
Sales growth (%)	2%	4%	22%	-17%	10%	76%	-17%	8%	-5%	-3%	8%	5%
Adj. EBIT (EURm)	1.8	-0.8	1.8	-0.1	2.0	-2.0	-0.5	0.0	1.9	-0.5	0.8	0.1
Adj. EBIT margin (%)	48%	-88%	47%	-6%	49%	-116%	-15%	1%	50%	-28%	24%	3%
<b>Group</b>												
Sales (EURm)	26.8	30.4	36.3	28.2	28.4	28.8	31.4	27.0	28.6	30.1	33.7	28.9
Sales growth (%)	7%	25%	13%	-1%	6%	-5%	-13%	-4%	1%	5%	7%	7%
Adj. EBITDA (EURm)	13.5	15.4	18.0	9.0	13.6	11.7	13.5	10.3	13.2	13.8	15.9	11.6
Adj. EBITDA margin (%)	50%	51%	50%	32%	48%	41%	43%	38%	46%	46%	47%	40%
Adj. EBIT (EURm)	7.2	9.1	11.8	2.6	6.8	5.8	7.4	4.3	7.1	7.7	9.8	5.6
Adj. EBIT margin (%)	27%	30%	33%	9%	24%	20%	24%	16%	25%	26%	29%	19%
Net financials	-0.3	-0.3	-0.4	-0.9	-1.1	-1.5	-1.7	-2.0	-2.0	-2.1	-2.1	-2.2
PTP	7.0	8.8	11.5	1.7	5.7	4.3	5.7	2.3	5.1	5.6	7.7	3.4
Net result adj.	7.0	4.7	11.5	1.8	5.7	1.4	5.7	2.3	5.1	2.7	7.7	3.4
Net result	7.0	4.7	11.5	1.8	5.7	1.4	5.7	2.3	5.1	2.7	7.7	3.4
EPS adj. (EUR)	0.03	0.02	0.04	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.03	0.01
EPS (EUR)	0.03	0.02	0.04	0.01	0.02	0.01	0.02	0.01	0.02	0.01	0.03	0.01

Source: Company data and Nordea estimates

# Annual segment estimates

## SEGMENT ESTIMATES (EURm)

	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Passenger harbours</b>									
Sales (EURm)	49.9	49.9	49.8	19.0	28.8	37.9	37.5	40.9	43.0
Sales growth (%)		0%	0%	-62%	51%	32%	-1%	9%	5%
Adj. EBIT (EURm)	28.8	26.4	26.4	-0.5	6.7	10.9	11.1	13.1	14.4
Adj. EBIT margin (%)	58%	53%	53%	-3%	23%	29%	30%	32%	34%
<b>Cargo harbours</b>									
Sales (EURm)	39.8	41.7	40.1	38.5	40.7	38.8	30.2	30.7	32.3
Sales growth (%)		5%	-4%	-4%	6%	-5%	-22%	2%	5%
Adj. EBIT (EURm)	15.1	15.5	14.2	11.1	13.6	8.4	3.4	3.4	4.3
Adj. EBIT margin (%)	38%	37%	35%	29%	33%	22%	11%	11%	13%
<b>Ferry segment</b>									
Sales (EURm)	27.1	30.1	30.8	29.4	30.7	34.8	36.9	38.8	40.3
Sales growth (%)		11%	2%	-5%	4%	13%	6%	5%	4%
Adj. EBIT (EURm)	3.5	7.4	8.3	8.1	6.6	8.9	10.3	11.3	12.0
Adj. EBIT margin (%)	13%	25%	27%	28%	21%	26%	28%	29%	30%
<b>Other</b>									
Sales (EURm)	4.6	8.9	9.8	9.5	9.9	10.3	10.9	11.0	11.3
Sales growth (%)		95%	9%	-3%	5%	4%	6%	1%	2%
Adj. EBIT (EURm)	-7.1	2.3	2.9	1.9	2.9	2.6	-0.5	2.3	2.4
Adj. EBIT margin (%)	-154%	25%	29%	20%	29%	25%	-4%	21%	21%
<b>Group</b>									
Sales (EURm)	121.3	130.6	130.5	107.4	110.1	121.7	115.6	121.3	126.9
Sales growth (%)		8%	0%	-18%	3%	11%	-5%	5%	5%
Adj. EBITDA (EURm)	66.7	74.4	74.7	59.7	54.5	56.1	49.9	56.5	62.4
Adj. EBITDA margin (%)	55%	57%	57%	56%	50%	46%	43%	47%	49%
Adj. EBIT (EURm)	40.3	52.1	51.7	35.6	29.8	30.8	24.3	30.2	33.2
Adj. EBIT margin (%)	33%	40%	40%	33%	27%	25%	21%	25%	26%
Net financials	-1.6	-1.5	-1.5	-2.1	-0.9	-1.8	-6.4	-8.4	-9.2
PTP	38.7	50.6	50.2	33.4	28.9	29.0	17.9	21.8	23.9
Net result adj.	26.8	24.4	44.4	28.5	25.6	24.8	14.9	18.8	21.2
Net result	26.8	24.4	44.4	28.5	25.6	24.8	14.9	18.8	21.2
EPS adj. (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08
EPS (EUR)	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08

Source: Company data and Nordea estimates

# Peer group financials and valuation

## PEER GROUP FINANCIALS

	Sales (EURm)				Sales growth				EBIT margin			
	2021	2022	2023E	2024E	2021	2022	2023E	2024E	2021	2022	2023E	2024E
Shanghai International Port Group	4,748	5,050	4,704	4,860	31%	9%	-2%	3%	41%	37%	32%	31%
Hamburger Hafen und Logistik	1,465	1,578	1,476	1,519	13%	8%	-4%	3%	13%	13%	8%	10%
Adani Ports	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China Merchants Port Holdings	1,337	1,501	1,474	1,523	32%	6%	-5%	3%	38%	36%	32%	32%
Qube Holdings	1,234	1,635	1,749	1,932	7%	27%	15%	8%	9%	9%	9%	10%
COSCO SHIPPING Ports	1,063	1,347	1,326	1,395	21%	19%	0%	5%	18%	19%	23%	23%
Abu Dhabi Ports Company	936	1,399	2,850	4,148	14%	41%	108%	46%	25%	30%	19%	18%
Vegetexco Port	398	512	n.a.	n.a.	12%	25%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sociedad Matriz SAAM	359	432	n.a.	n.a.	-30%	13%	n.a.	n.a.	19%	15%	n.a.	n.a.
Ocean Wilsons Holdings	349	411	433	461	12%	11%	9%	6%	25%	26%	24%	25%
Wilson Sons Holdings Brasil	338	402	457	481	18%	6%	-65%	5%	25%	26%	28%	29%
Dalrymple Bay Infrastructure	323	399	372	390	2053%	24%	14%	5%	33%	37%	36%	37%
Isewan Terminal Service	322	387	486	n.a.	-12%	25%	34%	n.a.	2%	6%	8%	n.a.
Santos Brasil Participacoes	242	341	410	471	65%	26%	10%	15%	23%	29%	34%	37%
Westshore Terminals Investment	237	201	254	226	-8%	-14%	21%	-8%	49%	39%	44%	43%
Saudi Industrial Services	231	247	268	295	-3%	1%	22%	10%	32%	26%	35%	37%
Touage Investissements Reunies	168	211	n.a.	n.a.	3%	25%	n.a.	n.a.	22%	14%	0%	0%
Alexandria Container and Cargo	129	145	147	191	-7%	19%	n.a.	33%	56%	60%	72%	0%
Sun Kwang	121	128	n.a.	n.a.	7%	6%	n.a.	n.a.	20%	16%	n.a.	n.a.
China Container Terminal	98	96	n.a.	n.a.	9%	2%	n.a.	n.a.	11%	11%	n.a.	n.a.
Fushiki Kairiku Unso	94	86	83	n.a.	-6%	-1%	7%	n.a.	4%	6%	10%	n.a.
Gujarat Pipavav Port	86	89	103	112	0%	1%	23%	8%	42%	39%	42%	44%
Namyong Terminal	35	39	44	45	12%	9%	16%	4%	31%	27%	31%	31%
<b>Group median</b>					<b>10%</b>	<b>10%</b>	<b>12%</b>	<b>5%</b>	<b>25%</b>	<b>26%</b>	<b>29%</b>	<b>30%</b>
Tallinna Sadam (Nordea)	110	122	116	121	3%	11%	-5%	5%	27%	25%	21%	25%
<b>diff. from median (pp)</b>					<b>-8</b>	<b>1</b>	<b>-17</b>	<b>0</b>	<b>2</b>	<b>-1</b>	<b>-8</b>	<b>-5</b>

Source: Company data, Refinitiv and Nordea estimates

## PEER GROUP VALUATION (x)

	P/E				EV/EBIT				P/B			
	2021	2022	2023E	2024E	2021	2022	2023E	2024E	2021	2022	2023E	2024E
Shanghai International Port Group	14.0	53.4	n.a.	n.a.	18.4	36.9	n.a.	n.a.	1.0	2.3	n.a.	n.a.
Hamburger Hafen und Logistik	13.7	9.7	30.4	21.4	8.5	6.5	17.2	13.0	2.0	1.6	1.6	1.5
Adani Ports	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China Merchants Port	6.5	5.7	5.8	5.6	30.2	20.9	20.5	20.2	0.4	0.4	0.4	0.4
Qube Holdings	43.3	45.1	24.3	18.0	11.6	11.0	8.6	7.3	1.7	0.9	0.8	0.8
COSCO SHIPPING Ports	8.1	8.7	6.7	6.3	30.6	25.2	18.6	17.7	0.3	0.3	0.4	0.3
Abu Dhabi Ports Company	n.a.	22.8	23.7	20.1	4.6	24.6	21.4	15.4	n.a.	1.6	1.5	1.4
Intergis Co	21.5	7.6	4.2	n.a.	10.3	2.5	0.9	n.a.	0.5	0.5	0.4	n.a.
Vegetexco Port	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sociedad Matriz SAAM	3.8	7.6	n.a.	n.a.	12.0	13.3	0.0	0.0	0.3	0.6	n.a.	n.a.
Ocean Wilsons Holdings	39.0	38.3	28.6	21.7	23.8	31.7	26.1	21.2	1.7	1.7	1.7	1.7
Wilson Sons Holdings Brasil	17.1	13.7	19.3	17.0	9.6	9.7	12.9	12.0	2.5	0.5	n.a.	n.a.
Dalrymple Bay Infrastructure	7.8	17.5	16.0	15.1	20.2	12.5	13.5	12.7	1.4	1.2	1.2	1.2
Isewan Terminal Service	23.6	17.2	12.3	11.5	19.1	14.1	11.9	11.2	1.5	1.4	1.4	1.4
Santos Brasil Participacoes	19.1	15.0	14.8	12.4	13.3	12.9	11.3	9.1	3.2	3.2	3.1	3.0
Westshore Terminals Investment	0.0	n.a.	n.a.	n.a.	0.0	n.a.	n.a.	n.a.	0.0	n.a.	n.a.	n.a.
Saudi Industrial Services	21.0	51.0	n.a.	n.a.	12.1	21.8	n.a.	n.a.	0.7	1.3	n.a.	n.a.
Touage Investissements Reunies	15.0	21.2	13.3	15.1	10.6	15.1	9.8	11.5	1.9	n.a.	n.a.	n.a.
Alexandria Container and Cargo	8.3	5.5	7.7	10.8	7.2	5.2	8.1	0.0	11.9	2.1	4.5	n.a.
Sun Kwang	12.9	n.a.	n.a.	n.a.	43.3	45.4	n.a.	n.a.	1.1	0.0	n.a.	n.a.
China Container Terminal	16.3	21.6	n.a.	n.a.	26.4	24.3	n.a.	n.a.	1.1	1.0	n.a.	n.a.
Fushiki Kairiku Unso	8.6	8.3	6.2	n.a.	20.2	10.8	6.4	n.a.	0.3	0.3	0.4	n.a.
Gujarat Pipavav Port	21.1	18.7	18.0	17.7	13.7	10.1	12.2	12.7	2.8	3.1	3.0	3.0
Namyong Terminal	7.0	n.a.	8.6	8.2	6.8	6.9	7.6	6.7	0.8	0.7	n.a.	n.a.
Sakurajima Futo Kaisha	8.7	7.2	8.1	7.9	15.8	15.7	12.2	12.2	1.2	1.0	0.9	0.9
<b>Group median</b>	<b>13.8</b>	<b>16.1</b>	<b>13.3</b>	<b>15.1</b>	<b>13.3</b>	<b>13.7</b>	<b>12.0</b>	<b>12.1</b>	<b>1.1</b>	<b>1.0</b>	<b>1.3</b>	<b>1.4</b>
Tallinna Sadam (Nordea)	19.1	15.1	20.2	16.0	22.1	16.8	17.8	14.1	1.3	1.0	0.8	0.7
<b>diff. from average</b>	<b>38%</b>	<b>-6%</b>	<b>53%</b>	<b>6%</b>	<b>67%</b>	<b>23%</b>	<b>48%</b>	<b>17%</b>	<b>12%</b>	<b>-3%</b>	<b>-43%</b>	<b>-50%</b>

Source: Refinitiv and Nordea estimates

# Reported numbers and forecasts

## INCOME STATEMENT

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>Total revenue</b>	<b>94</b>	<b>103</b>	<b>121</b>	<b>131</b>	<b>131</b>	<b>107</b>	<b>110</b>	<b>122</b>	<b>116</b>	<b>121</b>	<b>127</b>
Revenue growth	-16.5%	10.0%	17.5%	7.7%	-0.1%	-17.8%	2.5%	10.6%	-5.0%	5.0%	4.6%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	40	49	67	74	75	60	55	56	50	56	62
Depreciation and impairments PPE	0	0	-26	-22	-23	-24	-25	-25	-26	-26	-29
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	40	49	40	52	52	36	30	31	24	30	33
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	40	49	40	52	52	36	30	31	24	30	33
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	-1	-1	-2	-1	-1	-2	-1	-2	-6	-8	-9
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>39</b>	<b>48</b>	<b>39</b>	<b>51</b>	<b>50</b>	<b>33</b>	<b>29</b>	<b>29</b>	<b>18</b>	<b>22</b>	<b>24</b>
Reported taxes	-8	-9	-12	-26	-6	-5	-3	-4	-3	-3	-3
Net profit from continued operations	31	40	27	24	44	29	26	25	15	19	21
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	31	40	27	24	44	29	26	25	15	19	21
<b>EPS, EUR</b>	<b>0.12</b>	<b>0.15</b>	<b>0.10</b>	<b>0.11</b>	<b>0.17</b>	<b>0.11</b>	<b>0.10</b>	<b>0.09</b>	<b>0.06</b>	<b>0.07</b>	<b>0.08</b>
DPS, EUR	0.12	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	0.07
of which ordinary	0.12	0.13	0.18	0.46	0.12	0.08	0.10	0.07	0.07	0.07	0.07
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

### Profit margin in percent

EBITDA	43.1%	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	43.2%	46.6%	49.2%
EBITA	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.0%	24.9%	26.1%
EBIT	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.0%	24.9%	26.1%

### Adjusted earnings

EBITDA (adj)	40	49	67	74	75	60	55	56	50	56	62
EBITA (adj)	40	49	40	52	52	36	30	31	24	30	33
EBIT (adj)	40	49	40	52	52	36	30	31	24	30	33
EPS (adj, EUR)	0.12	0.15	0.10	0.11	0.17	0.11	0.10	0.09	0.06	0.07	0.08

### Adjusted profit margins in percent

EBITDA (adj)	43.1%	47.4%	55.0%	57.0%	57.2%	55.6%	49.5%	46.1%	43.2%	46.6%	49.2%
EBITA (adj)	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.0%	24.9%	26.1%
EBIT (adj)	43.1%	47.4%	33.2%	39.9%	39.6%	33.1%	27.0%	25.3%	21.0%	24.9%	26.1%

### Performance metrics

CAGR last 5 years											
Net revenue	1.6%	3.0%	6.5%	4.8%	3.1%	2.7%	1.3%	0.1%	-2.4%	-1.5%	3.4%
EBITDA	-1.0%	2.7%	11.1%	8.3%	7.1%	8.1%	2.2%	-3.4%	-7.7%	-5.4%	0.9%
EBIT	-1.0%	2.7%	0.4%	0.9%	-0.5%	-2.5%	-9.5%	-5.2%	-14.2%	-10.2%	-1.4%
EPS	-6.2%	1.1%	-2.6%	-6.7%	2.7%	-1.5%	-8.3%	-1.5%	-11.9%	-15.8%	-5.8%
DPS	n.m.	0.7%	19.1%	46.7%	0.4%	-1.6%	0.7%	-10.7%	-30.8%	-8.7%	-1.2%
Average last 5 years											
Average EBIT margin	46.2%	46.2%	43.5%	41.8%	40.3%	38.5%	34.9%	33.3%	29.4%	26.1%	24.9%
Average EBITDA margin	46.2%	46.2%	48.5%	50.5%	52.7%	54.7%	55.0%	53.2%	50.4%	48.0%	46.9%

### VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E (adj)	n.a.	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	20.2	16.0	14.3
EV/EBITDA (adj)	n.a.	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	9.1	8.2	7.3
EV/EBITA (adj)	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.6	15.4	13.8
EV/EBIT (adj)	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.6	15.4	13.8

### VALUATION RATIOS - REPORTED EARNINGS

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
P/E	n.a.	n.a.	n.a.	19.1	11.7	16.6	19.1	15.1	20.2	16.0	14.3
EV/Sales	n.a.	n.a.	n.a.	5.42	5.32	6.13	5.97	4.25	3.91	3.83	3.61
EV/EBITDA	n.a.	n.a.	n.a.	9.5	9.3	11.0	12.1	9.2	9.1	8.2	7.3
EV/EBITA	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.6	15.4	13.8
EV/EBIT	n.a.	n.a.	n.a.	13.6	13.4	18.5	22.1	16.8	18.6	15.4	13.8
Dividend yield (ord.)	n.a.	n.a.	n.a.	22.5%	5.8%	4.3%	5.2%	5.1%	6.4%	6.4%	6.3%
FCF yield	n.a.	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	4.0%	2.0%	8.5%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	8.0%	6.7%	4.1%	7.8%	13.9%	4.0%	2.0%	8.5%
Payout ratio	71.3%	62.3%	126.2%	430.6%	68.0%	71.0%	99.6%	77.4%	128.7%	102.0%	90.0%

Source: Company data and Nordea estimates

**BALANCE SHEET**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	0	1	2	2	2	2	2	2	2	2	2
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	1	2	2	2	2	2	2	2	2	2
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	544	569	577	569	575	588	576	564	561	571	567
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
Shares associates	1	1	1	2	2	1	2	2	2	2	2
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0	0	0
Other non-IB non-current assets	0	0	0	0	0	0	1	0	0	0	0
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	546	571	581	573	579	591	580	569	565	576	571
Inventory	0	0	0	0	0	0	0	1	1	1	1
Accounts receivable	9	17	9	8	11	10	14	7	10	11	11
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Cash and bank	26	50	7	43	35	27	35	44	42	44	51
Total current assets	35	68	17	51	46	37	49	53	54	56	63
Assets held for sale	0	0	0	0	0	0	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Total assets</b>	<b>581</b>	<b>639</b>	<b>597</b>	<b>624</b>	<b>626</b>	<b>628</b>	<b>630</b>	<b>621</b>	<b>619</b>	<b>632</b>	<b>634</b>
Shareholders equity	343	347	326	368	377	375	381	381	377	376	378
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	343	347	326	368	377	375	381	381	377	376	378
Deferred tax	0	0	0	0	0	0	0	0	0	0	0
Long term interest bearing debt	171	128	214	198	192	194	187	171	177	193	194
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	25	25	25	24	26	28	31	31	31	31	31
Non-current lease debt	0	0	0	0	0	0	0	0	0	0	0
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	196	153	238	222	217	222	219	203	209	225	226
Short-term provisions	1	1	2	2	2	1	2	2	2	2	2
Accounts payable	6	8	8	10	12	9	10	10	9	10	10
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	10	11	2	6	1	3	2	10	7	5	5
Short term interest bearing debt	26	118	22	16	16	17	16	16	15	14	13
Total current liabilities	42	139	33	34	31	30	30	37	33	30	30
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities and equity</b>	<b>581</b>	<b>639</b>	<b>597</b>	<b>624</b>	<b>626</b>	<b>628</b>	<b>630</b>	<b>621</b>	<b>619</b>	<b>632</b>	<b>634</b>
<b>Balance sheet and debt metrics</b>											
Net debt	171	196	229	171	173	185	168	143	150	163	157
of which lease debt	0	0	0	0	0	0	0	0	0	0	0
Working capital	-6	-2	0	-8	-2	-1	2	-11	-5	-3	-3
Invested capital	539	569	581	565	577	589	582	557	560	573	568
Capital employed	539	593	561	581	585	587	584	568	569	584	586
ROE	8.6%	11.5%	8.0%	7.0%	11.9%	7.6%	6.8%	6.5%	3.9%	5.0%	5.6%
ROIC	6.5%	7.6%	6.0%	7.8%	7.8%	5.2%	4.4%	4.6%	3.7%	4.6%	5.0%
ROCE	7.6%	8.6%	7.0%	9.1%	8.9%	6.1%	5.1%	5.4%	4.3%	5.2%	5.7%
Net debt/EBITDA	4.2	4.0	3.4	2.3	2.3	3.1	3.1	2.5	3.0	2.9	2.5
Interest coverage	32.6	82.5	20.8	26.0	29.5	20.9	21.7	15.4	3.8	3.6	3.6
Equity ratio	59.0%	54.3%	54.6%	59.0%	60.3%	59.8%	60.5%	61.3%	60.9%	59.6%	59.6%
Net gearing	49.9%	56.5%	70.2%	46.5%	45.8%	49.3%	44.2%	37.5%	39.8%	43.3%	41.4%

Source: Company data and Nordea estimates

**CASH FLOW STATEMENT**

EURm	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
<b>EBITDA (adj) for associates</b>	<b>40</b>	<b>49</b>	<b>67</b>	<b>74</b>	<b>75</b>	<b>60</b>	<b>55</b>	<b>56</b>	<b>50</b>	<b>56</b>	<b>62</b>
Paid taxes	0	-8	-21	-21	-11	-5	-3	-4	-3	-3	-3
Net financials	-2	-2	-2	-2	0	0	0	-1	-6	-8	-9
Change in provisions	-3	0	0	0	0	-1	0	0	0	0	0
Change in other LT non-IB	1	0	0	0	1	3	3	1	0	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	21	9	-3	4	-1	-7	-4	0	0	0	0
<b>Funds from operations (FFO)</b>	<b>57</b>	<b>49</b>	<b>41</b>	<b>55</b>	<b>63</b>	<b>50</b>	<b>50</b>	<b>52</b>	<b>40</b>	<b>45</b>	<b>51</b>
Change in NWC	0	0	0	0	n.a.	0	0	0	-6	-2	0
<b>Cash flow from operations (CFO)</b>	<b>57</b>	<b>49</b>	<b>41</b>	<b>55</b>	<b>63</b>	<b>50</b>	<b>50</b>	<b>52</b>	<b>34</b>	<b>43</b>	<b>51</b>
Capital expenditure	-63	-39	-25	-12	-28	-30	-12	0	-22	-37	-25
<b>Free cash flow before A&amp;D</b>	<b>-6</b>	<b>10</b>	<b>16</b>	<b>43</b>	<b>35</b>	<b>19</b>	<b>38</b>	<b>52</b>	<b>12</b>	<b>6</b>	<b>26</b>
Proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0
Free cash flow	-6	10	16	43	35	19	38	52	12	6	26
Free cash flow bef A&D, lease adj	-6	10	16	43	35	19	38	52	12	6	26
Dividends paid	-31	-35	-48	-105	-35	-30	-20	-25	-19	-19	-19
Equity issues / buybacks	0	0	0	120	0	0	0	0	0	0	0
Net change in debt	51	49	-10	-22	-8	2	-10	-17	5	15	0
Other financing adjustments	0	0	0	0	0	0	0	0	0	0	0
Other non-cash adjustments	0	0	0	0	0	0	0	0	0	0	0
Change in cash	14	24	-43	36	-7	-9	8	10	-2	2	6
<b>Cash flow metrics</b>											
Capex/D&A	n.m.	n.m.	96.3%	55.2%	n.m.	n.m.	49.2%	0.5%	86.2%	n.m.	85.6%
Capex/Sales	67.4%	37.6%	21.0%	9.4%	21.6%	28.0%	11.1%	0.1%	19.1%	30.4%	19.7%
<b>Key information</b>											
Share price year end (/current)	n.a.	n.a.	n.a.	2	2	2	2	1	1	1	1
Market cap.	n.a.	n.a.	n.a.	537	522	473	489	375	302	302	302
Enterprise value	n.a.	n.a.	n.a.	708	695	658	657	518	452	465	459
Diluted no. of shares, year-end (m)	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0	263.0

Source: Company data and Nordea estimates

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We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

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Nordea has no market-making obligations in Tallinna Sadam shares.

As of 12/11/2023, Nordea Abp holds no positions of 0.5% or more of shares issued by Tallinna Sadam.

As of the publication of this report, the issuer does not hold a position exceeding 5% of the total shares issued in Nordea Abp.

**Investment banking transactions and/or services**

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**Issuer Review**

*This report has not been reviewed by the Issuer prior to publication.*

**Completion Date**

13 Nov 2023, 00:32 CET

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