

# Tallink is the leading short cruise and ferry operator



## Key points

Tallink's vision is 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 to different customers and pursue new growth opportunities
- Ensure cost efficient operations
- Manage the optimal debt level that will allow sustainable dividends

Current focus is on core operations to realize past investments. Along with the optimal fleet deployment the emphasis is on the profitability improvement and deleveraging.

### Current strategic cornerstones and competitive advantages:

- Most modern fleet
- Wide route network
- Strong market share & brand awareness
- High safety level & environmental standards

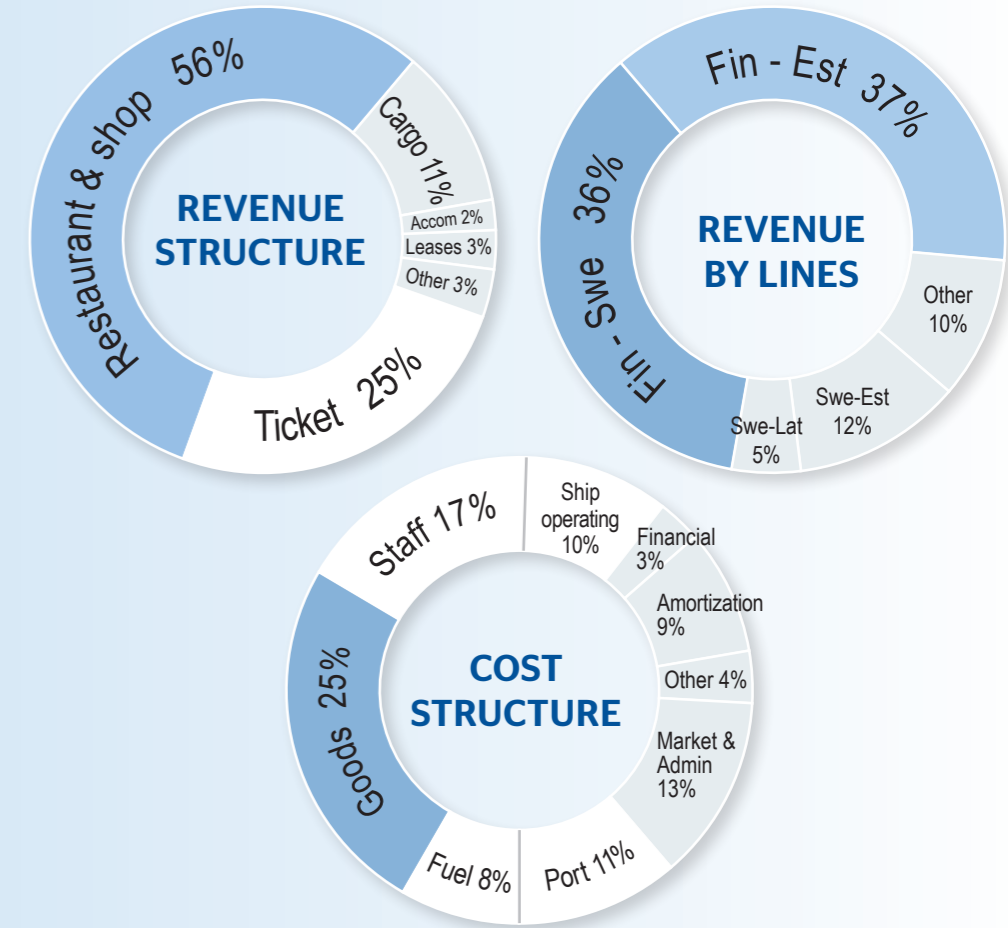
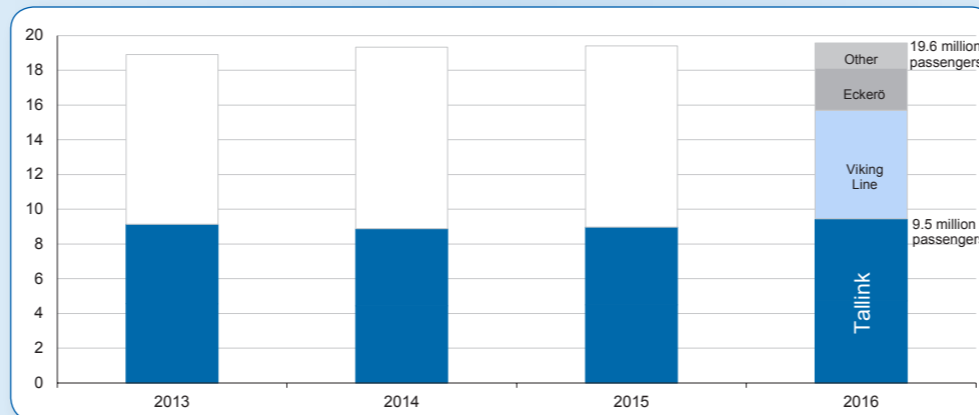
## Key information 2016

Passengers transported	9 457 522	P/E	14
Sales	938 mil EUR	ROA	4.6 %
EBITDA	149 mil EUR	ROE	5.4 %
Net Profit	44 mil EUR	Equity Ratio	53 %
Average number of employees	7 163	EBITDA Margin	16 %
EPS	0.07	Book value per share	1.21 EUR

## We operate 6 routes



## The passenger market share of Tallink is 48% in the northern Baltic Sea



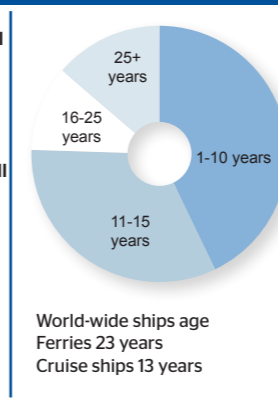
## History

	1883	1910	1928	1957	1965	1989	1990	1996	2001	2002	2003	2004	2005	2006	2009	2011	2015	2017	
	Finnish Steamship Co founded	Service between Turku & Stockholm	Service between Helsinki & Stockholm	Silja Line established	Tallinn-Helsinki route	Tallink founded	166 th passengers	Management buyout	Tallinn-Stockholm route	First newbuilt cruise ferry	Private placement	Hotel operation starts	IPO	Rights Issue	Over 1.3 billion euros invested during the fleet investment program	8M passengers reached	2.0M Club One members	9M passengers 1.3M Club One members	new LNG shuttle ferry delivery

## Our fleet consists of 16 ice class ships and has a value of EUR 1.5 billion

 <p><b>Megastar</b> Built: 2017 Length: 212 m Passengers: 2800 Lanemeters: 3600 Tallinn-Helsinki</p>	 <p><b>Baltic Queen</b> Built: 2009 Length: 212m Passengers: 2800 Lanemeters: 1130 Tallinn-Stockholm</p>	 <p><b>Galaxy</b> Built: 2006 Length: 212m Passengers: 2800 Lanemeters: 1130 Turku-Stockholm</p>	 <p><b>Silja Europa</b> Built: 1993 Length: 202m Passengers: 3123 Lanemeters: 932 Tallinn-Helsinki</p>	 <p><b>Isabelle</b> Built: 1989 Length: 171m Passengers: 2480 Lanemeters: 850 Riga-Stockholm</p>	 <p><b>Stena Superfast VII</b> Built: 2001/2002 Length: 203m Passengers: 717 Lanemeters: 1900 Chartered out</p>
 <p><b>Star</b> Built: 2007 Length: 186 m Passengers: 2080 Lanemeters: 2000 Tallinn-Helsinki</p>	 <p><b>Victoria I</b> Built: 2004 Length: 193m Passengers: 2500 Lanemeters: 1030 Tallinn-Stockholm</p>	 <p><b>Silja Symphony</b> Built: 1991 Length: 203m Passengers: 2852 Lanemeters: 950 Helsinki-Stockholm</p>	 <p><b>Regal Star</b> Built: 1999 Length: 157m Passengers: 80 Lanemeters: 2087 Paldiski-Kapellskär</p>	 <p><b>Atlantic Vision</b> Built: 2002 Length: 203.3m Passengers: 728 Lanemeters: 1900 Chartered out</p>	 <p><b>Stena Superfast VIII</b> Built: 2001/2002 Length: 203m Passengers: 717 Lanemeters: 1900 Chartered out</p>
 <p><b>Baltic Princess</b> Built: 2008 Length: 212m Passengers: 2800 Lanemeters: 1130 Turku-Stockholm</p>	 <p><b>Romantika</b> Built: 2002 Length: 193m Passengers: 2500 Lanemeters: 1030 Riga-Stockholm</p>	 <p><b>Silja Serenade</b> Built: 1990 Length: 203m Passengers: 2852 Lanemeters: 950 Helsinki-Stockholm</p>	 <p><b>Sea Wind</b> Built: 1972 Length: 155.0m Passengers: 260 Lanemeters: 1100 Tallinn-Helsinki</p>		

## Age of fleet by value



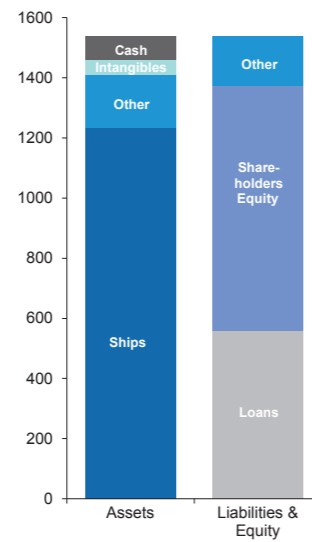
## We operate 5 Hotels (1300 rooms)

 <p><b>Tallink City</b> Rooms: 332 Conference Nightclub Tallinn</p>	 <p><b>Pirita Top Spa</b> Rooms: 267 Wellness &amp; MediSPA National Heritage Tallinn</p>
 <p><b>Tallink Spa &amp; Conference</b> Rooms: 275 Aqua Spa Tallinn</p>	 <p><b>Tallink Express</b> Rooms: 163 Resto &amp; Bar Tempo Tallinn</p>
 <p><b>Tallink Hotel Riga</b> Rooms: 256 Conference GYM Riga</p>	<p><b>30% of the hotel guests arrive with Tallink ships</b></p>



## Financials

Million EUR	2014	2015	2016
Revenue	921	945	938
Cost of sales	740	722	745
Marketing & GA expenses	112	111	123
EBITDA	151	181	149
EBITDA margin	16%	19%	16%
Net Profit	27	59	44
Cash flow from operations	151	192	147
Investments	49	44	68
Loan repayments	51	198	4
Dividends	20	13	54
Cash position	65	82	79
Total assets	1 686	1 539	1 539
Ships	1 451	1 270	1 235
Interest bearing loans	743	549	559
Shareholders' equity	778	824	814



## Our position in the world

### Ferry operator by gross tons

Rank	Company	Gross tons
1	Stena Line	909 412
2	Grimaldi Lines	477 667
3	<b>Tallink</b>	<b>466 960</b>
4	DFDS Seaways	412 722
5	P&O Ferries	409 659

### Ferry operator by beds

Rank	Company	Beds
1	<b>Tallink</b>	<b>18 963</b>
2	Stena Line	16 847
3	Viking Line	14 026
4	Grand Navi Veloci	13 328
5	Tirrenia	11 876

### Ferry operator by revenues (EUR million)

Rank	Company	Revenue
1	DFDS Group	1 805
2	Stena Line	1 335
3	<b>Tallink</b>	<b>945</b>
4	Viking Line	530
5	Finnlines	511

### The world's top duty free & travel retail shops 2015

Rank	Location	Remarks
<b>Sales &gt; US\$ 1,500.0 million</b>		
1	Seoul – Incheon Int'l Airport, South Korea	AIRPORT SHOPS
2	Dubai – Dubai International Airport, U.A.E.	AIRPORT SHOPS
3	Singapore – Changi Airport	AIRPORT SHOPS
<b>Sales &gt; US\$ 1,000.0 million</b>		
4	London – Heathrow Airport, UK	AIRPORT SHOPS
5	Bangkok – Suvarnabhumi Airport, Thailand	AIRPORT SHOPS
6	Shanghai – Pudong Airport, China P.R.	AIRPORT SHOPS
<b>Sales &gt; US\$ 800.0 million</b>		
7	Hong Kong – Hong Kong International Airport	AIRPORT SHOPS
8	Tokyo – Narita Airport, Japan	AIRPORT SHOPS
<b>Sales &gt; US\$ 600.0 million</b>		
9	Paris – Charles de Gaulle Airport, France	AIRPORT SHOPS
10	Beijing – Capital Airport, China P.R.	AIRPORT SHOPS
11	Frankfurt – Frankfurt-Main Airport, Germany	AIRPORT SHOPS
12	Taipei – Taoyuan International Airport, Taiwan	AIRPORT SHOPS
<b>Sales &gt; US\$ 500.0 million</b>		
13	<b>Tallink/Silja Line</b>	<b>FERRIES</b>
14	Istanbul – Atatürk Airport, Turkey	AIRPORT SHOPS
15	Cheju – Int'l Airport, South Korea	AIRPORT SHOPS
16	Amsterdam – Schiphol Airport, Netherlands	AIRPORT SHOPS

Source: ShipPax MARKET: 16, Company reports

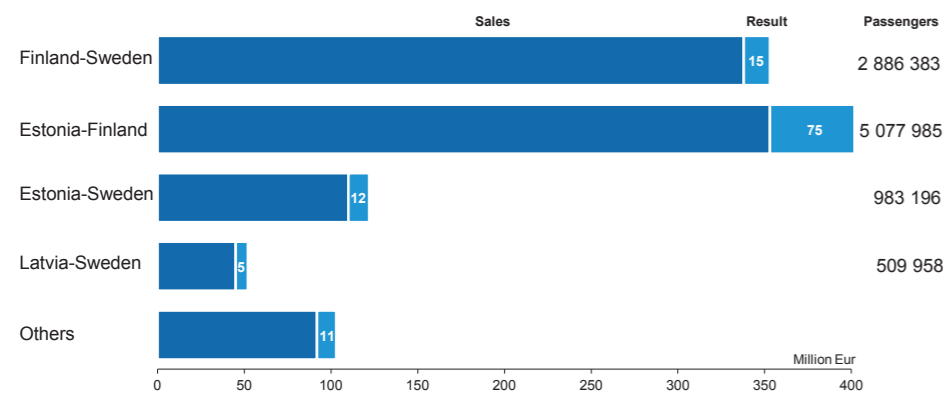
Source: Generation Research 2016

## Share price development



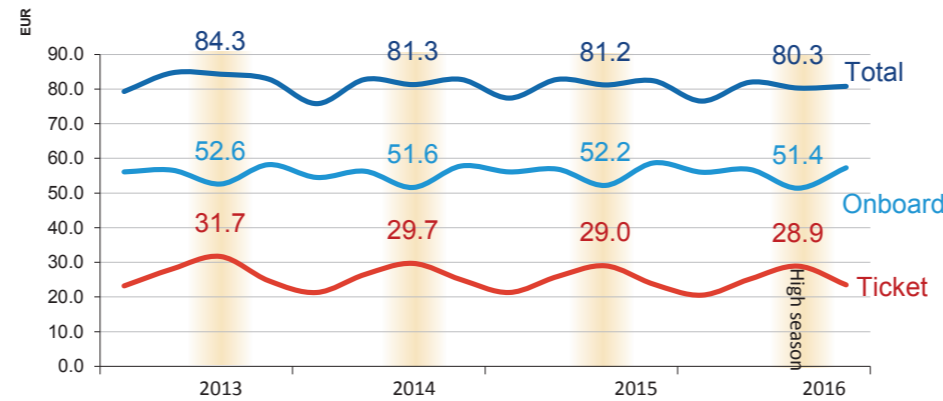
Tallink has been a leading stock on the Baltic market in liquidity, market capitalization and has a retail shareholder base around 11 000 shareholders

## Segment result by routes 2016



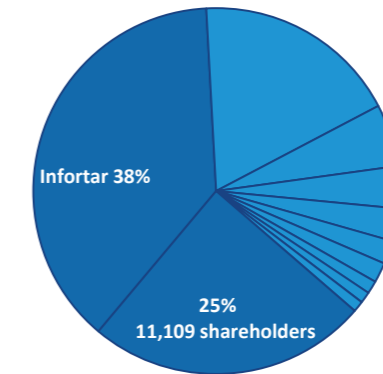
The segment result is the result before administrative expenses, financial expenses and taxes

## Passenger revenue



Quarterly passenger spending, highs and lows

## Ownership & Management



Baltic Cruises Holding L.P. 18%  
 Baltic Cruises Investment L.P. 6%  
 ING Luxembourg S.A. AIF Account 4%  
 ING Luxembourg Client Acc 3%  
 State Street Bank and Trust Omnibus Fund OM01 2%  
 Clearstream Banking Luxembourg S.A. Clients 2%  
 Nordea Bank Finland Plc Clients 1%  
 Skandinaviska Enskilda Banken Finnish Clients 1%  
 BNYM Clients 1%

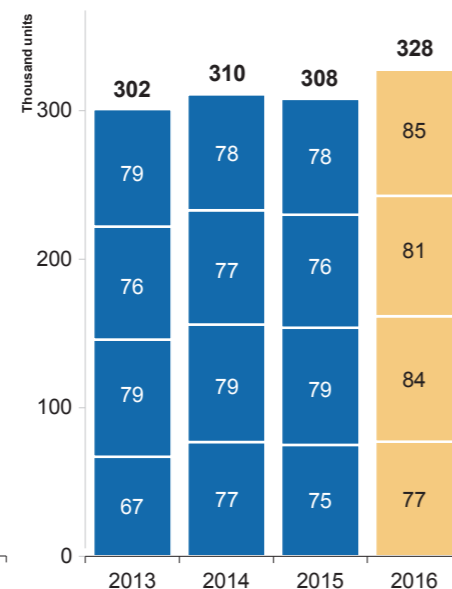
Janek Stalmeister  
 Andres Hunt  
 Lembit Kitter

Chairman of the Management Board, CEO  
 Vice Chairman of the Management Board  
 Member of the Management Board

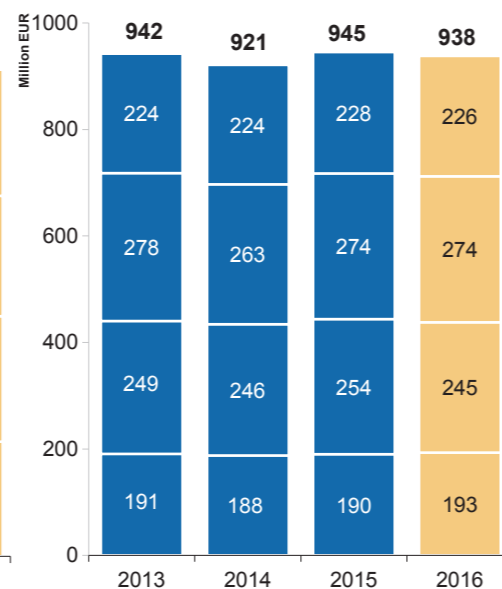
## Passengers



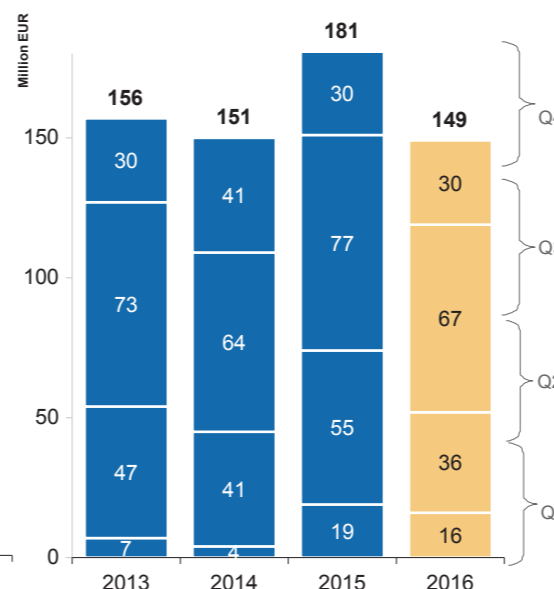
## Cargo units



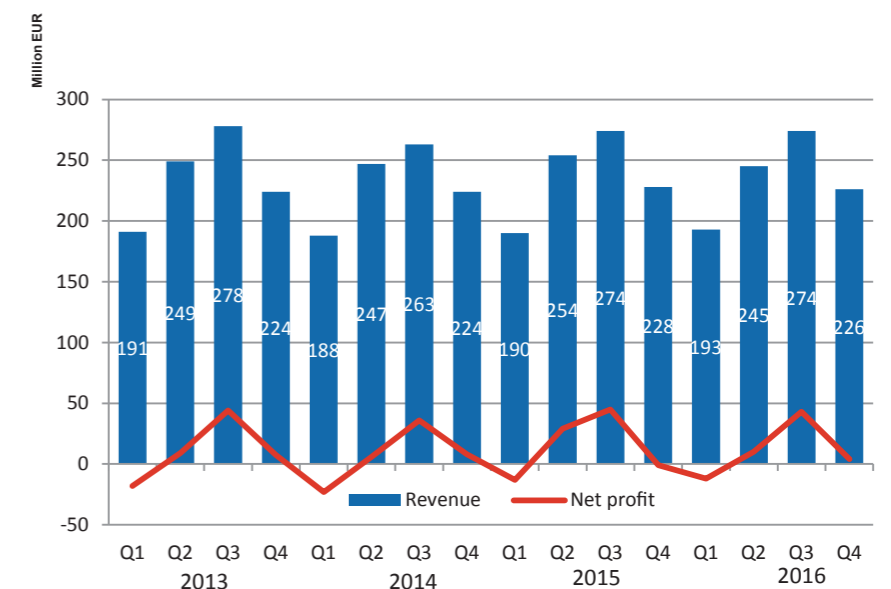
## Revenue



## EBITDA



## Quarterly seasonality



Typical to the Tallink business model is that most of the result is made in in the summer high season