2024 was a turnaround year

Q4/24 Net profit was significantly above forecast. 2024 feels like a turnaround year confirming that 2023 was the low. A resolution in Ukraine could have a substantial positive effect on operations. We reiterate our Base case FV and dividend forecast.

Nice Q4 Net profit beat

Q4/24 Net profit was 51% above estimate (EUR 4.3m vs. est. 2.8m) on strong Cargo segment, and lower operating and interest expenses. The 2024 Group EBIT increased 18% to EUR 29m, which seems to confirm that the 2023 EBIT of EUR 25m was a low. We forecast EBIT to improve to EUR 31m this year.

Peace in Ukraine?

If there is peace in Ukraine and Russian/Belarus sanctions are lifted, we estimate about EUR 9m in Cargo EBIT could came back, corresponding to a 31% increase vs. the 2024 Group EBIT (not in forecast). Furthermore, the cruise passengers are likely to increase substantially as the main attraction for Baltic cruises, St. Petersburg, could be re-opened.

We expect EUR 0.07 dividend to be proposed

We forecast EUR 0.07/shr. dividend from 2024's profit to be proposed on 3 April. We reiterate our 2025-26 Dividend forecast of EUR 0.07/shr. and Base case Fair value of EUR 1.32/shr. Following the investment phase, there could be dividend upside as the estimated Free Cash Flow per share is EUR 0.14/shr.

Key figures (MEUR)

	2023	2024	2025E	2026E	2027E
Net sales	116.6	119.6	122.9	125.8	128.5
Net sales growth	-4.2%	2.5%	2.8%	2.3%	2.1%
EBITDA	50.0	54.0	56.2	57.4	57.8
EBITDA margin	42.9%	45.1%	45.7%	45.7%	45.0%
EBIT	24.6	29.1	31.2	32.1	32.8
EBIT margin	21.1%	24.4%	25.4%	25.5%	25.5%
EV/Sales	3.8	3.8	3.8	3.6	3.4
EV/EBITDA	8.8	8.4	8.3	7.9	7.6
EV/EBIT	17.8	15.6	14.9	14.1	13.4
P/E adj.	18.7	16.1	15.9	15.5	14.6
P/BV	0.8	0.8	0.8	0.8	0.8
EPS	0.06	0.07	0.07	0.08	0.08
EPS growth	-37.94%	20.60%	2.85%	2.03%	6.50%
Div. per share	0.07	0.07	0.07	0.07	0.07
Dividend yield	6.47%	5.89%	5.89%	5.89%	5.89%

Source: Company data, Enlight Research estimates

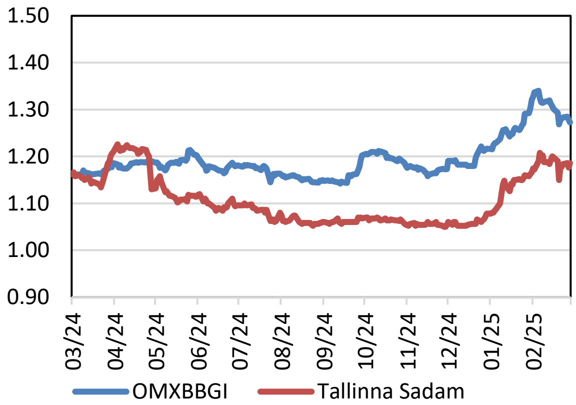
Fair value range (EUR)

Bull (term. EBIT marg. 30.0%)	1.45
Base (term. EBIT marg. 28.0%)	1.32
Bear (term. EBIT marg. 26.0%)	1.19

Key Data

Price (EUR)	1.19
Ticker	TSM1T
Country	Estonia
Listed	Tallinn
Market Cap (EURm)	312
Net debt (EURm)*	152
Shares (m)	263.0
Free float	33%

*End of current forecast year estimate



Price range

52-week high	1.23
52-week low	1.05

Analyst

ResearchTeam@enlightresearch.net

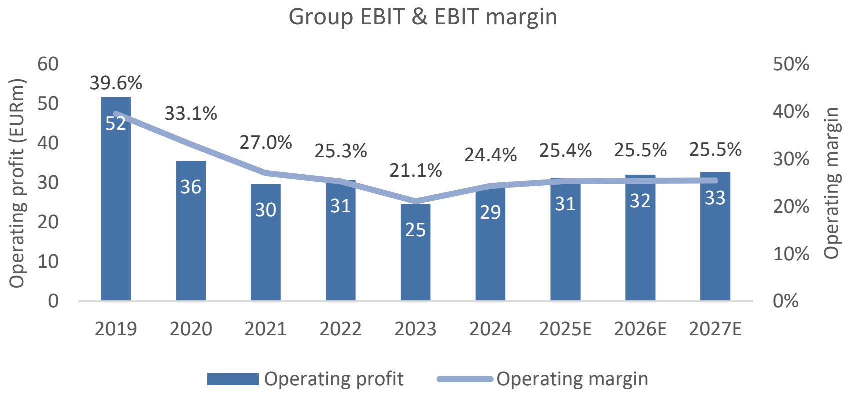
Coverage frequency

4x per year

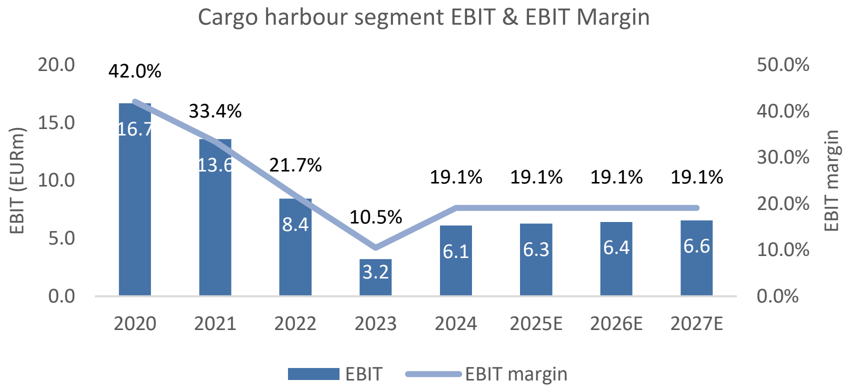
Key takeaways

A turnaround year

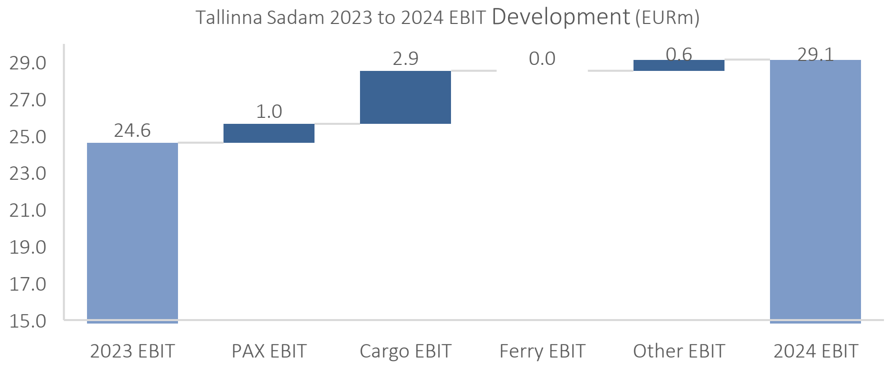
We believe 2024 was a turnaround year with a Group EBIT increase of 18% (28% adjusted for one-off items) or EUR 4.5m to EUR 29m from the 2023 EBIT low of EUR 25m. The Cargo segment was the main driver for the 2024 turnaround posting a 90% or EUR 2.9m EBIT improvement. The 2024 margin improvement was significant. The 2024 Group EBIT margin improvement to 24.4% in 2024 from 21.1% in 2023, as the Cargo segment improved its margin to 19.1% in 2024 from 10.5% in 2023. All segments except the Ferry segment made a meaningful 2024 EBIT improvement. We expect the recovery to continue and forecast a EUR 2m EBIT improvement this year followed by a EUR 1m improvement in 2026 and 2027.



Source: Company reports (historical), Enlight Research (estimates)



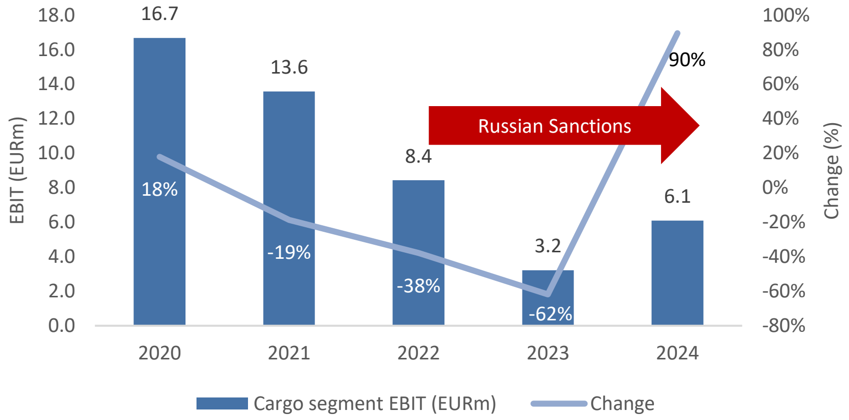
Source: Company reports (historical), Enlight Research (estimates)



Source: Company reports (historical)

What if Russian sanctions are lifted

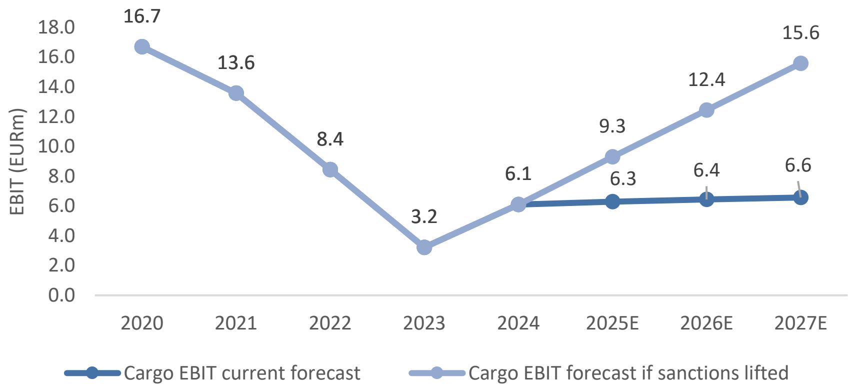
Without making a judgement on what is morally right or wrong, we must recognize that there could be a peace agreement or truce in Ukraine during 2025. This might also mean that Russian and Belarus sanctions on goods are lifted, which is likely to have a positive effect Tallinna Sadam's Cargo harbours segment. The pre-war year 2021, the Cargo segment posted an EBIT of EUR 13.6m. Russia invaded Ukraine in February 2022 and in July 2022, Estonia enforced a ban on importing goods originating from Russia that could generate significant revenue for Russia. Consequently, the Cargo segment EBIT declined 38% to EUR 8.4m in 2022, and 62% to EUR 3.2m in 2023 (EBIT increased in 2024 as non-Russian cargo picked up). We estimate lifted sanctions could add about EUR 9m in Cargo EBIT over three years, which corresponds to a 31% increase of the reported 2024 Group EBIT of EUR 29m.



Source: Company reports

Cargo segment volumes (thousand tonnes)	Pre-war 2021	2024	Diff	Diff%
Liquid bulk	8,694	1,362	-7,332	-84%
Ro-Ro	6,488	6,571	83	1%
Dry bulk	4,690	2,581	-2,109	-45%
Containers	1,893	2,110	217	11%
General cargo	485	487	2	0%
Non-marine	147	23	-124	-84%
Total	**22,397**	**13,134**	**-9,263**	**-41%**

Source: Company reports



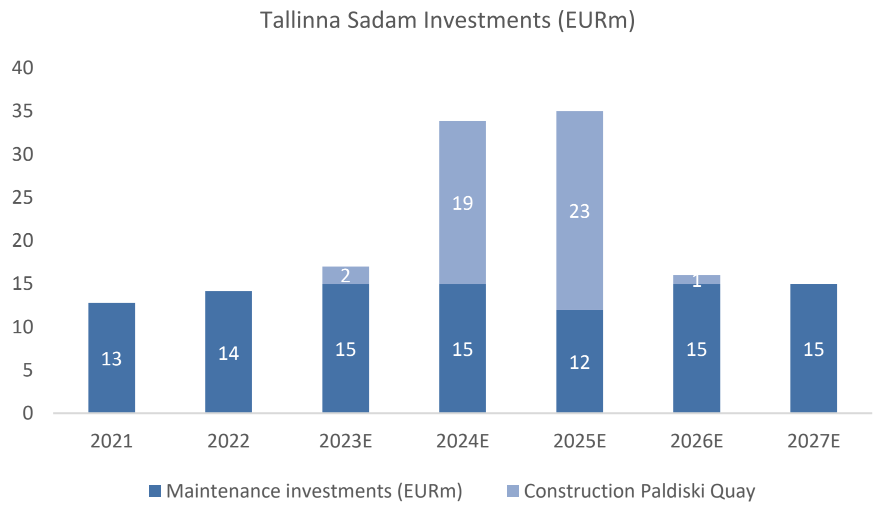
Source: Company reports (historic), Enlight Research (estimates)

We expect EUR 0.07 dividend per share to be proposed

We forecast a dividend of EUR 0.07 per share to be proposed (3 April) from 2024 year's profit, which is the same as the last two years as well as our forecast period 2025-27. On current share price (EUR 1.19), the forecast yield is 5.9%. The company is in an investment phase, mainly due to the construction of the Paldiski Key. The total investment for the Paldiski key is EUR 63m whereof an estimated EUR 39m has been invested by the end of 2024. Of the remaining investment, we forecast EUR 23m to be invested this year and EUR 1m in Q1/26 (scheduled completion). Excluding expansion investments, the estimated 2025 FCF per share is EUR 0.15 vs. EUR 0.06 including expansion investments i.e. the free cash flow does not cover our estimated dividend this year. In 2026, and 2027, our estimated dividend per share of EUR 0.07 is well covered by the FCF per share, even including expansion investments i.e., the forecast yield of 5.9% could increase once the intensive investment period is over (not in our forecast). With this said, it is worth noting that new non-maintenance investments could come as there might be a need to upgrade the Terminal A and adjoining Tallinna Sadam office building. Also, there might be a business case for building an additional ice breaker (will only be done if contracts can be secured before building). If these investments are undertaken, it should not affect our dividend forecast as they already leave room for expansion investments.

Dividend forecast	2022	2023	2024E	2025E	2026E	2027E
EPS (EUR)	0.10	0.06	0.07	0.07	0.08	0.08
FCF per share (EUR)	0.20	0.15	0.08	0.06	0.13	0.14
FCF yield	13.8%	13.2%	6.8%	5.4%	11.1%	11.4%
FCF per share (EUR), excl. expansion investments	0.20	0.16	0.15	0.15	0.14	0.14
FCF yield, excl. expansion investments	13.8%	13.9%	12.8%	12.7%	11.4%	11.4%
Dividend per share (EUR)	0.07	0.07	0.07	0.07	0.07	0.07
Dividend payout ratio	75%	121%	96%	93%	92%	86%
Dividend yield	5.1%	6.5%	5.9%	5.9%	5.9%	5.9%
Share price (EUR)	1.42	1.13	1.19	1.19	1.19	1.19

Source: Company reports (historical), Enlight Research (estimates)
Year-end share price for historical years, except for 2024 as the proposed dividend has yet to be announced.



Source: Company reports (historical), Enlight Research (estimates).
The company does not report the split between maintenance and expansion investments i.e., this is Enlight Research estimated split.

Valuation

Peer valuation

We have not found a listed port similar to Tallinna Sadam. The main differences to other seaports are:

- Tallinna Sadam owns the land directly and not through concessions i.e., no concession renewal risk
- Tallinna Sadam is a landlord port without cargo handling or shipping operations (except for the monopoly State Ferry contract and the State Pakrineeme harbour contract), which results in less revenue volatility
- Tallinna Sadam's fixed revenue monopoly State contracts for domestic ferry and icebreaker services provide resilience in economic downturns
- Tallinna Sadam has better revenue diversification (short-term & long-term pax, cargo, domestic ferry, icebreaker)

We believe the above differences justify a premium to the Seaport peers, which is also the case as Tallinna Sadam's 2025E EV/EBITDA multiple of 8.3x is 21% higher than Seaport peers' average of 6.8. In our view, Tallinna Sadam deserves to be traded more towards the airport peers who trade at a 17% premium to Tallinna Sadam (9.7x vs. 8.3x for Tallinna Sadam) based on 2025E EV/EBITDA. Worth noting is that Tallinna Sadam's forecast dividend yield of around 6% in 2025 and 2026 is superior to both the Airport and Seaport peers' averages.

Seaport peers Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/EBITDA 2024E	EV/EBITDA 2025E	EV/EBITDA 2026E	Div. yield 2024E	Div. yield 2025E	Div. yield 2026E
Abu Dhabi Ports Company	ADPORT:	AED	4.20	21,369	21,386	4.7	4.5	4.1	0.2%	0.0%	4.3%
Alexandria Cont.& Cargo	ALCN	EGP	21.85	65,102	65,102	13.0	8.4	8.1	11.6%	12.2%	12.4%
Hamburger Hafen und Logistik AG	HHFA	EUR	16.80	1,264	2,323	6.6	6.0	na	3.1%	3.9%	na
Luka Koper	LKPG	EUR	48.00	672	701	na	na	na	na	na	na
Eurokai GMBH & Co.	EUK3	EUR	37	498	583	9.3	8.5	7.8	3.5%	3.5%	3.5%
Average				**22,102**	**22,378**	**8.4**	**6.8**	**6.6**	**4.6%**	**4.9%**	**6.7%**

Airport peers Company	Ticker	Ccy	Price (last)	Mcap (m) (last)	EV (m) (last)	EV/EBITDA 2024E	EV/EBITDA 2025E	EV/EBITDA 2026E	Div. yield 2024E	Div. yield 2025E	Div. yield 2026E
Aena	AENA	EUR	210.80	31,620	36,582	10.4	9.9	9.4	4.6%	5.1%	5.4%
Aeroports de Paris SA	ADP	EUR	96.25	9,504	18,223	8.8	8.1	7.8	3.1%	4.0%	4.7%
Fraport AG	FRA	EUR	54.60	5,045	13,974	10.7	9.9	9.2	0.0%	2.7%	3.4%
Flughafen Wien AG	FLU	EUR	53.40	4,479	4,857	11.0	10.5	10.3	3.0%	3.2%	3.2%
Flughafen Zurich	FHZN	CHF	207.20	6,360	7,673	10.5	10.0	9.4	2.8%	3.0%	3.4%
Average				**11,402**	**16,262**	**10.3**	**9.7**	**9.2**	**2.7%**	**3.6%**	**4.0%**
Tallinna Sadam	TSM	EUR	1.19	313	465	8.5	8.3	7.9	5.9%	5.9%	5.9%

Source: MarketScreener (peers consensus), Enlight Research (Tallinna Sadam), Prices from 5 March 2025

DCF valuation

We reiterate our Base case DCF Fair value per share of EUR 1.32, implying an upside of around 11%. Our Bear and Bull case indicate a share price of EUR 1.19 (prev. 1.01) and EUR 1.45 (prev. 1.64), respectively. We have lowered our Base case Terminal EBIT margin assumption to 28% (prev. 30%). The Fair value is unchanged due to lower interest rate assumption. We have also decreased the Bear and Bull EBIT margin spread to 26-30% (prev. 25-35%). The only difference between our scenarios is the terminal EBIT margin that is 28% in our Base case and +/- 2 percentage points in our Bull/Bear cases. See below table for main assumptions and DCF sensitivity to different parameters. Worth noting is that the pre-covid EBIT margin was around 30%.

DCF Valuation Scenarios	Bear	Base	Bull
WACC	7.1%	7.1%	7.1%
Terminal sales growth	3.0%	3.0%	3.0%
Terminal EBIT margin	26.0%	28.0%	30.0%
Fair Value per share	1.19	1.32	1.45
Upside/Downside (last price)	0%	11%	22%
Share price	1.19	1.19	1.19

Source: Enlight Research

DCF valuation sensitivity analysis

Sensitivity parameters	Current	Step	Test values & Results										
Equity beta	1.10	0.05	0.85	0.90	0.95	1.00	1.05	**1.10**	1.15	1.20	1.25	1.30	1.35
Fair value (DCF)	*1.32*		*1.58*	*1.52*	*1.46*	*1.41*	*1.36*	**1.32**	*1.27*	*1.23*	*1.19*	*1.16*	*1.12*
Target debt ratio (D/D+E)	51.0 %	3.0 %	36%	39%	42%	45%	48%	**51%**	54%	57%	60%	63%	66%
Fair value (DCF)	*1.32*		*0.95*	*1.01*	*1.07*	*1.15*	*1.23*	**1.32**	*1.42*	*1.53*	*1.66*	*1.81*	*1.99*
Riskfree interest rate	3.5 %	0.35%	1.8 %	2.1 %	2.5 %	2.8 %	3.2 %	**3.5 %**	3.9 %	4.2 %	4.6 %	4.9 %	5.3 %
Fair value (DCF)	*1.32*		*1.73*	*1.63*	*1.54*	*1.46*	*1.39*	**1.32**	*1.25*	*1.19*	*1.14*	*1.09*	*1.04*

Source: Enlight Research

Estimate deviations

Estimate deviations by Segment

The Q4/24 Passenger harbours Sales was in line with our EUR 8.9m forecast, while the EBIT was 5.8% or EUR 0.2m lower than expected. The Q4/24 Cargo harbours Sales was 7.2% or EUR 0.6m above forecast, while the EBIT was 226% or EUR 1.2m above estimate. The Q4/24 Ferry Sales was in line with forecast, while the EBIT was 14.1% or EUR 0.2m below estimate. The Q4/24 Other Sales was 16.7% or EUR 0.5m below forecast, while the EBIT of EUR 0.3m was 35.0% or EUR 0.2m below forecast.

	Q4/24	Q4/24	Deviation	
Sales by Segment (EURm)	Estimate	Outcome	EURm	%
Passenger harbours	8.9	8.8	0.0	-0.3%
Cargo harbours	8.3	8.9	0.6	7.2%
Ferry	8.7	8.7	0.0	-0.1%
Other	2.9	2.4	-0.5	-16.7%
Group sales	**28.7**	**28.8**	**0.1**	**0.3%**

	Q4/24	Q4/24	Deviation	
Sales growth	Estimate	Outcome	EURm	%-pts
Passenger harbours	1.3%	1.0%	nm	-0.3
Cargo harbours	3.4%	10.8%	nm	7.4
Ferry	2.8%	2.7%	nm	-0.1
Other	2.0%	-15.0%	nm	-17.0
Group sales growth	**2.4%**	**2.7%**	**nm**	**0.3**
Core segments EBIT	4.794	5.660	0.9	18.1%

EBIT deviation by Segment

	Q4/24	Q4/24	Deviation	
EBIT by Segment (EURm)	Estimate	Outcome	EURm	%
Passenger harbours	2.7	2.5	-0.2	-5.8%
Cargo harbours	0.5	1.8	1.2	225.8%
Ferry	1.6	1.3	-0.2	-14.1%
Other	0.4	0.3	-0.2	-35.0%
Group EBIT	**5.2**	**5.9**	**0.7**	**13.6%**

	Q4/24	Q4/24	Deviation	
EBIT margin by Segment	Estimate	Outcome	EURm	%-pts
Passenger harbours	30.1%	28.5%	na	-1.6
Cargo harbours	6.7%	20.2%	na	13.6
Ferry	18.0%	15.5%	na	-2.5
Other	15.4%	12.0%	na	-3.4
Group EBIT margin	**18.2%**	**20.7%**	**na**	**2.4**

Source: Company reports (outcome), Enlight Research (estimate)

Estimate deviations for the Group

The Q4/24 Total revenues of EUR 29m was in line with forecast. The Q4/24 EBITDA, and EBIT were 4.8%, and 13.6% above estimates, respectively as the Operating expenses were EUR 1m lower than forecast. The Q4/24 Pre-tax profit as well as the Net profit were 51% or EUR 1.4m above forecast.

Group deviation table

	Q4/24	Q4/24	Deviation	
Income statement	**Estimate**	**Outcome**	**EURm**	**%**
Net sales	28.7	28.8	0.1	0.3%
Other income	0.6	0.6	-0.1	-10.0%
Total revenue	**29.3**	**29.4**	**0.0**	**0.0%**
Operating expenses	-10.8	-9.8	1.0	-9.1%
Personnel expenses	-7.1	-7.1	0.0	-0.5%
Other expenses	-0.2	0.1	0.3	-137.2%
Non-recurring income/expenses	0.0	-0.8	-0.8	nm
Total OpEx excluding depreciation	*-18.1*	*-17.6*	*0.5*	*-2.9%*
EBITDA	**11.2**	**11.8**	**0.5**	**4.8%**
Depreciation and amortisation	-6.0	-6.6	-0.6	10.7%
EBIT	**5.2**	**5.9**	**0.7**	**13.6%**
Interest income	0.3	0.2	-0.1	-35.9%
Interest expenses	-2.9	-1.9	1.0	-35.9%
Assoc. profit share	0.2	0.0	-0.2	-101.5%
Financial net	*-2.4*	-1.7	*0.7*	*-30.4%*
Pre-tax profit	**2.8**	**4.3**	**1.4**	**50.5%**
Tax	0.0	0.0	0.0	nm
Other	0.0	0.0	0.0	nm
Net profit	2.8	4.3	1.4	50.5%

	Q4/24	Q4/24	Deviation	
Sales growth	**Estimate**	**Outcome**	**EURm**	**%-pts**
Sales growth y-on-y	2.4%	2.7%	nm	0.3

	Q4/24	Q4/24	Deviation	
Margins	**Estimate**	**Outcome**	**EURm**	**%-pts**
EBITDA margin	39.1%	40.9%	na	1.8
EBIT margin	18.2%	20.7%	na	2.4
PTP margin	9.9%	14.9%	na	5.0
Net profit margin	9.9%	14.9%	na	5.0

Source: Company reports (outcome), Enlight Research (estimate)

Estimate changes

We make only minor changes to our Revenue and EBITDA estimates. Our EBIT is roughly unchanged for this year and lowered by 1% for 2026. Our EPS is unchanged for this year and lowered by 6% for 2026 on a higher tax estimate. Our dividend per share is unchanged at EUR 0.07 each year in 2024-26 (2024 dividend yet to be announced).

Estimate changes

Sales (EURm)	2024E	2025E	2026E	2027E
Old estimate	na	123.3	127.0	na
New estimate	na	122.9	125.8	128.5
Change	na	-0.3	-1.2	na
Change (pct)	na	-0.3%	-0.9%	na

EBITDA (EURm)	2024E	2025E	2026E	2027E
Old estimate	na	55.9	57.4	na
New estimate	na	56.2	57.7	58.5
Change	na	0.3	0.2	na
Change (pct)	na	0.5%	0.4%	na

EBIT (EURm)	2024E	2025E	2026E	2027E
Old estimate	na	31.1	32.4	na
New estimate	na	31.2	32.1	32.8
Change	na	0.1	-0.3	na
Change (pct)	na	0.3%	-1.0%	na

Pre-tax Profit (EURm)	2024E	2025E	2026E	2027E
Old estimate	na	24.8	26.1	na
New estimate	na	24.9	25.3	26.4
Change	na	0.1	-0.8	na
Change (pct)	na	0.3%	-3.0%	na

Net profit (EURm)	2024E	2025E	2026E	2027E
Old estimate	na	19.7	21.0	na
New estimate	na	19.7	19.7	20.7
Change	na	0.0	-1.3	na
Change (pct)	na	0.0%	-6.1%	na

EPS (EUR)	2024E	2025E	2026E	2027E
Old estimate	na	0.07	0.08	na
New estimate	na	0.07	0.07	0.08
Change	na	0.00	0.01	na
Change (pct)	na	0.0%	-6.1%	na

Dividend (EUR)	2024E	2025E	2026E	2027E
Old estimate	0.07	0.07	0.07	na
New estimate	0.07	0.07	0.07	0.07
Change	0.00	0.00	0.00	na
Change (pct)	0.0%	0.0%	0.0%	na

Source: Enlight Research

Quarterly and Full-year Forecast

Sales forecast by segment (EURm)	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Passenger harbours	7.5	10.0	11.5	8.8	7.8	10.3	11.9	8.9	37.9	39.0	39.8	40.6
Growth y-on-y	-6.0%	-0.2%	7.1%	1.0%	3.5%	3.5%	3.5%	0.9%	0.9%	2.9%	2.0%	2.0%
Cargo harbours	7.8	7.5	7.9	8.9	8.0	7.7	8.1	9.1	32.0	32.9	33.7	34.4
Growth y-on-y	-2.0%	-2.3%	9.5%	10.8%	3.0%	3.0%	3.0%	3.0%	3.9%	3.0%	2.3%	2.1%
Ferry	8.6	9.6	10.7	8.7	8.8	9.9	11.0	8.8	37.5	38.5	39.4	40.2
Growth y-on-y	1.5%	2.4%	3.2%	2.7%	3.0%	3.0%	3.0%	0.8%	2.5%	2.5%	2.5%	2.0%
Other	4.1	4.6	1.1	2.4	3.7	3.4	3.3	2.1	12.2	12.6	13.0	13.3
Growth y-on-y	1.1%	162.9%	-63.4%	-15.0%	-10.0%	-25.0%	190.0%	-10.5%	4.1%	3.0%	3.0%	3.0%
Total	**27.9**	**31.7**	**31.2**	**28.8**	**28.3**	**31.4**	**34.3**	**29.0**	**119.6**	**122.9**	**125.8**	**128.5**
Growth y-on-y	-1.7%	10.0%	-0.7%	2.7%	1.2%	-0.9%	10.0%	0.6%	2.5%	2.8%	2.3%	2.1%

EBIT forecast by segment (EURm)	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Passenger harbours	1.5	3.7	5.1	2.5	1.6	3.9	5.4	2.8	12.8	13.6	14.1	14.5
Margin	20%	37%	44%	28%	21%	38%	45%	31%	33.7%	35.0%	35.4%	35.6%
Cargo harbours	1.6	1.3	1.4	1.8	1.7	1.4	1.5	1.7	6.1	6.3	6.4	6.6
Margin	21%	17%	18%	20%	22%	18%	18%	19%	19.1%	19.1%	19.1%	19.1%
Ferry	2.0	2.9	3.5	1.3	2.1	3.0	3.6	1.4	9.7	10.0	10.3	10.5
Margin	23%	30%	33%	16%	24%	30%	33%	16%	25.9%	26.0%	26.0%	26.0%
Other	1.9	1.1	-2.7	0.3	0.4	0.3	0.3	0.2	0.5	1.3	1.3	1.3
Margin	46%	23%	-234%	12%	10%	10%	10%	10%	4.4%	10.0%	10.0%	10.0%
Total	**7.0**	**8.9**	**7.3**	**5.9**	**5.8**	**8.6**	**10.8**	**6.1**	**29.1**	**31.2**	**32.1**	**32.8**
Margin	25.1%	28.2%	23.3%	20.7%	20.4%	27.5%	31.3%	20.9%	24.4%	25.4%	25.5%	25.5%

Group forecast (EURm)	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
Net sales	27.9	31.7	31.2	28.8	28.3	31.4	34.3	29.0	119.6	122.9	125.8	128.5
Other income	0.4	0.4	0.4	0.6	0.4	0.4	0.4	0.4	1.7	1.7	1.7	1.7
Total revenue	**28.3**	**32.1**	**31.6**	**29.4**	**28.7**	**31.8**	**34.8**	**29.4**	**121.3**	**124.6**	**127.5**	**130.2**
Expenses	-15.3	-17.0	-18.3	-17.6	-16.7	-16.9	-17.8	-17.1	-67.3	-68.5	-70.1	-72.4
EBITDA	**13.0**	**15.0**	**13.4**	**11.8**	**12.0**	**14.9**	**17.0**	**12.3**	**54.0**	**56.2**	**57.4**	**57.8**
Depr. & Amort.	-6.0	-6.1	-6.1	-6.6	-6.3	-6.3	-6.3	-6.3	-24.8	-25.0	-25.4	-25.0
EBIT	**7.0**	**8.9**	**7.3**	**5.9**	**5.8**	**8.6**	**10.8**	**6.1**	**29.1**	**31.2**	**32.1**	**32.8**
Financial net	-1.8	-1.7	-1.7	-1.7	-1.6	-1.6	-1.6	-1.6	-6.9	-6.3	-6.3	-5.8
Pre-tax profit	**5.2**	**7.2**	**5.6**	**4.3**	**4.2**	**7.0**	**9.2**	**4.5**	**22.3**	**24.9**	**25.7**	**27.1**
Tax	0.0	-3.1	0.0	0.0	0.0	-5.2	0.0	0.0	-3.1	-5.2	-5.6	-5.6
Net profit	**5.2**	**4.1**	**5.6**	**4.3**	**4.2**	**1.8**	**9.2**	**4.5**	**19.2**	**19.7**	**20.1**	**21.4**

Sales growth	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
sequential	-0.4%	13.3%	-1.4%	-7.8%	-1.8%	10.9%	9.5%	-15.7%	na	na	na	na
y-on-y	-1.7%	10.0%	-0.7%	2.7%	1.2%	-0.9%	10.0%	0.6%	2.5%	2.8%	2.3%	2.1%

Margins	Q1/24	Q2/24	Q3/24	Q4/24	Q1/25E	Q2/25E	Q3/25E	Q4/25E	2024	2025E	2026E	2027E
EBITDA margin	46.7%	47.4%	42.8%	40.9%	42.5%	47.4%	49.5%	42.5%	45.1%	45.7%	45.7%	45.0%
EBIT margin	25.1%	28.2%	23.3%	20.7%	20.4%	27.5%	31.3%	20.9%	24.4%	25.4%	25.5%	25.5%
PTP margin	18.6%	22.8%	17.9%	14.9%	14.8%	22.4%	26.8%	15.5%	18.6%	20.2%	20.4%	21.1%
Net profit margin	18.6%	13.0%	17.9%	14.9%	14.8%	5.9%	26.8%	15.5%	16.0%	16.0%	16.0%	16.7%

Source: Company reports (outcome), Enlight Research (estimate)

Risk factors

Below is a list of risk factors that we believe are important to highlight given the current environment. It should not be regarded as a complete list of risk factors. Additional risk factors can be found in the listing prospectus.

Sanctions on Russian oil and gas

There is a great deal of uncertainty related to Western sanctions imposed on Russia and Belarus. We assume that the sanctions will last throughout our forecast period 2025-2027 which makes a major recovery of cargo throughput highly unlikely.

Economic downturn

The current economic downturn has a negative effect on the cargo and passenger business. A prolonged or an even deeper economic downturn could affect these operations significantly.

Cruise ship recovery

The cruise ship traffic to Tallinn Port is largely dependent on St. Petersburgh being part of the route. As long as the Russia – Ukraine war is ongoing, it is very unlikely that St. Petersburgh will be part of the Cruise ship route.

Vessel calls resilience

A prolonged multi-year sustained drop in passenger numbers might eventually lead to a significant drop in vessel calls.

Real estate development

The uncertainty related to Tallinna Sadam's real estate development must be regarded as fairly high, as the detailed planning process may take longer than expected. Our real estate development timeline is based on the Planning Act procedure in Estonia. There is a risk that City of Tallinn municipality will need a longer period of time than stated in the Planning Act procedure. Furthermore, given the long-time frame, it is very hard to foresee the state of the real estate market when the development phase finally begins. Given the sheer size of Tallinna Sadam's property, oversaturation of Tallinn's real estate market is a real possibility unless the development is done in a gradual manner.

Income Statement	2023	2024	2025E	2026E	2027E
Net sales	116.6	119.6	122.9	125.8	128.5
Total operating costs	-66.6	-65.6	-66.8	-68.4	-70.7
EBITDA	**50.0**	**54.0**	**56.2**	**57.4**	**57.8**
Depreciation & Amort.	-25.4	-24.8	-25.0	-25.4	-25.0
One-off EBIT items	0.0	0.0	0.0	0.0	0.0
EBIT	**24.6**	**29.1**	**31.2**	**32.1**	**32.8**
Financial net	-5.8	-6.9	-6.3	-6.3	-5.8
Pre-tax profit	**18.9**	**22.3**	**24.9**	**25.7**	**27.1**
Taxes	-3.0	-3.1	-5.2	-5.6	-5.6
Minority interest	0.0	0.0	0.0	0.0	0.0
Other items	0.0	0.0	0.0	0.0	0.0
Net profit	**15.9**	**19.2**	**19.7**	**20.1**	**21.4**

Balance Sheet	2023	2024	2025E	2026E	2027E
Cash and cash equivalent	30	39	40	41	42
Receivables	12	13	10	10	11
Inventories	1	1	1	1	1
Other current assets	0	4	4	4	4
Current assets	**42**	**57**	**56**	**57**	**58**
Tangible assets	545	554	564	555	545
Goodwill & intangible assets	2	2	2	2	2
Lease & Investment properties	0	0	0	0	0
Investments	2	3	3	3	3
Associated companies	14	14	14	14	14
Other non-current assets	0	0	0	0	0
Total fixed assets	**564**	**573**	**583**	**574**	**564**
Total Assets	**606**	**630**	**639**	**630**	**622**
Non-interest bearing current liabilities	11	8	8	8	8
Short-term debt	14	12	13	12	11
Other current liabilities	8	23	23	23	23
Total current liabilities	**34**	**43**	**44**	**43**	**43**
Long-term debt	158	173	180	170	159
Convertibles & Lease liab.	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0
Provisions	0	0	0	0	0
Other long-term liabilities	36	35	35	35	35
Total long-term liab.	**195**	**209**	**216**	**207**	**195**
Total Liabilities	**229**	**252**	**260**	**250**	**238**
Minority interest (BS)	0	0	0	0	0
Shareholders' equity	378	378	379	381	384
Total liabilities and equity	**606**	**630**	**639**	**630**	**622**

DCF valuation		Cash flow, mEUR	
WACC (%)	7.13 %0 %	NPV FCF (2023-2025)	76
Assumptions 2023-2029 (%)		NPV FCF (2026-2032)	163
Sales CAGR	2.60 %	NPV FCF (2033-)	253
Avg. EBIT margin	26.56 %	Non-operating assets	40
Fair value per share (EUR)	1.32	Interest-bearing debt	-185
Share price (EUR)	1.19	Fair value estimate	347

Free Cash Flow	2023	2024	2025E	2026E	2027E
Operating profit	24.6	29.1	31.2	32.1	32.8
Depreciation & Amort.	25.4	24.8	25.0	25.4	25.0
Working capital chg.	-4.3	6.5	2.3	0.3	-0.1
Other Operating CF items	-4.0	-4.2	-6.6	-7.1	-7.0
Operating Cash Flow	**41.7**	**56.3**	**51.8**	**50.6**	**50.8**
Net investments	-6.5	-34.3	-35.0	-16.0	-15.0
Other items	4.0	-0.8	0.0	0.0	0.0
Free Cash Flow	**39.3**	**21.1**	**16.8**	**34.6**	**35.8**

Capital structure	2023	2024	2025E	2026E	2027E
Equity ratio	62.3%	60.0%	59.3%	60.4%	61.7%
Debt / Equity ratio	45.4%	49.0%	50.8%	47.8%	44.3%
Gearing %	37.5%	38.6%	40.1%	37.0%	33.3%
Net debt/EBITDA	2.8	2.7	2.7	2.4	2.2
Interest coverage ratio	4.0	4.0	4.7	4.8	5.3

Profitability	2023	2024	2025E	2026E	2027E
ROE	4.2%	5.1%	5.2%	5.3%	5.6%
FCF yield	13.2%	6.8%	5.4%	11.1%	11.5%
EBITDA margin	42.9%	45.1%	45.7%	45.7%	45.0%
EBIT margin	21.1%	24.4%	25.4%	25.5%	25.5%
PTP margin	16.2%	18.6%	20.2%	20.4%	21.1%
Net margin	13.6%	16.0%	16.0%	16.0%	16.7%

Valuation	2023	2024	2025E	2026E	2027E
P/E	18.7	16.1	15.9	15.5	14.6
P/E, adjusted	18.7	16.1	15.9	15.5	14.6
P/Sales	2.5	2.6	2.5	2.5	2.4
EV/Sales	3.8	3.8	3.8	3.6	3.4
EV/EBITDA	8.8	8.4	8.3	7.9	7.6
EV/EBIT	17.8	15.6	14.9	14.1	13.4
P/BV	0.8	0.8	0.8	0.8	0.8
P/BV tangible	0.8	0.8	0.8	0.8	0.8

Per share ratios	2023	2024	2025E	2026E	2027E
EPS	0.06	0.07	0.07	0.08	0.08
EPS, adjusted	0.06	0.07	0.07	0.08	0.08
Operating CF/share	0.16	0.21	0.20	0.19	0.19
Free Cash Flow/share	0.15	0.08	0.06	0.13	0.14
BV/share	1.44	1.44	1.44	1.45	1.46
Tangible BV/share	1.43	1.43	1.43	1.44	1.45
Div. per share	0.07	0.07	0.07	0.07	0.07
Div. payout ratio	120.9%	96.1%	93.5%	91.6%	86.0%
Dividend yield	6.5%	5.9%	5.9%	5.9%	5.9%

Shareholders	Capital	Votes
Estonian State	209.431	67.03 %
EBRD	11.108	3.56 %
SEB Pensionifond 55+	7.703	2.47 %
LHV Pension fund L	4.058	1.30 %
Interactive Brokers Clients	2.528	0.81 %
SEB Banka AS	1.939	0.62 %
SEB Pensionifond 18+	1.717	0.55 %
Swedbanki Pension 1970-79	1.538	0.49 %
Nordea Bank ABP	1.354	0.43 %

Key people	
CEO	Valdo Kalm
CFO	Andrus Ait
IR	Angelika Annus
Chairman	Riho Unt

P/E $\frac{\text{Price per share}}{\text{Earnings per share}}$	**EPS** $\frac{\text{Profit before extraordinary items and taxes – income taxes + minority interest}}{\text{Number of shares}}$
P/Sales $\frac{\text{Market cap}}{\text{Sales}}$	**DPS** Dividend for financial period per share
P/BV $\frac{\text{Price per share}}{\text{Shareholders' equity + taxed provisions per share}}$	**CEPS** $\frac{\text{Gross cash flow from operations}}{\text{Number of shares}}$
P/CF $\frac{\text{Price per share}}{\text{Operating cash flow per share}}$	**EV/Share** $\frac{\text{Enterprise value}}{\text{Number of shares}}$
EV (Enterprise value) Market cap + Net debt + Minority interest at market value – share of associated companies at market value	**Sales/Share** $\frac{\text{Sales}}{\text{Number of shares}}$
Net debt Interest-bearing debt – financial assets	**EBITDA/Share** $\frac{\text{Earnings before interest, tax, depreciation and amortization}}{\text{Number of shares}}$
EV/Sales $\frac{\text{Enterprise value}}{\text{Sales}}$	**EBIT/Share** $\frac{\text{Operating profit}}{\text{Number of shares}}$
EV/EBITDA $\frac{\text{Enterprise value}}{\text{Earnings before interest, tax, depreciation and amortization}}$	**EAFI/Share** $\frac{\text{Pre-tax profit}}{\text{Number of shares}}$
EV/EBIT $\frac{\text{Enterprise value}}{\text{Operating profit}}$	**Capital employed/Share** $\frac{\text{Total assets – non-interest-bearing debt}}{\text{Number of shares}}$
Div yield, % $\frac{\text{Dividend per share}}{\text{Price per share}}$	**Total assets** Balance sheet total
Payout ratio, % $\frac{\text{Total dividends}}{\text{Earnings before extraordinary items and taxes – income taxes + minority interest}}$	**Interest coverage (x)** $\frac{\text{Operating profit}}{\text{Financial items}}$
Net cash/Share $\frac{\text{Financial assets – interest-bearing debt}}{\text{Number of shares}}$	**Asset turnover (x)** $\frac{\text{Turnover}}{\text{Balance sheet total (average)}}$
ROA, % $\frac{\text{Operating profit + financial income + extraordinary items}}{\text{Balance sheet total – interest-free short-term debt – long-term advances received and accounts payable (average)}}$	**Debt/Equity, %** $\frac{\text{Interest-bearing debt}}{\text{Shareholders' equity + minority interest + taxed provisions}}$
ROCE, % $\frac{\text{Profit before extraordinary items + interest expenses + other financial costs}}{\text{Balance sheet total – non-interest-bearing debt (average)}}$	**Equity ratio, %** $\frac{\text{Shareholders' equity + minority interest + taxed provisions}}{\text{Total assets – interest-free loans}}$
ROE, % $\frac{\text{Profit before extraordinary items – income taxes}}{\text{Shareholders' equity + minority interest + taxed provisions (average)}}$	**CAGR, %** Cumulative annual growth rate = Average growth rate per year

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