

AS Tallinna Lennujaam

Interim report, Q3

1 January - 30 September 2024

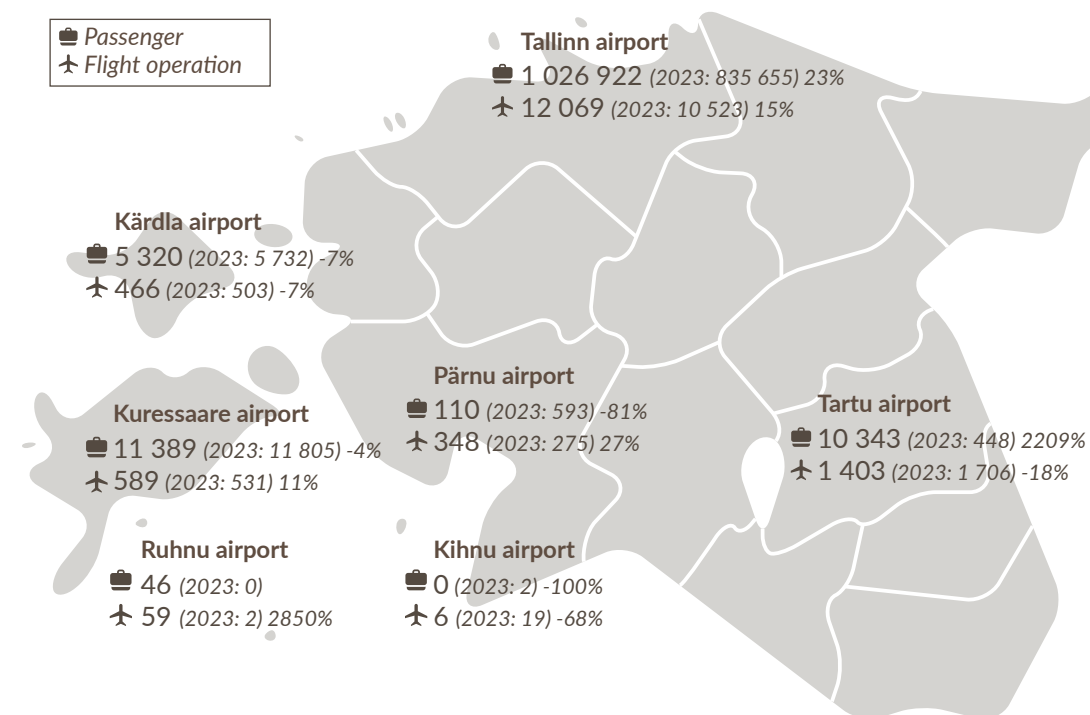


The most important indicators

Overview of Q3 2024

- A total of 1,026,922 passengers passed through Tallinn Airport in Q3, with 12,069 flights operated.
- Regional airports served 27,208 passengers on 2871 flights during the quarter
- As at the end of September, direct flights were available to 39 destinations, served by 15 airlines.
- The EBITDA of the group was €7.2 million in Q3, with net profit of €5.0 million.
- The group invested a total of €5.3 million during the quarter.
- Airport City AS has launched construction of new aircraft maintenance and repair hangars on the southern side of Tallinn Airport.
- Tallinn Airport route development team was nominated as one of the world's top five airports serving fewer than 5 million passengers.

Figure 1.
The most important indicators of the Group, 2024 vs 2023 (Q3)



The most important indicators

 The most important indicators of
 the Group, 2024 vs 2023 (Q3)

	2024, Q3	2023, Q3	Change %
Passengers at Tallinn airport	1 026 922	835 655	23%
Flight operations at Tallinn airport	12 069	10 523	15%
Passengers at regional airports	27 208	18 580	46%
Flight operations at regional airports	2 871	3 036	-5%
Average number of employees reduced to full-time equivalents	610	589	4%
Total operating income EUR million	16.6	14.0	19%
Sales revenue EUR million	20.2	17.6	15%
Operating profit before depreciation EUR million	7.2	5.8	25%
Net profit EUR million	5.0	3.5	42%
Cash flows from operating activities EUR million	3.5	4.9	-29%
Investments EUR million	5.3	5.1	4%
Return on equity (ROE)	3.5%	2.7%	30%
EBITDA margin	43%	41%	5%

Dear readers,

As Q3 came to a close, it marked the end of yet another successful high season. The busy summer travel period is over, giving us the chance to recharge our batteries before the October school holidays and end-of-year travels. And as always, the end of summer brings another reason to celebrate as 20th September is Tallinn Airport birthday, and this year, we mark our 88th anniversary. It's a real honour to work for such a prestigious company and with such an amazing team every day.

Looking back on summer, I'm pleased to say we once again managed well with the busy period: the airport operated smoothly, without disruptions or long queues. The new security equipment and the general level of awareness among passengers play a huge role in achieving this. A total of 1,026,922 passengers passed through Tallinn Airport in Q3, during which 12,069 flights were operated. Scheduled flights reached 39 destinations from Tallinn Airport, operated by 15 airlines, at the end of September. Among new routes, AirBaltic launched flights to Palma de Mallorca. Charter flights were used by 9% of all passengers.

Regional airports served 27,208 travellers on 2871 flights during this quarter. The Tartu-Helsinki route was used by 10,052 passengers, the Kuressaare-Tallinn route by 11,252 passengers, and the Kärdla-Tallinn route by 5,258 passengers.

In total, the first nine months of the year 2,643,133 passengers pass through Tallinn Airport on 32,772 flights. During that period, 62,489 passengers used Estonia's regional airports, with 7,391 flights operated.

The group's EBITDA was €7.2 million in Q3, an increase of €1.5 million or 42% on the same period in 2023. Its net profit for the quarter was €5.0 million.

Net profit for the first nine months of the year was €10.8 million: €6.3 million for the parent company, €2.5 million for Tallinn Airport GH, €1.1 million for Airport City AS and €0.9 million was generated from consolidation. The aviation service of the parent company posted a modest profit of €64,000, while its non-aviation side made a profit of €6.7 million. Regional airports posted a loss of €0.3 million.

Prudent management is important to us, and it requires even greater attention than before given the overall economic situation in Estonia, the reduction in government grants for regional airports and aviation security. Additionally, in 2025, we'll be paying the state dividends (incl. income tax) of €5.6 million for the first time. Strong financial performance is needed now more than ever, as we're entering the biggest investment cycle in our history: much of our infrastructure is set to gain a new look.

The group's expenditure in Q3 came to €15.3 million, which was €1.3 million or 10% more than in the same period last year. Our total costs in the first nine months of the year amounted to €48.8 million, which was €4.2 million or 9% more than in the same period in 2023. This increase was driven by higher costs for outsourced aviation security services, runway maintenance materials, vehicle fuel and repairs, and labour.

The group invested €5.3 million in Q3, with total investments of €14.5 million from the start of the year. Major projects this quarter included the launching of construction of new freight terminals for FedEx and DHL, new equipment for our security lines, and upgrades to the non-Schengen waiting areas and the Business Lounge.

For us to be sustainable as a company, we've expanded the scope of our activities in recent years. Last year we founded Airport City, which we're delighted announce that it has launched construction of new aircraft maintenance and repair hangars and air freight logistics centres on the southern side of Tallinn Airport. The demand for such developments is reflected in the fact that two of the three hangars have already been leased. Due to being completed by the end of next year, the hangars will offer innovative solutions, be more energy-efficient and meet the highest international standards. This will contribute to the development of the airport and the Airport City business park alike.

Q4 is now well underway, and I hope to see you at the world's cosiest airport again before the year is out!

Riivo Tuvike
CEO

AS Tallinna Lennujaam consolidated financial statements (unaudited)

1 January - 30 September 2024



Table 2. Consolidated statement of financial position as at 30.09.2024

<i>In thousands of euros</i>	30.09.2024	31.12.2023	Change	Change %
ASSETS				
Non-current assets				
Property, plant and equipment	187 801	180 578	7 223	4%
Prepayments for property, plant and equipment	831	2 724	-1 894	-70%
Intangible assets	1 601	1 090	511	47%
Assets subject to the right of use	144	134	10	8%
Investment property	17 719	18 157	-438	-2%
Total non-current assets	208 097	202 684	5 413	3%
Current assets				
Inventories	1 238	1 020	219	21%
Receivables and prepayments	10 841	10 583	258	2%
Cash	50 002	50 093	-91	0%
Total current assets	62 081	61 696	385	1%
TOTAL ASSETS	270 178	264 380	5 798	2%

<i>In thousands of euros</i>	30.09.2024	31.12.2023	Change	Change %
EQUITY				
Share capital	45 617	45 617	0	0%
Statutory reserve capital	3 483	3 059	424	14%
Retained earnings	95 142	84 777	10 365	12%
TOTAL EQUITY	144 242	133 453	10 789	8%
LIABILITIES				
Non-current liabilities				
Borrowings	36 298	36 298	0	0%
Finance lease liabilities	117	101	16	16%
Government grants	73 020	75 666	-2 646	-3%
Provision	1 150	1 150	0	0%
Other payables	140	140	0	0%
Total non-current liabilities	110 725	113 355	-2 630	-2%
Current liabilities				
Borrowings	2 013	4 894	-2 880	-59%
Finance lease liabilities	10	34	-24	-71%
Payables and prepayments	13 188	12 644	543	4%
Total current liabilities	15 211	17 572	-2 361	-13%
TOTAL LIABILITIES	125 936	130 927	-4 991	-4%
TOTAL LIABILITIES AND EQUITY	270 178	264 380	5 798	2%

Table 3. Consolidated statement of comprehensive income

In thousands of euros	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
Revenue	16 574	13 953	19%	48 418	40 970	18%
Aviation revenue	6 441	5 289	22%	16 893	13 234	28%
Non-aviation revenue	10 132	8 664	17%	31 525	27 736	14%
Ground handling services	3 888	3 146	24%	13 828	12 214	13%
Rental income (property and real estate)	1 168	1 134	3%	3 804	3 511	8%
Passengers related services	4 220	3 627	16%	11 573	10 069	15%
Other non-aviation revenue	856	757	13%	2 320	1 942	19%
Other operating income	3 657	3 604	1%	10 941	10 968	0%
Government grants related to operating expenses	2 660	2 595	3%	7 981	7 804	2%
Government grants related to assets recognised as income	900	1 000	-10%	2 723	3 115	-13%
Other income	96	9	932%	237	49	381%
Total income	20 230	17 557	15%	59 359	51 938	14%

In thousands of euros	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
Goods, raw material and services	-4 673	-4 274	9%	-16 503	-14 426	14%
Other operating expenses	-433	-461	-6%	-1 597	-1 505	6%
Staff costs	-7 037	-6 017	17%	-21 460	-18 844	14%
Depreciation, amortisation and impairment	-3 174	-3 171	0%	-9 200	-9 757	-6%
Other expenses	-12	-54	-78%	-61	-124	-51%
Total operating expenses	-15 329	-13 976	10%	-48 820	-44 656	9%
Operating profit	4 901	3 581	37%	10 539	7 282	45%
Finance income and costs	112	-52	316%	251	-160	257%
Profit for the period	5 013	3 529	42%	10 789	7 122	51%
EBITDA¹	7 175	5 753	25%	17 015	13 924	22%
Comprehensive income for the period	5 013	3 529	42%	10 789	7 122	51%

¹ EBITDA = operating profit - depreciation costs - Government grants related to assets recognised as income

Table 4. Consolidated statement of comprehensive income in terms of main services

In thousands of euros	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
AS Tallinna lennujaam: aviation services						
Total income	8 193	7 157	14%	22 680	19 074	19%
Total operating expenses (including overhead)	6 481	6 069	7%	22 616	20 792	9%
Profit/loss of aviation services	1 712	1 088	57%	64	-1 718	104%
Including profit/loss of airfield and passenger services and aircraft parking services	2 573	1 688	52%	2 323	-45	5310%
Including security and rescue services profit/loss	-828	-601	-38%	-2 259	-1 673	-35%
AS Tallinna lennujaam: non-aviation services						
Total income	5 122	5 273	-3%	14 641	15 098	-3%
Total operating expenses (including overhead)	2 703	2 592	4%	7 927	7 710	3%
Mittelenunduse teensute kasum/ kahjum	2 420	2 680	-10%	6 715	7 388	-9%

In thousands of euros	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
AS Tallinna lennujaam: regional airports						
Total income	1 752	1 451	21%	4 796	4 134	16%
Total operating expenses (including overhead)	1 668	1 420	17%	5 079	4 397	16%
Profit/loss of regional airports	84	31	170%	-283	-263	-8%
Finance income and costs (Tallinn + reg)	-22	-146	85%	-180	-359	50%
Total profit/loss of AS Tallinna lennujaam	4 194	3 653	15%	6 315	5 048	25%
Tallinn Airport GH profit (including fin costs)	182	-33		2 522	2 160	
Airport City profit	354	-16		1 071	-17	
Consolidation profit	283	-75		881	-68	
Comprehensive income for the period	5 013	3 529	42%	10 789	7 122	51%

Table 5. Consolidated statement of cash flows

In thousands of euros	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
Cash flows from operating activities						
Collections from customers	17 840	15 225	17%	56 557	46 299	22%
Payments to suppliers and employees	-14 542	-12 866	13%	-49 731	-40 533	23%
Interest received	178	118	51%	581	161	261%
Interest paid	-202	-204	-1%	-959	-773	24%
Government grants received from state budget	0	2 517	-100%	10 067	7 550	33%
Other grants received	180	88	104%	270	262	3%
Total cash flows from operating activities	3 454	4 879	-29%	16 784	12 965	29%
Cash flows from investing activities						
Paid for acquisition of intangible assets, property, plant and equipment	-4 463	-7 734	-42%	-13 703	-13 788	-1%
Proceeds from sale of property, plant and equipment	41	0		105	0	
Government grants received for non-current assets (Cohesion Fund)	0	195		304	195	
Government grants paid back (Cohesion Fund)	0	0		-600	0	
Government grants received for non-current assets (parking lot in Kuressaare)	65	0		65	0	
Government grants received for non-current assets (CEF fuel)	0	0		0	2 483	-100%
Government grants received for non-current assets (CEF electricity)	0	516		0	516	-100%
Loan interest income from the subsidiary	2	0		2	0	
Total cash flows from investing activities	-4 354	-7 022	-38%	-13 828	-10 593	31%

In thousands of euros	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
Cash flows from financing activities						
Repayments of borrowings	-606	-606	0%	-3 007	-2 961	2%
Repayments of lease liabilities	-9	-9	0%	-40	-29	39%
Borrowings	0	0		0	0	
Cash contribution to share capital	0	0	0%	0	0	0%
Total cash flows from financing activities	-615	-615	0%	-3 048	-2 990	2%
Net cash flows	-1 515	-2 759		-91	-618	
Cash and cash equivalents at beginning of the period	51 517	53 136		50 093	50 995	
Cash and cash equivalents at end of the period	50 002	50 377		50 002	50 377	
Net increase/decrease in cash and cash equivalents	-1 515	-2 759		-91	-618	

Table 6. Air traffic at Tallinn Airport

	2024, Q3	2023, Q3	Change %
Passengers	1 026 922	835 655	23%
Flight operations	12 069	10 523	15%
MTOW	294 206	238 318	23%
Cargo and mail, tons	2 460	2 219	11%

	2024 9 months	2023 9 months	Change %
Passengers	2 643 133	2 230 943	18%
Flight operations	32 772	28 947	13%
MTOW	808 260	666 450	21%
Cargo and mail, tons	7 192	6 482	11%



Table 7. Air traffic at regional airports

	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
Kärdla Airport						
Passengers	5 320	5 732	-7%	12 125	12 908	-6%
Flight operations	466	503	-7%	1 185	1 247	-5%
Flight operations	2 259	2 302	-2%	6 366	6 086	5%
Kuressaare Airport						
Passengers	11 389	11 805	-4%	32 051	31 987	0%
Flight operations	589	531	11%	1 611	1 557	3%
MTOW	3 332	3 218	4%	9 738	9 839	-1%
Tartu Airport						
Passengers	10 343	448	2209%	16 667	958	1640%
Flight operations	1 403	1 706	-18%	3 230	3 525	-8%
MTOW	4 316	1 872	131%	8 831	4 305	105%

	2024, Q3	2023, Q3	Change %	2024 9 months	2023 9 months	Change %
Pärnu Airport						
Passengers	110	593	-81%	741	1 872	-60%
Flight operations	348	275	27%	987	707	40%
MTOW	676	521	30%	1 933	1 181	64%
Kihnu Airfield						
Passengers	0	2	-100%	0	33	-100%
Flight operations	6	19	-68%	32	42	-24%
MTOW	5	11	-55%	40	42	-5%
Ruhnu Airfield						
Passengers	46	0		905	1 051	-14%
Flight operations	59	2	2850%	346	278	24%
MTOW	58	2	2800%	491	440	12%
Total of regional airports						
Passengers	27 208	18 580	46%	62 489	48 809	28%
Flight operations	2 871	3 036	-5%	7 391	7 356	0%
MTOW	10 646	7 926	34%	27 399	21 893	25%



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