



# **NOBINA AB GROUP**

INVESTOR PRESENTATION , Q3, SEPTEMBER-NOVEMBER 2014

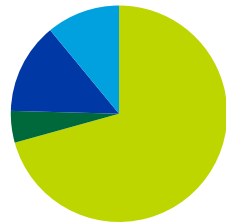


# LARGEST NORDIC BUS OPERATOR

**NOBINA HAS STABLE OPERATIONS IN A GROWING MARKET, WITH HIGH PROFITABILITY FOR THE INDUSTRY, THIS IS POSSIBLE THANKS TO LONG CONTRACTS AND OPERATIONAL EXCELLENCE**

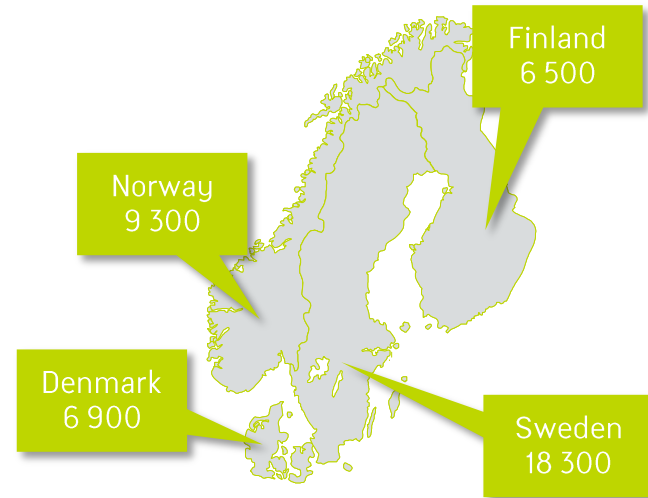
- Nobina is the leading provider of contractual public bus services in the Nordic region, and operates long-distance traffic through Swebus
- 10,000 employees and 3,400 buses carry 280 million passengers annually
- Public company with a SEK 550 million bond listed on Nasdaq
- Nobina's market share is approx. 18 percent of a total market value of SEK 41 billion

## NOBINA - ANNUAL REVENUE PER COUNTRY (MSEK)



Sweden	5 169
Denmark	346
Norway	995
Finland	802

## TOTAL MARKET - ANNUAL REVENUE PER COUNTRY (MSEK)



Source: Nobina, Annual report 2013/14 and other

# DISCLAIMER

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This presentation includes statements regarding the current expectations for the company's future development, and such estimations are, by their nature, subject to risks and uncertainties.

Examples of risks and uncertainties include economic conditions, product demand, competition, government regulation, financial resources, and certain types of litigation.

Our financial statements and latest annual report provide a more detailed view of the financial position of the company, as well as of the risks and uncertainties inherent in its operations.

Please note that all amounts referred to in this presentation are based on IFRS accounting standards.

# NOBINA GROUP – FINANCIAL OVERVIEW Q3

## NET SALES

(SEK million)

**1,943**  
(1,889)

## EBIT

(SEK million)

**160**  
(122)

## EBT

(SEK million)

**106**  
(67)

## CASH FLOW

(SEK million)

**174**  
(3)

## Q3 FINANCIAL HIGHLIGHTS

- EBIT represents a new record high result above last year's record level
- EBT substantially above last year
- Increased Cash flow from operations to SEK 308 million (249), positive impact from Working capital as well
- Investments in buses and other equipment amounted to SEK 148 million (45)

# NOBINA GROUP – FINANCIAL OVERVIEW YTD

## NET SALES

(SEK million)

**5,644**  
(5,453)

## EBIT

(SEK million)

**330**  
(294)

## EBT

(SEK million)

**151**  
(111)

## CASH FLOW

(SEK million)

**-46**  
(-6)

## YTD FINANCIAL HIGHLIGHTS

- The YTD EBIT also represents a new record high result above last year's record
- EBT substantially above last year
- Growing cash flow from operations, SEK 734 million (670), but negative impact from Q3 working capital and start-up investments
- Investments in buses and other equipment amounted to SEK 679 million (99)

# SIGNIFICANT EVENTS

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- Signed largest-ever contract with annual revenue of SEK 600 million+ for 8 years in Stockholm
- Latest win in Helsinki brings Nobina to > 40% market share in Helsinki metropolitan area
- Earnings and cash flow in Q3 is an important step toward our medium-term financial targets



# MARKET UPDATE

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- The private company that won Karlstad city's 8-year contract for 50 buses in 2012 has agreed to cancel the contract to prevent insolvency. A new tender will be issued shortly
- For Borås contract, 50 buses, first court level decided in favor of PTA and Nobina in the unresolved points. Awaiting decision of second court level.
- Värmland region tender, where Nobina won all 149 buses in 2013, again awarded to Nobina in August 2014, won appeal in first court level and now awaiting second court level decision
- Veolia Sweden and Finland are no longer officially for sale, and will change their name to Transdev
- Norwegian state-owned Nettbuss continues to open new interregional lines



# BUSINESS DEVELOPMENT

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- New contracts started during 2015 are performing in line with financial expectations, while we work on improving quality in all areas
- Court decided in our favor for 89 out of 105 won buses in Värmland's school tender, still awaiting court decision on remaining 16 buses
- Nobina obtained increased financing facilities, both for buses and working capital, showing strengthened confidence in the company's performance



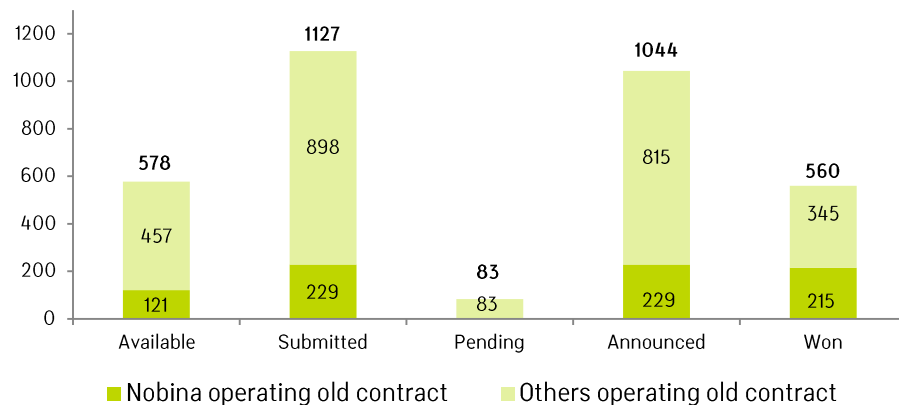


# TENDER RESULTS – YTD

- Nobina submitted tenders for 1,127 buses, with a total value of SEK 19,560 million.
- Nobina won contract volume of 560 buses, with a total value of SEK 9,156 million.
- Renewal ratio YTD 245% → target 100% (won/own announced)
- Success ratio YTD 54% (won/announced)

MARCH – NOVEMBER 2014	TENDERS RESULTS DURING THE PERIOD (NUMBER OF BUSES)		
	ANNOUNCED	WON	NOT WON
SWEDEN	509	390	119
NORWAY	281	76	205
FINLAND	178	94	84
DENMARK	76	0	76
<b>TOTAL</b>	<b>1,044</b>	<b>560</b>	<b>484</b>

## TENDER UPDATE (NUMBER OF BUSES)



### Definitions:

Available - Available tenders this year  
Submitted - Nobina's submitted tenders

Pending - Submitted less announced  
Announced - Submitted tenders, results are announced  
Won - Nobina's wins out of announced tenders

# CONTRACT MIGRATION, YTD

- Nobina started traffic for 401 buses and ended traffic for 577 buses during Q1-Q3 FY 14/15

MARCH – NOVEMBER 2014	TRAFFIC CHANGES DURING THE PERIOD (NUMBER OF BUSES)	
	STARTED	ENDED
SWEDEN	401	491
NORWAY	0	84
FINLAND	0	2
DENMARK	0	0
<b>TOTAL</b>	<b>401</b>	<b>577</b>

## CONTRACT LENGTH

(AVERAGE NUMBER OF YEARS)

**7.4**

## CONTRACT AGE

(AVERAGE NUMBER OF YEARS)

**4.4**

## AGE OF BUS FLEET

(AVERAGE NUMBER OF YEARS)

**6.0**

# CONTRACT MIGRATION, COMING 12M

## TRAFFIC STARTS DECEMBER 2014 – NOVEMBER 2015

	PTA	NO. OF YEARS	TRAFFIC START	NO. OF BUSES	NEW BUSES
Sweden	Skånetrafiken	8	Dec 2014	26	20
	SL	8	Jun 2015	261	125
	LT Örebro	7	Aug 2015	24	22
Finland	HSL	7	Jan 2015	20	15
	HSL	2	Aug 2015	66	20
	HSL *	7	Aug 2015	28	21
Norway	Ruter	8	Jun 2015	62	69
	Ruter	5	Jun 2015	14	0
Denmark	Movia	6	Dec 2014	100	52
<b>TOTAL</b>				<b>601</b>	

\* Of which, seven buses will start Jan 2016

- Nobina will start new contracts involving a total of 601 in-service buses in Sweden, Finland, Norway and Denmark in the next 12 months

## EXPIRING CONTRACTS DECEMBER 2014 – NOVEMBER 2015

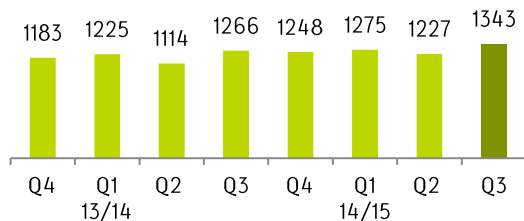
	PTA	TRAFFIC ENDING	NO. OF BUSES
Sweden	SL	Jun 2015	95
	LT Örebro	Aug 2015	21
Finland	HSL	Aug 2015	33
Norway	Ruter	Jun 2015	26
	Ruter	Jun 2015	22
Denmark	Movia	Dec 2014	55
<b>TOTAL</b>			<b>252</b>

- Nobina will end contracts involving a total of 252 in-service buses

# SWEDEN AND DENMARK

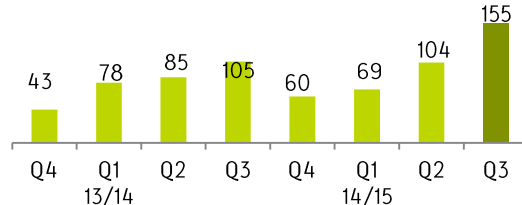
## SWEDEN REVENUE

(SEK million)



## SWEDEN EBIT

(SEK million)



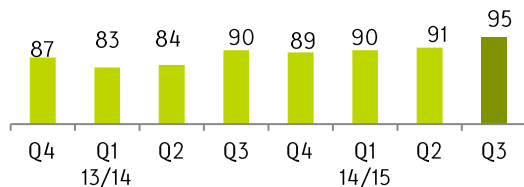
## Q3 HIGHLIGHTS

(SEK million)

- Revenue growth from increased production and new contracts
- Strong pick-up in EBIT after Q2
- migration to new contracts

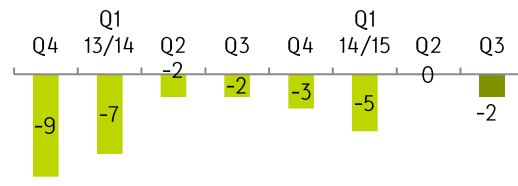
## DENMARK REVENUE

(SEK million)



## DENMARK EBIT

(SEK million)



## Q3 HIGHLIGHTS

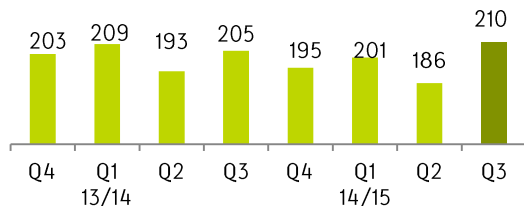
(SEK million)

- Slight revenue growth, no change in production
- Some start up costs for New Copenhagen contract absorbed

# FINLAND AND NORWAY

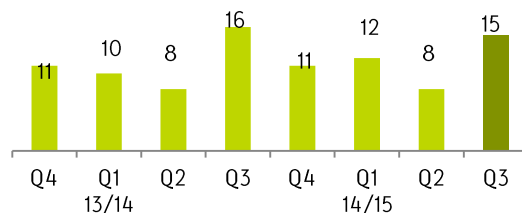
## FINLAND REVENUE

(SEK million)



## FINLAND EBIT

(SEK million)



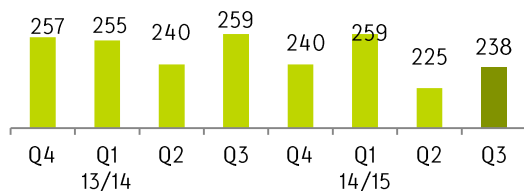
## Q3 HIGHLIGHTS

(SEK million)

- Revenue slightly up, affected by indexation
- EBIT flat
- Lack of advertising income

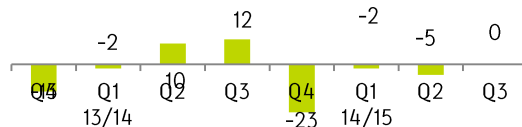
## NORWAY REVENUE

(SEK million)



## NORWAY EBIT

(SEK million)



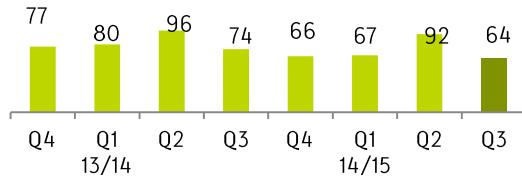
## Q3 HIGHLIGHTS

(SEK million)

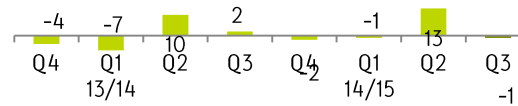
- Revenue decline after closing Vestfold contract in Q2
- EBIT negatively affected by efficiency and closure costs for Vestfold

# SWEBUS

## SWEBUS REVENUE (SEK million)



## SWEBUS EBIT (SEK million)



## Q3 HIGHLIGHTS (SEK million)

- Revenue decline from fewer passengers and reduced production
- EBIT below last year as an effect but incl. mitigation effect

# RESULTS

MSEK	Q3 14/15	Q3 13/14	Δ	YTD 14/15	YTD 13/14	Δ
<b>Net revenues</b>	<b>1 943</b>	<b>1 889</b>	<b>54</b>	<b>5 644</b>	<b>5 453</b>	<b>191</b>
<b>EBITDAR</b>	<b>323</b>	<b>281</b>	<b>42</b>	<b>818</b>	<b>786</b>	<b>32</b>
% of revenues	16,6%	14,9%		14,5%	14,4%	
<b>EBITDA</b>	<b>289</b>	<b>246</b>	<b>43</b>	<b>709</b>	<b>665</b>	<b>44</b>
% of revenues	14,9%	13,0%		12,6%	12,2%	
<b>EBIT</b>	<b>160</b>	<b>122</b>	<b>38</b>	<b>330</b>	<b>294</b>	<b>36</b>
% of revenues	8,2%	6,5%		5,8%	5,4%	
Interest income	1	1	0	6	4	2
Interest expenses	-50	-57	7	-187	-180	-7
FX net *)	-5	1	-6	2	-7	9
<b>Earnings before tax</b>	<b>106</b>	<b>67</b>	<b>39</b>	<b>151</b>	<b>111</b>	<b>40</b>
Tax	-29	-13	-16	-46	-30	-16
<b>Earnings after tax</b>	<b>77</b>	<b>54</b>	<b>23</b>	<b>105</b>	<b>81</b>	<b>24</b>

## KEY POINTS

- Revenue growth from Swedish business
- Q2 close downs of loss making contracts affect EBITDAR, EBITDA and EBIT positively
- Also Q3 includes reduced interest expenses improving EBT. YTD includes 25 MSEK write-off of previous HYB capitalized issue cost

# REVENUE AND EARNINGS BRIDGES YTD

MSEK	REVENUE	EBIT	EBT
<b>YTD March 2013– November 2013</b>	<b>5,453</b>	<b>294</b>	<b>111</b>
Price and Volume	82	37	37
Contract changes	21	26	26
Indexation	85	14	14
Operational efficiency	-	-8	-8
Non-recurring costs	-	0	0
Fleet financing and utilization	-	-15	-15
Other	3	-19	-19
Financial net	-	-	5
<b>YTD March 2014 – November 2014</b>	<b>5,644</b>	<b>329</b>	<b>151</b>

## KEY POINTS

- Positive effect in price and volume from Sweden
- Contract migration affects Revenue, EBIT and EBT positively
- Positive Revenue indexation effect supports positive result effect
- Efficiency development negative (Norway)
- Fleet includes write-down effects from buses under sale
- Other includes real-estate and other costs related to start-ups
- Financial net includes reduced interest costs and the write-off of issue costs related to previous HYB (25 MSEK)



# CASH FLOW

MSEK	Q3 14/15	Q3 13/14	Δ	YTD 14/15	13/14	Δ
Cash flow from operations before changes in working capital	308	249	59	734	670	64
Changes in working capital	51	-69	120	-148	-119	-29
Interest received and tax payments	-2	3	-5	3	3	0
<b>Cash flow from operations after changes in working capital</b>	<b>357</b>	<b>183</b>	<b>174</b>	<b>589</b>	<b>554</b>	<b>35</b>
<b>Cash flow from investing activities</b>	<b>-72</b>	<b>12</b>	<b>-84</b>	<b>-119</b>	<b>-2</b>	<b>-117</b>
<b>Cash flow from financing activities</b>	<b>-111</b>	<b>-192</b>	<b>81</b>	<b>-516</b>	<b>-558</b>	<b>42</b>
<b>Cash flow for the period</b>	<b>174</b>	<b>3</b>	<b>171</b>	<b>-46</b>	<b>-6</b>	<b>-40</b>
Available cash *)	265	131	134	265	131	134

\*) Restricted cash of SEK 147 million (152) not included

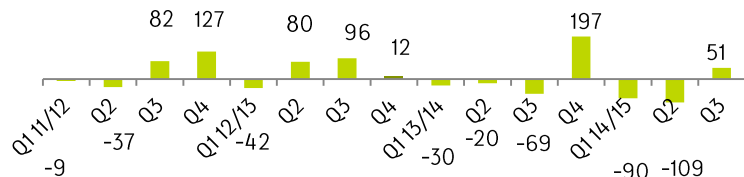
## KEY POINTS

- Strong improvement of cash flow from operations before working capital
- Working capital recovered in Q3 from increased result
- PTA payments received after quarter end and Q2 negative contract migration impact YTD
- Investment activities related to new contract start-up's
- Cash flow from financing activities includes benefits from lower interest.
- Available cash increased, significantly above last year

# CASH FLOW DYNAMICS

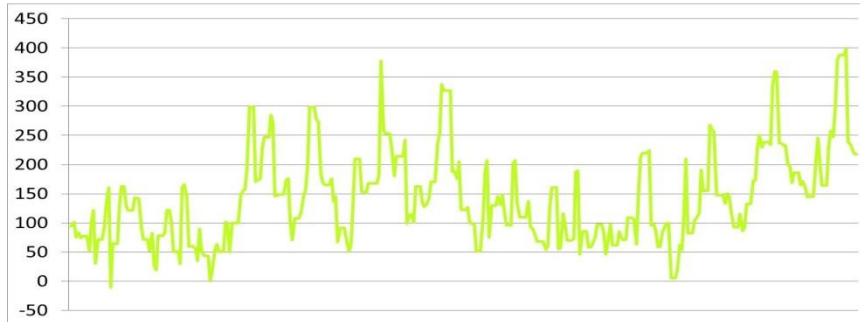
## CHANGES IN WORKING CAPITAL

(SEK million)



## DAILY CASH VOLATILITY

CASH BALANCES DEC 13 – NOV 14 (SEK million)



## KEY POINTS

- Changes in working capital are highly volatile between quarters, due to the nature of the business
- Account balances show annual daily volatility with a magnitude of SEK 300 million+, due to bulky cash flows

# INVESTMENTS (CAPEX)

MSEK	Q3 14/15	13/14	Δ	YTD 14/15	13/14	Δ
Investments in new buses	137	31	106	599	67	532
Other investments	11	14	-3	80	32	48
<b>Total investments</b>	<b>148</b>	<b>45</b>	<b>103</b>	<b>679</b>	<b>99</b>	<b>580</b>
Lease financing	-56	-31	-25	-518	-67	-451
<b>Net capex</b>	<b>92</b>	<b>-7</b>	<b>99</b>	<b>161</b>	<b>32</b>	<b>129</b>

## KEY POINTS

- Investments in new buses of SEK 137 million (31) in Q3
- All new buses have been lease financed
- Other investments cover facility and workshop equipment
- 315 new buses delivered YTD
- Forecasted deliveries of new buses are; 87 buses in Q4

# BALANCE SHEET

MSEK	2014-11-30	2013-11-30	Δ
<b>ASSETS</b>			
<b>Total non-current assets</b>	<b>4 921</b>	<b>4 667</b>	<b>254</b>
Trade receivables and other current rec.	930	819	111
Restricted cash on bank accounts	147	152	-5
Cash and cash equivalents	265	131	134
<b>Total current assets</b>	<b>1 342</b>	<b>1 102</b>	<b>240</b>
<b>TOTAL ASSETS</b>	<b>6 263</b>	<b>5 769</b>	<b>494</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>328</b>	<b>261</b>	<b>67</b>
<b>Total non-current liabilities</b>	<b>3 816</b>	<b>3 626</b>	<b>190</b>
<b>Total current liabilities</b>	<b>2 119</b>	<b>1882</b>	<b>237</b>
<b>TOTAL LIABILITIES</b>	<b>5 935</b>	<b>5 508</b>	<b>427</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 263</b>	<b>5 769</b>	<b>494</b>

## KEY POINTS

- Balance sheet growth related to bus investments and cash.

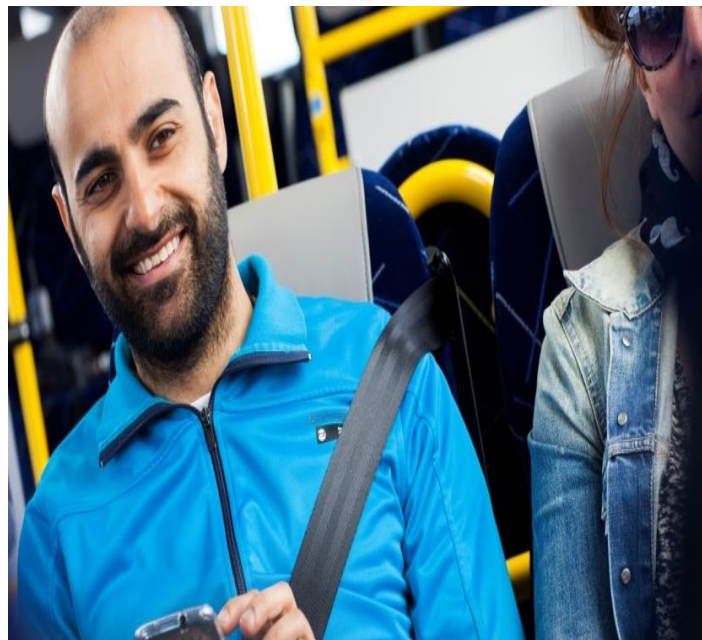
# NOBINA EUROPE GROUP


MSEK	Q3 14/15	Q3 13/14	▲	YTD 14/15	YTD 13/14	▲
<b>Net revenues</b>	<b>1 947</b>	<b>1 889</b>	<b>58</b>	<b>5 663</b>	<b>5 478</b>	<b>185</b>
Operating costs	-1 837	-1 824	-13	-5 501	-5 377	-124
<b>EBIT</b>	<b>110</b>	<b>65</b>	<b>45</b>	<b>162</b>	<b>101</b>	<b>61</b>
Finance net	11	14	-3	2	28	-26
<b>Profit before tax</b>	<b>121</b>	<b>79</b>	<b>42</b>	<b>164</b>	<b>129</b>	<b>35</b>
			▲			▲
Split of finance net	14/15	13/14		14/15	13/14	
Interest net	12	16	-4	2	38	-36
FX net	-1	-2	1	0	-10	10
<b>Total</b>	<b>11</b>	<b>14</b>	<b>-3</b>	<b>2</b>	<b>28</b>	<b>-26</b>

# SUMMARY

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- Important contract wins strengthen Nobina's position in Stockholm and Helsinki
- Q3 earnings and cash flow support our progress towards medium-term financial targets





**”EVERYBODY WANTS TO TRAVEL WITH US**  
Our customers' needs is our reason for being  
In all we do, we strive to develop  
We respect each other  
We foster solid leadership  
We care