



# **NOBINA AB GROUP**

INVESTOR PRESENTATION , Q1, MARCH-MAY 2014

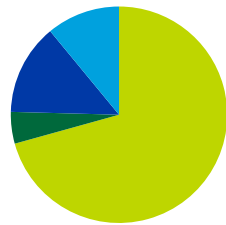


# LARGEST NORDIC BUS OPERATOR

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

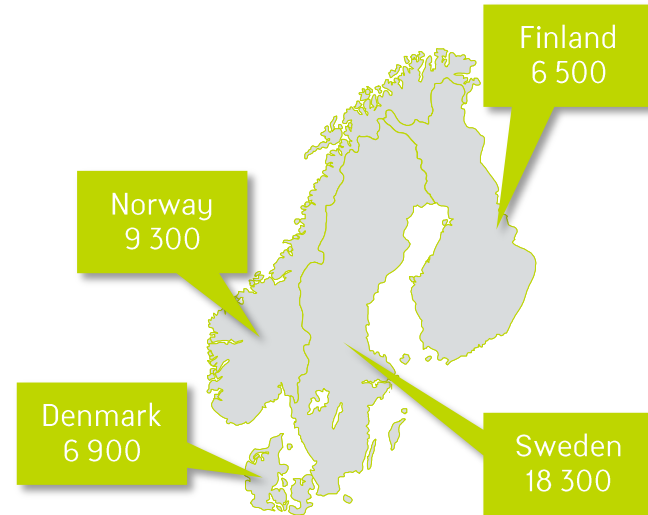
- Nobina is the leading provider of contractual public bus services in the Nordic region, and operates long distance traffic through Swebus
- 10,000 employees and 3,400 buses, carry 280 million passengers annually
- Public company with a MSEK 550 bond listed on Nasdaq OMX
- Nobina's market share is approx.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

## NOBINA - ANNUAL REVENUE 2013/14 PER COUNTRY (MSEK)



■ Sweden 5 169  
■ Denmark 346  
■ Norway 995  
■ Finland 802

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



# DISCLAIMER

---

This presentation includes statements regarding the current expectations of 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 Q1

## NET SALES

(SEK million)

**1,886**  
(1,846)

## EBIT

(SEK million)

**59**  
(65)

## EBT

(SEK million)

**-16**  
(3)

## CASH FLOW

(SEK million)

**-113**  
(-27)

## Q1 FINANCIAL HIGHLIGHTS

- EBIT close to last year
- Cash flow from operations stable, SEK 186 million (191), but negative W.C.
- Investments in buses and other equipment amounted to SEK 192 million (58)

# SIGNIFICANT EVENTS

---

- Successful refinancing of our 550 MSEK bond on improved terms
- Continued strong Q1 result, before cost of HYB refinancing
- In June Nobina made a solid start of new contracts in Västernorrland, Skaraborg and Malmö with 400 buses in total
- Nobina also started Superbus-line BRT in Malmö with 24 meter gas-hybrid buses on June 1<sup>st</sup>
- Preparations well underway for coming contract start ups in Q2



# MARKET UPDATE

---

- The court case about Nobina's winning Skåne tender on higher price but better quality was won by PTA in both first and second level and third level did not accept the case
- Thereby Swedish court system has ruled in favor of giving quality a clear value vs. price in public tenders. We are now awaiting West court's reconfirmation
- Massive media attention when first Nordic Superbus BRT line started in Malmö on June 1<sup>st</sup>
- New two year bargaining agreement signed for all bus drivers in Norway
- Train problems during June resulted in increased demand for express bus traffic, including Swebus gaining large volumes



# BUSINESS DEVELOPMENT

- In Värmland's School tender, Nobina won 105 out of 140 buses. This win was appealed by a competitor
- Nobina Finland won the Environmental bonus tender in Helsinki worth ~2 MSEK
- Financing solutions secured for all bus purchases during current year
- Successful traffic starts during June in:
  - Västernorrland (total 100 buses of which 47 hybrid)
  - Västtrafik Skaraborg (total 205 buses, all biodiesel)
  - Malmö (108 CNG buses)
- Major tenders are Oslo Follo/Ostansjo, Norway, (160 buses, of which 50 own) and Stockholm E23 (260 buses, of which 100 own)

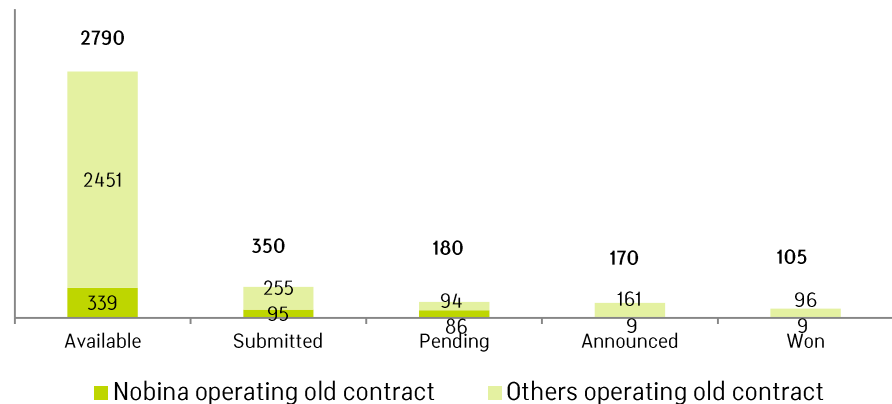


# TENDER RESULTS – YTD

- Nobina submitted tenders for 350 buses, with a total value of SEK 5,000 million.
- Nobina won contract volume of 105 buses, with a total value of SEK 900 million.
- Renewal ratio YTD 1 067% → target 100% (won/own announced)
- Success ratio YTD 62% (won/announced)

MARCH – MAY 2014	TENDERS RESULTS DURING THE PERIOD (NUMBER OF BUSES)		
	SUBMITTED	WON	NOT WON
SWEDEN	151	105	46
NORWAY	180	0	0
FINLAND	19	0	19
DENMARK	0	0	0
<b>TOTAL</b>	<b>350</b>	<b>105</b>	<b>65</b>

## TENDER UPDATE



### Definitions:

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

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



# CONTRACT MIGRATION, YTD

- Nobina started traffic for 0 buses and ended traffic for 0 buses during Q1 FY 14/15

MARCH – MAY 2014	TRAFFIC CHANGES DURING THE PERIOD (NUMBER OF BUSES)	
	STARTED	ENDED
SWEDEN	0	0
NORWAY	0	0
FINLAND	0	0
DENMARK	0	0
TOTAL	0	0

## CONTRACT LENGHT

(AVERAGE NUMBER OF YEARS)

7.8

## CONTRACT AGE

(AVERAGE NUMBER OF YEARS)

4.8

## AGE OF BUS FLEET

(AVERAGE NUMBER OF YEARS)

6.3

# CONTRACT MIGRATION, COMING 12M

## TRAFFIC STARTS JUNE 2014 – MAY 2015

	PTA	NO. OF YEARS	TRAFFIC START	NO. OF BUSES	NEW BUSES
Sweden	LT Västernorrland	8	Jun 2014	91	64
	Skånetrafiken	10	Jun 2014	96	-
	Skånetrafiken	5	Jun 2014	13	-
	Västtrafik	8	Jun 2014	185	94
	Skånetrafiken	10	Aug 2014	16	-
	Skånetrafiken	8	Dec 2014	22	19
	Värmlandstrafik	10	Dec 2014	149	*)
	Värmlandstrafik	10	Dec 2014	105	*)
Finland	HSL	7	Jan 2015	20	15
Denmark	Movia	6	Dec 2014	100	52
<b>TOTAL</b>				<b>797</b>	

\*) appeal process ongoing

- Nobina will start new contracts involving a total of 797 in-service buses in Sweden, Finland and Denmark in the forthcoming 12 months

## EXPIRING CONTRACTS JUNE 2014 – MAY 2015

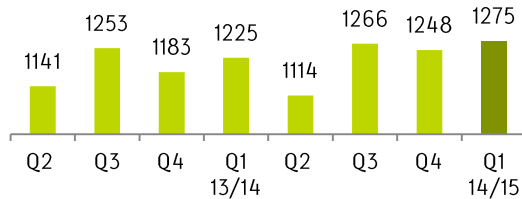
	PTA	TRAFFIC ENDING	NO. OF BUSES
Sweden	Dalarna	Jun 2014	248
	LT Västernorrland	Jun 2014	18
	Västtrafik	Jun 2014	209
	Skånetrafiken	Aug 2014	16
	LT Örebro	Aug 2014	23
	Värmlandstrafik	Dec 2014	90
	Skånetrafiken	Dec 2014	29
Finland	HSL	Aug 2014	35
Norway	Vestfold	Jun 2014	89
Denmark	Movia	Dec 2014	59
<b>TOTAL</b>			<b>816</b>

- Nobina will end contracts involving a total of 816 in-service buses

# SWEDEN AND DENMARK

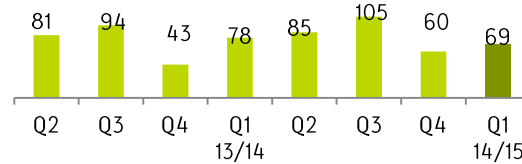
## SWEDEN REVENUE

(SEK million)



## SWEDEN EBIT

(SEK million)



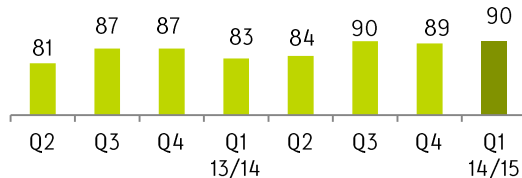
## Q1 HIGHLIGHTS

(SEK million)

- Revenue growth from increased production
- EBIT negatively affected by migration to new contracts

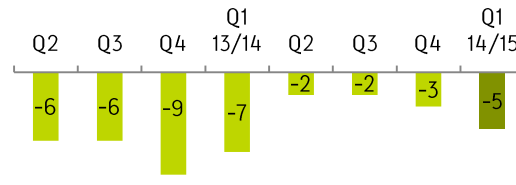
## DENMARK REVENUE

(SEK million)



## DENMARK EBIT

(SEK million)



## Q1 HIGHLIGHTS

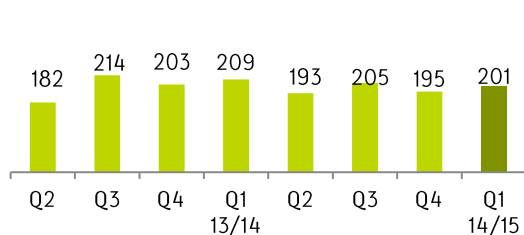
(SEK million)

- Stable revenue, no change in production
- Continued improved EBIT from more efficient production

# FINLAND AND NORWAY

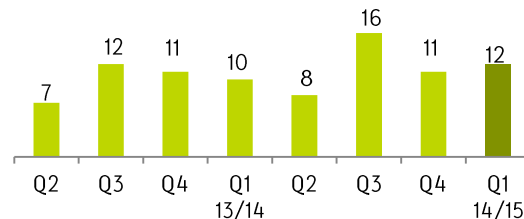
## FINLAND REVENUE

(SEK million)



## FINLAND EBIT

(SEK million)



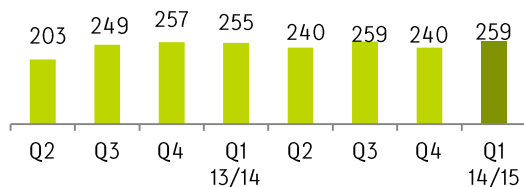
## Q1 HIGHLIGHTS

(SEK million)

- Revenue flat, affected negatively by indexation
- EBIT includes negative index and positive contract performance effect

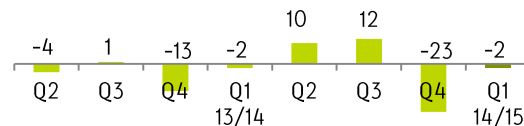
## NORWAY REVENUE

(SEK million)



## NORWAY EBIT

(SEK million)



## Q1 HIGHLIGHTS

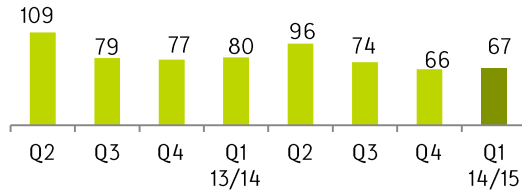
(SEK million)

- Flat revenue development
- EBIT similar to last year, no contract changes

# SWEBUS

## SWEBUS REVENUE

(SEK million)



## SWEBUS EBIT

(SEK million)



## Q1 HIGHLIGHTS

(SEK million)

- Continued reduction in Revenue from less passengers
- Q1 is a period of low production EBIT improves by more efficient production and close down of Arlanda airport shuttle

# RESULTS

MSEK	Q1 14/15	Q1 13/14	Δ	YTD 14/15	YTD 13/14	Δ
<b>Net revenues</b>	<b>1 886</b>	<b>1 846</b>	<b>40</b>	<b>1 886</b>	<b>1 846</b>	<b>40</b>
<b>EBITDAR</b>	<b>220</b>	<b>235</b>	<b>-15</b>	<b>220</b>	<b>235</b>	<b>-15</b>
% of revenues	11,7%	12,7%		11,7%	12,7%	
<b>EBITDA</b>	<b>186</b>	<b>187</b>	<b>-1</b>	<b>186</b>	<b>187</b>	<b>-1</b>
% of revenues	9,9%	10,1%		9,9%	10,1%	
<b>EBIT</b>	<b>59</b>	<b>65</b>	<b>-6</b>	<b>59</b>	<b>65</b>	<b>-6</b>
% of revenues	3,1%	3,5%		3,1%	3,5%	
Interest income	3	1	2	3	1	2
Interest expenses	-83	-61	-22	-83	-61	-22
FX net *)	5	-2	7	5	-2	7
<b>Earnings before tax</b>	<b>-16</b>	<b>3</b>	<b>-19</b>	<b>-16</b>	<b>3</b>	<b>-19</b>
Tax	-7	-7	0	-7	-7	0
<b>Earnings after tax</b>	<b>-23</b>	<b>-4</b>	<b>-19</b>	<b>-23</b>	<b>-4</b>	<b>-19</b>

## KEY POINTS

- Revenue growth from Swedish business
- EBITDAR and EBITDA lower due to migration into new contracts
- 25 MSEK from previous HYB issue write-off in interest expenses

# REVENUE AND EARNINGS BRIDGES

SEK MILLION	REVENUE	EBIT	EBT
<b>YTD March 2013– May 2013</b>	<b>1,846</b>	<b>65</b>	<b>3</b>
Price & Volume	26	10	10
Contract changes	-5	-4	-4
Indexation	24	-1	-1
Operational efficiency	-	-2	-2
Non-recurring costs	-	0	0
Fleet financing and utilization	-	-4	-4
Other	-5	-5	-5
Financial net	-	-	-13
<b>YTD March 2014 – May 2014</b>	<b>1,886</b>	<b>59</b>	<b>-16</b>

## KEY POINTS

- Positive effect in price & volume from Sweden covers reduction in Swebus revenue
- Some negatives from contract migration
- Positive Revenue indexation effect , balanced out to zero result effect
- Efficiency development was almost flat, including higher fleet costs
- Costs for HQ and IT under control. Includes write down effects from buses under sale
- Financial net covers the write-off of issue costs related to previous HYB (25 MSEK)

# CASH FLOW

MSEK	Q1 14/15	13/14	Δ	YTD 14/15	13/14	Δ
Cash flow from operations before changes in working capital	186	192	-6	186	192	-6
Changes in working capital	-90	-30	-60	-90	-30	-60
Interest received and tax payments	3	0	3	3	0	3
<b>Cash flow from operations after changes in working capital</b>	<b>99</b>	<b>162</b>	<b>-63</b>	<b>99</b>	<b>162</b>	<b>-63</b>
<b>Cash flow from investing activities</b>	<b>-478</b>	<b>7</b>	<b>-485</b>	<b>-478</b>	<b>7</b>	<b>-485</b>
<b>Cash flow from financing activities</b>	<b>266</b>	<b>-196</b>	<b>462</b>	<b>266</b>	<b>-196</b>	<b>462</b>
<b>Cash flow for the period</b>	<b>-113</b>	<b>-27</b>	<b>-86</b>	<b>-113</b>	<b>-27</b>	<b>-86</b>
Available cash *)	198	111	87	198	111	87

\*) Restricted cash of SEK 607 million (163) not included

## KEY POINTS

- Stable improved cash flow from operations before working capital
- Working capital was negative due to late PTA payment in Norway and volatility since year end prior year
- Limited investment activities but 483 MSEK proceeds from HYB issue deposited in escrow account
- Cash flow from financing activities includes proceeds from HYB issue, lease amortizations in line with prior year
- Significantly higher cash position vs. prior year



# INVESTMENTS (CAPEX)

MSEK	Q1 14/15	13/14	Δ	YTD 14/15	13/14	Δ
Investments in new buses	52	29	23	52	29	23
Other investments	29	7	22	29	7	22
<b>Total investments</b>	<b>81</b>	<b>36</b>	<b>45</b>	<b>81</b>	<b>36</b>	<b>45</b>
Lease financing	-52	-29	-23	-52	-29	-23
<b>Net capex</b>	<b>29</b>	<b>7</b>	<b>22</b>	<b>29</b>	<b>7</b>	<b>22</b>

## KEY POINTS

- Limited bus investments by SEK 52 million (29) related to traffic starts
- All new buses have been lease financed
- Other investments cover facility and workshop equipment related to traffic starts
- 67 new buses delivered whereof lease contracts for 16 have been started
- Forecasted deliveries of new buses are; 165 buses in Q2, 18 buses in Q3 and 191 buses in Q4
- Contract wins covering 254 new buses have been appealed

# BALANCE SHEET

MSEK	2014-05-31	2013-05-31	Δ
<b>ASSETS</b>			
<b>Total non-current assets</b>	<b>4 709</b>	<b>4 905</b>	<b>-196</b>
Trade receivables and other current rec.	852	756	96
Restricted cash on bank accounts	607	163	444
Cash and cash equivalents	198	111	87
<b>Total current assets</b>	<b>1 657</b>	<b>1 030</b>	<b>627</b>
<b>TOTAL ASSETS</b>	<b>6 366</b>	<b>5 935</b>	<b>431</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>206</b>	<b>182</b>	<b>24</b>
<b>Total non-current liabilities</b>	<b>3 576</b>	<b>3 840</b>	<b>-264</b>
<b>Total current liabilities</b>	<b>2 584</b>	<b>1913</b>	<b>671</b>
<b>TOTAL LIABILITIES</b>	<b>6 160</b>	<b>5 753</b>	<b>407</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 366</b>	<b>5 935</b>	<b>431</b>

## KEY POINTS

- 550 MSEK new HYB included, resulting in 483 MSEK cash deposit
- Balance sheet boosted as the old 551 MSEK HYB remains until redemption in June

# NOBINA EUROPE GROUP

MSEK ▲	Q1 14/15	Q1 13/14	▲	YTD 14/15	YTD 13/14	▲
<b>Net revenues</b>	<b>1 892</b>	<b>1 852</b>	<b>40</b>	<b>1 892</b>	<b>1 852</b>	<b>40</b>
Operativ costs	-1 895	-1 857	-38	-1 895	-1 857	-38
<b>EBIT</b>	<b>-3</b>	<b>-5</b>	<b>2</b>	<b>-3</b>	<b>-5</b>	<b>2</b>
Finance net	-19	16	-35	-19	16	-35
<b>Profit before tax</b>	<b>-22</b>	<b>11</b>	<b>-33</b>	<b>-22</b>	<b>11</b>	<b>-33</b>
Split of finance net	14/15	13/14		14/15	13/14	
Interest net	-20	19	-39	-20	19	-39
FX net	1	-3	4	1	-3	4
<b>Total</b>	<b>-19</b>	<b>16</b>	<b>-35</b>	<b>-19</b>	<b>16</b>	<b>-35</b>

# SUMMARY

---

- HYB refinanced reducing annual interest by MSEK 16.5
- Largest ever contract migration had a solid start in June





## **EVERYONE WANTS TO TRAVEL WITH US**

We are here for our customers

We strive for continuous development

We respect each other

We safeguard good leadership

We care

