



# **NOBINA AB GROUP**

INVESTOR PRESENTATION , Q4, DECEMBER 2014 - FEBRUARY 2015

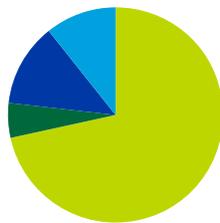


# LARGEST NORDIC PUBLIC TRANSPORT PROVIDER

**STABLE OPERATIONS IN A GROWING MARKET; HIGH PROFITABILITY FOR THE INDUSTRY, THANKS TO CONTRACT MANAGEMENT, LARGE BUS FLEET AND OPERATIONAL EXCELLENCE**

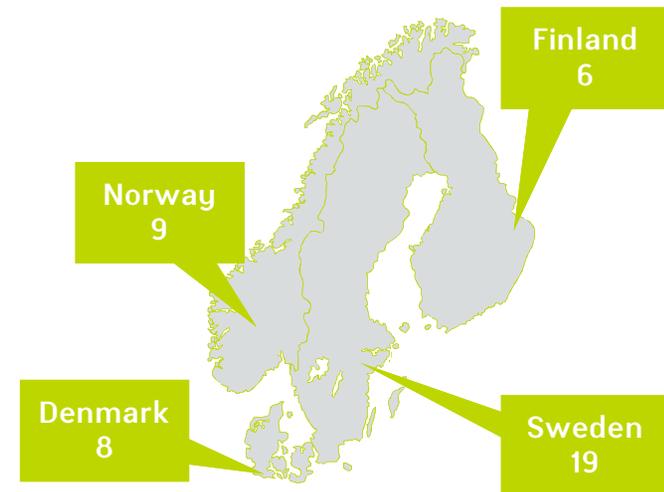
- Nobina is the leading provider of public bus services in the Nordic region
- More than 95% of revenues supported by long term contracts, typically lasting 5-10 years with a potential 1-2 year extension
- Nobina's expertise in prospecting, tendering and active management of contracts in combination with long-term quality delivery makes Nobina the industry leader in terms of profitability, development and initiatives promoting a healthier industry
- Public company with a SEK 550 million bond listed on Nasdaq Stockholm

## NOBINA - ANNUAL NET SALES PER COUNTRY FY 14/15 (MSEK)



■ Sweden	5 422
■ Denmark	395
■ Norway	943
■ Finland	812

## TOTAL MARKET - ANNUAL NET SALES PER COUNTRY (SEK BILLION)



*Source: Approximation based on Nobina's contract data base*

# 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 Q4

### NET SALES

(SEK million)

**1,905**  
(1,816)

### EBIT

(SEK million)

**41**  
(32)

### EBT

(SEK million)

**-10**  
(-24)

### CASH FLOW

(SEK million)

**187**  
(179)

### Q4 FINANCIAL HIGHLIGHTS

- EBIT represents yet another all-time high result exceeding last year's record level
- EBT better than last year
- Cash flow from operations increased to SEK 375 million (345), positive impact from working capital
- Investments of SEK 361 million (192) in buses and other equipment

## NOBINA GROUP – FINANCIAL OVERVIEW YTD

### NET SALES

(SEK million)

**7,549**  
(7,269)

### EBIT

(SEK million)

**371**  
(326)

### EBT

(SEK million)

**141**  
(87)

### CASH FLOW

(SEK million)

**141**  
(173)

### YTD FINANCIAL HIGHLIGHTS

- The YTD EBIT once again represents an all-time high result, exceeding last year's record
- EBT substantially above last year
- Growing cash flow from operations, SEK 964 million (899), and positive impact from working capital
- Investments of SEK 1,040 million (291) in buses and other equipment

# SIGNIFICANT EVENTS

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- Q4 results and cash flow lead to best ever full-year results
- Record high tender renewal ratio increases our market share
- Bus fleet in good condition following last year's contract migration



# MARKET UPDATE

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- Värmland's region and school contracts have finally been signed following lengthy judicial proceedings. Jointly, these 10 year contracts represent annual revenue of ~400 MSEK
- A new tender will be issued for Karlstad city comprising 50 buses, following cancellation of existing contract to prevent insolvency of existing operator
- A second court decision is still pending regarding the Borås tender of 50 buses
- Veolia Sweden and Finland renamed Transdev
- Norwegian government is planning to allow competition in the railway system, thereby putting state-owned Nettbuss in a new position



# BUSINESS DEVELOPMENT

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- All new contracts in Denmark started well, despite a major delivery delay from one bus manufacturer
- Preparation well under way for the traffic start under new Stockholm contract. New initiatives, such as acquiring Stockholm's most popular travel app, differentiate this start from others
- Number of surplus buses returns to normal following the large contract migration in 2014. Our ability to optimize our bus fleet remains a significant competitive advantage

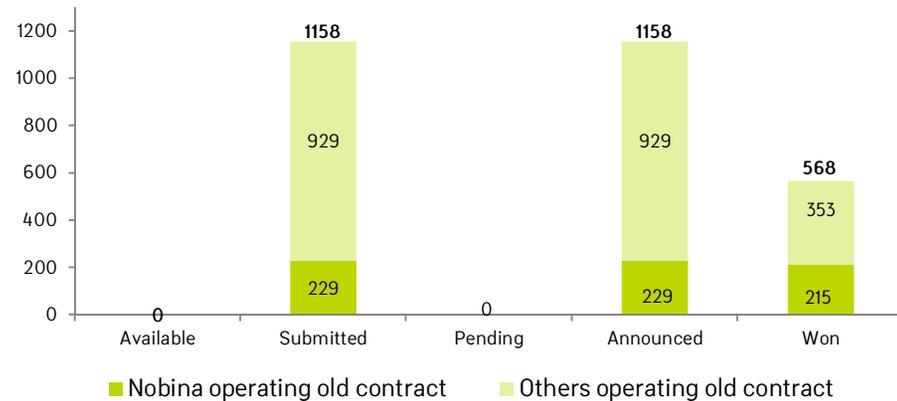


# TENDER RESULTS – YTD

- Nobina submitted tenders for 1,158 buses
- Nobina won contract volume of 568 buses
- Renewal ratio YTD 248% → target 100% (won/own announced)
- Success ratio YTD 49% (won/announced)

MARCH 2014 – FEBRUARY 2015	TENDERS RESULTS DURING THE PERIOD (NUMBER OF BUSES)		
	ANNOUNCED	WON	NOT WON
SWEDEN	502	390	112
NORWAY	324	76	248
FINLAND	186	102	84
DENMARK	146	0	146
<b>TOTAL</b>	<b>1,158</b>	<b>568</b>	<b>590</b>

**TENDER UPDATE (NUMBER OF BUSES)**

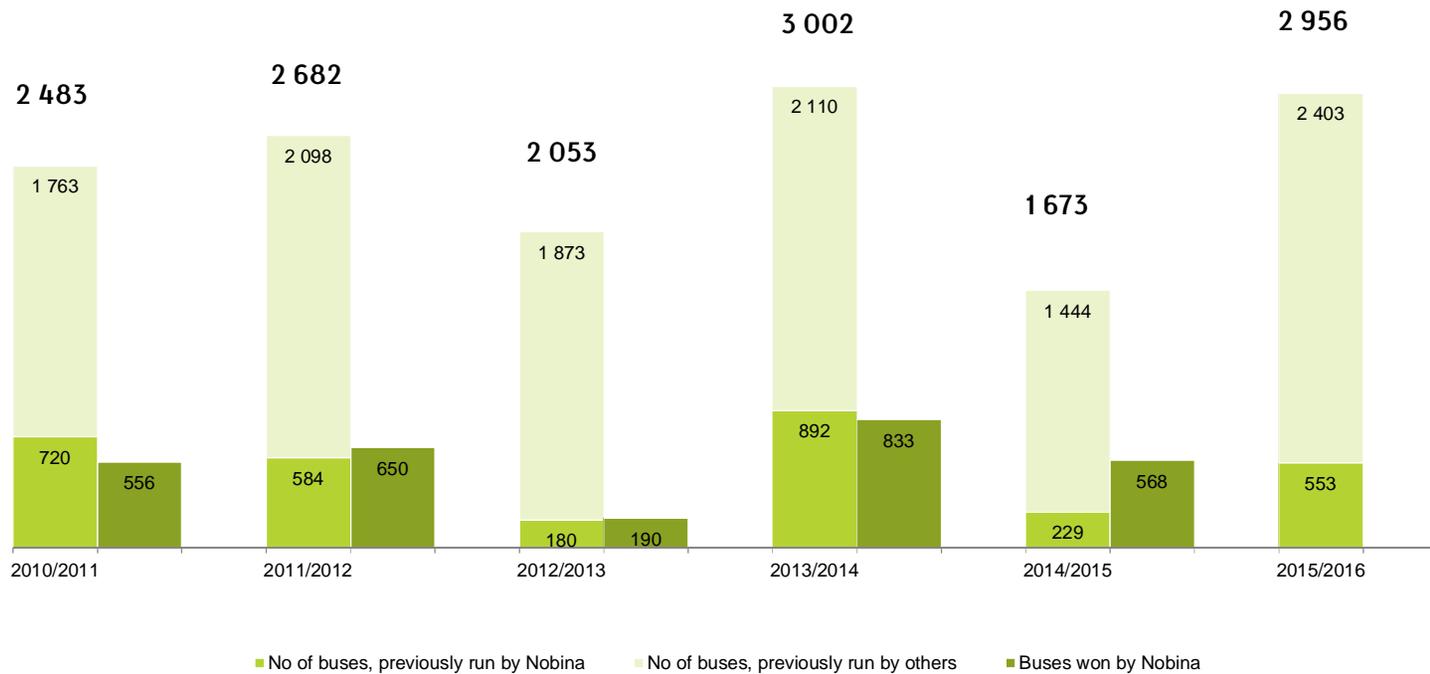


Definitions:

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

# TOTAL AVAILABLE TENDERS



*Figures represent number of buses in announced tenders for historical periods and tender outlook for 15/16*

# CONTRACT MIGRATION, YTD

- Nobina started traffic for 542 buses and ended traffic for 649 buses during FY 14/15

MARCH 2014 – FEBRUARY 2015	TRAFFIC CHANGES DURING THE PERIOD (NUMBER OF BUSES)	
	STARTED	ENDED
SWEDEN	423	508
NORWAY	0	84
FINLAND	20	2
DENMARK	99	55
<b>TOTAL</b>	<b>542</b>	<b>649</b>

**CONTRACT LENGTH** 7.5  
(AVERAGE NUMBER OF YEARS)

**CONTRACT AGE** 4.5  
(AVERAGE NUMBER OF YEARS)

**AGE OF BUS FLEET** 5.8  
(AVERAGE NUMBER OF YEARS)

# CONTRACT MIGRATION, COMING 12M

TRAFFIC STARTS MARCH 2015 – FEBRUARY 2016					
	PTA	NO. OF YEARS	TRAFFIC START	NO. OF BUSES	NEW BUSES
Sweden	SL	8	Jun 2015	261	125
	LT Örebro	7	Aug 2015	24	22
	Värmlandstrafik	10	Dec 2015	105	29
	Värmlandstrafik	10	Dec 2015	149	160
	Skånetrafiken	7	Dec 2015	4	0
Finland	HSL	2	Aug 2015	66	20
	HSL*	7	Aug 2015	28	21
	HSL	7	Aug 2015	5	5
	HSL	3	Jan 2016	3	3
Norge	Ruter	8	Jun 2015	62	69
	Ruter	5	Jun 2015	14	0
<b>TOTAL</b>				<b>721</b>	<b>454</b>

- Nobina will start new contracts involving a total of 721 in-service buses in the next 12 months

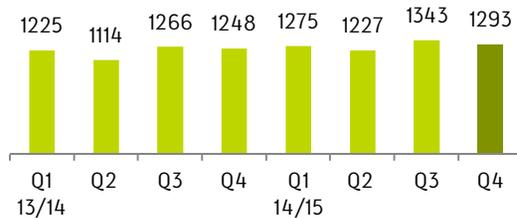
EXPIRING CONTRACTS MARCH 2015 – FEBRUARY 2016			
	PTA	TRAFFIC ENDING	NO. OF BUSES
Sweden	SL	Jun 2015	95
	LT Örebro	Aug 2015	23
	Värmlandstrafik	Dec 2015	99
	Skånetrafiken	Dec 2015	7
	LT Västerbotten	Dec 2015	2
Finland	HSL	Aug 2015	33
Norway	Ruter	Jun 2015	26
	Ruter	Jun 2015	22
<b>TOTAL</b>			<b>307</b>

\* Of which, seven buses will start Jan 2016

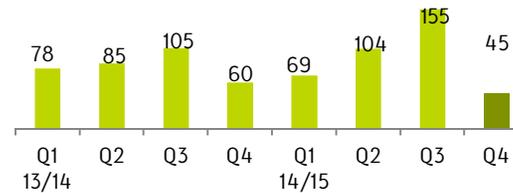
- Nobina will end contracts involving a total of 307 in-service buses

# SWEDEN AND DENMARK – REGIONAL TRAFFIC

## SWEDEN REVENUE (SEK million)



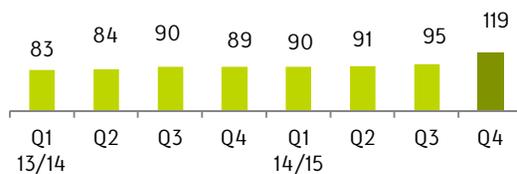
## SWEDEN EBIT (SEK million)



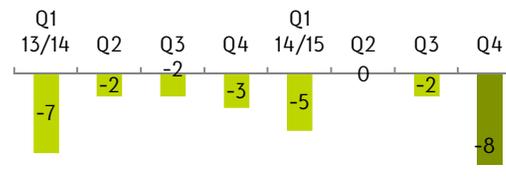
## Q4 HIGHLIGHTS (SEK million)

- Continued revenue growth from increased production and new contracts
- EBIT below prior year from residual value losses after Q2 migration to new contracts

## DENMARK REVENUE (SEK million)



## DENMARK EBIT (SEK million)

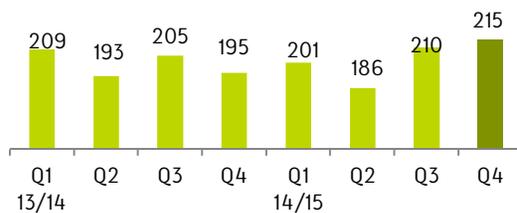


## Q4 HIGHLIGHTS (SEK million)

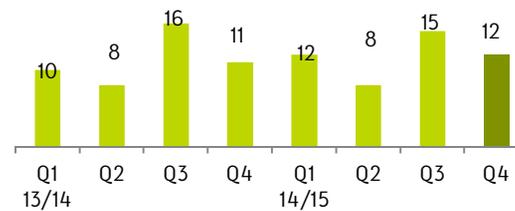
- Impacted by new Copenhagen contract
  - Revenue growth since December start up
  - Start up costs absorbed

# FINLAND AND NORWAY – REGIONAL TRAFFIC

## FINLAND REVENUE (SEK million)



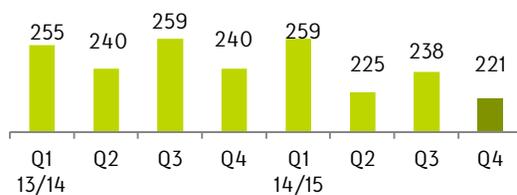
## FINLAND EBIT (SEK million)



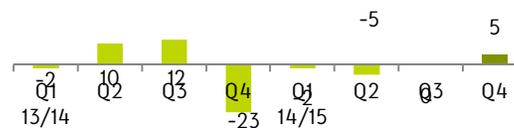
## Q4 HIGHLIGHTS (SEK million)

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

## NORWAY REVENUE (SEK million)



## NORWAY EBIT (SEK million)

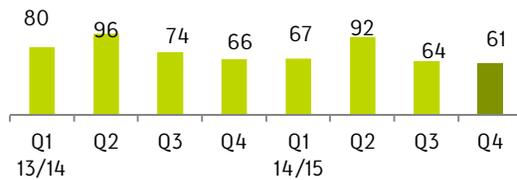


## Q4 HIGHLIGHTS (SEK million)

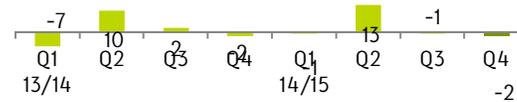
- Continued revenue decline after closing Vestfold contract in Q2
- EBIT positive and improved from year-end accruals last year

# SWEBUS

## SWEBUS REVENUE (SEK million)



## SWEBUS EBIT (SEK million)



## Q4 HIGHLIGHTS (SEK million)

- Continued revenue decline from fewer passengers
- EBIT in line with last year, EBIT negatively affected but recovered due to reduced production cost

# RESULTS

MSEK	Q4 14/15	Q4 13/14	Δ	YTD 14/15	YTD 13/14	Δ
<b>Net revenues</b>	<b>1 905</b>	<b>1 816</b>	<b>89</b>	<b>7 549</b>	<b>7 269</b>	<b>280</b>
<b>EBITDAR</b>	<b>201</b>	<b>187</b>	<b>14</b>	<b>1 019</b>	<b>973</b>	<b>46</b>
% of revenues	10,6%	10,3%		13,5%	13,4%	
<b>EBITDA</b>	<b>178</b>	<b>152</b>	<b>26</b>	<b>887</b>	<b>817</b>	<b>70</b>
% of revenues	9,3%	8,4%		11,7%	11,2%	
<b>EBIT</b>	<b>41</b>	<b>32</b>	<b>9</b>	<b>371</b>	<b>326</b>	<b>45</b>
% of revenues	2,2%	1,8%		4,9%	4,5%	
Interest income	2	5	-3	8	9	-1
Interest expenses	-52	-60	8	-239	-240	1
FX net	-1	-1	0	1	-8	9
<b>Earnings before tax</b>	<b>-10</b>	<b>-24</b>	<b>14</b>	<b>141</b>	<b>87</b>	<b>54</b>
Tax	-1	-1	0	-47	-31	-16
<b>Earnings after tax</b>	<b>-11</b>	<b>-25</b>	<b>14</b>	<b>94</b>	<b>56</b>	<b>38</b>

## KEY POINTS

- Revenue growth from Swedish and Danish business
- Q2 close downs of loss-making contracts positively affect EBITDAR, EBITDA and EBIT
- Reduced interest expenses continues to improve EBT. YTD includes SEK 25 m write-off of previous HYB capitalized issue cost

# REVENUE AND EARNINGS BRIDGES YTD

MSEK	REVENUE	EBIT	EBT
<b>YTD March 2013– February 2014</b>	<b>7,269</b>	<b>327</b>	<b>88</b>
Price and Volume	182	28	28
Contract changes	15	24	24
Indexation	74	33	33
Operational efficiency	-	-4	-4
Non-recurring costs	-	0	0
Fleet financing and utilization	-	-21	-21
Other	9	-16	-16
Financial net	-	-	9
<b>YTD March 2014 – November 2014</b>	<b>7,549</b>	<b>371</b>	<b>141</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
- Negative efficiency development in 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 capitalized issue costs for previous HYB (SEK 25 m)

# CASH FLOW

MSEK	Q4 14/15	Q4 13/14	Δ	YTD 14/15	13/14	Δ
Cash flow from operations before changes in working capital	168	147	21	902	817	85
Changes in working capital	207	197	10	59	78	-19
Interest received and tax payments	0	1	-1	3	4	-1
<b>Cash flow from operations after changes in working capital</b>	<b>375</b>	<b>345</b>	<b>30</b>	<b>964</b>	<b>899</b>	<b>65</b>
<b>Cash flow from investing activities</b>	<b>-94</b>	<b>-9</b>	<b>-85</b>	<b>-213</b>	<b>-11</b>	<b>-202</b>
<b>Cash flow from financing activities</b>	<b>-94</b>	<b>-157</b>	<b>63</b>	<b>-610</b>	<b>-715</b>	<b>105</b>
<b>Cash flow for the period</b>	<b>187</b>	<b>179</b>	<b>8</b>	<b>141</b>	<b>173</b>	<b>-32</b>
Available cash *)	<b>453</b>	<b>309</b>	<b>144</b>	<b>453</b>	<b>309</b>	<b>144</b>

\*) Restricted cash of SEK 115 million (156) not included

## KEY POINTS

- Cash flow from operations before working capital continues to improve
- Working capital recovered in Q3 and Q4, e.g. by PTA payments received before quarter-end. Negative impact from contract migration covered in YTD
- Investment activities relate to new contract start-ups and Danish loan-financed buses
- Cash flow from financing activities supported positively by lower interest costs
- Available cash increased, significantly above last year

# INVESTMENTS (CAPEX)

MSEK	Q4 14/15	Q4 13/14	Δ	YTD 14/15	YTD 13/14	Δ
Investments in new buses	381	207	174	980	274	706
Other investments	-20	-15	-5	60	17	43
<b>Total investments</b>	<b>361</b>	<b>192</b>	<b>169</b>	<b>1040</b>	<b>291</b>	<b>749</b>
Lease financing	-227	-185	-42	-745	-252	-493
<b>Net capex</b>	<b>134</b>	<b>7</b>	<b>127</b>	<b>295</b>	<b>39</b>	<b>256</b>
Loan financing of buses	-87	0	0	-168	0	0

## KEY POINTS

- Investments of SEK 381 million (207) in new buses in Q4
- All new buses have been financed either by lease or loan
- Other investments cover facility and workshop equipment
- 400 new buses delivered YTD

# BALANCE SHEET

MSEK	2015-02-28	2014-02-28	Δ
<b>ASSETS</b>			
<b>Total non-current assets</b>	<b>5 128</b>	<b>4 721</b>	<b>407</b>
Trade receivables and other current rec.	880	737	143
Restricted cash on bank accounts	115	156	-41
Cash and cash equivalents	453	309	144
<b>Total current assets</b>	<b>1 448</b>	<b>1 202</b>	<b>246</b>
<b>TOTAL ASSETS</b>	<b>6 576</b>	<b>5 923</b>	<b>653</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>310</b>	<b>224</b>	<b>86</b>
<b>Total non-current liabilities</b>	<b>3 922</b>	<b>3 614</b>	<b>308</b>
<b>Total current liabilities</b>	<b>2 344</b>	<b>2 085</b>	<b>259</b>
<b>TOTAL LIABILITIES</b>	<b>6 266</b>	<b>5 699</b>	<b>567</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 576</b>	<b>5 923</b>	<b>653</b>

## KEY POINTS

- Balance sheet growth related to working capital, bus investments and increased cash.

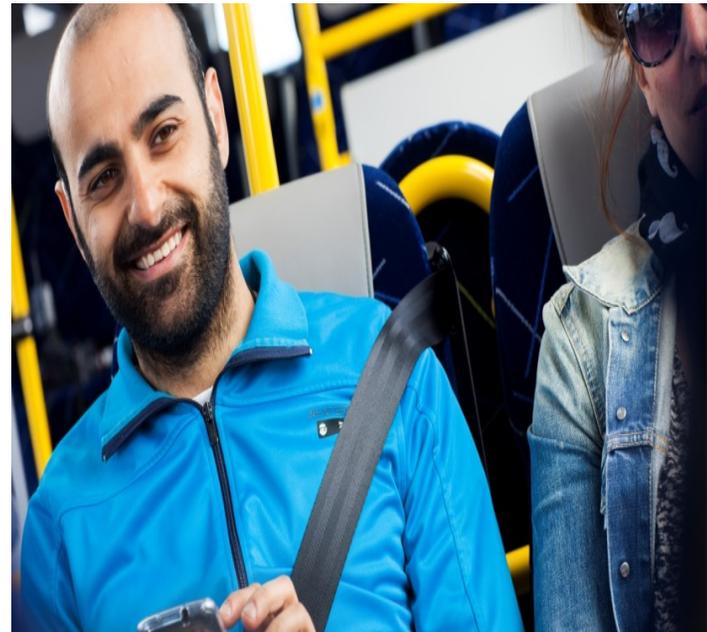
# NOBINA EUROPE GROUP

MSEK	Q4 14/15	Q4 13/14	▲	YTD 14/15	YTD 13/14	▲
<b>Net revenues</b>	<b>1 913</b>	<b>1 822</b>	<b>91</b>	<b>7 576</b>	<b>7 300</b>	<b>276</b>
Operating costs	-1 922	-1 843	-79	-7 424	-7 220	-204
<b>EBIT</b>	<b>-9</b>	<b>-21</b>	<b>12</b>	<b>152</b>	<b>80</b>	<b>72</b>
Finance net	-33	36	-69	-31	64	-95
<b>Profit before tax</b>	<b>-42</b>	<b>15</b>	<b>-57</b>	<b>121</b>	<b>144</b>	<b>-23</b>
			▲			▲
Split of finance net	14/15	13/14		14/15	13/14	
Interest net	-34	36	-70	-32	74	-106
FX net	1	0	1	1	-10	11
<b>Total</b>	<b>-33</b>	<b>36</b>	<b>-69</b>	<b>-31</b>	<b>64</b>	<b>-95</b>

# SUMMARY

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- Best results ever for 2014/15
- Record high tender results increase our market share
- Updated financial targets
  - Nobina targets to grow net sales at a rate faster than the market
  - Nobina aims to grow its EBT, and on an annual basis reach an EBT margin in excess of 4 per cent in the medium term





” **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