



# NOBINA AB

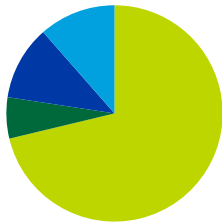
INVESTOR PRESENTATION, Q4, DECEMBER 2015 – FEBRUARY 2016



# LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

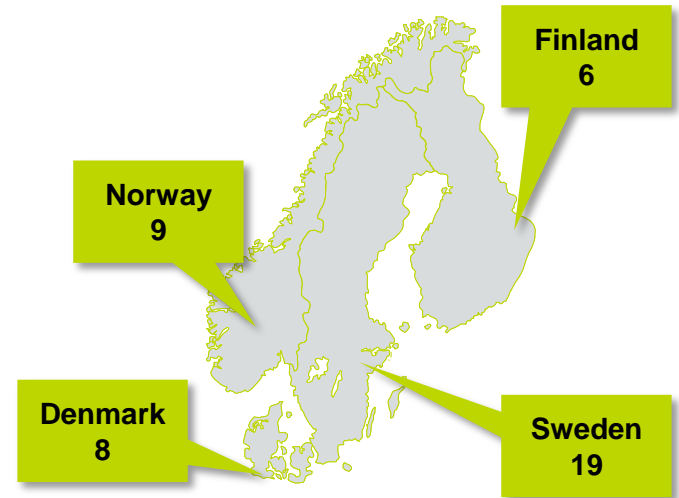
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the **industry leader in terms of profitability**.
- **Stable operations and growing market.** More than 95 percent of revenues supported by long term contracts, typically lasting 5-10 years with a potential 1-2 year extension.
- Nobina aims to grow profitability through **active contract and portfolio management** and to increase the value added by delivering benefits to passengers, clients and society.

## NOBINA - NET SALES PER COUNTRY 2015/16 (SEK million)



Sweden	5 919
Denmark	511
Norway	925
Finland	952

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



Source: Approximation based on Nobina's data

# FINANCIAL OVERVIEW Q4

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## NET SALES

(SEK million)

**2,161**  
(1,905)

## EBIT

(SEK million)

**58**  
(41)

## EBT

(SEK million)

**20**  
(-10)

## CASH FLOW

(SEK million)

**246**  
(187)

## Q4 FINANCIAL HIGHLIGHTS

- Record high net sales, increase of 13,4 percent driven by new traffic contracts, increased volumes in old contracts, bonuses and indexation revenue.
- Strong EBT of SEK 20 million, all segments performing well.
- Cash flow from operations before changes in working capital increased to SEK 219 million (168).
- Investments of SEK 468 million (361) in buses and other equipment.

# FINANCIAL OVERVIEW YTD

## NET SALES

(SEK million)

**8,317**  
(7,549)

## EBIT (adjusted<sup>1</sup>)

(SEK million)

**462**  
(371)

## EBT (adjusted<sup>1</sup>)

(SEK million)

**299**  
(141)

## CASH FLOW (adjusted<sup>2</sup>)

(SEK million)

**266**  
(141)

## YTD FINANCIAL HIGHLIGHTS

- Record net sales, increase of 10,2 percent.
- Adjusted EBT<sup>1</sup>) of SEK 299 million represents an all-time high year-end result (excluding IPO-related costs).
- Cash flow from operations before changes in working capital and excluding IPO-related costs<sup>3</sup>) was SEK 1,070 million (902).
- Investments of SEK 1,671 million (1,040) in buses and other equipment.

1) EBIT adjusted with SEK 204 million and EBT with SEK 297 million for costs related to the IPO. 2) Cash flow adjusted with SEK 32 million for costs related to the IPO.

3) Adjusted with SEK 204 million related to the IPO

# SIGNIFICANT EVENTS

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- Record-high net sales and results in line with our expectations and financial targets.
- Start of several large new contracts leading to double-digit net sales growth both in Q4 and full year and increased Nordic market share to 18 percent .
- Nobina underpins its leading role within shared mobility by establishing Nobina Technology.
- First-ever dividend proposed to be paid in June, 2.60 SEK per share.



# BUSINESS DEVELOPMENT

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- Tender wins in Finland of 107 buses, with Nobina's Fleet model once again supporting a successful tender thanks to an efficient mix of existing and new buses.
- Successful large traffic start in Värmland, Sweden, of 250 buses in school and regional traffic.
- Swebus continues to transform its business by integrating sales of partners' tickets into its website.
- Establishment of Nobina Technology to develop more and improved shared mobility services for the benefit of travellers using public transport.
- Improved capital structure and development of the shareholder base through the IPO have enabled a reduction of SEK 77 million in restricted cash in Q4.



# MARKET UPDATE

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- All courts decided in favour of Västtrafik, and Nobina's winning tender in Borås. Nobina will start traffic with at least 50 buses in April 2017.
- All court cases in Sweden in which tenders have been appealed based on quality evaluation have been decided in favour of the PTAs.
  - This may allow for further tenders to be based on higher prices combined with high quality.
- Possibility for improved market conditions in Finland, following cartel fines and consolidation.
- Latest tender results in Denmark show continued tough competition.

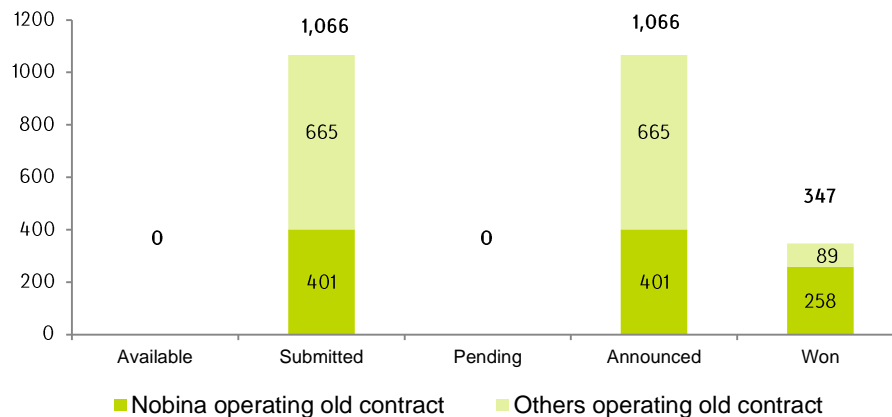


# TENDER RESULTS – YTD

- Nobina submitted tenders for 1,066 buses.
- Nobina won 347 buses, i.e. 33 percent of submitted tenders.

March 2015 – February 2016	Tender results during the period (Number of buses)	
	Announced	Won
Sweden	603	240
Norway	217	0
Finland	184	107
Denmark	62	0
<b>Total</b>	<b>1,066</b>	<b>347</b>

**TENDER UPDATE (Number of buses)**



Definitions:

Available - Remaining 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

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- Nobina started contracts involving 721 buses during the period.
- Nobina ended contracts involving 307 buses during the period.

March 2015 – February 2016	Traffic changes during the period (Number of buses)	
	Started	Ended
Sweden	543	226
Norway	76	48
Finland	102	33
Denmark	0	0
<b>Total</b>	<b>721</b>	<b>307</b>

## WEIGHTED CONTRACT LENGTH

**7.5**

Unweighted contract length 7.8 (7.5)

## WEIGHTED CONTRACT AGE

**3.6**

Unweighted contract age 3.3 (4.5)

## AGE OF BUS FLEET

**5.5** (5.8)

(Average number of years)

# CONTRACT MIGRATION, COMING 12M

## Traffic starts March 2016 – February 2017

PTA	No. of years	Traffic start	No. of buses	New buses
Movia, Danmark	5	Mar 2016	8	9
Östgötatrafiken	6	June 2016	27	0
SL	10	Aug 2016	79	45
SL	8	Aug 2016	79	87
Värmlandstrafik	9	Aug 2016	7	8
HSL, Finland	7	Aug 2016	94	41
HSL, Finland	2	Aug 2016	13	2
Skånetrafiken	6	Dec 2016	49	7
<b>Total</b>			<b>356</b>	<b>199</b>

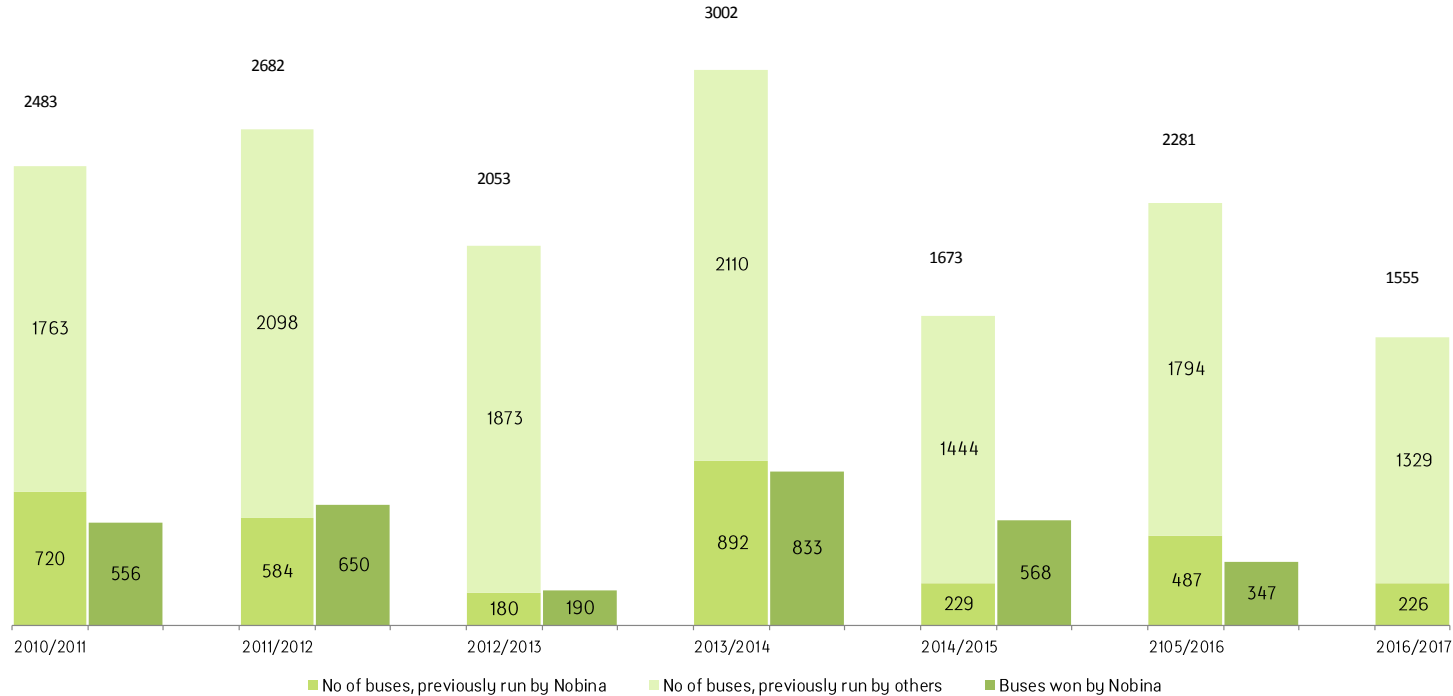
- Nobina will start new contracts involving a total of 356 in-service buses in the next 12 month.s
- Borås traffic starting in April 2017 with at least 50 buses, of which ~36 new.

## Expiring contracts March 2016 – February 2017

PTA	Traffic ending	No. of buses
LT Västerbotten	June 2016	54
Östgötatrafiken	June 2016	34
Västtrafik	June 2016	9
Värmlandstrafik	July 2016	3
SL	Aug 2016	158
HSL, Finland	Aug 2016	140
Skånetrafiken	Sept 2016	52
Skånetrafiken	Dec 2016	50
Stockholmståg	Dec 2016	8
Movia, Danmark	Dec 2016	6
<b>Total</b>		<b>514</b>

- Nobina will end contracts involving a total of 514 in-service buses.

# TOTAL AVAILABLE TENDERS

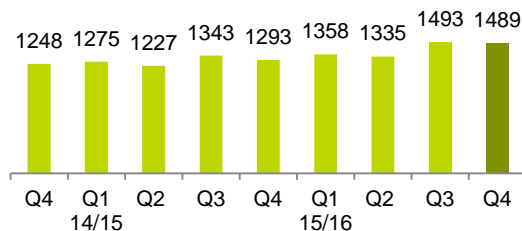


Figures represent number of buses in announced tenders for historical periods and tender outlook for 2016/17

# SWEDEN AND DENMARK - REGIONAL TRAFFIC

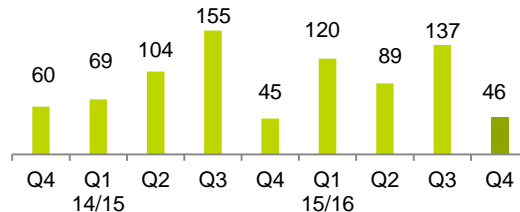
## SWEDEN NET SALES

(SEK million)



## SWEDEN EBIT

(SEK million)

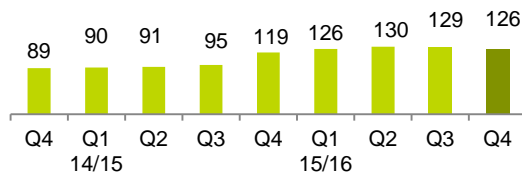


## Q4 HIGHLIGHTS

- Net sales positively affected by incentive revenue, bonuses and increased volumes from new contracts.
- EBIT includes effect from contract migration and initial investments in new contracts as planned.

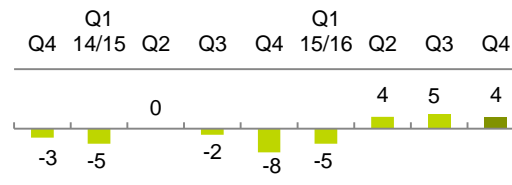
## DENMARK NET SALES

(SEK million)



## DENMARK EBIT

(SEK million)



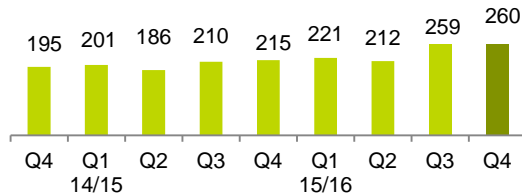
## Q4 HIGHLIGHTS

- Copenhagen contract volumes continue to impact favourably on net sales.
- EBIT continues positive trend following start up of the new Copenhagen contract in Q4 previous year.

# FINLAND AND NORWAY - REGIONAL TRAFFIC

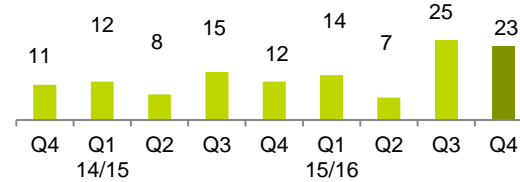
## FINLAND NET SALES

(SEK million)



## FINLAND EBIT

(SEK million)

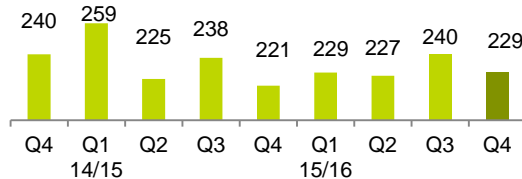


## Q4 HIGHLIGHTS

- Strong growth from new contract start ups and increased sales in existing contracts.
- Strong EBIT driven by earned bonuses, improvements in existing contracts and well-performing new contracts.

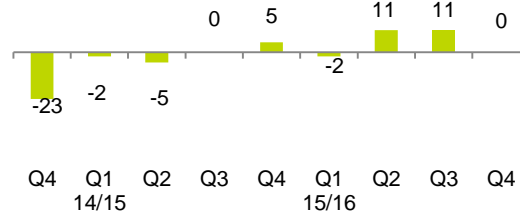
## NORWAY NET SALES

(SEK million)



## NORWAY EBIT

(SEK million)



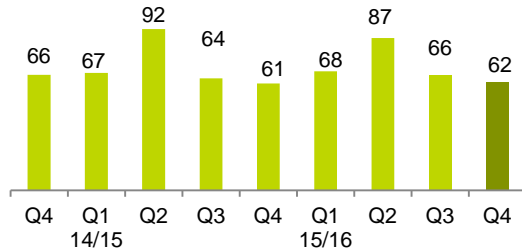
## Q4 HIGHLIGHTS

- Net sales increase compared with last year.
- EBIT includes favourable effect of efficiency work and bonus incentives in new contracts. Last year's positive Q4 result included a one-off payment of SEK 15 million from a PTA regarding a resolved dispute.

# SWEBUS

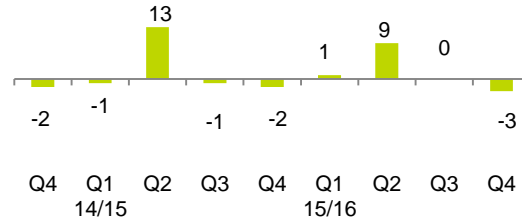
## SWEBUS NET SALES

(SEK million)



## SWEBUS EBIT

(SEK million)



## Q4 HIGHLIGHTS

- Net sales in line with last year which corresponds to the overall market.
- EBIT is negatively affected by fewer passengers, partly offset by slightly higher prices.

# RESULTS

SEK million	Q4 15/16	Q4 14/15	Δ	YTD 15/16	YTD 14/15	Δ
<b>Net sales</b>	<b>2 161</b>	<b>1 905</b>	<b>256</b>	<b>8 317</b>	<b>7 549</b>	<b>768</b>
<b>EBITDAR</b>	<b>242</b>	<b>201</b>	<b>41</b>	<b>937</b>	<b>1 019</b>	<b>-82</b>
% of net sales	11,2%	10,6%		11,3%	13,5%	
<b>EBITDA</b>	<b>227</b>	<b>190</b>	<b>37</b>	<b>879</b>	<b>922</b>	<b>-43</b>
% of net sales	10,5%	10,0%		10,6%	12,2%	
<b>EBIT</b>	<b>58</b>	<b>41</b>	<b>17</b>	<b>258</b>	<b>371</b>	<b>-113</b>
% of net sales	2,7%	2,2%		3,1%	4,9%	
Interest income	1	2	-1	3	8	-5
Interest expenses	-39	-52	13	-260	-239	-21
FX net	0	-1	1	1	1	0
<b>EBT</b>	<b>20</b>	<b>-10</b>	<b>30</b>	<b>2</b>	<b>141</b>	<b>-139</b>
Tax	-12	-1	-11	2	-47	49
<b>Earnings after tax</b>	<b>8</b>	<b>-11</b>	<b>19</b>	<b>4</b>	<b>94</b>	<b>-90</b>

## KEY POINTS

- Quarterly net sales growth in all segments based on new contracts, increased revenue in existing contracts, bonuses and index.
- Q4 EBT margins turned positive as a result of improved contract performance and lower interest cost compared to last year.
- YTD results include all IPO-related costs, incurred and recorded in Q1 and Q2.
  - EBITDAR includes SEK 204 million in IPO-related costs YTD.
  - EBT includes total IPO-related costs of SEK 297 million YTD.

# IPO-RELATED COSTS

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SEK million	Q4 15/16	YTD 15/16
<b>EBT, adjusted</b>	<b>20</b>	<b>299</b>
Incentive programme	-	-172
Transaction costs	-	-32
Bond redemption	-	-93
<b>EBT</b>	<b>20</b>	<b>2</b>

# RESULTS ADJUSTED

SEK million	Q4 15/16	Q4 14/15	Δ	YTD adj. 15/16	YTD 14/15	Δ
<b>Net sales</b>	<b>2 161</b>	<b>1 905</b>	<b>256</b>	<b>8 317</b>	<b>7 549</b>	<b>768</b>
<b>EBITDAR</b>	<b>242</b>	<b>201</b>	<b>41</b>	<b>1 141</b>	<b>1 019</b>	<b>122</b>
% of net sales	11,2%	10,6%		13,7%	13,5%	
<b>EBITDA</b>	<b>227</b>	<b>190</b>	<b>37</b>	<b>1 083</b>	<b>922</b>	<b>161</b>
% of net sales	10,5%	10,0%		13,0%	12,2%	
<b>EBIT</b>	<b>58</b>	<b>41</b>	<b>17</b>	<b>462</b>	<b>371</b>	<b>91</b>
% of net sales	2,7%	2,2%		5,6%	4,9%	
Interest income	1	2	-1	3	8	-5
Interest expenses	-39	-52	13	-167	-239	72
FX net	0	-1	1	1	1	0
<b>EBT</b>	<b>20</b>	<b>-10</b>	<b>30</b>	<b>299</b>	<b>141</b>	<b>158</b>
% of net sales	0,9%	n/a		3,6%	1,9%	

## KEY POINTS

- Quarterly net sales growth in all segments based on new contracts, increased revenue in existing contracts, bonuses and index.
- Q4 EBT margins turned positive as a result of improved contract performance and lower interest cost compared to last year.
- EBT margin increase to 3.6 percent YTD approaching the financial target of 4.5 percent due attributable to strong underlying development despite the effect by contract migration.

# REVENUE AND EARNINGS BRIDGES YTD

SEK million	Net sales	EBIT	EBT
<b>YTD March 2014 – February 2015</b>	<b>7,549</b>	<b>371</b>	<b>141</b>
Price and volume	187	136	136
Contract migration	555	-53	-53
Indexation	26	12	12
Operational efficiency		-2	-2
Other		-2	-2
Non-recurring items		-204	-297
Financial net			67
<b>YTD March 2015 – February 2016</b>	<b>8,317</b>	<b>258</b>	<b>2</b>

## KEY POINTS

- Positive effect in price and volume from Sweden and Finland.
- Contract migration has positive effect on net sales but initial negative effect in EBIT and EBT. New contracts are not yet with full-year effect.
- Positive revenue indexation with favourable EBT effect from Sweden and Norway.
- Efficiency improvements in Norway, off-set by higher maintenance costs in Sweden.
- 'Other' mainly relates to increased administration costs due to being a listed company.
- Total IPO-related costs of SEK 297 million incl MIP, advisory fees and bond redemption cost.
- Financial net last year included write-off of capitalized issue cost for previous bond of SEK 25 million. This year, interest costs are lower due to lower lease interest payments and bond redemption.

# CASH FLOW

SEK million	Q4 15/16	Q4 14/15	Δ	YTD 15/16	YTD 14/15	Δ
Cash flow from operations before changes in working capital	219	168	51	866	902	-36
Changes in working capital	170	207	-37	-18	59	-77
Interest received and tax payments	0	0	0	2	3	-1
<b>Cash flow from operations after changes in working capital</b>	<b>389</b>	<b>375</b>	<b>14</b>	<b>850</b>	<b>964</b>	<b>-114</b>
<b>Cash flow from investing activities</b>	<b>72</b>	<b>-94</b>	<b>166</b>	<b>-68</b>	<b>-213</b>	<b>145</b>
<b>Cash flow from financing activities</b>	<b>-215</b>	<b>-94</b>	<b>-121</b>	<b>-548</b>	<b>-610</b>	<b>62</b>
<b>Cash flow for the period</b>	<b>246</b>	<b>187</b>	<b>59</b>	<b>234</b>	<b>141</b>	<b>93</b>
Available cash *)				<b>683</b>	<b>453</b>	<b>230</b>

\*) Restricted cash of SEK 24 million (115) not included

## KEY POINTS

- Cash flow before operations contains SEK -204 million in IPO-related items.
- Working capital improvement in Q4, following normal seasonal recovery pattern.
- Cash flow from investing activities is positive by SEK +77 million due to lower investments in Q4 and SEK +90 million YTD due to released restricted cash, and less negative in Q4 compared to last year due to lower loan-financed bus investments in Denmark.
- Cash flow from financing activities includes SEK +172 million in IPO related items. Last year included SEK +87 million from loan financing in Denmark.
- Available cash at end of year was SEK 683 million, an increase of SEK 230 million compared with last year.

# IPO-RELATED CASHFLOW ITEMS

SEK million	Q4 15/16	YTD 15/16
<b>Cash flow for the period, adjusted</b>	<b>246</b>	<b>266</b>
Transaction costs	-	-32
Incentive programme	-	-172
<i>Items affecting cash flow from operations</i>	-	-204
New share issue	-	850
Costs of raising capital	-	-49
Bond repayment	-	-550
Bond redemption fee	-	-79
<i>Items affecting cash flow from financing activities</i>		172
<b>Cash flow for the period</b>	<b>246</b>	<b>234</b>

# CASH FLOW, ADJUSTED

SEK million	Q4 15/16	Q4 14/15	Δ	YTD Adjust. 15/16	14/15	Δ
Cash flow from operations before changes in working capital	219	168	51	1 070	902	168
Changes in working capital	170	207	-37	-18	59	-77
Interest received and tax payments	0	0	0	2	3	-1
<b>Cash flow from operations after changes in working capital</b>	<b>389</b>	<b>375</b>	<b>14</b>	<b>1 054</b>	<b>964</b>	<b>90</b>
<b>Cash flow from investing activities</b>	<b>72</b>	<b>-94</b>	<b>166</b>	<b>-68</b>	<b>-213</b>	<b>145</b>
<b>Cash flow from financing activities</b>	<b>-215</b>	<b>-94</b>	<b>-121</b>	<b>-720</b>	<b>-610</b>	<b>-110</b>
<b>Cash flow for the period</b>	<b>246</b>	<b>187</b>	<b>59</b>	<b>266</b>	<b>141</b>	<b>125</b>

# INVESTMENTS (CAPEX)

SEK million	Q4 15/16	Q4 14/15	Δ	YTD 15/16	YTD 14/15	Δ
Investments in new buses	-468	-381	-87	-1619	-980	-639
Other investments	0	20	-20	-52	-60	8
<b>Total investments</b>	<b>-468</b>	<b>-361</b>	<b>-107</b>	<b>-1671</b>	<b>-1040</b>	<b>-631</b>
Lease financing	452	227	225	1478	745	733
<b>Capex</b>	<b>-16</b>	<b>-134</b>	<b>118</b>	<b>-193</b>	<b>-295</b>	<b>102</b>
Whereof: Loan financing of buses	1	87		109	168	
Whereof: Cash financing	-15	-47		-84	-127	

## KEY POINTS

- Record high investments in the year of SEK 1.6 billion following the large traffic starts.
- SEK 1.5 billion of investments were lease-financed, and SEK 109 million financed by loans, compared to total financing of SEK 913 million in previous year.

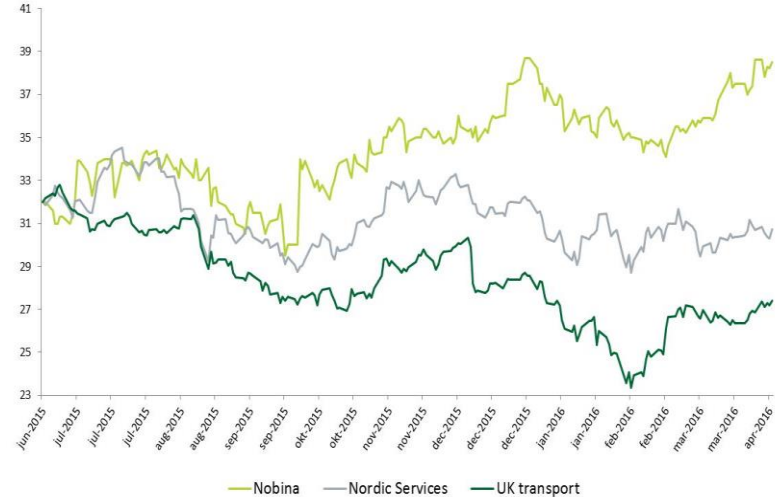
# BALANCE SHEET

SEK million	2016-02-29	2015-02-28	Δ
<b>ASSETS</b>			
<b>Total non-current assets</b>	<b>6 058</b>	<b>5 128</b>	<b>930</b>
Trade receivables and other current rec.	893	880	13
Restricted cash on bank accounts	24	115	-91
Cash and cash equivalents	683	453	230
<b>Total current assets</b>	<b>1 600</b>	<b>1 448</b>	<b>152</b>
<b>TOTAL ASSETS</b>	<b>7 658</b>	<b>6 576</b>	<b>1 082</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>	<b>1 110</b>	<b>310</b>	<b>800</b>
<b>Total non-current liabilities</b>	<b>4 116</b>	<b>3 922</b>	<b>194</b>
<b>Total current liabilities</b>	<b>2 432</b>	<b>2344</b>	<b>88</b>
<b>TOTAL LIABILITIES</b>	<b>6 548</b>	<b>6 266</b>	<b>282</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7 658</b>	<b>6 576</b>	<b>1 082</b>

## KEY POINTS

- Balance sheet growth related to bus investments.
- Strengthened cash position to SEK 683 million (453).
- Equity ratio increased to 14.5 per cent (4.7 per cent).
- Equity ratio adjusted for accounting effect from financial leases 23.4 per cent.

# NOBINA SHARE PRICE SINCE IPO JUNE 18 2015



- Since the IPO, Nobina has outperformed the Stockholm indices Stoxx 600 and Stockholm All-share.
- Stronger share price performance than Nordic Services<sup>1)</sup>.
- Nobina share price develops positively, in contrast to the volatile UK Transport<sup>2)</sup> sector.

1) Nordic Services includes Securitas, Loomis, RenoNorden, ISS, G4S. Rebased to Nobina.

2) UK Transport includes Stagecoach, National Express, Go-Ahead, FirstGroup. Rebased to Nobina.

# SUMMARY

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- Strong quarter and full year, with record net sales and earnings, in line with our expectations and financial targets.
- Large traffic starts and favourable tender results ensure a solid base for the future with financial targets within reach.
- As a listed company Nobina has obtained improved credibility, transparency and a stronger position.
- Dividend proposal by Nobina's board is SEK 2.60 per share.

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