



NOBINA AB

INVESTOR PRESENTATION, MARCH – AUGUST 2016

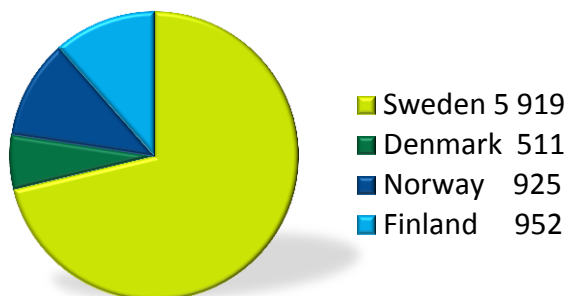


LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

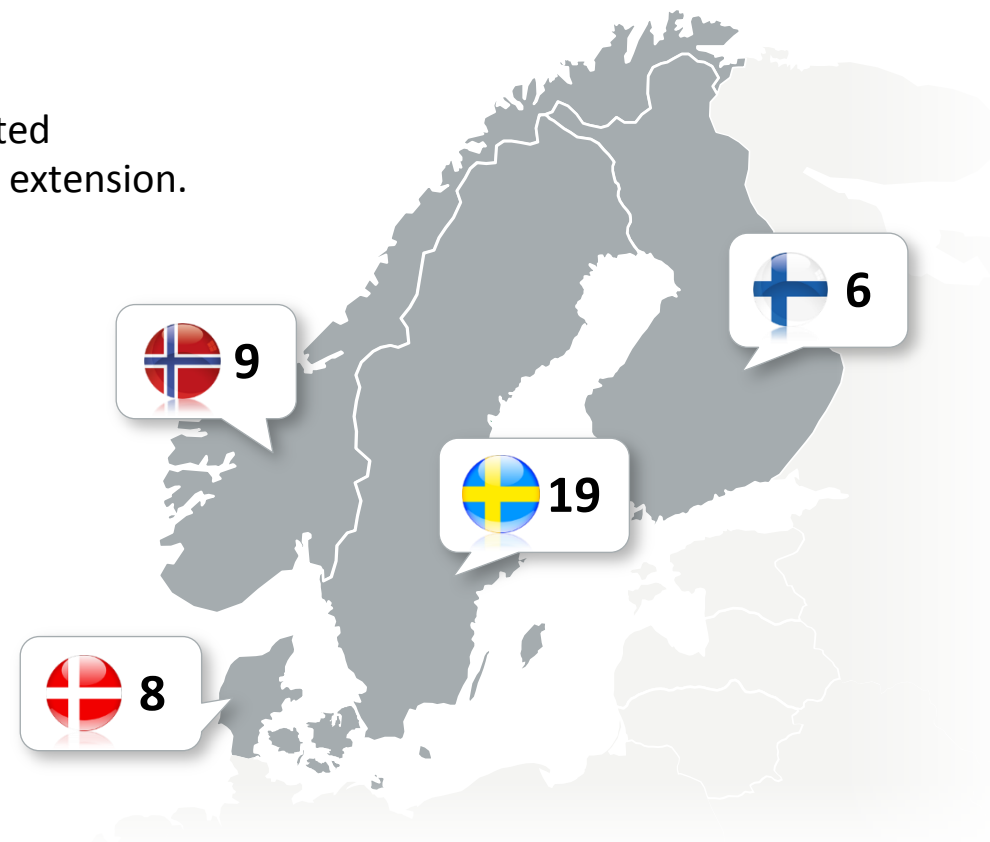
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 95% of revenues supported by long term contracts, typically lasting 5-10 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 billion)



Total market - Annual net sales per country (SEK billion)



Source: Approximation based on Nobina's data

FINANCIAL OVERVIEW Q2

NET SALES SEK million 2,146 (1,982)	EBIT SEK million 142 (137) ¹⁾	EBT SEK million 107 (93) ¹⁾	CASH FLOW SEK million -173 (-78) ¹⁾
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Q2 FINANCIAL HIGHLIGHTS

- Net sales grew 8.3% driven by increase in extra traffic, volume from contracts started last year and indexation of revenue
- Continued strong EBT of SEK 107 million supported by more extra traffic and positive development in new as well as existing contracts
- Cash flow from operations before changes in working capital increased to SEK 336 million (167)
- Investments of SEK 472 million (853) in buses and other equipment

1) Last year adjusted for non-recurring items in connection with the IPO



FINANCIAL OVERVIEW YTD

NET SALES SEK million 4,370 (3,977)	EBIT SEK million 263 (243) ¹⁾	EBT SEK million 193 (154) ¹⁾	CASH FLOW SEK million -141 (-97) ¹⁾
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YTD FINANCIAL HIGHLIGHTS

- Net sales growth mainly attributed to Sweden and Finland
- Continued strong EBT of SEK 193 million
- Cash flow from operations before changes in working capital increased to SEK 622 million (319)
- Investments of SEK 584 million (900) in buses and other equipment

1) Last year adjusted for non-recurring items in connection with the IPO



SIGNIFICANT EVENTS

- Nobina's contract regarding bus services in Norrtälje was extended by two years until June 2021 (announced after end of quarter)
- Nobina won tenders in Oslo worth SEK 150 million and Skåne worth SEK 400 million over the contract periods
- Share of Nobina buses run on renewable fuel increased from 50 to 55 per cent in total, and to 75 per cent in Sweden
- CEO Ragnar Norbäck announced his decision to retire in October 2017. Process started to recruit new CEO



BUSINESS DEVELOPMENT

- Increase in extra traffic, mainly in Sweden and Finland
- Well-performed, cost-efficient traffic starts and closures in Sweden and Finland
- Strong performance in contracts started last year
- High operational efficiency and continued positive contract performance development in Denmark



MARKET UPDATE

- Increasing interest for self driving vehicle concept in closed areas
- Discussions ongoing on increased flexibility in public transport contracts
- Improved industry profitability among our competitors
- Due to delay in construction of the Helsinki metro, operators in Helsinki experience temporary increase in volumes



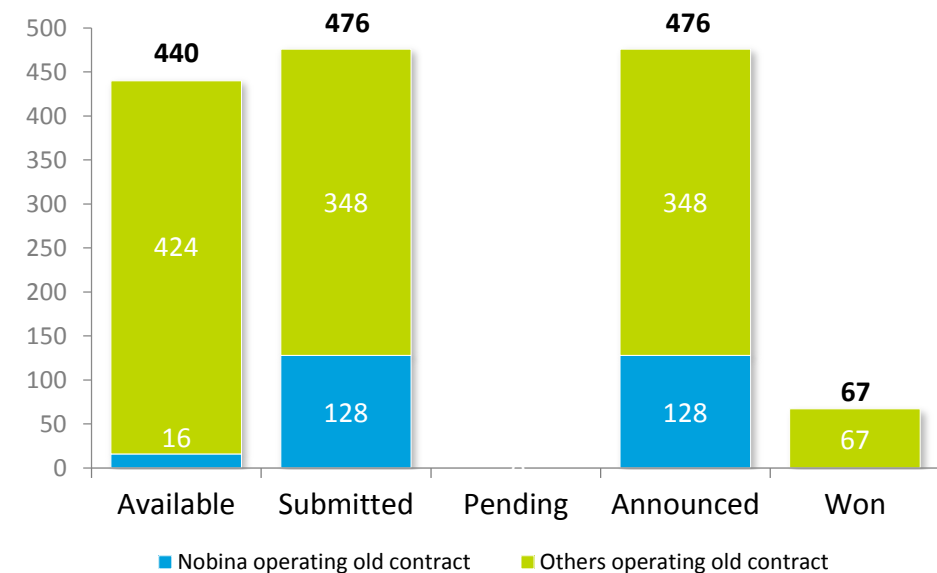
TENDER RESULTS – YTD

- Nobina submitted tenders for 476 buses
- Nobina won 67 buses, i.e. 14% of submitted tenders

March – August 2016	Tender results during the period (number of buses)	
	Announced	Won
Sweden	209	46
Norway	165	21
Finland	0	0
Denmark	102	0
Total	476	67

Tender update

Number of buses



Definitions:

Available – Remaining buses available in tenders this year

Submitted – Number of buses in tenders submitted by Nobina

Pending – Submitted less announced

Announced – Submitted tenders, results are announced

Won – Nobina's wins out of announced tenders

CONTRACT MIGRATION, YTD

- Nobina started contracts involving 305 buses during the period
- Nobina ended contracts involving 397 buses during the period

March – August 2016	Traffic changes during the period (number of buses)	
	Started	Ended
Sweden	190	257
Norway	0	0
Finland	107	140
Denmark	8	0
Total	305	397

**AVERAGE WEIGHTED
CONTRACT LENGTH** (Last year)

8.0
(7.6)

**AVERAGE WEIGHTED
CONTRACT AGE** (Last year)

3.4
(3.6)

AVERAGE AGE OF BUS FLEET
(Last year)

5.5
(5.7)

CONTRACT MIGRATION, COMING 12M

Traffic starts September 2016 – August 2017

PTA	No. of years	Traffic start	No. of buses	New buses
Skånetrafiken	6	Dec 2016	48	7
LT Västernorrland	6	Dec 2016	4	0
Västtrafik	8	Apr 2017	58	36
Ruter, Norway	3	Apr 2017	21	24
Total			131	67

- Nobina will start new contracts involving a total of 131 in-service buses in the next 12 months

Expiring contracts September 2016 – August 2017

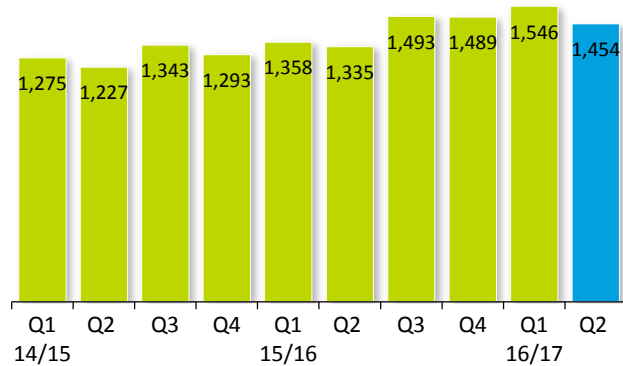
PTA	Traffic ending	No. of buses
Skånetrafiken	Sep 2016	52
Skånetrafiken	Dec 2016	50
Stockholmståg	Dec 2016	8
Movia, Denmark	Dec 2016	6
Skyss, Norway	Jun 2017	44
HSL, Finland	Aug 2017	16
Kalmar LT	Aug 2017	75
Total		251

- Nobina will end contracts involving a total of 251 in-service buses

SWEDEN AND DENMARK - REGIONAL TRAFFIC

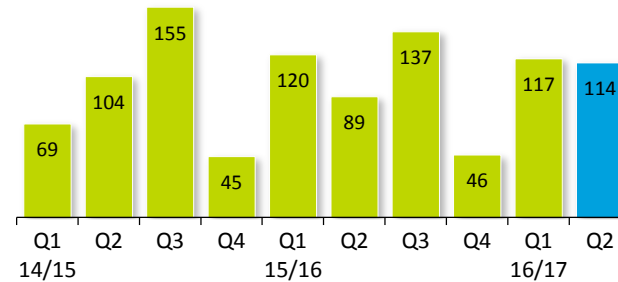
Sweden - Net sales

SEK million



Sweden - EBIT

SEK million

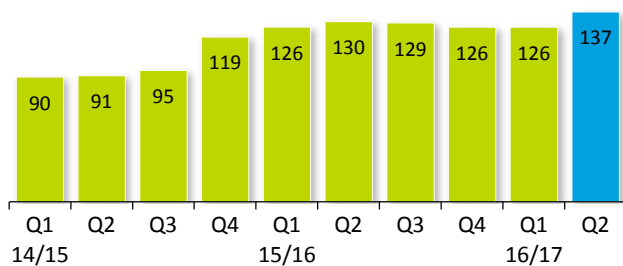


Q2 HIGHLIGHTS

- Net sales positively affected by increase in extra traffic, index revenues and increased volumes from existing contracts
- EBIT includes positive effects from increase in extra traffic and favourable index net, partly offset by lower efficiency in bus maintenance

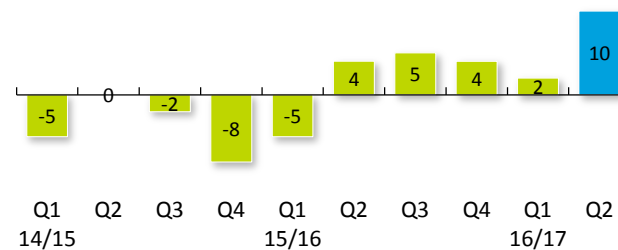
Denmark - Net sales

SEK million



Denmark - EBIT

SEK million



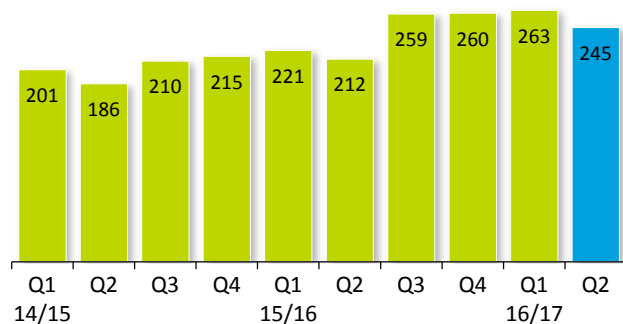
Q2 HIGHLIGHTS

- Net sales increased compared to second quarter of last year
- EBIT continues positive trend driven by strong contract performance

FINLAND AND NORWAY - REGIONAL TRAFFIC

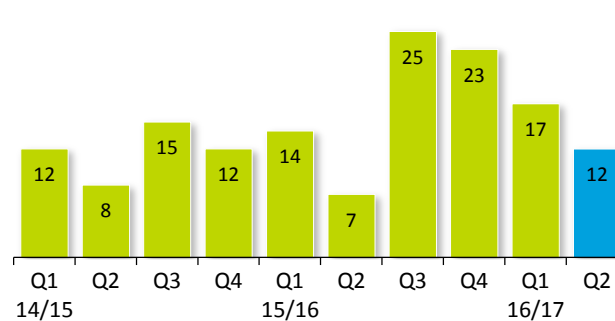
Finland - Net sales

SEK million



Finland - EBIT

SEK million

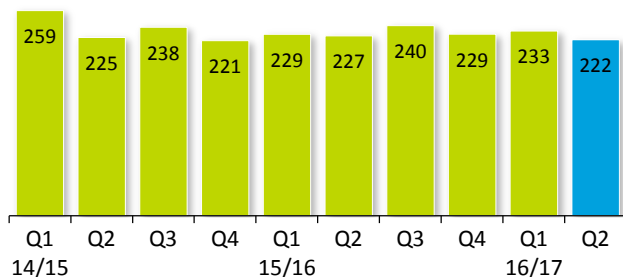


Q2 HIGHLIGHTS

- Net sales increased compared to second quarter of last year
- Favourable development of EBIT
- Extra traffic due to metro delays in Helsinki

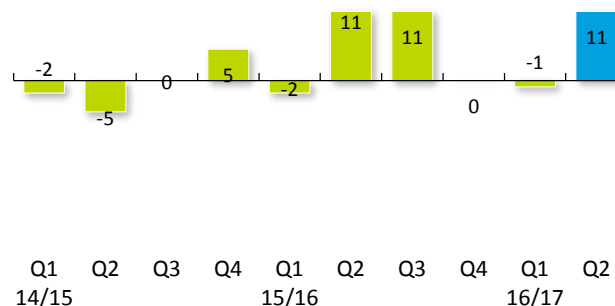
Norway - Net sales

SEK million



Norway - EBIT

SEK million



Q2 HIGHLIGHTS

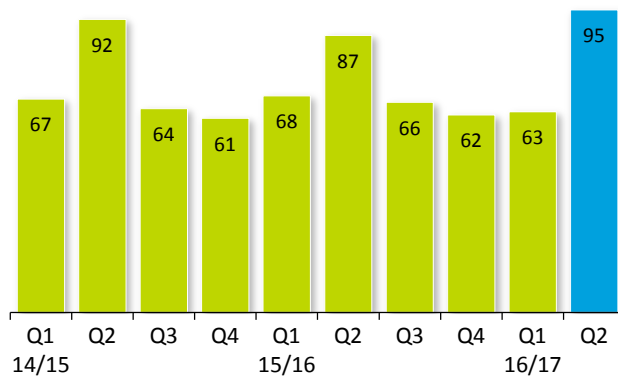
- Net sales on same level as last year
- EBIT includes passenger volume and customer satisfaction bonuses; these positive effects were, however, partly offset by a decrease in efficiency (damages)

SWEBUS



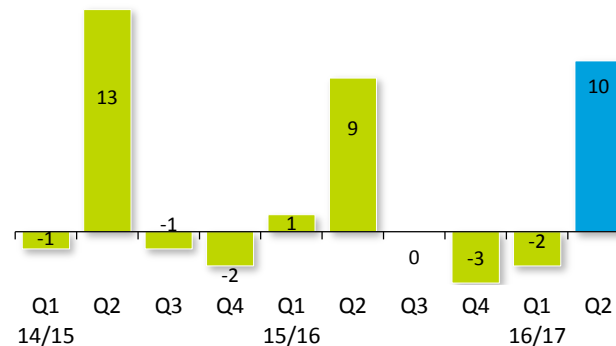
Swebus - Net sales

SEK million



Swebus - EBIT

SEK million



Q2 HIGHLIGHTS

- Net sales increased compared to second quarter of last year. Good passenger volumes during summer period
- Favourable development in new focus areas
- EBIT in line with second quarter of last year

RESULTS (LAST YEAR ADJUSTED FOR IPO)

SEK million	Q2 16/17	Q2 adj 15/16	Change	YTD 16/17	YTD adj 15/16	Change
Net sales	2,146	1,982	164	4,370	3,977	393
EBITDAR % of net sales	333 15.5%	299 15.1%	34	637 14.6%	556 13.9%	81
EBITDA % of net sales	318 14.8%	285 14.4%	33	611 13.9%	526 13.2%	85
EBIT % of net sales	142 6.6%	137 6.9%	5	263 6.0%	243 6.1%	20
Interest income	-	-	-	1	1	-
Interest expenses	-36	-45	9	-72	-92	20
FX net	1	1	-	1	2	-1
EBT % of net sales	107 5.0%	93 4.7%	14	193 4.4%	154 3.9%	39
Tax	-27	41	-68	-44	39	-83
Earnings after tax	80	134	-54	149	193	-44

KEY POINTS

- Net sales growth based on increase in extra traffic, new contracts and indexation of revenue
- EBT margin increase to 5.0% for the quarter due to increase in extra traffic, strong underlying development in new contracts as well as existing contracts
- Lower interest cost has additional favourable effect on EBT

REVENUE AND EARNINGS ANALYSES YTD

SEK million	Net sales	EBT
YTD Mar – Aug 2015	3,977	-143
Price and volume	97	48
Contract migration	267	4
Indexation	29	35
Operational efficiency		-37
Other		-30
Non-recurring items		204
Financial net		112
YTD Mar – Aug 2016	4,370	193

KEY POINTS

- Effects of price and volume favourable both regarding net sales and EBT driven by increase in extra traffic and additional volume from contracts started last year
- Contract migration has a positive effect on net sales and EBT coming from new contracts started last year. EBT is offset by traffic starts in current quarter
- Positive revenue indexation for the period impacts on net sales and favourable cost development further improving EBT, impact coming mainly from Sweden
- Efficiency losses driven by higher maintenance costs and personnel costs in Sweden
- “Other” includes losses from bus divestments of SEK -22 million
- Last year included IPO costs of SEK 204 million
- Financial net impacted by lower interest costs after bond redemption and lower bus financing interest costs (improved terms and lower market rates). Last year included cost for bond redemption of SEK 93 million

CASH FLOW (LAST YEAR ADJUSTED FOR IPO)

SEK million	Q2 16/17	Q2 adj 15/16	Change	YTD 16/17	YTD adj 15/16	Change
Cash flow from operations before changes in working capital	336	357	-21	622	523	99
Changes in working capital	-103	-182	79	-122	-178	56
Interest received and tax payment	-	1	-1	1	1	-
Cash flow from operations after changes in working	233	176	57	501	346	155
Cash flow from investing activities	35	-138	173	-32	-142	110
Cash flow from financing activities	-441	-116	-325	-610	-301	-309
Cash flow for the period	-173	-78	-95	-141	-97	-44

KEY POINTS

- Q2 last year adjusted for IPO-related items
- Strong cash flow from operations
- Seasonal effect on working capital is lower in second quarter compared to Q2 of last year
- Investing activities YTD includes proceeds from bus divestments of SEK 151 million
- Cash flow from financing activities includes paid out dividend of SEK -230 million

INVESTMENTS (CAPEX)

SEK million	Q2 16/17	Q2 15/16	Change	YTD 16/17	YTD 15/16	Change
Investments in new buses	-465	-821	356	-570	-860	290
Other investments	-7	-32	25	-14	-40	26
Total investments	-472	-853	381	-584	-900	316
Lease financing	362	718	-356	378	749	-371
Capex	-110	-135	25	-206	-151	-55
Whereof: Loan financing of buses	-	90	-90	50	108	-58
Whereof: Cash financing	-110	-45	-65	-156	-43	-113

KEY POINTS

- Investments in new buses related to August traffic starts
- Out of total investments of SEK 584 million, SEK 378 million was lease financed, SEK 50 million loan financed and SEK 156 million cash financed

BALANCE SHEET

SEK million	2016-08-31	2015-08-31	Change
ASSETS			
Total non-current assets	6,043	5,736	307
Trade receivables and other current rec.	902	878	24
Restricted cash on bank accounts	1	120	-119
Cash and cash equivalents	547	323	224
Total current assets	1,450	1,321	129
TOTAL ASSETS	7,493	7,057	436
EQUITY AND LIABILITIES			
Shareholders' equity	1,043	998	45
Total non-current liabilities	4,127	3,936	191
Total current liabilities	2,323	2,123	200
TOTAL LIABILITIES	7,493	7,057	436

KEY POINTS

- Balance sheet growth related to bus investments
- Strengthened cash position to SEK 547 million (323)
- Equity ratio increased to 13.9% (14.1%)
- Net debt was SEK 4,185 million (3,972)
- Net debt/EBITDA was 3.6x (3.9x)

SUMMARY

- Strong net sales and result
- Well-performed, cost-efficient traffic starts and closures
- Good performance despite low age of contract portfolio and bus fleet
- Increased share of renewable fuel



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Our vision:

EVERYBODY WANTS TO TRAVEL WITH US

Our values:

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

