



# NOBINA AB

INVESTOR PRESENTATION, SEPTEMBER – NOVEMBER 2016

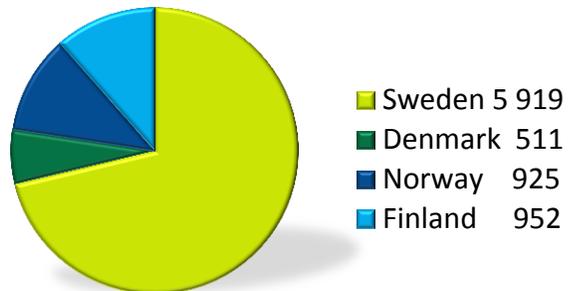


# LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

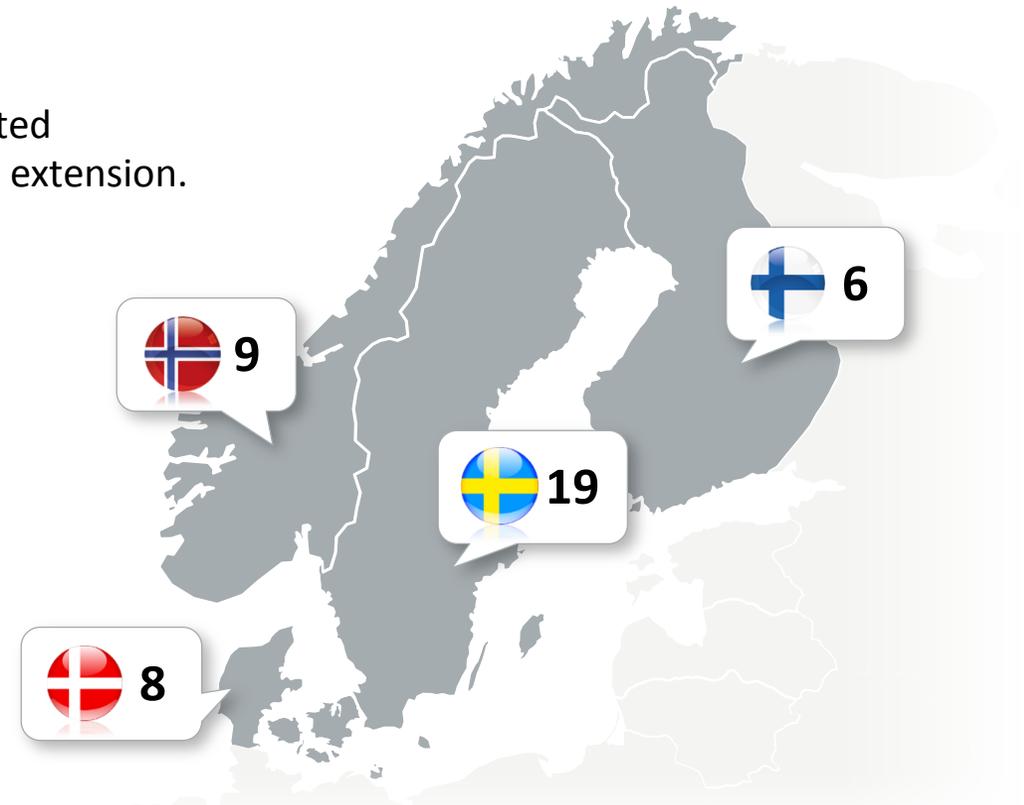
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 95% of revenues supported by long term contracts, typically lasting 5-10 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 Q3

<b>NET SALES</b> SEK million <b>2,245</b> (2,179)	<b>EBIT</b> SEK million <b>168</b> (161)	<b>EBT</b> SEK million <b>131</b> (125)	<b>CASH FLOW</b> SEK million <b>154</b> (117)
--	---	--	--

## Q3 FINANCIAL HIGHLIGHTS

- Net sales grew 3.0% driven by increase in extra traffic, volume from contracts started last year and indexation of revenue
- Continued strong EBT of SEK 131 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 SEK was 325 million (328)
- Investments of SEK 152 million (303) in buses and other equipment



# FINANCIAL OVERVIEW YTD

<b>NET SALES</b> SEK million <b>6,615</b> (6,156)	<b>EBIT</b> SEK million <b>431</b> (404) <sup>1)</sup>	<b>EBT</b> SEK million <b>324</b> (279) <sup>1)</sup>	<b>CASH FLOW</b> SEK million <b>13</b> (20) <sup>1)</sup>
--	---	--	--

## YTD FINANCIAL HIGHLIGHTS

- Net sales growth mainly attributed to Sweden and Finland
- Continued strong EBT accumulating to SEK 324 million
- Cash flow from operations before changes in working capital increased to SEK 947 million (647)
- Investments of SEK 736 million (1,203) 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
- MTR awarded Nobina contracts regarding bus-for-rail services relating to commuter trains in the Stockholm region
- Nobina won traffic contracts worth SEK 260 million and was awarded environmental bonus of SEK 1 million in Finland (announced after end of quarter)
- Large volumes under bus-for-rail contracts are under tender
- Magnus Rosén has been appointed as the new President and CEO of Nobina AB and will take up his new position as of June 1, 2017



# BUSINESS DEVELOPMENT

- Increase in extra traffic, mainly in Sweden and Finland
- Solid performance in newly started contracts in Sweden
- Continued strong performance in contracts started last year
- Continued high operational efficiency and continued positive contract performance development in Denmark
- Early winter effects successfully managed
- Successful fleet management resulted in lower residual value losses than last year



# MARKET UPDATE

- Swedish Government has initiated a temporary investment of 850 MSEK in public transportation on the countryside to support regional growth during 2016-2019
- Construction of Helsinki metro further delayed, expected opening in June 2017
- New collective bargaining agreement in place for all bus drivers in Finland
- Copenhagen announced cuts in public transportation for 2017 due to increased focus on rail, health and social care



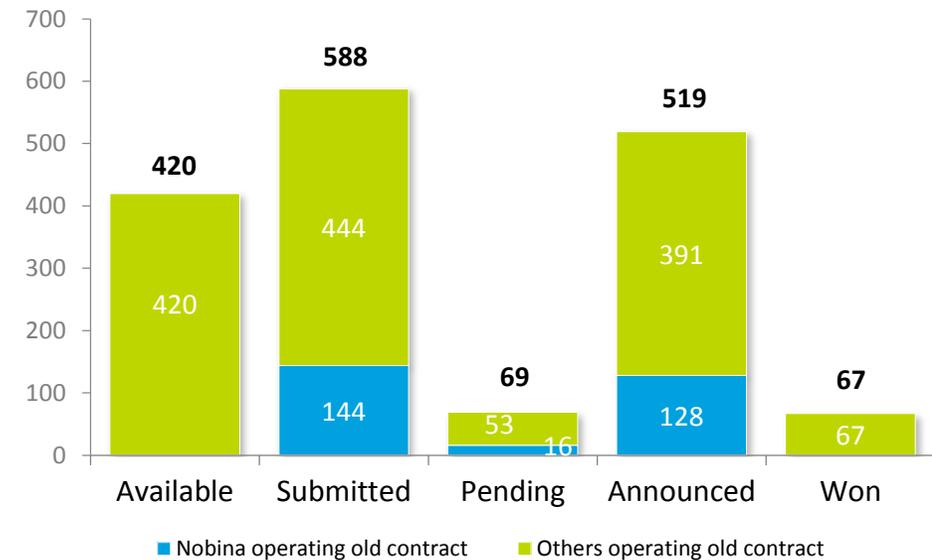
# TENDER RESULTS – YTD

- Nobina submitted tenders for 519 buses
- Nobina won 67 buses, i.e. 13% of submitted tenders

March – November 2016	Tender results during the period (number of buses)	
	Announced	Won
Sweden	216	46
Norway	201	21
Finland	0	0
Denmark	102	0
<b>Total</b>	<b>519</b>	<b>67</b>

## 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 449 buses during the period

March – November 2016	Traffic changes during the period (number of buses)	
	Started	Ended
Sweden	190	309
Norway	0	0
Finland	107	140
Denmark	8	0
<b>Total</b>	<b>305</b>	<b>449</b>

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

**8.3**  
(7.9)

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

**3.6**  
(4.0)

**AVERAGE AGE OF BUS FLEET** (Last year)

**5.5**  
(5.6)

# CONTRACT MIGRATION, COMING 12M

## Traffic starts December 2016 – November 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	38
Ruter, Norway	3	Apr 2017	21	24
<b>Total</b>			<b>131</b>	<b>69</b>

- Nobina will start new contracts involving a total of 131 in-service buses in the next 12 months
- 27 buses to be started in August 2017, won after quarter end

## Expiring contracts December 2016 – November 2017

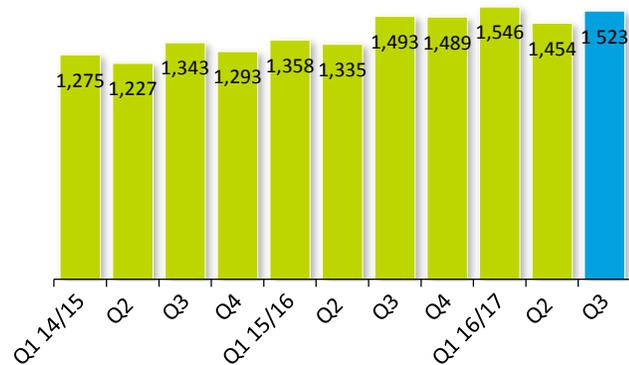
PTA	Traffic ending	No. of buses
Skånetrafiken	Dec 2016	50
Movia, Denmark	Dec 2016	6
Skyss, Norway	Jun 2017	44
HSL, Finland	Aug 2017	16
Kalmar LT	Aug 2017	75
<b>Total</b>		<b>191</b>

- Nobina will end contracts involving a total of 191 in-service buses

# SWEDEN AND DENMARK - REGIONAL TRAFFIC

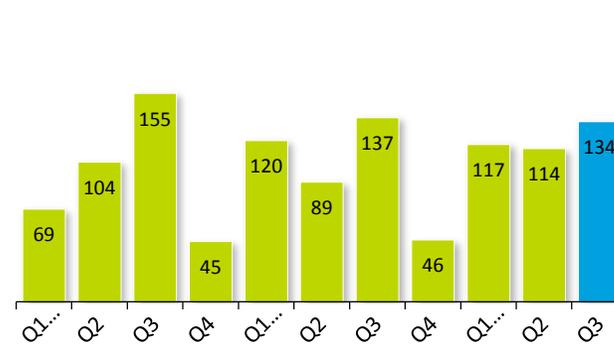
## Sweden - Net sales

SEK million



## Sweden - EBIT

SEK million

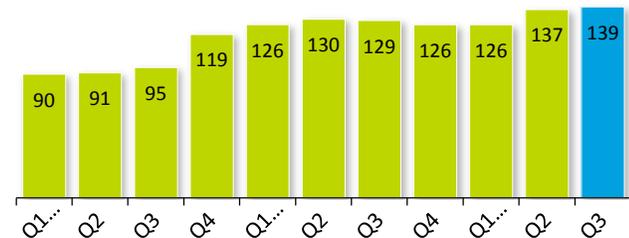


## Q3 HIGHLIGHTS

- Net sales positively affected by increase in extra traffic, negotiations and index revenues
- EBIT includes effects from new contracts with initially lower margins as well as positive effects from increase in extra traffic and favourable development of existing contracts, partly offset by higher costs in bus maintenance and lower personnel efficiency

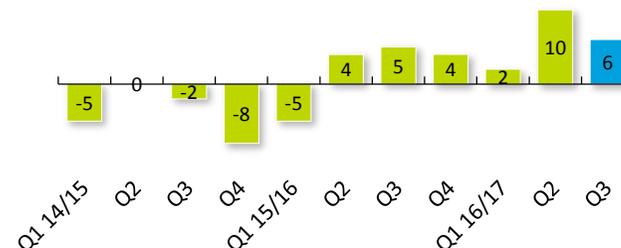
## Denmark - Net sales

SEK million



## Denmark - EBIT

SEK million



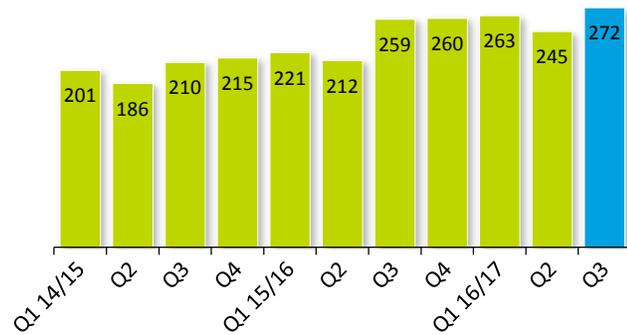
## Q3 HIGHLIGHTS

- Net sales increased compared to third quarter of last year
- EBIT continues positive trend driven by strong operational efficiency

# FINLAND AND NORWAY - REGIONAL TRAFFIC

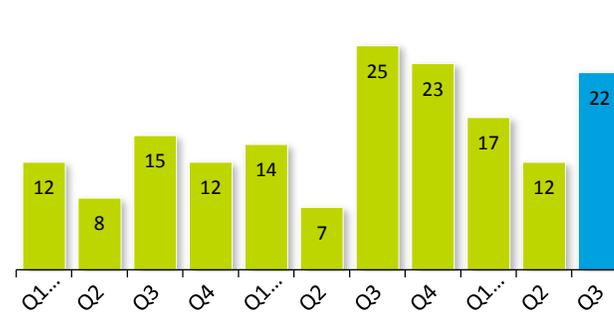
## Finland - Net sales

SEK million



## Finland - EBIT

SEK million

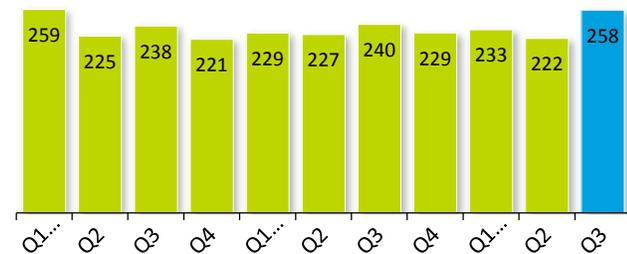


## Q3 HIGHLIGHTS

- Net sales increased compared to third quarter of last year
- EBIT slightly lower than last year
- Extra traffic due to metro delays in Helsinki

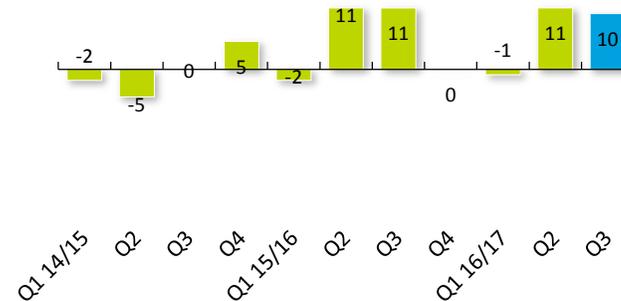
## Norway - Net sales

SEK million



## Norway - EBIT

SEK million



## Q3 HIGHLIGHTS

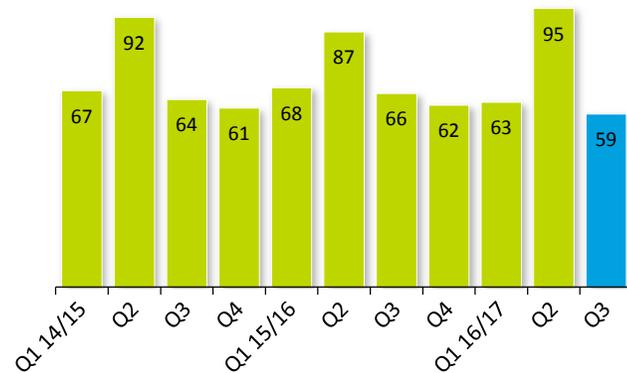
- Net sales increased compared to third quarter of last year
- EBIT includes efficiency losses from maintenance costs and positive effects from bonuses driven by increased number of passengers and customer satisfaction

# SWEBUS



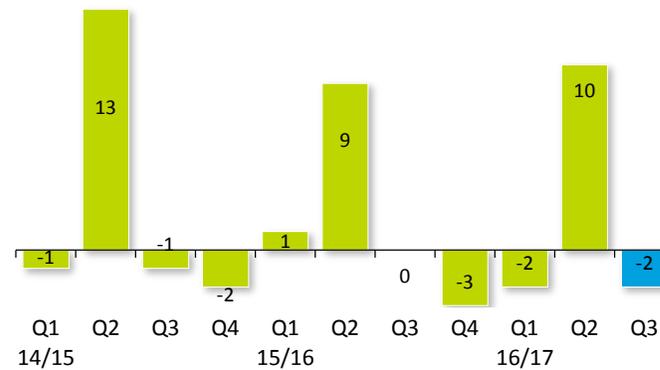
## Swebus - Net sales

SEK million



## Swebus - EBIT

SEK million



## Q3 HIGHLIGHTS

- Net sales decreased compared to third quarter of last year due to lower passenger volumes
- Favourable development in partner traffic
- EBIT lower than last year due to lower volumes

# RESULTS (LAST YEAR ADJUSTED FOR IPO)

SEK million	Q3 16/17	Q3 adj 15/16	Change	YTD 16/17	YTD adj 15/16	Change
<b>Net sales</b>	<b>2,245</b>	<b>2,179</b>	<b>66</b>	<b>6,615</b>	<b>6,156</b>	<b>459</b>
<b>EBITDAR</b> % of net sales	343 15,3%	<b>343</b> 15,7%	-	980 14,8%	<b>899</b> 14,6%	<b>81</b>
<b>EBITDA</b> % of net sales	330 14,7%	<b>330</b> 15,1%	-	941 14,2%	<b>856</b> 13,9%	<b>85</b>
<b>EBIT</b> % of net sales	168 7,5%	<b>161</b> 7,3%	<b>7</b>	431 6,5%	<b>404</b> 6,6%	<b>27</b>
Interest income	-	1	-1	1	2	-1
Interest expenses	-37	-36	-1	-109	-128	19
FX net	-	-1	1	1	1	-
<b>EBT</b> % of net sales	<b>131</b> 5,8%	<b>125</b> 5,7%	<b>6</b>	<b>324</b> 4,9%	<b>279</b> 4,5%	<b>45</b>
Tax	-29	-25	-4	-73	14	-87
<b>Earnings after tax</b>	<b>102</b>	<b>100</b>	<b>2</b>	<b>251</b>	<b>293</b>	<b>-42</b>

## KEY POINTS

- Net sales growth based on increase in extra traffic, new contracts and indexation of revenue
- EBT margin increase to 5.8% 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
<b>YTD Mar – Nov 2015</b>	<b>6,156</b>	<b>-18</b>
Price and volume	143	40
Contract migration	273	23
Indexation	43	32
Operational efficiency	-	-53
Other	-	-16
Non-recurring items	-	204
Financial net	-	112
<b>YTD Mar – Nov 2016</b>	<b>6,615</b>	<b>324</b>

## 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. Despite lower initial margins from newly started contracts these contracts have had a positive EBT impact
- 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 favorable effects from optimization of bus fleet and losses from bus divestments
- 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	Q3 16/17	Q3 adj 15/16	Change	YTD 16/17	YTD adj 15/16	Change
Cash flow from operations before changes in working capital	325	328	-3	947	851	96
Changes in working capital	72	-10	82	-50	-188	138
Interest received and tax payment	-	1	-1	1	2	-1
Cash flow from operations after changes in working	397	319	78	898	665	233
Cash flow from investing activities	-29	2	-31	-61	-140	79
Cash flow from financing activities	-214	-204	-10	-824	-505	-319
<b>Cash flow for the period</b>	<b>154</b>	<b>117</b>	<b>37</b>	<b>13</b>	<b>20</b>	<b>-7</b>

## KEY POINTS

- Q2 last year adjusted for IPO-related items
- Strong cash flow from operations
- Seasonal effect on working capital is positive in third quarter compared to Q3 of last year
- Investing activities YTD includes proceeds from bus divestments of SEK 158 million
- Cash flow from financing activities includes paid out dividend of SEK -230 million

# INVESTMENTS (CAPEX)

SEK million	Q3 16/17	Q3 15/16	Change	YTD 16/17	YTD 15/16	Change
Investments in new buses	-143	-291	148	-713	-1 151	438
Other investments	-9	-12	3	-23	-52	29
Total investments	-152	-303	151	-736	-1 203	467
Lease financing	115	277	-162	493	1 026	-533
Capex	-37	-26	-11	-243	-177	-66
Whereof: Loan financing of buses	-	-	-	50	108	-58
Whereof: Cash financing	-37	-26	-11	-193	-69	-124

## KEY POINTS

- Investments in new buses primarily related to August traffic starts
- Out of total investments of SEK 736 million, SEK 493 million was lease financed, SEK 50 million loan financed and SEK 193 million cash financed

# BALANCE SHEET

SEK million	2016-11-30	2015-11-30	Change
<b>ASSETS</b>			
Total non-current assets	6,039	5,804	235
Trade receivables and other current rec.	860	877	-17
Restricted cash on bank accounts	-	101	-101
Cash and cash equivalents	706	436	270
<b>Total current assets</b>	<b>1,566</b>	<b>1,414</b>	<b>152</b>
<b>TOTAL ASSETS</b>	<b>7,605</b>	<b>7,218</b>	<b>387</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity	1,162	1,091	71
Total non-current liabilities	4,090	4,020	70
Total current liabilities	2,353	2,107	246
<b>TOTAL LIABILITIES</b>	<b>7,605</b>	<b>7,218</b>	<b>387</b>

## KEY POINTS

- Balance sheet growth related to bus investments
- Strengthened cash position to SEK 706 million (436)
- Equity ratio increased to 15.3% (15.1%)
- Net debt was SEK 3,983 million (3,953)
- Net debt/EBITDA was 3.4x (4.7x)

# SUMMARY

- Strong net sales and result
- Good performance despite low age of contract portfolio and bus fleet
- Nobina's bus-for-rail concept well received in the market
- We can now focus on developing the company further as we enter a period of less contract exposure



# DISCLAIMER – IMPORTANT INFORMATION

This presentation and the information contained herein are being presented by Nobina AB (publ) (the “**Company**”). By attending a meeting where this presentation is presented, or by reading this presentation, you agree to be bound by the following limitations and notifications.

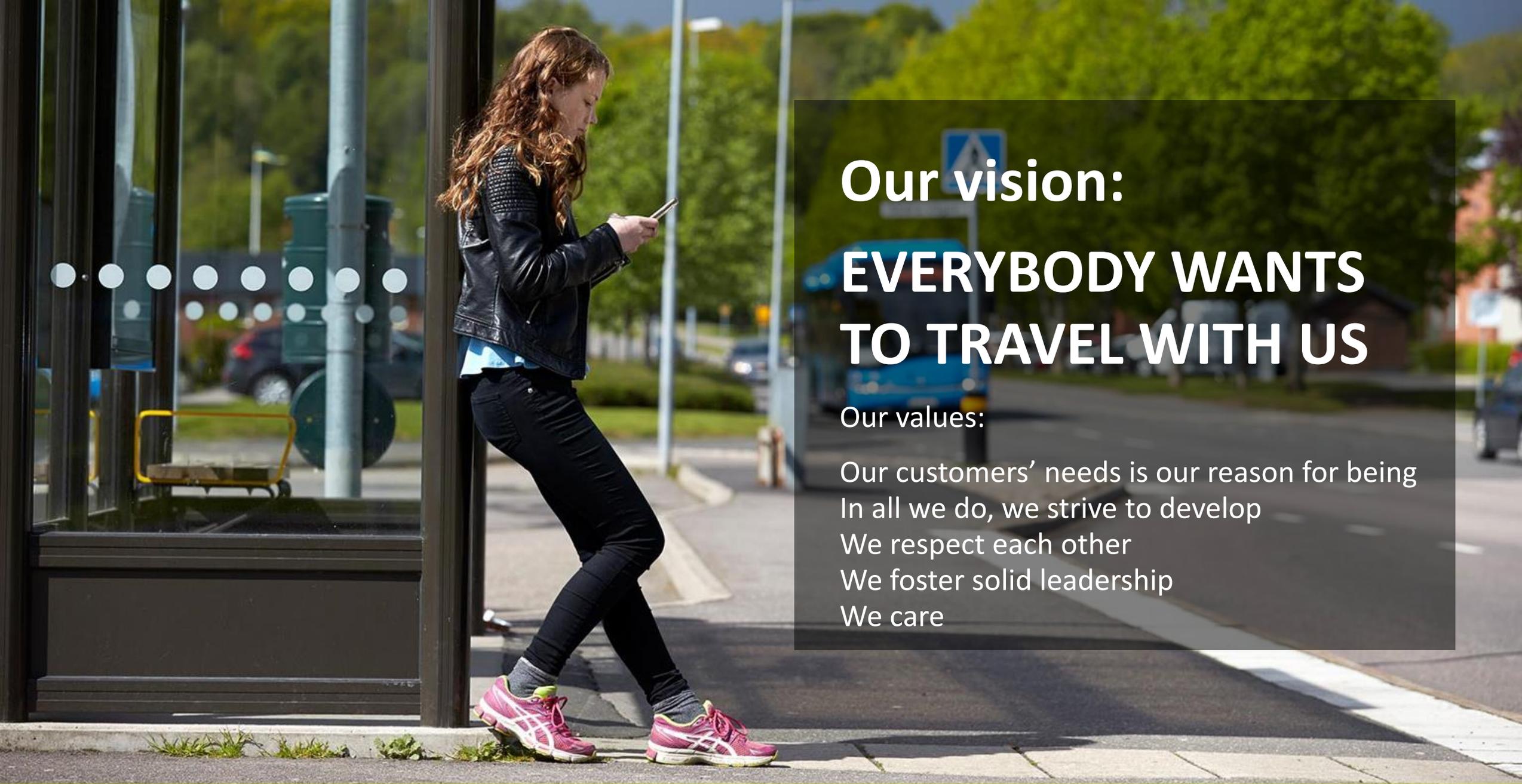
This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and does not constitute any form of commitment or recommendation on the part of the Company.

This presentation does not purport to be all-inclusive or to contain all the information that prospective investors may desire in analysing and deciding whether or not to hold or transact in any of the Company’s securities. Furthermore, recipients of this presentation should not treat the contents of this presentation as advice relating to legal, taxation, financial or other matters and are advised to consult their own professional advisors concerning the acquisition, holding or disposal of any of the Company’s securities.

Certain information contained in this presentation has been obtained from published sources prepared by other parties that the Company has deemed to be relevant. However, neither the Company nor any other person assumes any responsibility whatsoever and makes no representation or warranty, express or implied, for the contents of this presentation, including its accuracy, completeness or verification for any other statement made or purported to be made by any of them, or on their behalf. Nothing in this presentation is, or shall be relied upon as, a representation or promise made, whether as to the past, present or future. Accordingly, no responsibility is accepted by the Company, its subsidiaries or associates or any of their directors, officers, employees or agents, in respect thereof.

This presentation contains forward-looking statements that reflect the Company’s current views with respect to certain future events and potential financial performance. While the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will materialise. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors. To the extent that this presentation contains opinions, estimates, forecasts or other forward looking statements, no guarantees or undertakings that these are correct or complete are given by the Company or any of its members, advisors, officers or employees or any other person. Forecasts and assumptions which are subject to economic and competitive uncertainty are outside such person’s control and no guarantee can be given that projected results will be achieved or that outcomes will correspond with forecasts. Information in this presentation may be changed, added to or corrected without advance notification. The Company does not undertake any obligation to publicly update or revise any information contained herein.

This presentation as well as any other information provided by or on behalf of the Company shall be governed by Swedish law. The courts of Sweden, with the District Court of Stockholm as the first instance, shall have exclusive jurisdiction to settle any conflict or dispute arising out of or in connection with this presentation or related matters.



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

**Nobina** .