



NOBINA AB

Investor presentation, September - November 2017

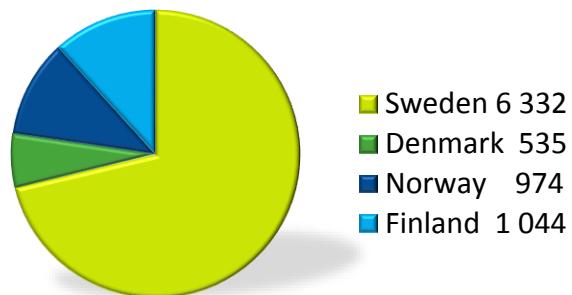


LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

- 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.

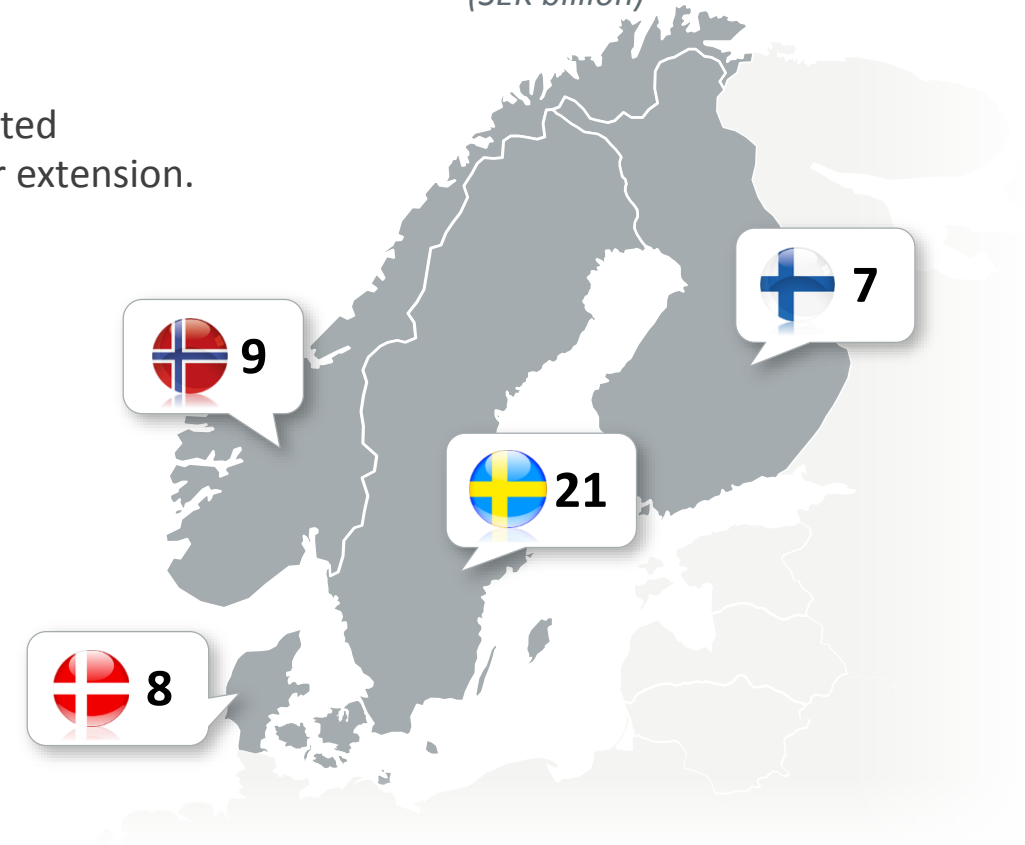
Nobina - Net sales per country

2016/17 (SEK million)



Total market - Annual net sales per country

(SEK billion)



Source: Approximation based on Nobina's data

FINANCIAL OVERVIEW Q3

NET SALES SEK million 2,324 (2,245)	EBIT SEK million 213 (168)	EBT SEK million 178 (131)	CASH FLOW SEK million 127 (154)
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Q3 FINANCIAL HIGHLIGHTS

- Net sales grew 3.5% mainly supported by increased revenue in existing contracts, extra traffic and indexation of revenue
- EBT increased to SEK 178 million due to strong underlying performance in several areas such as pick-up in contract performance reducing impact from contract migration. Also additional business outside the contracts have impacted EBT positively.
- Cash flow from operations before changes in working capital was SEK 375 million (325)
- Investments of SEK 59 million (152) in buses and other equipment



FINANCIAL OVERVIEW YTD

NET SALES SEK million 6,769 (6,615)	EBIT SEK million 406 (431)	EBT SEK million 302 (324)	CASH FLOW SEK million -245 (13)
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YTD FINANCIAL HIGHLIGHTS

- Net sales grew 2.3% supported by extra traffic, increased revenue in existing contracts and indexation of revenue, partly offset by negative contract migration effects from last year
- EBT dropped to SEK 302 million due to contract migration and one time costs of SEK 33 million primarily related to staff redundancy and shortened depreciation time for express buses, partly offset by extra traffic and increased passenger driven revenue
- Cash flow from operations before changes in working capital was SEK 891 million (947)
- Investments of SEK 543 million (736) in buses and other equipment



SIGNIFICANT EVENTS IN Q3

- Nobina Technology has been appointed to run a new 3-year pilot project with autonomous buses in Greater Copenhagen
- During the third quarter it was communicated that the Board of Directors has decided to initiate repurchasing of shares related to the share savings scheme authorized at the AGM



SIGNIFICANT EVENTS AFTER Q3

- Nobina Finland was awarded two new contracts in the Helsinki region by the PTA HRT/HSL including 42 buses and with total contract values of appr. 570 MSEK
- Nobina becomes the first bus operator in the Nordic region with its own self-driving buses in conjunction with a project in Kista which will run over six months starting in January 2018 and will be the first with autonomous buses on public roads in Sweden

BUSINESS DEVELOPMENT

- Growth in existing contracts with extra traffic continuing to have favorable effect
- Negative contract migration effects from last fall are now largely behind us
- Improved efficiency in core business



MARKET UPDATE

- Nobina to operate self-driving buses in pilot projects in Greater Copenhagen and Kista
- Continued high interest for electric bus solutions with PTA's across the Nordic market
- Continued increase of profitability in public transportation
- Bus-for-rail market continues to grow
- Cube infrastructure fund has acquired 60% of Bergkvarabuss



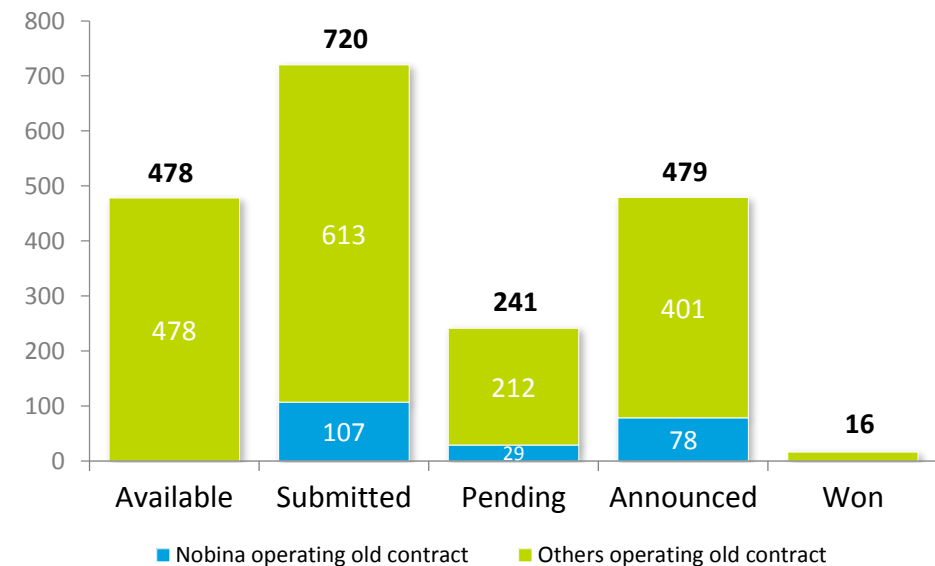
TENDER RESULTS – YTD

- Nobina submitted tenders for 720 buses
- Nobina won 16 of the 479 announced buses

March 2017 – November 2017	Tender results during the period (number of buses)	
	Announced	Won
Sweden	46	16
Norway	370	0
Finland	6	0
Denmark	57	0
Total	479	16

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 106 buses during the period
- Nobina ended contracts involving 140 buses during the period

March 2017 – November 2017	Traffic changes during the period (number of buses)	
	Started	Ended
Sweden	58	79
Norway	21	45
Finland	27	16
Denmark	0	0
Total	106	140

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

8.1
(8.3)

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

4.1
(3.6)

AVERAGE AGE OF BUS FLEET
(Last year)

5.9
(5.5)

CONTRACT MIGRATION, COMING 12M

Traffic starts December 2017 – November 2018

PTA	No. of years	Traffic start	No. of buses	New buses
Skånetrafiken, Sweden	4	Dec 2017	42	12
Värmlandstrafik	8	Dec 2017	3	3
Västtrafik*	10	Jun 2018	13	13
Total			58	28

- Nobina will start new contracts involving a total of 58 in-service buses in the next 12 months

Expiring contracts December 2017 – November 2018

PTA	Traffic ending	No. of buses
Skyss, Norway	Aug 2018	72
Total		72

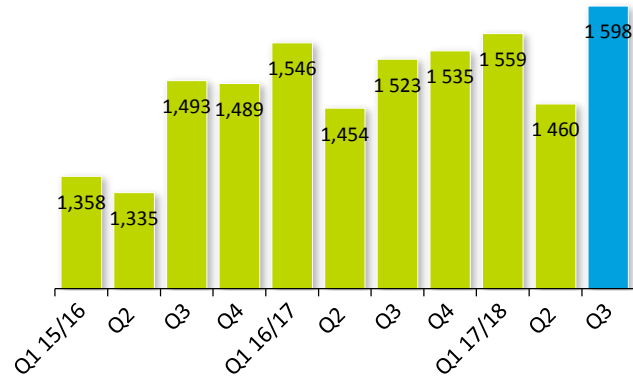
- Nobina will end contracts involving a total of 72 in-service buses in the next 12 months

* Västtrafik tender has been appealed

SWEDEN AND DENMARK - REGIONAL TRAFFIC

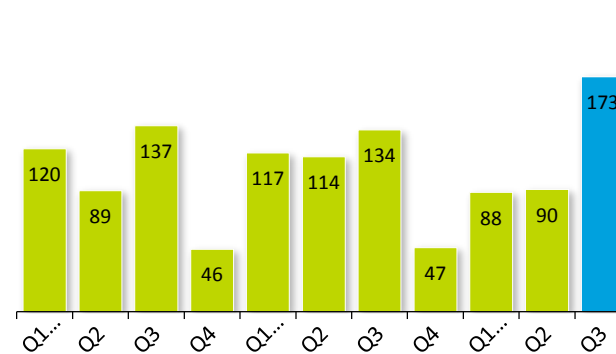
Sweden - Net sales

SEK million



Sweden - EBIT

SEK million

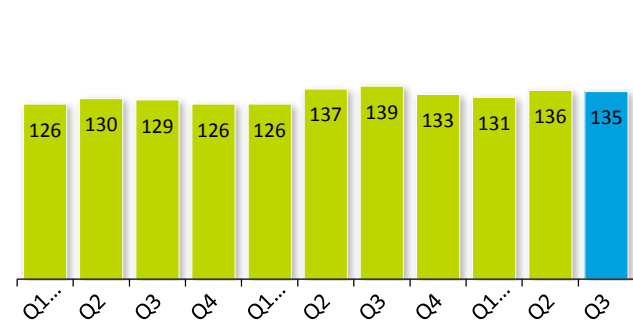


Q3 HIGHLIGHTS

- Net sales increased with additional sales from existing contracts, extra traffic and index revenues
- Strong result indicating that the period of contract migration is largely behind us with also efficiency in operations and additional business having favorable effect

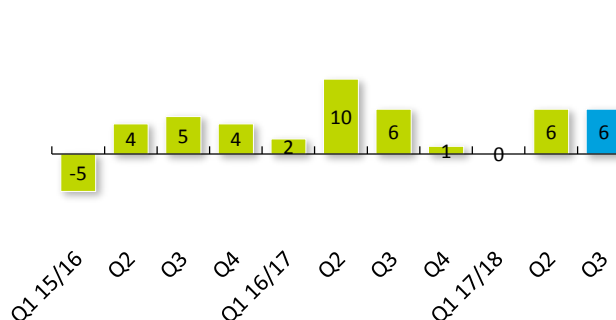
Denmark - Net sales

SEK million



Denmark - EBIT

SEK million



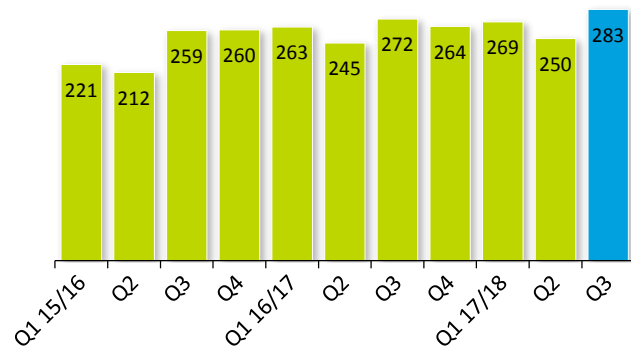
Q3 HIGHLIGHTS

- Net sales in line with last year
- EBIT in line with last year with solid underlying efficiency

FINLAND AND NORWAY - REGIONAL TRAFFIC

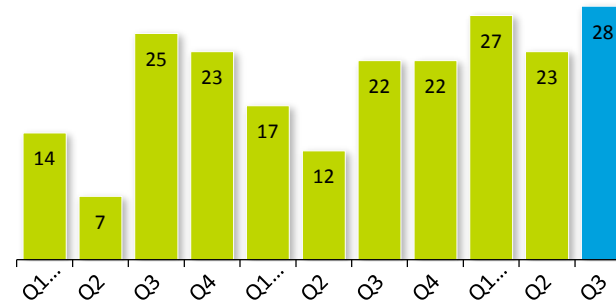
Finland - Net sales

SEK million



Finland - EBIT

SEK million

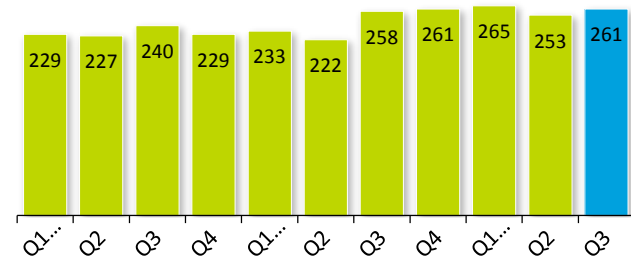


Q3 HIGHLIGHTS

- Net sales higher than last year
- EBIT higher than last year which included costs related to winter effects
- Extra traffic due to metro delays in Helsinki continues until year-end

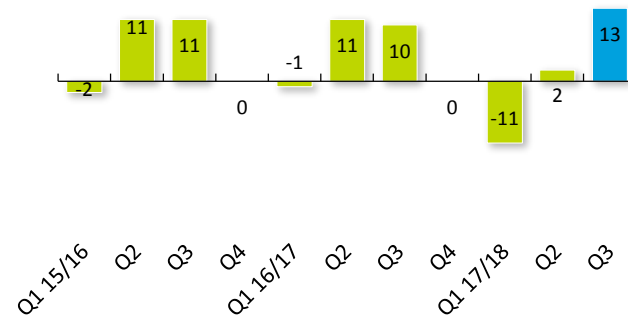
Norway - Net sales

SEK million



Norway - EBIT

SEK million



Q3 HIGHLIGHTS

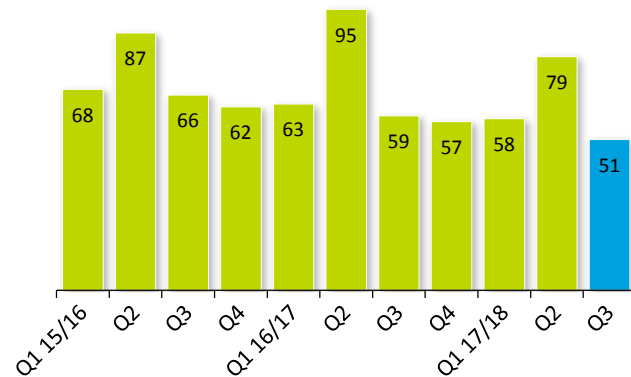
- Net sales in line with last year
- EBIT showing signs of improved efficiency in several traffic areas

SWEBUS



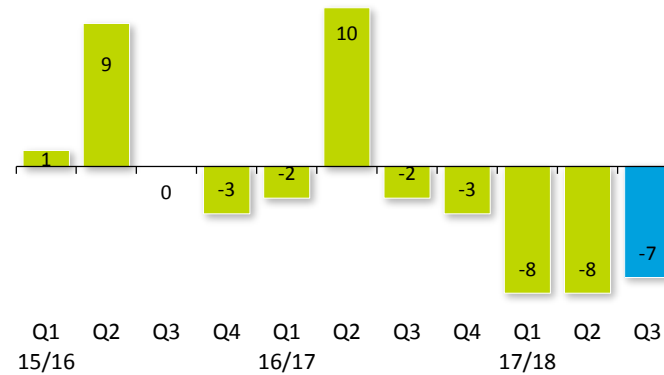
Swebus - Net sales

SEK million



Swebus - EBIT

SEK million



Q3 HIGHLIGHTS

- Net sales decreased due to continued lower express bus volumes, mainly due to reduced ticket prices
- EBIT well below last year affected by increased price competition

RESULTS

SEK million	Q3 17/18	Q3 16/17	Change	YTD 17/18	YTD 16/17	Change
Net sales	2 324	2 245	79	6 769	6 615	154
EBITDAR % of net sales	386 16,6%	343 15,3%	43	941 13,9%	980 14,6%	-39
EBITDA % of net sales	377 16,2 %	330 14,7%	47	909 13,4%	941 14,2%	-32
EBIT % of net sales	213 9,2%	168 7,5%	45	406 6,0%	431 6,5%	-25
Interest income	-	-	-	-	1	-1
Interest expenses	-33	-37	4	-100	-109	9
FX net	-2	-	-2	-4	1	-5
EBT % of net sales	178 7,7%	131 5,8%	47	302 4,5%	324 4,9%	-22
Tax	-38	-29	-9	-68	-73	5
Earnings after tax	140	102	38	234	251	-17

KEY POINTS

- Net sales growth based on growth in existing contracts, extra traffic and index revenues
- EBT margin 7,7 % for the quarter with underlying strong performance in several areas

REVENUE AND EARNINGS ANALYSIS YTD

SEK million	Net sales	EBT
YTD Mar 2016 – Nov 2016	6,615	324
Price and volume	308	64
Contract migration	-304	-29
Indexation & operational efficiency	150	-17
Other	-	-42
Financial net	-	2
YTD Mar 2017 – Nov 2017	6,769	302

KEY POINTS

- Effects of price and volume favorable both regarding Net sales and EBT driven by increase in extra traffic and incentive revenues
- Contract migration has a negative effect on Net sales and EBT. Net sales effect is driven by last year's volume reduction coming from contract migration. Lower initial margins from started contracts as well as start-up costs have adverse EBT impact.
- Positive revenue indexation for the period impacts Net sales and EBT, coming mainly from Sweden. Negative efficiency driven by temporary driver education costs, sick leave costs, fuel consumption and higher bus maintenance costs
- Other includes facility costs, IT and project costs as well as one-off costs related to restructuring, primarily staff redundancy and shortened depreciation time for express buses
- Financial net impacted by lower bus financing interest costs and negative FX effects

CASH FLOW

SEK million	Q3 17/18	Q3 16/17	Change	YTD 17/18	YTD 16/17	Change
Cash flow from operations before changes in working capital	375	325	50	891	947	-56
Changes in working capital	-26	72	-98	-161	-50	-111
Interest received and tax payment	-1	-	-1	-2	1	-3
Cash flow from operations after changes in working capital	348	397	-49	728	898	-170
Cash flow from investing activities	-15	-29	14	-81	-61	-20
Cash flow from financing activities	-206	-214	8	-892	-824	-68
Cash flow for the period	127	154	-27	-245	13	-258

KEY POINTS

- Increased cash flow from operations before working capital following higher result
- Seasonal effect on working capital is negative in third quarter compared to Q3 of last year
- Investing activities includes residual value purchase of buses balanced out by proceeds from bus divestments of SEK 25 million
- Cash flow from financing activities YTD more negative than last year due to SEK 44 MSEK higher dividends paid out

INVESTMENTS (CAPEX)

SEK million	Q3 17/18	Q3 16/17	Change	YTD 17/18	YTD 16/17	Change
Investments in new buses	-44	-143	99	-496	-713	217
Other investments	-15	-9	-6	-47	-23	-24
Total investments	-59	-152	93	-543	-736	193
Lease financing	19	115	-96	405	493	-88
Capex	-40	-37	-3	-138	-243	105
Whereof: Loan financing of buses	-	-	-	4	50	-46
Whereof: Cash financing	-40	-37	-3	-134	-193	59

KEY POINTS

- Investments in new buses also includes residual value purchases of buses in expired leasing contracts
- Lease financing primarily refers to new traffic contracts and the remaining part relates to reinvestments in existing contracts
- All new investments are financed through financial leasing

BALANCE SHEET

SEK million	2017-11-30	2016-11-30	Change
ASSETS			
Total non-current assets	6 052	6 039	13
Trade receivables and other current rec.	871	860	11
Restricted cash on bank accounts	-	-	-
Cash and cash equivalents	563	706	-143
Total current assets	1 434	1 566	-132
TOTAL ASSETS	7 486	7 605	-119
EQUITY AND LIABILITIES			
Shareholders' equity	1 381	1 162	219
Total non-current liabilities	3 842	4 090	-248
Total current liabilities	2 263	2 353	-90
TOTAL LIABILITIES	7 486	7 605	-119

KEY POINTS

- Total non-current assets growth related to bus investments
- Reduced cash position to SEK 563 million (706)
- Equity ratio increased to 18.4% (15.3%)
- Net debt was SEK 3,807 million (3,983)
- Net debt/EBITDA was 3.4x (3.4x)

SUMMARY

- Net sales increase primarily coming from increased business in existing contracts
- Strong EBT margin indicating that contract migration effects from last year are largely behind us
- Nobina continues to drive technology development
 - Autonomous bus projects initiated both in Copenhagen and Kista



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