



NOBINA AB

Investor presentation, Year-end report December 2017 – February 2018

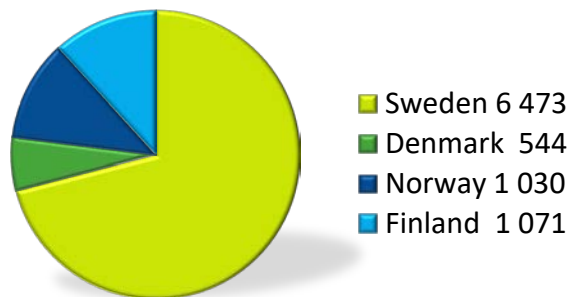


LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

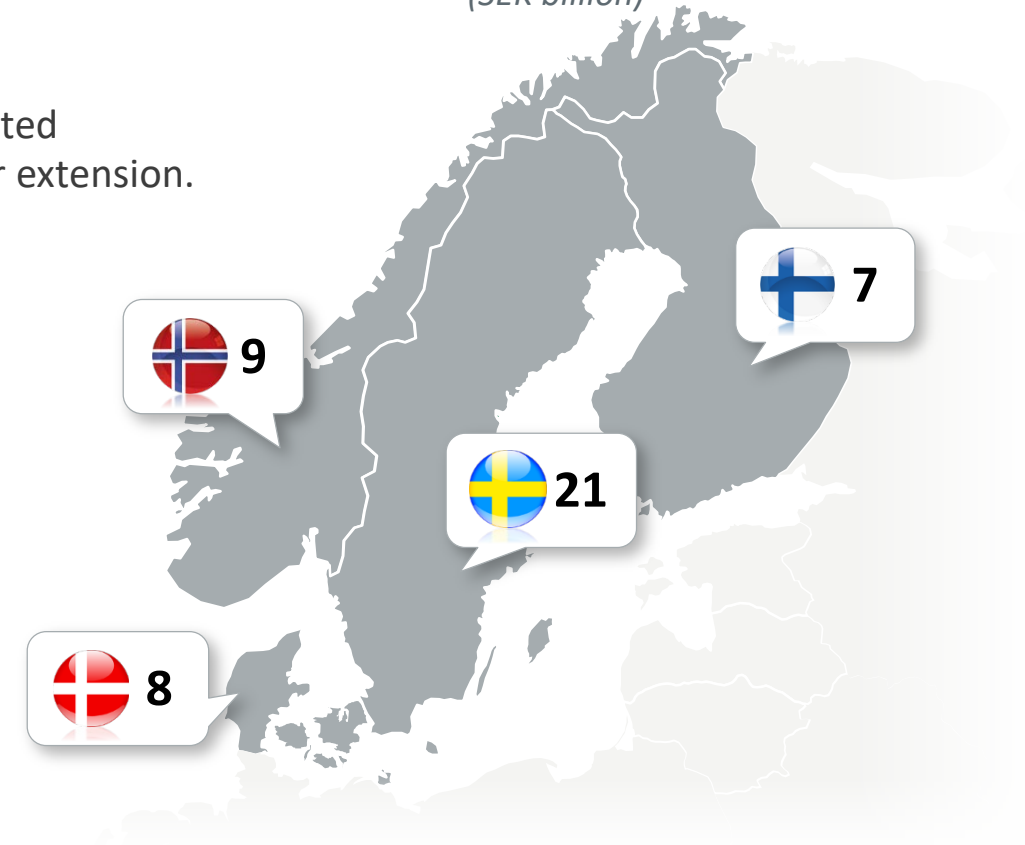
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 95% of revenues supported by long term contracts, typically lasting 5-10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

2017/18 (SEK million)



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



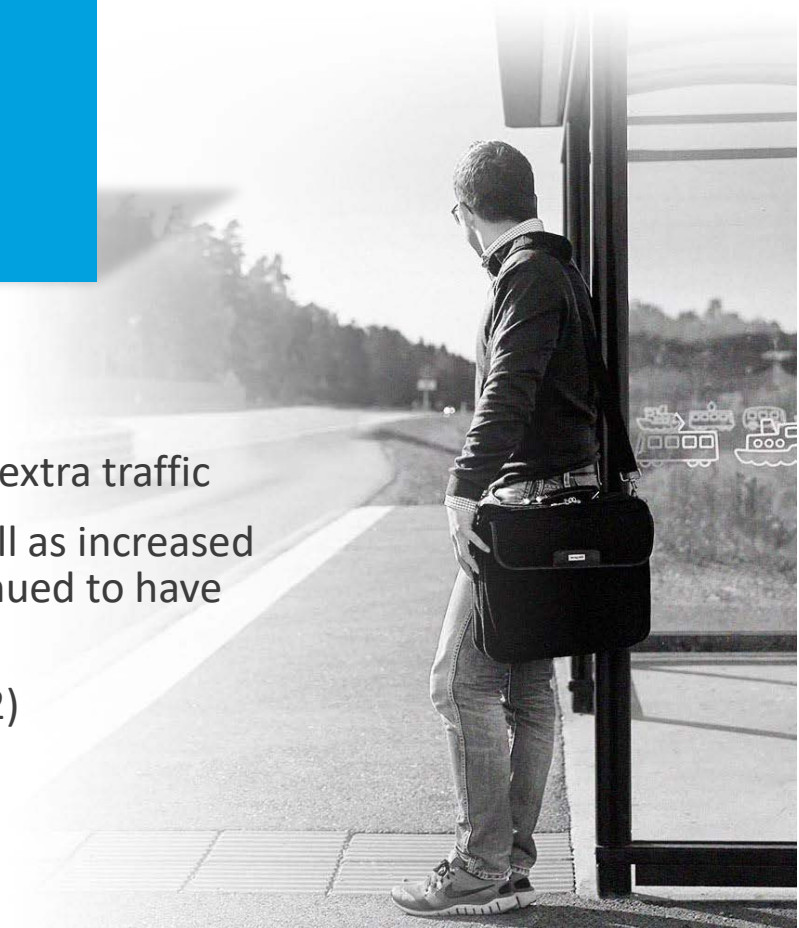
Source: Approximation based on Nobina's data

FINANCIAL OVERVIEW Q4

NET SALES SEK million 2,325 (2,243)	EBIT SEK million 84 (63)	EBT SEK million 53 (31)	CASH FLOW SEK million 151 (101)
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Q4 FINANCIAL HIGHLIGHTS

- Net sales grew 3.7% mainly supported by increased revenue in existing contracts and extra traffic
- EBT increased to SEK 53 million due to strong performance in existing contracts as well as increased profitability in contracts started last year. Added business outside the contracts continued to have positive impact on EBT.
- Cash flow from operations before changes in working capital was SEK 228 million (232)
- Investments of SEK 173 million (108) in buses and other equipment



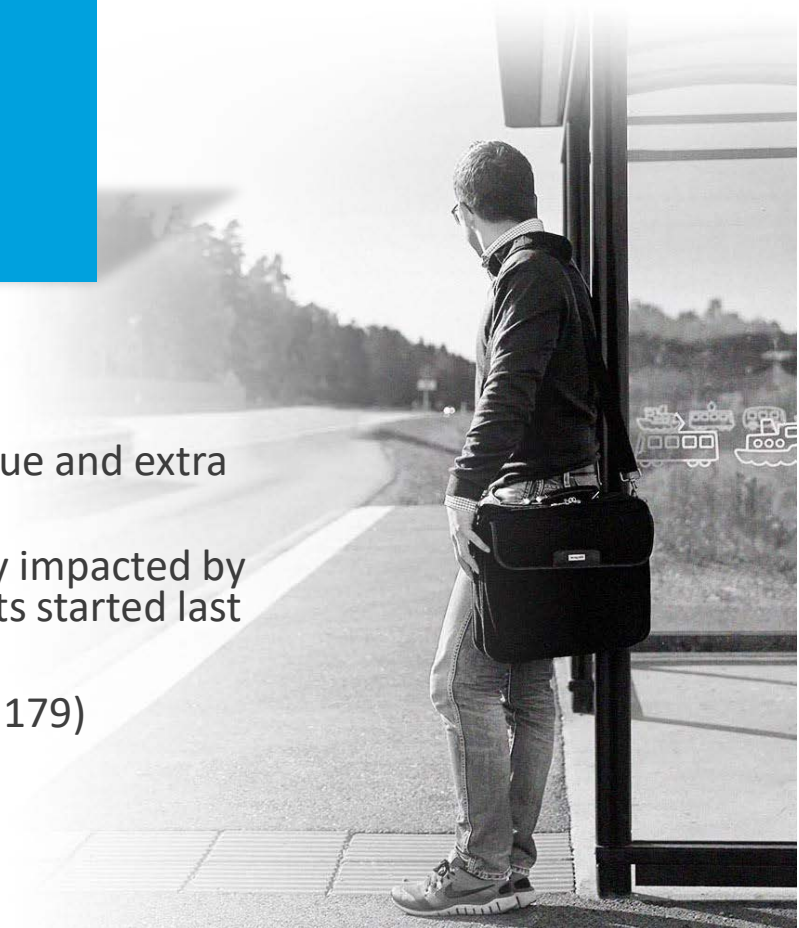
FINANCIAL OVERVIEW YTD

NET SALES	EBIT (adjusted*)	EBT (adjusted*)	CASH FLOW
SEK million	SEK million	SEK million	SEK million
9,094	523	388	-94
(8,858)	(494)	(355)	(114)

YTD FINANCIAL HIGHLIGHTS

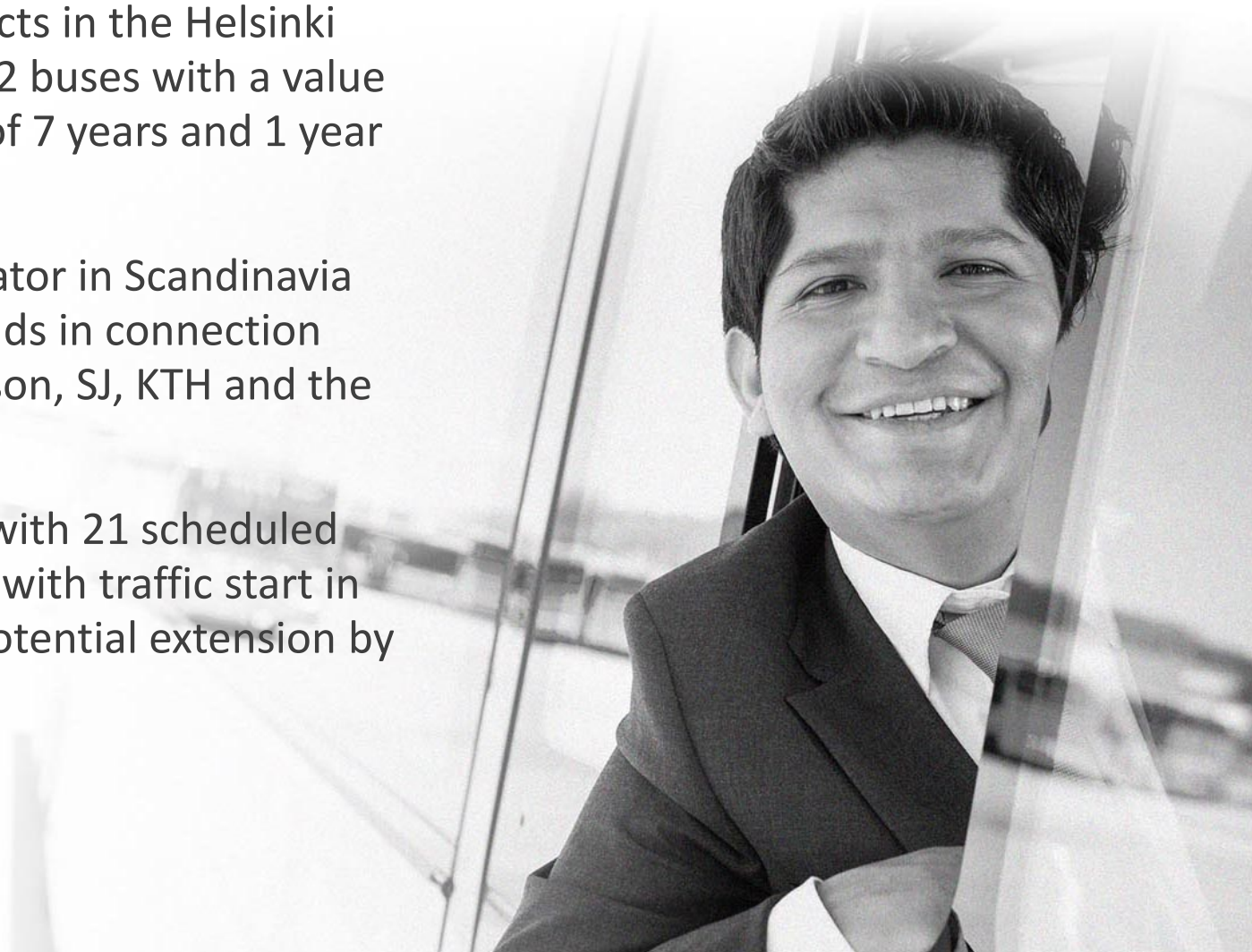
- Net sales grew 2.7% from increased revenue in existing contracts, indexation of revenue and extra traffic
- EBT in line with last year and adjusted EBT of SEK 388 million above last year favorably impacted by extra traffic and higher incentive revenues as well as increased profitability in contracts started last year.
- Cash flow from operations before changes in working capital was SEK 1 119 million (1 179)
- Investments of SEK 716 million (844) in buses and other equipment

*EBIT and EBT adjusted for non-recurring costs of SEK 33 million relating to Q1 and Q2



SIGNIFICANT EVENTS IN Q4

- Nobina Finland was awarded two new contracts in the Helsinki region with HRT/HSL consisting of a total of 42 buses with a value of SEK 570 million over the contract periods of 7 years and 1 year respectively
- In January, Nobina became the first bus operator in Scandinavia with its own autonomous buses on public roads in connection with a cooperation project in Kista with Ericsson, SJ, KTH and the City of Stockholm among others
- New traffic contract with MOVIA in Roskilde with 21 scheduled buses and a value of of appr. DKK 300 million with traffic start in April 2019 and extend over six years with a potential extension by a total of six additional years



SIGNIFICANT EVENTS AFTER Q4

- Extension of two contracts with Ruter in Oslo and investment in electric buses starting 2019. The extensions, with a total value of appr. NOK 800 million, run until 2022 and 2023 and comprise a total of 92 scheduled buses, of which 20 are new electric articulated buses
- The credit rating agreement with Standard & Poor's regarding Nobina AB has, on the company's own request, been withdrawn
- The Board of Directors has proposed a dividend of SEK 3.35 (3.10) per share for payment in June 2018, which is an 8 per cent increase compared with the preceeding year and corresponding to a dividend yield of 6.1 per cent

BUSINESS DEVELOPMENT

- Continued growth in existing contracts with extra traffic
- Metro replacement traffic in Helsinki ended on 1 January
- New contracts, started in 2016 and 2017, performing well
- Improved efficiency in core business
- Increased number of passengers in Swebus



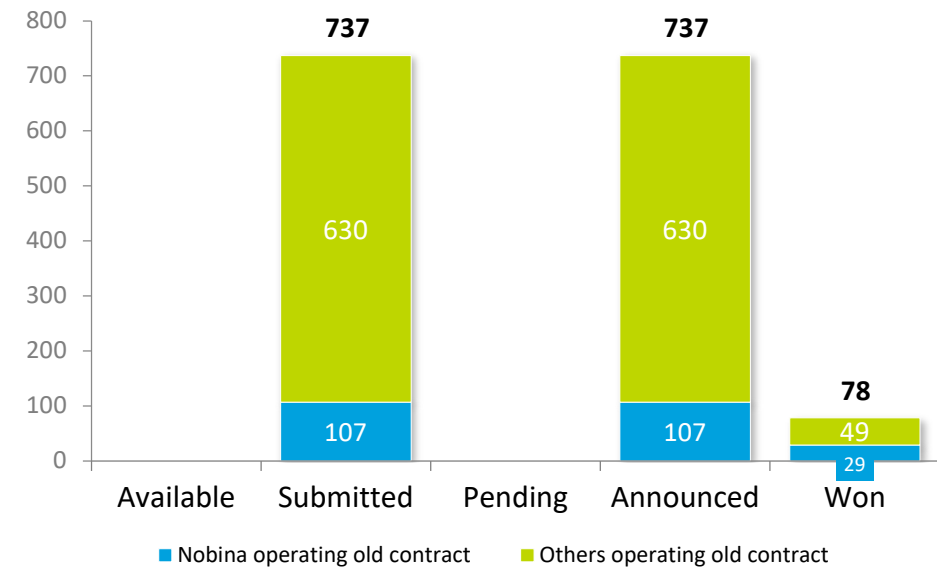
TENDER RESULTS – YTD

- Nobina submitted tenders for 737 buses
- Nobina won 78 of the 737 announced buses

March 2017 – February 2018	Tender results during the period (number of buses)	
	Announced	Won
Sweden	138	16
Norway	370	0
Finland	98	41
Denmark	131	21
Total	737	78

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

March 2017 – February 2018	Traffic changes during the period (number of buses)	
	Started	Ended
Sweden	103	79
Norway	21	45
Finland	27	16
Denmark	0	0
Total	151	140

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

8.0
(8.2)

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

4.3
(3.7)

AVERAGE AGE OF BUS FLEET
(Last year)

6.1
(5.6)

CONTRACT MIGRATION, COMING 12M

Traffic starts March 2018 – February 2019

PTA	No. of years	Traffic start	No. of buses	New buses
HSL, Finland	7	Aug 2018	28	23
Västtrafik*	10	Dec 2018	13	13
Skånetrafiken	2,5	Dec 2018	12	12
Total			53	48

- Nobina will start new contracts involving a total of 53 in-service buses in the next 12 months

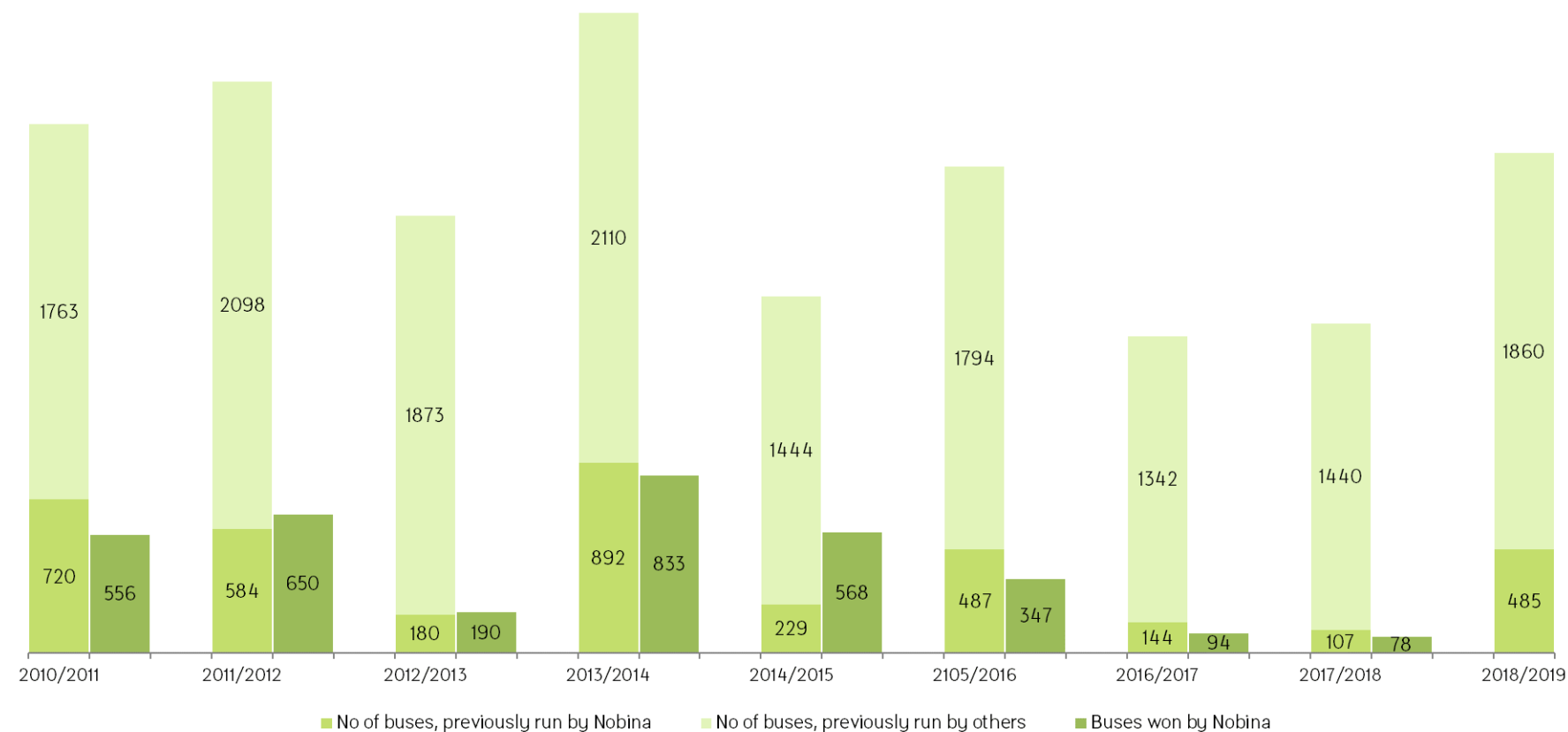
Expiring contracts March 2018 – February 2019

PTA	Traffic ending	No. of buses
HSL, Finland	Aug 2018	11
Skyss, Norway	Aug 2018	72
HSL, Finland	Dec 2018	15
Total		98

- Nobina will end contracts involving a total of 98 in-service buses in the next 12 months

* Västtrafik tender has been appealed

FUTURE AVAILABLE TENDERS

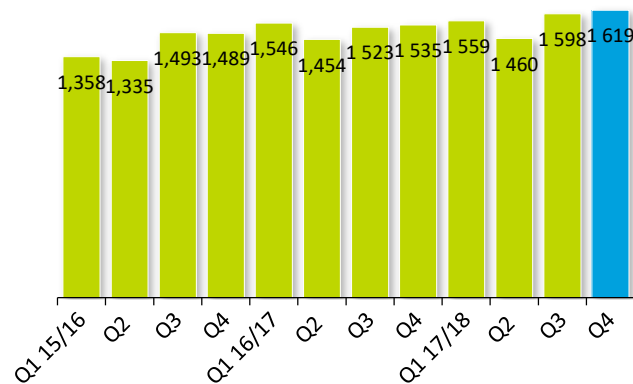


Figures represent number of buses in announced tenders for historical periods and tender outlook for 2018/19

SWEDEN AND DENMARK - REGIONAL TRAFFIC

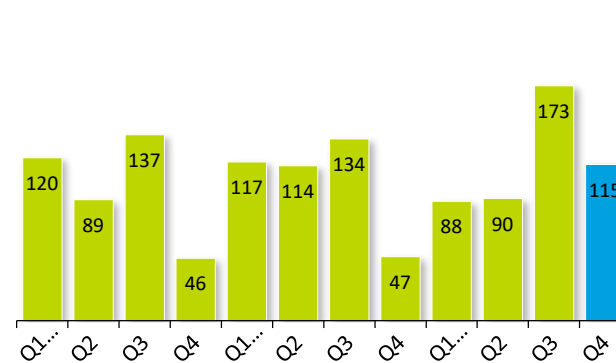
Sweden - Net sales

SEK million



Sweden - EBIT

SEK million

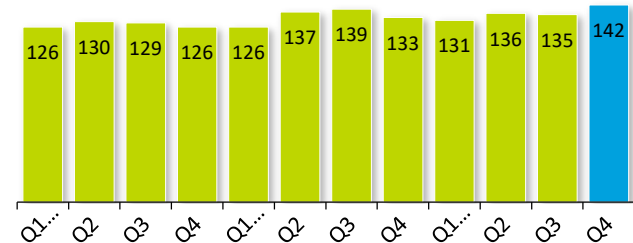


Q4 HIGHLIGHTS

- Net sales increased by additional sales in existing contracts and contracts started last year
- Strong result coming from increased profitability in contracts started last year as well as extra traffic and higher efficiency in several traffic areas

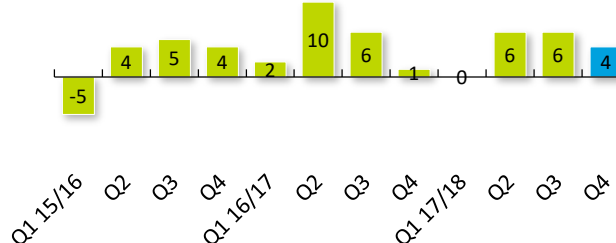
Denmark - Net sales

SEK million



Denmark - EBIT

SEK million



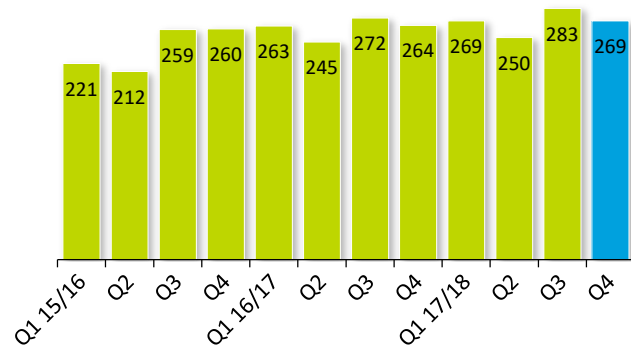
Q4 HIGHLIGHTS

- Increased Net sales in existing contract portfolio
- EBIT higher than last year with solid underlying efficiency

FINLAND AND NORWAY - REGIONAL TRAFFIC

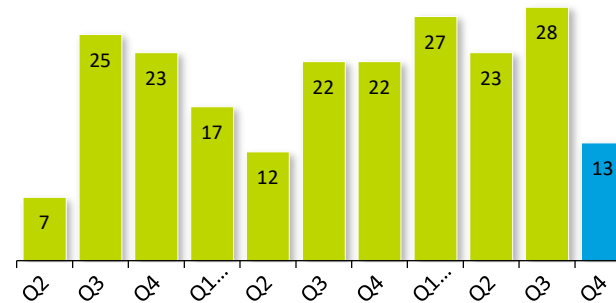
Finland - Net sales

SEK million



Finland - EBIT

SEK million

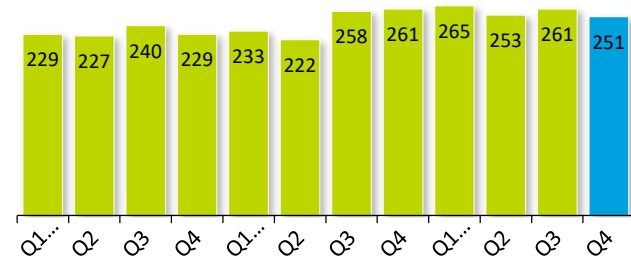


Q4 HIGHLIGHTS

- Net sales in line with last year
- EBIT lower than last year after ending of extra traffic due to metro delays in Helsinki

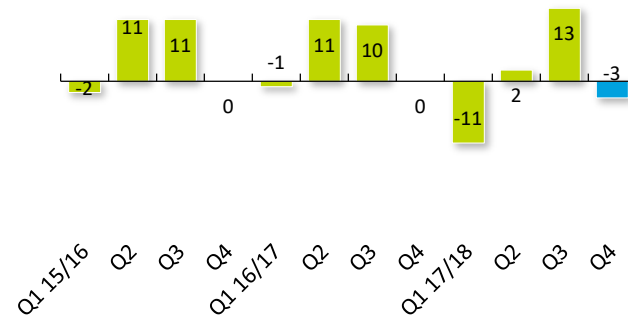
Norway - Net sales

SEK million



Norway - EBIT

SEK million



Q4 HIGHLIGHTS

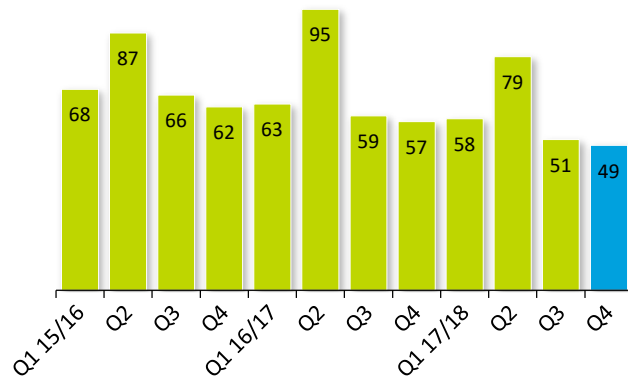
- Net sales lower than last year
- EBIT lower than last year after a period of reduced efficiency

SWEBUS



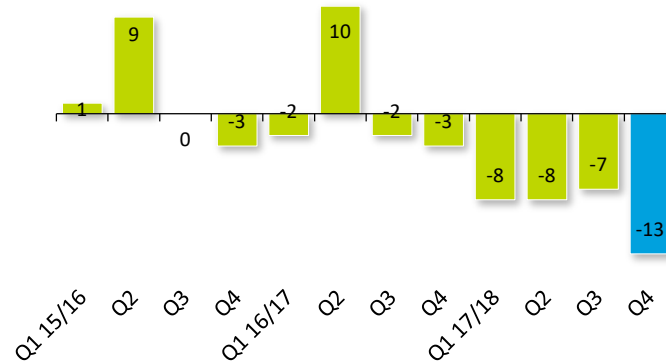
Swebus - Net sales

SEK million



Swebus - EBIT

SEK million



Q4 HIGHLIGHTS

- Increased passenger volumes offset by lower market prices for express bus travel due to fierce competition
- EBIT well below last year affected by increased price competition

RESULTS

SEK million	Q4 17/18	Q4 16/17	Change	YTD 17/18	YTD 16/17	Change
Net sales	2 325	2 243	82	9 094	8 858	236
EBITDAR	261	235	26	1 202	1 215	-13
% of net sales	11,2%	10,7%		13,2%	13,7%	
EBITDA	253	220	33	1 162	1 161	1
% of net sales	10,9 %	9,8%		12,8%	13,1%	
EBIT	84	63	21	490	494	-4
% of net sales	3,5%	2,8%		5,4%	5,6%	
Interest income	-	-	-	-	1	-1
Interest expenses	-32	-34	2	-132	-143	11
FX net	1	2	-1	-3	3	-6
EBT	53	31	22	355	355	-
% of net sales	2,3%	1,8%		3,9%	4,0%	
Tax	-9	236	-245	-77	163	-240
Earnings after tax	44	267	-223	278	518	-240

KEY POINTS

- Net sales growth based on growth in existing contracts, extra traffic and index revenue
- EBT margin 2,3 % for the quarter with underlying strong performance in several areas and favorable contract migration effects
- Adjusted YTD EBT was 388 MSEK representing a margin of 4,3%

REVENUE AND EARNINGS ANALYSIS YTD

SEK million	Net sales	EBT
YTD Mar 2016 – Feb 2017	8,858	355
Price and volume	128	37
Contract migration	-72	17
Indexation & operational efficiency	180	7
Other	-	-32
Items affecting comparability	-	-33
Financial net	-	4
YTD Mar 2017 – Feb 2018	9,094	355

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, driven by Sweden and Finland and last year's volume reduction coming from contract migration. EBT improving as a result of increased profitability in contracts started last year
- Positive revenue indexation for the period impacts Net sales and EBT, coming mainly from Sweden. Lower costs for bus maintenance in Sweden has favorable effect
- Other represents facility costs, IT and project costs
- Items affecting comparability includes one-off costs of 33 MSEK related to restructuring, primarily staff redundancy and shortened depreciation time for express buses
- Financial net impacted positively by lower bus financing interest costs and negatively by FX effects

CASH FLOW

SEK million	Q4 17/18	Q4 16/17	Change	YTD 17/18	YTD 16/17	Change
Cash flow from operations before changes in working capital	228	232	-4	1 119	1 179	-60
Changes in working capital	169	104	65	8	54	-46
Interest received and tax payment	-5	-	-5	-7	1	-8
Cash flow from operations after changes in working capital	392	336	56	1 120	1 234	-114
Cash flow from investing activities	-33	-45	12	-114	-106	-8
Cash flow from financing activities	-208	-190	-18	-1 100	-1 014	-86
Cash flow for the period	151	101	50	-94	114	-208

KEY POINTS

- Cash flow from operations before working capital in line with Q4 of previous year but YTD impacted negatively by lower cost accruals in the result
- Seasonal effect on working capital is positive in fourth quarter compared to Q4 of last year balancing out YTD to become neutral
- Working capital improvement in Q4, following normal seasonal recovery pattern but YTD is below last year due to payments of prior year A/P falling in to this year
- Investing activities YTD includes residual value purchase of buses balanced out by proceeds from bus divestments of SEK 62 million
- Cash flow from financing activities YTD more negative than last year partly due to SEK 44 million higher dividends paid out and partly due to peak in cash funded CAPEX

INVESTMENTS (CAPEX)

SEK million	Q4 17/18	Q4 16/17	Change	YTD 17/18	YTD 16/17	Change
Investments in new buses	-159	-98	-61	-655	-811	156
Other investments	-14	-10	-4	-61	-33	-28
Total investments	-173	-108	65	-716	-844	128
Lease financing	135	61	74	540	554	-14
Capex	-38	-47	9	-176	-290	-114
Whereof: Loan financing of buses	-	14	-14	4	64	-60
Whereof: Cash financing	-38	-33	-5	-172	-226	54

KEY POINTS

- Low level of total investments YTD due to calm year with few traffic starts
- 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 Bus investments are financed through financial leasing or loans

BALANCE SHEET

SEK million	2018-02-28	2017-02-28	Change
ASSETS			
Total non-current assets	6 081	6 201	-120
Trade receivables and other current rec.	1 006	952	54
Restricted cash on bank accounts	-	-	-
Cash and cash equivalents	720	804	-84
Total current assets	1 726	1 756	-30
TOTAL ASSETS	7 807	7 957	-150
EQUITY AND LIABILITIES			
Shareholders' equity	1 436	1 421	15
Total non-current liabilities	3 806	4 058	-252
Total current liabilities	2 565	2 478	87
TOTAL LIABILITIES	7 807	7 957	-119

KEY POINTS

- Total non-current assets reduction related to bus investments and monthly depreciation
- Reduced cash position to SEK 720 million (804)
- Equity ratio increased to 18.4% (17.9%)
- Interest-bearing liabilities was SEK 3 629 million (3,753)
- Net debt/EBITDA was 3.1x (3.2x)

SUMMARY

- Continued Revenue growth in existing contracts
- Increased EBT margin (excluding one-off costs) from 4,0% to 4,3% moves Nobina closer to its target of 4,5%
- Nobina continues to drive technology development
 - Autonomous bus projects initiated both in Copenhagen and Kista
- Additional traffic in Denmark and Norway supporting future growth
- Board proposes increased dividend of 3.35 SEK per share
- High level of upcoming tenders in FY 2018/2019



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