



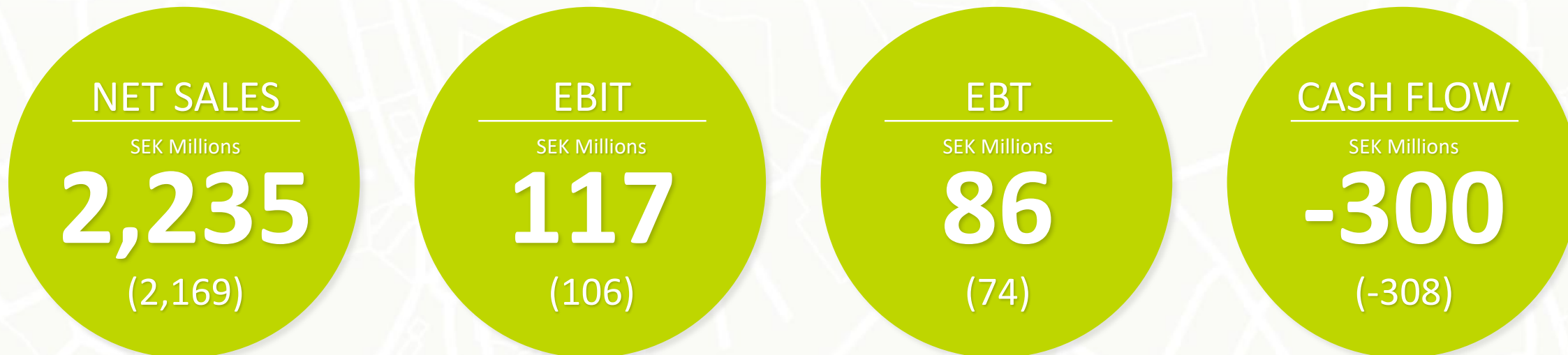
# NOBINA AB

Investor presentation, Interim report June 2018 – August 2018

*Nobina investor presentation, Q2 2018/19*



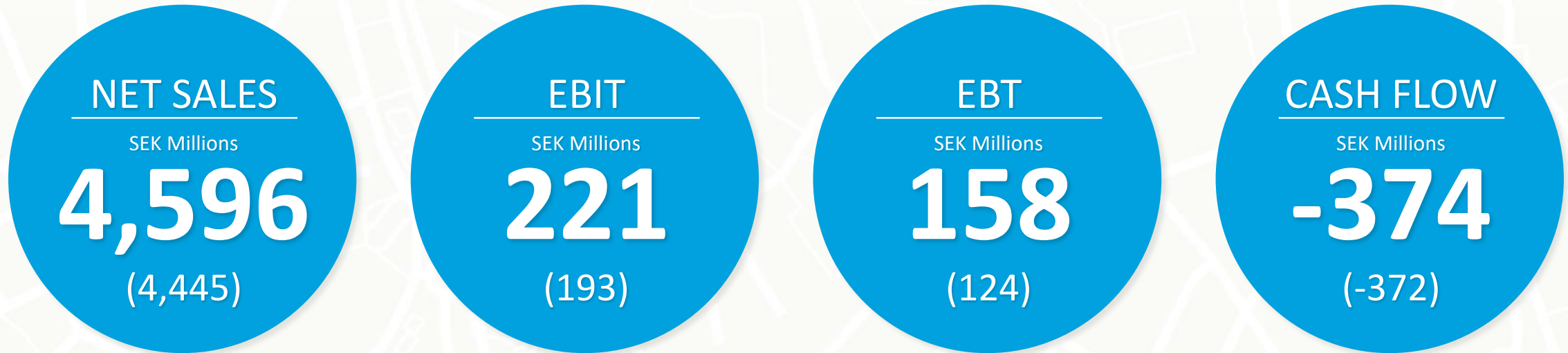
# SECOND QUARTER WITH SOLID PERFORMANCE



## Q2 FINANCIAL HIGHLIGHTS

- Net sales grew 3.0% mainly supported by increased revenue in existing contracts, index revenue, extra traffic and currency effects partly offset by divestment of Swebus.
- EBT increased to SEK 86 million driven by business development in existing contracts and extra traffic. Results compared to last year lower in Finland after metro replacement traffic in Helsinki ended in December 2017.
- Cash flow from operations before changes in working capital was SEK 300 million (294)
- Investments of SEK 35 million (271) in buses and other equipment

# PROFITABLE GROWTH WITH FINANCIAL TARGETS ACHIEVED ROLLING 12 MONTHS



## YTD FINANCIAL HIGHLIGHTS

- Net sales grew 3.4% from increased revenue in existing contracts, indexation of revenue, extra traffic and currency effects
- EBT increased to SEK 158 million driven by business development in existing contracts and extra traffic. First two quarters with negative result impact compared to last year after discontinuation of replacement traffic in Helsinki in December 2017.
- Cash flow from operations before changes in working capital was SEK 575 million (516)
- Investments of SEK 107 million (484) in buses and other equipment



# SIGNIFICANT EVENTS IN Q2

- Contract won with Västtrafik with a total value of around SEK 500 million extending over ten years
- Agreement in place in Barkarbystaden including fully electrified bus services with autonomous buses used in scheduled services commencing fall 2018
- Agreement signed to acquire Samtrans AB, leading player in special public transport in the Stockholm region



# ORGANIC GROWTH AND NEW TECHNOLOGY CREATING BUSINESS POTENTIAL

- Organic growth driven by extra traffic in Norway and Sweden
- Continued focus on identifying profitable growth opportunities through acquisitions
- Technology shift with electric and autonomous buses now being realized in the market place
- Commercial traffic with autonomous buses will start in Järfälla in October



# MAJOR PART OF NOBINA'S EXPOSED TRAFFIC ANNOUNCED

- Nobina submitted tenders for 1 644 buses
- Nobina won 319 of the 1 493 announced buses

## Definitions:

*Available* - Remaining buses available in tenders this year

*Submitted* - Number of buses in tenders submitted by Nobina

*Pending* - Submitted less announced

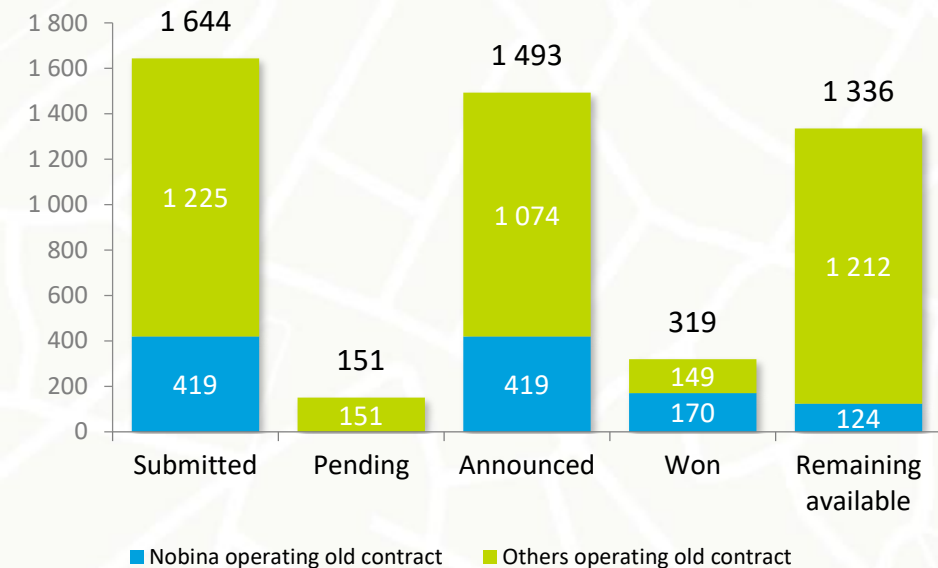
*Announced* - Submitted tenders, results are announced

*Won* - Nobina's wins out of announced tenders

March 2018 – August 2018	Tender results during the period (number of buses)	
	Announced	Won
Sweden	529	162
Norway	879	127
Finland	65	30
Denmark	20	0
<b>Total</b>	<b>1 493</b>	<b>319</b>

## TENDER UPDATE

Number of buses





# MATURING CONTRACT PORTFOLIO WITH LOW CONTRACT MIGRATION

- Nobina started contracts involving 31 buses during the period
- Nobina ended contracts involving 83 buses during the period

March 2018 – August 2018	Traffic changes during the period (number of buses)	
	Started	Ended
Sweden	2	0
Norway	0	72
Finland	29	11
Denmark	0	0
<b>Total</b>	<b>31</b>	<b>83</b>

**Average weighted contract length**  
(last year)

**8.1**  
(8.2)

**Average weighted contract age**  
(last year)

**4.5**  
(3.9)

**Average age of bus fleet**  
(last year)

**6.4**  
(5.8)

# CONTRACT MIGRATION PACE WILL PICK UP DURING NEXT 12 MONTHS

## Traffic starts September 2018 – August 2019

PTA	No. of years	Traffic start	No. of buses	New buses
HSL, Finland	5	Oct 2018	13	3
Skånetrafiken	2,5	Dec 2018	12	12
Värmlandstrafik	8	Dec 2018	7	7
HSL, Finland	2	Jan 2019	17	9
Västtrafik	10	Mar 2019	13	13
Movia, Denmark	6	Apr 2019	20	20
Västtrafik	10	Jun 2019	23	15
Ruter, Norge	8	Jul 2019	127	127
LT Sörmland	10	Aug 2019	130	58
<b>Total</b>			<b>362</b>	<b>264</b>

Nobina will start new contracts involving a total of 362 in-service buses in the next 12 months

## Expiring contracts September 2018 – August 2019

PTA	Traffic ending	No. of buses
HSL, Finland	Dec 2018	15
Västtrafik	Jun 2019	23
Skånetrafiken	Jun 2019	79
Ruter, Norge	Jun 2019	30
LT Sörmland	Aug 2019	119
HSL, Finland	Aug 2019	122
TFT, Norge	Aug 2019	135
<b>Total</b>		<b>523</b>

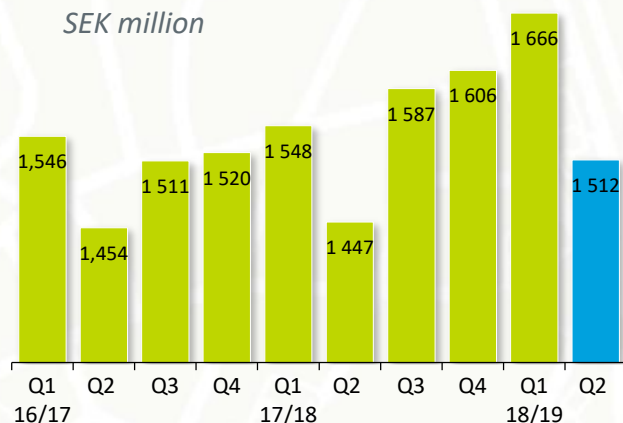
Nobina will end contracts involving a total of 523 in-service buses in the next 12 months



# MATURING CONTRACT PORTFOLIO IMPROVING SWEDISH MARGIN

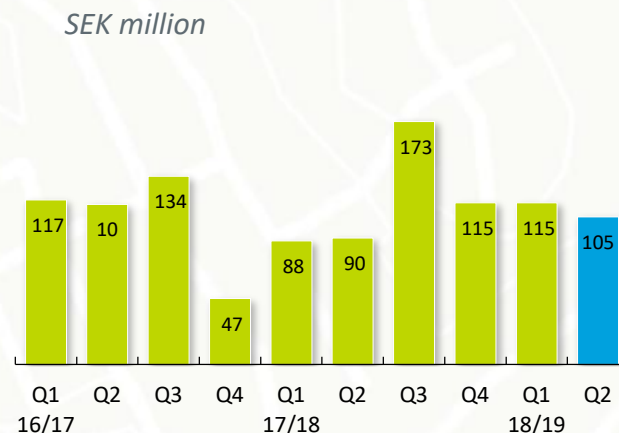
## SWEDEN - NET SALES

SEK million



## SWEDEN - EBIT

SEK million

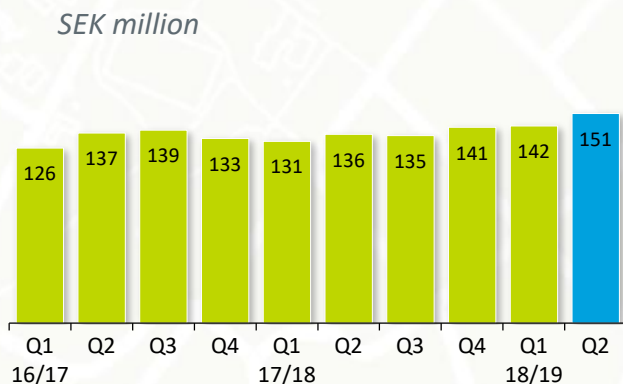


## Q2 HIGHLIGHTS

- Net sales increased by additional sales in existing contracts and index revenues
- Strong result coming from increased profitability in contracts started last year and profitable additional business

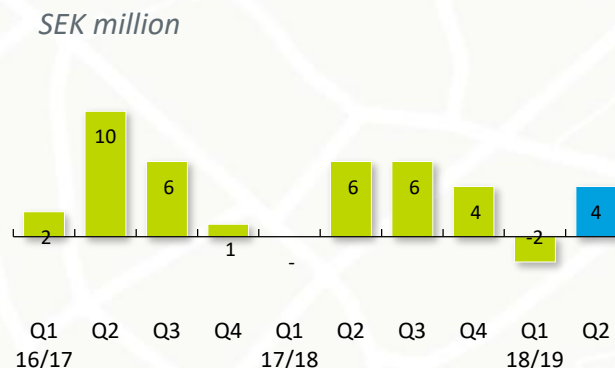
## DENMARK - NET SALES

SEK million



## DENMARK - EBIT

SEK million



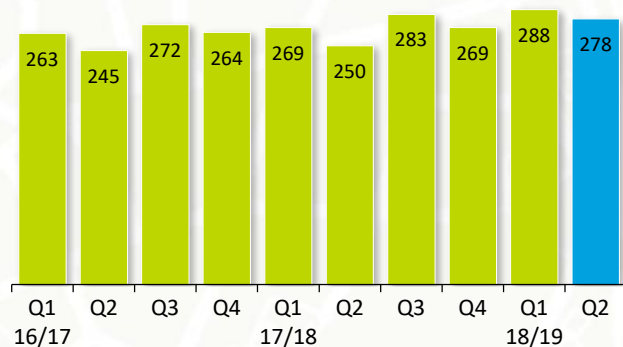
## Q2 HIGHLIGHTS

- Increased Net sales coming from existing contract portfolio
- EBIT lower than last year with negative impact from bus maintenance cost

# BUSINESS DEVELOPMENT BEHIND IMPROVED PROFITABILITY IN NORWAY

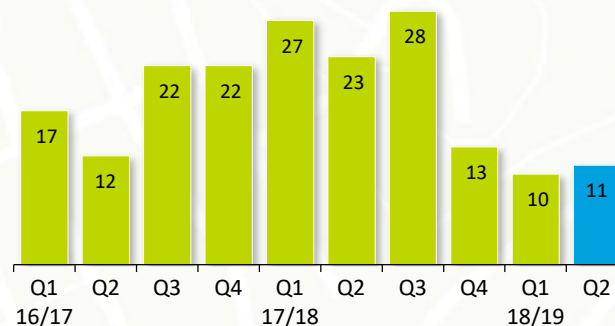
## FINLAND - NET SALES

SEK million



## FINLAND - EBIT

SEK million

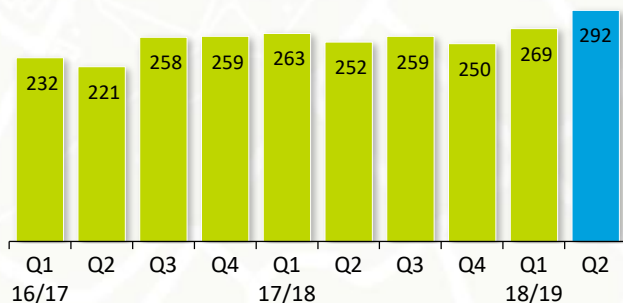


## Q2 HIGHLIGHTS

- Net sales higher than last year mainly coming from currency effects
- EBIT lower than last year after ending of the metro replacement traffic in Helsinki

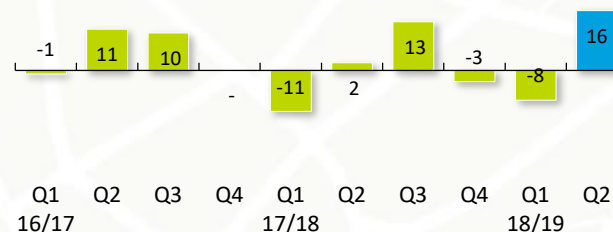
## NORWAY - NET SALES

SEK million



## NORWAY - EBIT

SEK million



## Q2 HIGHLIGHTS

- Net sales increased from additional sales in existing contracts and extra traffic
- EBIT significantly higher than last year with profitable extra traffic and business development

# SECOND QUARTER RESULTS IN LINE WITH LAST YEAR

SEK million	Q2 18/19	Q2 17/18	Change	YTD 18/19	YTD 17/18	Change
<b>Net sales</b>	<b>2 235</b>	<b>2 076</b>	<b>159</b>	<b>4 596</b>	<b>4 281</b>	<b>315</b>
<b>EBITDAR</b>	<b>316</b>	<b>306</b>	<b>10</b>	<b>598</b>	<b>567</b>	<b>31</b>
% of net sales	14,1%	14,7%		13,0%	13,2%	
<b>EBITDA</b>	<b>309</b>	<b>297</b>	<b>12</b>	<b>587</b>	<b>548</b>	<b>39</b>
% of net sales	13,8 %	14,3%		12,8%	12,8%	
<b>EBIT</b>	<b>117</b>	<b>114</b>	<b>3</b>	<b>221</b>	<b>209</b>	<b>12</b>
% of net sales	5,2%	5,5%		4,8%	4,9%	
Interest income	-	-	-	-	-	-
Interest expenses	-31	-33	2	-64	-67	3
FX net	-	1	-1	1	-2	3
<b>EBT</b>	<b>86</b>	<b>82</b>	<b>4</b>	<b>158</b>	<b>140</b>	<b>18</b>
% of net sales	3,8%	3,9%		3,4%	3,3%	
Tax	-21	-17	-4	-39	-34	-5
<b>Earnings after tax</b>	<b>65</b>	<b>65</b>	<b>-</b>	<b>119</b>	<b>106</b>	<b>13</b>

## KEY POINTS

- Net sales growth based on growth in existing contracts, where both production and incentive based Net sales increased
- EBT margin 3,8 % for the quarter with favorable contribution from business development within existing contracts, extra traffic and contract migration



# POSITIVE UNDERLYING PERFORMANCE WHEN CONSIDERING ONE-OFFS

SEK million	Q2 18/19	Q2 17/18	Change
Capital gain on Swebus divestment	-	-	-
<b>EBT as reported previous year</b>	<b>86</b>	<b>74</b>	<b>16 %</b>
Swebus negative impact previous year	-	8	-
<b>Continuing EBT as reported</b>	<b>86</b>	<b>82</b>	<b>5%</b>
Last year restructuring accrual	-	6	-
Last year Metro replacement traffic	-	-14	-
Incentive program cost	2	-	-
M&A costs absorbed	5	-	-
<b>Underlying EBT performance</b>	<b>93</b>	<b>74</b>	<b>26%</b>

## KEY POINTS

- Q2 18/19 fully impacted by ended metro replacement traffic in Helsinki
- Negative impact from Swebus last year significantly lower than positive impact from metro replacement traffic in Helsinki in the quarter
- M&A activities as well as incentive program driving temporary costs
- Q2 shows strong development in underlying EBT performance by an increase of 26%

# PROFIT IMPROVEMENT DRIVEN BY BUSINESS DEVELOPMENT AND CONTRACT MIGRATION

SEK million	Net sales	EBT
<b>YTD Mar 2017 – Aug 2017</b>	<b>4,281</b>	<b>140</b>
Price and volume	214	22
Contract migration	0	12
Indexation & operational efficiency	101	-44
Other	-	-11
Items affecting comparability	-	33
Financial net	-	6
<b>YTD Mar 2018 – Aug 2018</b>	<b>4,596</b>	<b>158</b>

## KEY POINTS

- Effects of price and volume favorable both regarding Net sales and EBT driven by increase in extra traffic and incentive revenues. Partly offset by negative impact from ending the metro replacement traffic in Helsinki.
- Contract migration with no net effect on Net sales, and favorable impact on EBT as a result of increased profitability in contracts started in Sweden and contract changes in Norway.
- Positive revenue indexation for the period impacts Net sales, coming mainly from Sweden. Higher costs for bus maintenance and damages in Sweden have impacted EBT negatively
- Other represents costs related to M&A activities and IT
- Items affecting comparability including one-off costs from last year
- Financial net impacted positively by FX effects

# CASH FLOW IN LINE WITH LAST YEAR

SEK million	Q2 18/19	Q2 17/18	Change	YTD 18/19	YTD 17/18	Change
Cash flow from operations before changes in working capital	300	303	-3	575	532	43
Changes in working capital	-83	-97	14	-179	-145	-34
Interest received and tax payment	-1	-1	-	-1	-1	-
Cash flow from operations after changes in working capital	216	205	11	395	386	9
Cash flow from investing activities	-17	-29	12	-55	-66	11
Cash flow from financing activities	-499	-482	-17	-714	-686	-28
<b>Cash flow for the period</b>	<b>-300</b>	<b>-306</b>	<b>6</b>	<b>-374</b>	<b>-366</b>	<b>-8</b>

## KEY POINTS

- Cash flow from operations before working capital in line with Q2 previous year but stronger than H1 previous year following higher result and adjustments for higher amortizations
- Increase in payables had a positive impact on working capital compared to Q2 last year
- Cash flow from investing activities slightly less negative than Q2 last year and includes residual value purchase of buses balanced out by proceeds from bus divestments of SEK 18 million
- Negative cash flow from financing activities slightly higher than Q2 previous year due to higher dividends



# LOW LEVEL OF INVESTMENTS WITH FEW TRAFFIC STARTS

SEK million	Q2 18/19	Q2 17/18	Change	YTD 18/19	YTD 17/18	Change
Investments in new buses	-10	-261	251	-78	-452	374
Other investments	-25	-10	-15	-29	-32	3
Total investments	-35	-271	236	-107	-484	377
Lease financing	-	232	-232	33	386	-353
Capex	-35	-39	4	-74	-98	24
Whereof: Loan financing of buses	-	-	-	-	4	-4
Whereof: Cash financing	-35	-39	4	-74	-94	20

## 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 generally financed through financial leasing or loans

# BALANCE SHEET IN LINE WITH LAST YEAR

SEK million	2018-08-31	2017-08-31	Change
<b>ASSETS</b>			
Total non-current assets	5 858	6 206	-348
Trade receivables and other current rec.	975	848	127
Restricted cash on bank accounts	-	-	-
Cash and cash equivalents	402	427	-25
<b>Total current assets</b>	<b>1 377</b>	<b>1 275</b>	<b>102</b>
<b>TOTAL ASSETS</b>	<b>7 235</b>	<b>7 481</b>	<b>-246</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity	1 344	1 229	115
Total non-current liabilities	3 546	3 990	-444
Total current liabilities	2 345	2 262	83
<b>TOTAL LIABILITIES</b>	<b>7 235</b>	<b>7 481</b>	<b>-246</b>

## KEY POINTS

- Total non-current assets reduction related to bus investments, sales and monthly depreciation
- Cash position decreased to SEK 402 million (427)
- Equity ratio increased to 18.6% (16.4%)
- Interest-bearing liabilities was SEK 4, 081 million (4,524)
- Net debt/EBITDA was 3.0x (3.7x)

# FINANCIAL TARGETS ACHIEVED

- All financial targets set at the IPO 2015 have now been achieved
- Agreement signed to acquire Samtrans AB which is the company's first acquisition in over 20 years
- Solid quarter with maturing contract portfolio contributing to increased profitability
- Technology shift with electric and autonomous buses now being realized in the market place

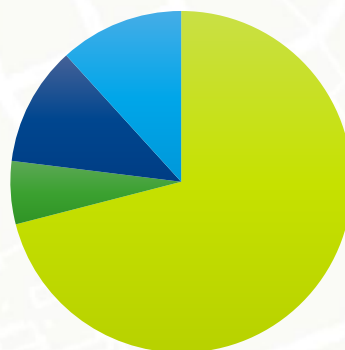




# LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

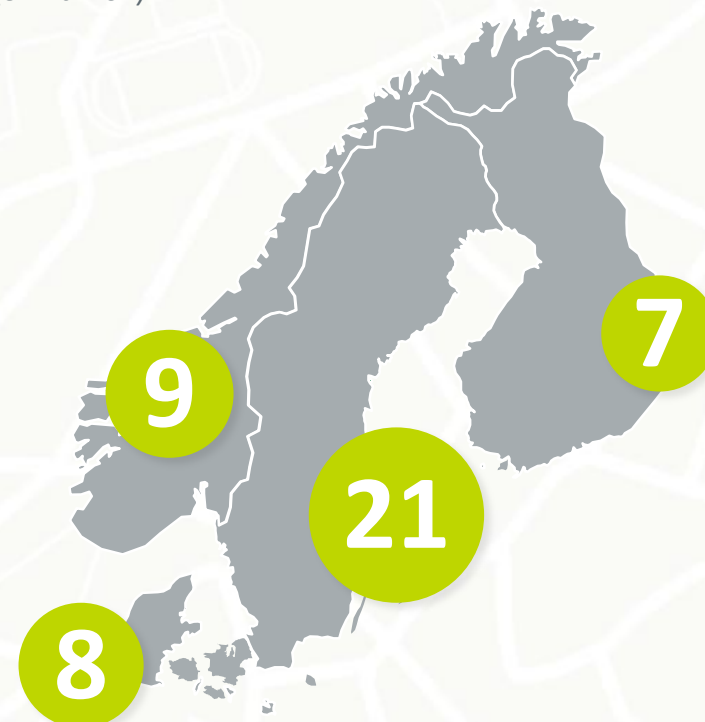
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 95% of revenues supported by long term contracts, typically lasting 5-10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



■ Sweden 6 473  
■ Denmark 544  
■ Norway 1 030  
■ Finland 1 071

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



Source: Approximation based on Nobina's data

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