



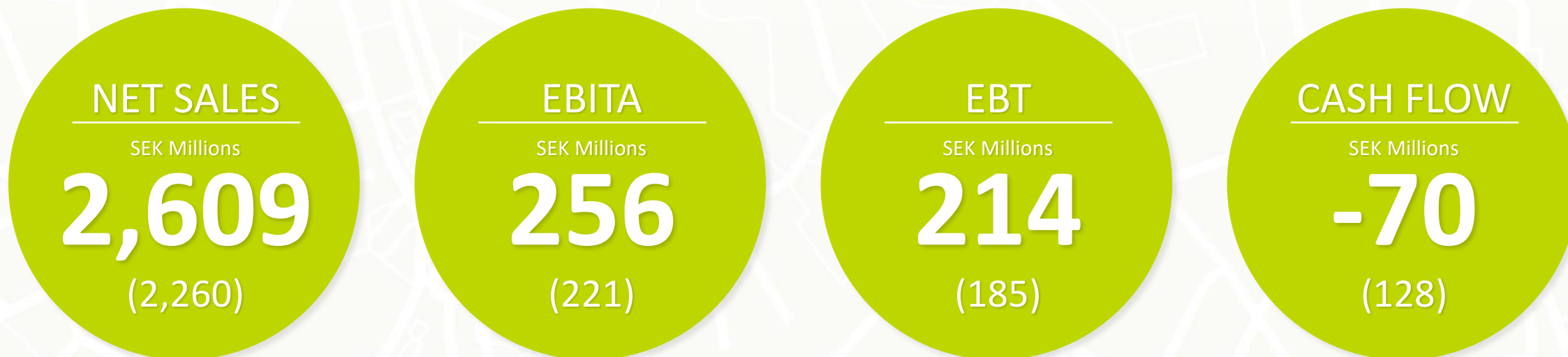
NOBINA AB

Investor presentation, Interim report September 2018 – November 2018

Nobina investor presentation, Q3 2018/19



PROFITABLE GROWTH IN THIRD QUARTER

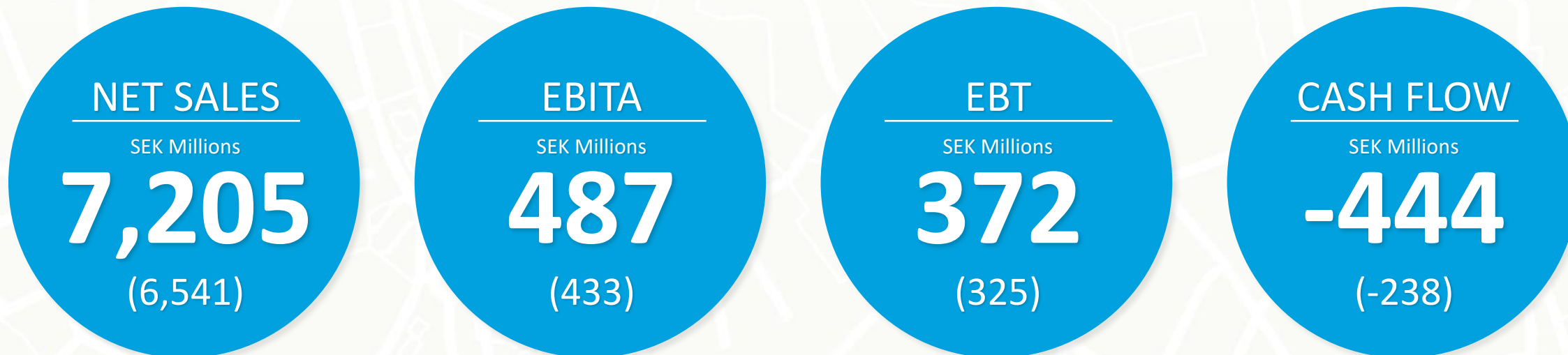


Q3 FINANCIAL HIGHLIGHTS

- Net sales* grew 13.3% supported by the Samtrans acquisition, increased revenue in existing contracts and index revenue
- EBT increased to SEK 214 million driven by improving profitability in existing contracts and contribution from incentive contracts despite the ending replacement traffic in Helsinki in January 2018. EBT includes 13 MSEK amortizations on immaterial assets related to M&A.
- Cash flow from operations before changes in working capital increased to SEK 431 million (382)
- Investments of SEK 178 million (59) in buses and other equipment

**adjusted for currency effects and discontinuing operations*

JOURNEY STARTED TOWARDS ACHIEVING NEW FINANCIAL TARGETS



YTD FINANCIAL HIGHLIGHTS

- Net sales* grew 7.9% from the Samtrans acquisition, increased revenue in existing contracts, indexation and extra traffic
- EBT increased to SEK 372 million driven by business development in existing contracts and extra traffic despite negative result impact compared to last year after ending replacement traffic in Helsinki in January 2018.
- Cash flow from operations before changes in working capital was SEK 1,006 million (914)
- Investments of SEK 285 million (543) in buses and other equipment

**adjusted for currency effects and discontinuing operations*

SIGNIFICANT EVENTS IN Q3

- On Oct 1st Nobina closed the acquisition of Samtrans
- At the Capital Markets Day in October Nobina clarified the strategic focus areas and presented new financial targets
- In November Nobina defended contracts with HSL in Helsinki with a total value of around SEK 1,2 billion extending over the contract tenors of up to seven years
- On November 30th Nobina closed the acquisition of De Blaa Omnibusser in Denmark with a revenue in 2017 of DKK 158 million and an EBT-margin of 16%. Total purchase price of DKK 210 million
- Hedging LTI programs by buying back approximately 1,2 million Nobina shares



SIGNIFICANT EVENTS AFTER THE QUARTER

- On December 18th Nobina AB obtained an investment grade credit rating from Fitch Ratings (BBB-, Stable outlook)

M&A AND ORGANIC EFFORTS SUPPORTING GROWTH AND PROFITABILITY

- Two acquisitions closed with positive impact from Samtrans in the quarter and coming focus on successful integration to release future potential
- Increasing number of passengers in Sweden leading to profitable growth in incentive contracts
- Profitable additional business supporting contract performance
- Autonomous buses in Barkarbystaden started according to plan



MAJOR PART OF NOBINA'S EXPOSED TRAFFIC ANNOUNCED

- Nobina submitted tenders for 1 999 buses
- Nobina won 434 of the 1 877 announced buses

Definitions:

Available - Remaining buses available in tenders this year

Submitted – Number of buses in tenders submitted by Nobina

Pending – Submitted less announced

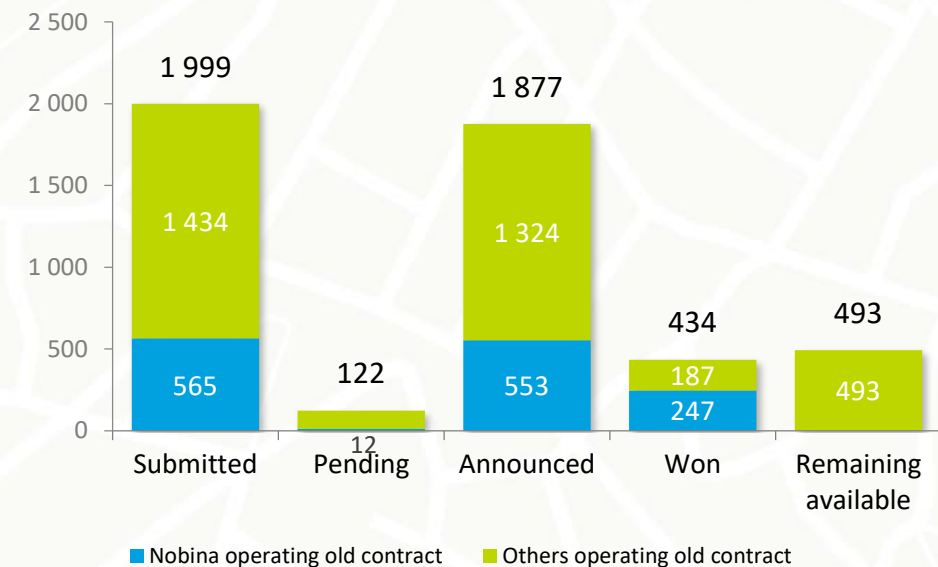
Announced – Submitted tenders, results are announced

Won – Nobina's wins out of announced tenders

March 2018 – November 2018	Tender results during the period (number of buses)	
	Announced	Won
Sweden	682	162
Norway	879	127
Finland	296	145
Denmark	20	0
Total	1 877	434

TENDER UPDATE

Number of buses



STARTED CONTRACTS THIS YEAR MAINLY IN FINLAND

- Nobina started contracts involving 44 buses during the period
- Nobina ended contracts involving 83 buses during the period

March 2018 – November 2018	Traffic changes during the period (number of buses)	
	Started	Ended
Sweden	2	0
Norway	0	72
Finland	42	11
Denmark	0	0
Total	44	83

Average weighted contract length
(last year)

8.1
(8.1)

Average weighted contract age
(last year)

4.5
(4.1)

Average age of bus fleet
(last year)

6.5
(5.9)

CONTRACT MIGRATION PACE CONTINUES TO INCREASE

Traffic starts December 2018 –November 2019

PTA	No. of years	Traffic start	No. of buses	New buses
Skånetrafiken	2,5	Dec 2018	12	12
Värmlandstrafik	8	Dec 2018	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
HSL, Finland	1	Aug 2019	59	-
HSL, Finland	7	Aug 2019	56	48
LT Sörmland	10	Aug 2019	130	58
Total			464	302

Nobina will start new contracts involving a total of 464 in-service buses in the next 12 months

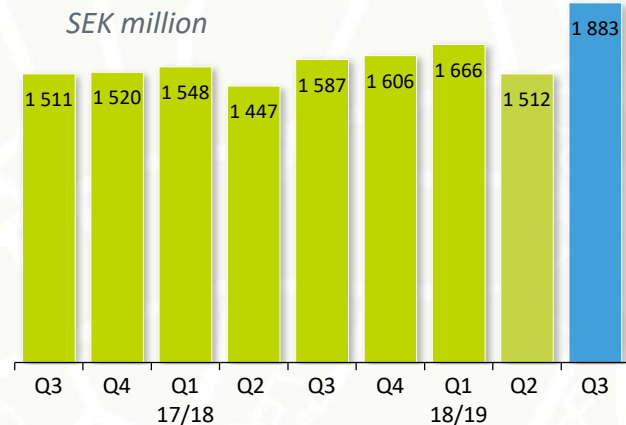
Expiring contracts December 2018 – November 2019

PTA	Traffic ending	No. of buses
HSL, Finland	Dec 2018	15
Västtrafik	Jun 2019	23
Skånetrafiken	Jun 2019	79
Ruter, Norge	Jun 2019	27
LT Sörmland	Aug 2019	119
HSL, Finland	Aug 2019	122
TFT, Norge	Aug 2019	127
LT Örebro	Sep 2019	100
Total		612

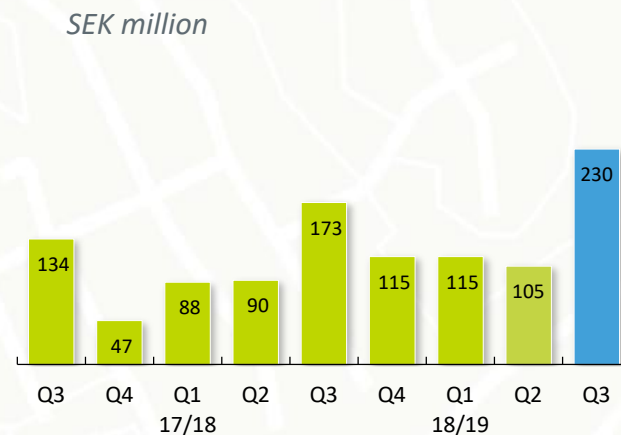
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STRONG PROFIT GROWTH IN YOUNG CONTRACTS IN SWEDEN

SWEDEN - NET SALES



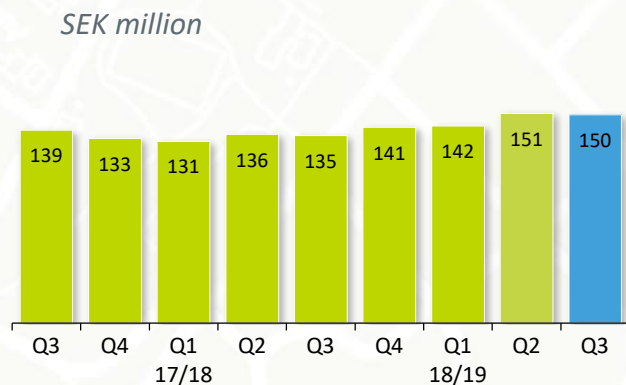
SWEDEN – EBIT*



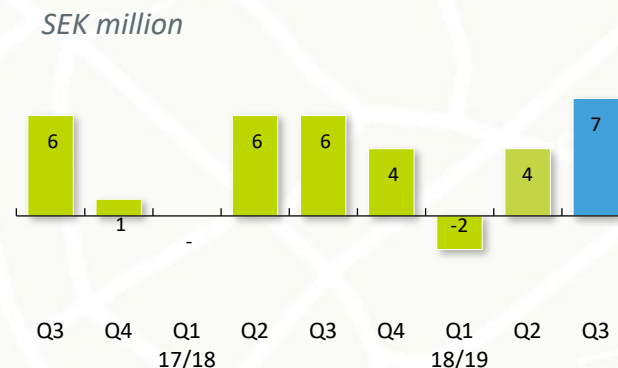
Q3 HIGHLIGHTS

- Net sales increased by acquisition of Samtrans, additional sales in existing contracts and index revenues
- EBIT significantly higher than last year coming from profitability driven by maturing contract portfolio, incentives and profitable additional business

DENMARK - NET SALES



DENMARK – EBIT*



Q3 HIGHLIGHTS

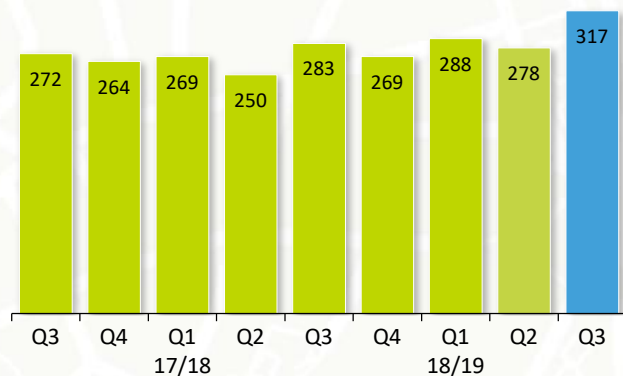
- Increased Net sales coming from existing contract portfolio
- EBIT just over last year

* Acquisition related cost of 13 MSEK in Sweden and 2 MSEK in Denmark excluded

NEW BUSINESS IN FINLAND ADDING TO GROWTH

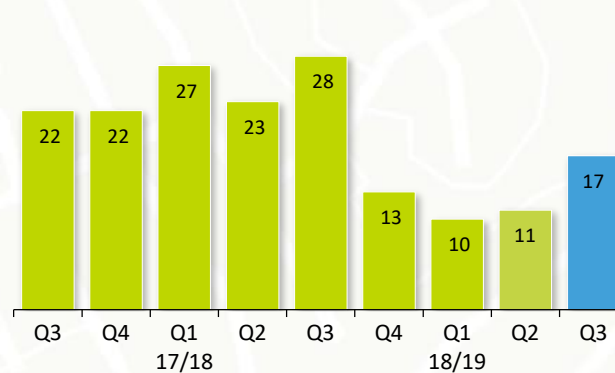
FINLAND - NET SALES

SEK million



FINLAND - EBIT

SEK million

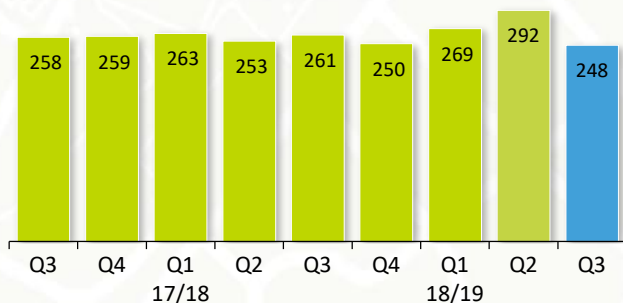


Q3 HIGHLIGHTS

- Net sales higher than last year favorably affected by started contracts and currency effects
- EBIT lower than last year after ending of the metro replacement traffic in Helsinki

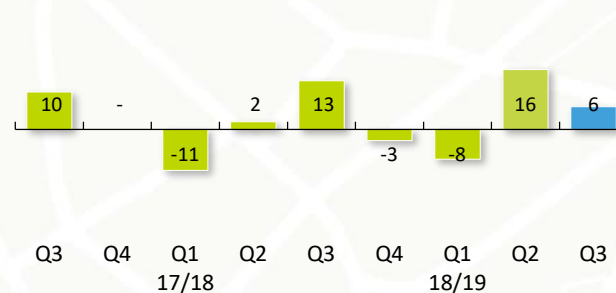
NORWAY - NET SALES

SEK million



NORWAY - EBIT

SEK million



Q3 HIGHLIGHTS

- Net sales lower than last year after close down of Nordhordland contract
- EBIT lower than last year with lag in index compensation for fuel cost increases and low efficiency in Tromsø

THIRD QUARTER RESULTS WELL ABOVE LAST YEAR

KEY POINTS

SEK million	Q3 18/19	Q3 17/18	Change	YTD 18/19	YTD 17/18	Change
Net sales	2 609	2 260	349	7 205	6 541	664
EBITDAR	436	391	45	1 034	958	76
% of net sales	16,7 %	17,3 %		14,3 %	14,6 %	
EBITDA	429	384	45	1 025	932	93
% of net sales	16,4 %	16,9 %		14,4 %	14,2 %	
EBITA	256	221	35	487	433	54
% of net sales	9,8 %	9,8 %		6,7 %	6,6 %	
EBIT	243	220	23	464	429	37
% of net sales	9,3 %	9,7 %		6,4 %	6,6 %	
Interest income	-	-	-	-	-	-
Interest expenses	-30	-33	3	-94	-100	6
FX net	1	-2	3	2	-4	6
EBT	214	185	29	372	325	47
% of net sales	8,2 %	8,2 %		5,2 %	5,0 %	
Tax	-48	-40	-8	-87	-74	-13
Earnings after tax	166	145	21	285	251	34

- Net sales growth based on added business from Samtrans and growth in existing contracts, where both production and incentive based Net sales increased
- EBT margin 8,2 % for the quarter with favorable contribution from profit growth in younger contracts, incentives, contract management as well as contract migration

PROFIT IMPROVEMENT DRIVEN BY BUSINESS DEVELOPMENT AND CONTRACT MIGRATION

SEK million	Net sales	EBT
YTD Mar 2017 – Nov 2017	6,541	325
Price and volume	453	66
Contract migration	15	24
Indexation & operational efficiency	196	-62
Other	-	-20
Items affecting comparability	-	33
Financial net	-	6
YTD Mar 2018 – Nov 2018	7,205	372

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 minor positive 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, acquisition related amortizations and IT
- Items affecting comparability including one-off costs from last year
- Financial net impacted positively by FX effects

CASH FLOW IMPACTED BY ACQUISITIONS IN THE QUARTER

SEK million	Q3 18/19	Q3 17/18	Change	YTD 18/19	YTD 17/18	Change
Cash flow from operations before changes in working capital	431	382	49	1006	914	92
Changes in working capital	50	-32	82	-129	-177	48
Interest received and tax payment	-	-1	1	-1	-2	1
Cash flow from operations after changes in working capital	481	349	132	876	735	141
Cash flow from investing activities	-608	-15	-593	-663	-81	-582
Cash flow from financing activities	57	-206	263	-657	-892	235
Cash flow for the period	-70	128	198	-444	-238	-206
Cash and cash equivalents at the end of the period	320	563	-243	320	563	-243

KEY POINTS

- Cash flow from operations before working capital stronger than Q2 previous year as well as YTD following higher result and adjustments for higher amortizations
- Increase in payables had a positive impact on working capital compared to Q3 last year
- Cash flow from investing activities significantly more negative than Q3 last year due to SEK -521 million related to the acquisitions of Samtrans and De Blaa Omnibusser
- Positive cash flow from financing activities in Q3 due to new strategic debt raised related to the Danish acquisition slightly offset by share buybacks of SEK -74 million

LOW LEVEL OF INVESTMENTS WITH FEW TRAFFIC STARTS

SEK million	Q3 18/19	Q3 17/18	Change	YTD 18/19	YTD 17/18	Change
Investments in new buses	-154	-44	-110	-232	-496	264
Other investments	-24	-15	-9	-53	-47	-6
Total investments	-178	-59	-119	-285	-543	258
Lease financing	90	19	71	123	405	-282
Capex	-88	-40	-48	-162	-138	-24
Whereof: Loan financing of buses	35	-	35	35	4	31
Whereof: Cash financing	-53	-40	-13	-127	-134	7

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
- Samtrans and De Blaa Omnibusser acquisitions not included

BALANCE SHEET IN LINE WITH LAST YEAR

SEK million	2018-08-31	2017-08-31	Change
ASSETS			
Total non-current assets	6 475	6 052	423
Trade receivables and other current rec.	1 112	871	241
Restricted cash on bank accounts	-	-	-
Cash and cash equivalents	320	563	-243
Total current assets	1 432	1434	-2
TOTAL ASSETS	7 907	7 486	421
EQUITY AND LIABILITIES			
Shareholders' equity	1 422	1 381	41
Total non-current liabilities	3 921	3842	79
Total current liabilities	2 564	2263	301
TOTAL LIABILITIES	7907	7486	421

KEY POINTS

- Total non-current assets increased relating to acquisitions of 760 MSEK
- Cash position decreased to SEK 320 million (563)
- Still high equity ratio of 18.0% (18.4%)
- Interest-bearing liabilities was SEK 4,367 million (4,370), including acquisition related loan of 316 MSEK
- Net debt/EBITDA was 3.2x (3.3x)

STRONG QUARTER WITH TWO CLOSED ACQUISITIONS

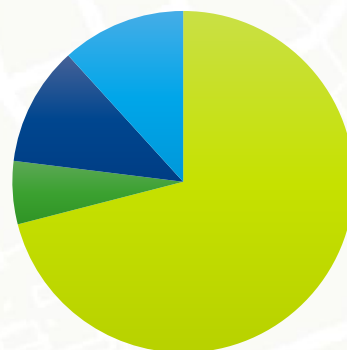
- Solid quarter with improved profitability in existing contract portfolio contributing to increased profitability
- Broadened product offering by the acquisition of Samtrans and increased market share in Denmark from acquiring De Blaa Omnibusser
- New strategic priorities and financial targets presented at the CMD in October
- Investment grade credit rating confirming a business with low market risk and stable, predictable cash flows



LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

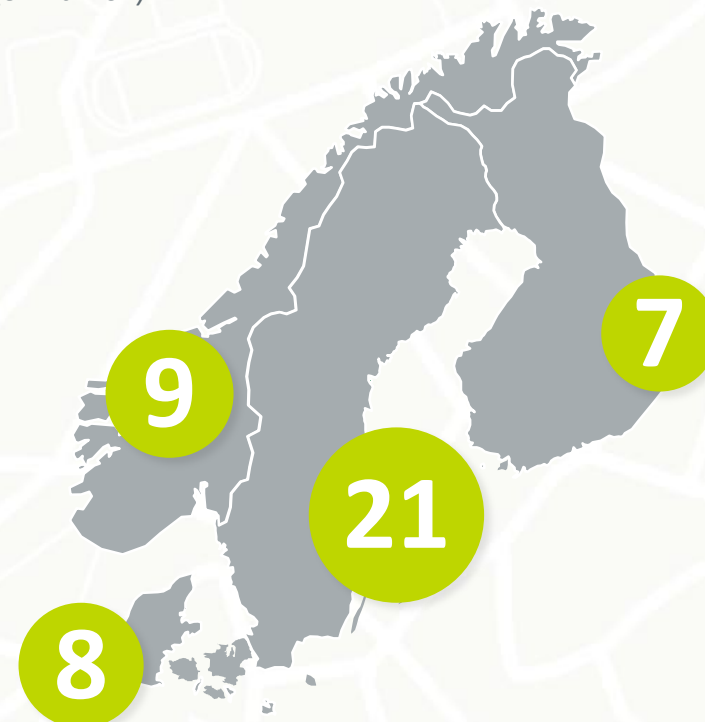
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 95% of revenues supported by long term contracts, typically lasting 5-10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