



NOBINA AB

Investor presentation, Year-end report December 2019 – February 2020



STABLE QUARTER DESPITE CONTRACT MIGRATION

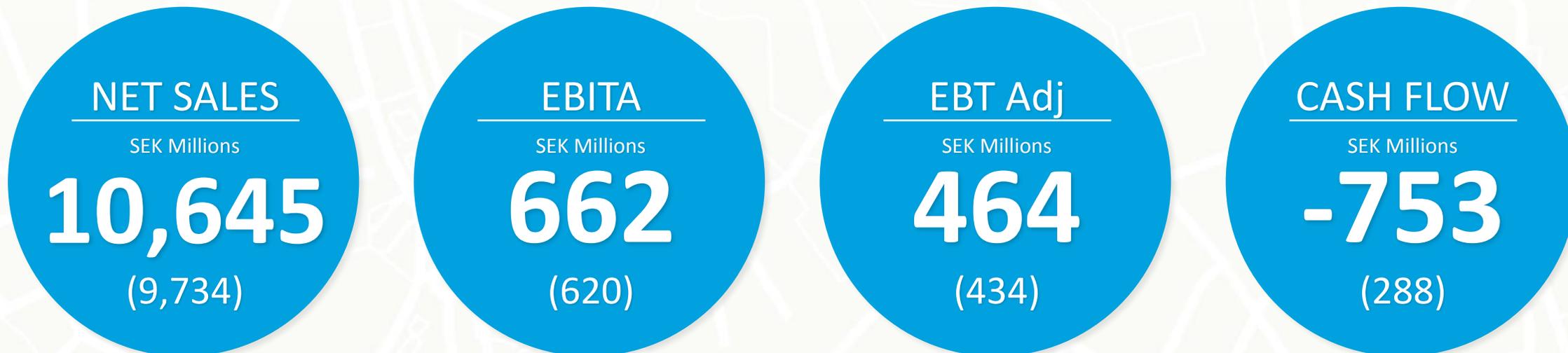


Q4 FINANCIAL HIGHLIGHTS

- Net sales* grew 1.4% mainly supported by organic growth while contributions from acquisitions were slightly positive.
- Adjusted EBT decreased to SEK 35 million mainly due to the significant contract migration but also partially offset by performance improvements in existing contracts.
- Cash flow from operations before changes in working capital slightly decreased to SEK 346 million (349) and total cash flow decreased to SEK 114 million (732).
- Investments amounting to SEK 123 million (1,111) in buses and other equipment. Change from leasing to loan financing 46 MSEK

**adjusted for currency effects and discontinuing operations*

ANOTHER YEAR WITH STRONG GROWTH AND STABLE PROFIT DEVELOPMENT



YTD FINANCIAL HIGHLIGHTS

- Net sales* grew 8.9% supported by acquisitions of 6.5% and 2.4% from organic growth.
- Adjusted EBT increased to SEK 464 million (434) due to positive contributions from the acquired companies and performance improvements in existing contracts but offset by the contract migration.
- Cash flow from operations before changes in working capital increased to SEK 1,739 million (1,564) and total cash flow decreased to SEK -753 million (288) mainly explained by significant bus investments financed by the green bond issued in Q4 last year and working capital swings.
- Investments amounting to SEK 2,432 million (1,396) in buses and other equipment. Change from leasing to loan financing 799 MSEK

**adjusted for currency effects and discontinuing operations*

Q4 HIGHLIGHTS OVERSHADOWED BY ENTERING CORONA-SITUATION IMPACTING DIVIDEND

- Given the situation with covid-19 and the short-term development we are seeing ahead of us, the Board recommends the AGM that no dividend should be declared for the fiscal year 2019-2020 in order to ensure as strong a financial position as possible
- Expansion of the bus-for-train business after winning a new contract with Skånetrafiken in Sweden covering six counties over a 6+2 year tenor
- Nobina awarded a new contract with MOVIA at Själland in Denmark worth DKK 320 million spanning over 4,5 years with extension possibility of one year and comprising 34 buses
- Deputy CEO Jan Bosaeus retired at April 1, 2020 after 18 years with Nobina in various leading positions



SUCCESSFUL RENEWAL RATE INDICATING FUTURE MARKET SHARE GAIN

HIGHLIGHTS *(year-to-date)*

- Nobina has submitted tenders for 2 026 buses in FY19/20
- Nobina has won contracts of 432 buses in FY19/20 which gives a win-rate of 21%
- Nobina has won more buses (432) than number of tendered Nobina buses (319) → resulting in a renewal rate of 135%

Definitions:

Submitted – Number of buses in tenders submitted by Nobina

Pending – Number of buses in submitted less announced

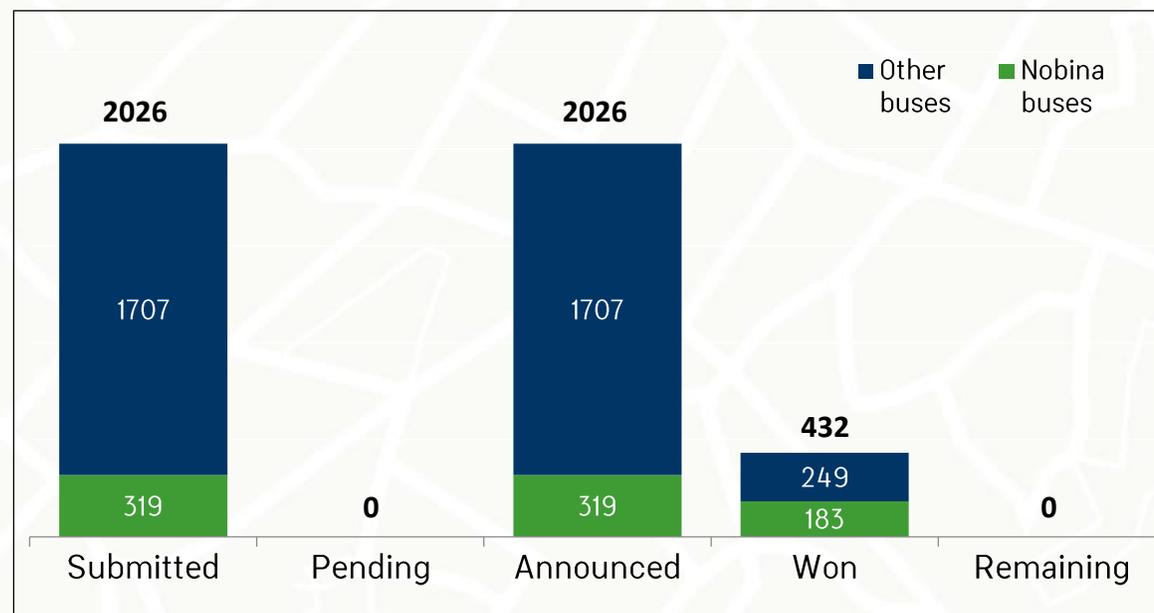
Announced – Number of buses in tenders where results are announced

Won – Number of buses Nobina has won out of announced tenders

Remaining available - Number of remaining buses available in tenders FY19/20

DETAILED UPDATE *(Number of buses)*

<i>March 2019 – February 2020</i>	<i>Tender results during the period</i>	
	<i>Announced</i>	<i>Won</i>
Sweden	1187	321
Norway	429	0
Finland	154 ¹⁾	59 ¹⁾
Denmark	256	52
Total	2 026	432



OVER 1,000 BUSES MIGRATED

HIGHLIGHTS *(year-to-date)*

- Nobina has started contracts of 462 buses year-to-date
- Nobina ended contracts of 633 buses year-to-date
- Average contract age 59% of average contract length

DETAILED UPDATE *(year-to-date)*

<i>March 2019 – February 2020</i>	<i>Traffic changes during the period</i>	
	<i>Started</i>	<i>Ended</i>
Sweden	166	321
Norway	127	154
Finland	149	142 ¹⁾
Denmark	20	16
Total	462	633

Average weighted contract length
(last year)

7.8
(8.1)

Average weighted contract age
(last year)

4.6
(5.1)

Average age of bus fleet
(last year)

6.3
(6.6)

MARKET GROWTH NEXT YEAR

Traffic starts March 2020 – February 2021

PTA	No. of years	Traffic start	No. of buses	New buses
Hallandstrafiken, Sweden	10	June 2020	127	120
Östgötatrafiken, Sweden	10	June 2020	87	87
Västtrafik, Sweden	10	June 2020	72	72
Movia, Denmark	4.5	December 2020	34	0
Sydtrafik, Denmark	3	August 2020	18	0
Norrbottnen, Sweden	10	December 2020	13	13
Total			351	292

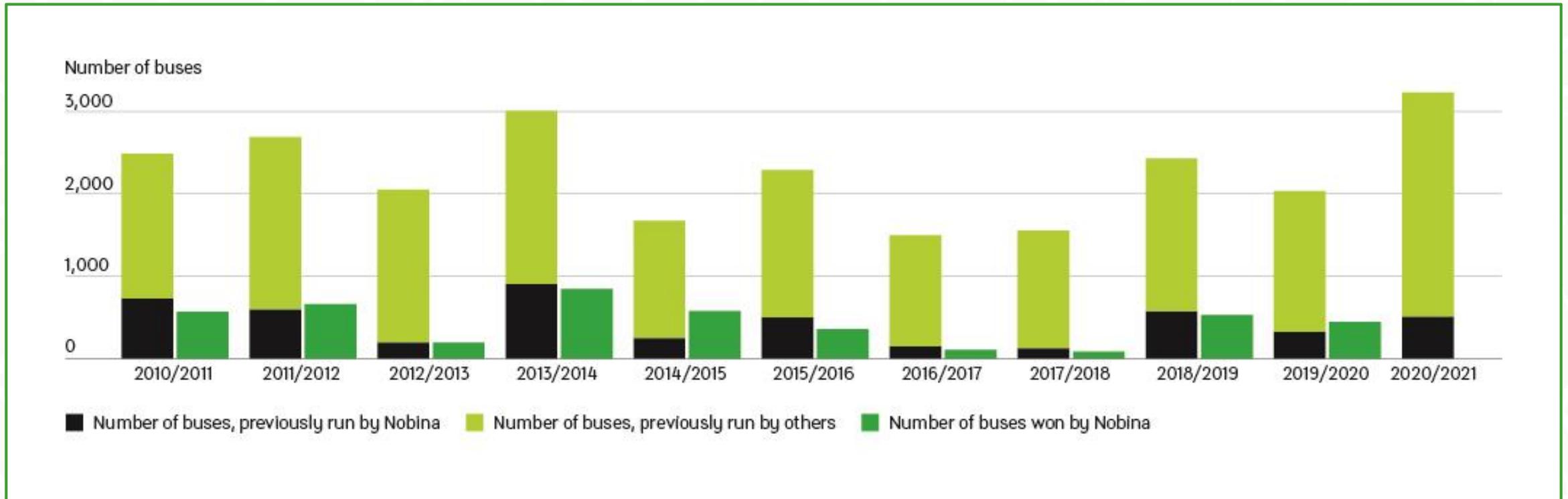
Nobina will start new contracts involving a total of 351 in-service buses in the next 12 months

Expiring contracts March 2020 – February 2021

PTA	Traffic ending	No. of buses
Hallandstrafiken, Sweden	June 2020	58
Movia, Denmark	December 2020	34
Midttrafik, Denmark	August 2020	23
HSL, Finland	August 2020	20
HSL, Finland	December 2020	7
Total		142

Nobina will end contracts involving a total of 142 in-service buses in the next 12 months

>3,000 BUSES TO BE TENDERED PROVIDING MAJOR POTENTIAL WITH LIMITED EXPOSURE

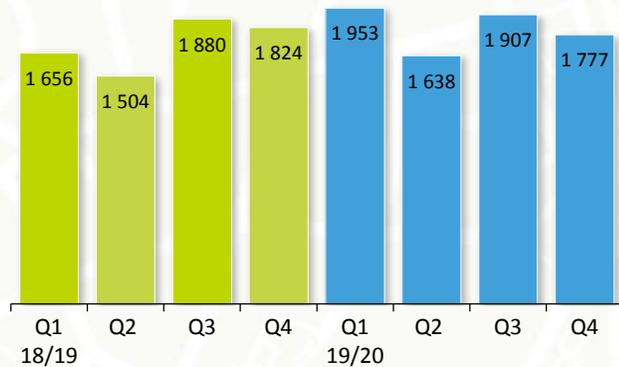


- 3,227 buses are expected to be tendered FY20/21.
- 494 buses of the total tendered buses are currently being run by Nobina, and 2,733 buses by other operators

CONTRACT MIGRATION IMPACTING BOTH REVENUE AND PROFIT IN SWEDEN

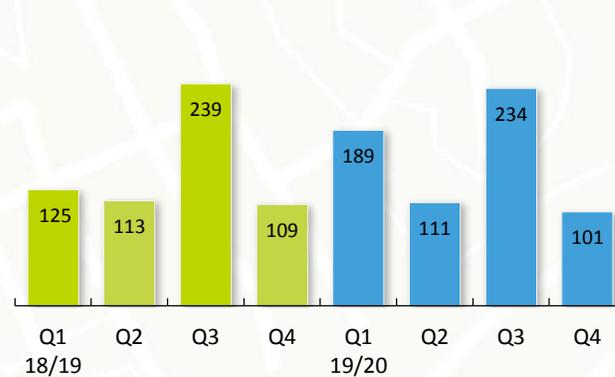
SWEDEN - NET SALES

SEK million



SWEDEN – EBITA

SEK million

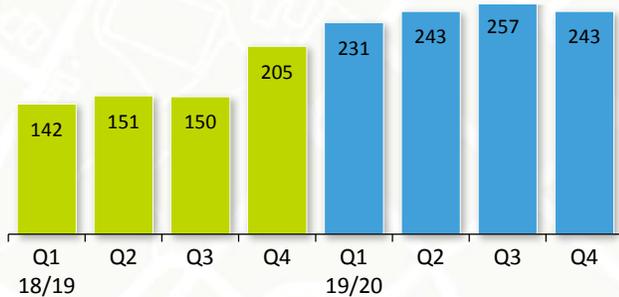


Q4 HIGHLIGHTS

- Net sales decreased compared with the period last year driven by negative contract migration, partly compensated by positive contribution from existing contracts and from Samtrans
- EBITA has decreased compared to last year as an effect of contract migration, partly compensated by positive development in existing contracts

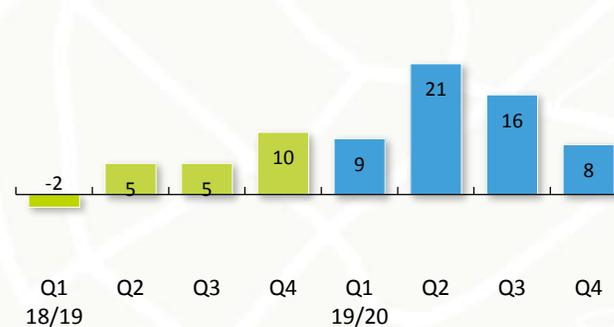
DENMARK - NET SALES

SEK million



DENMARK – EBITA

SEK million



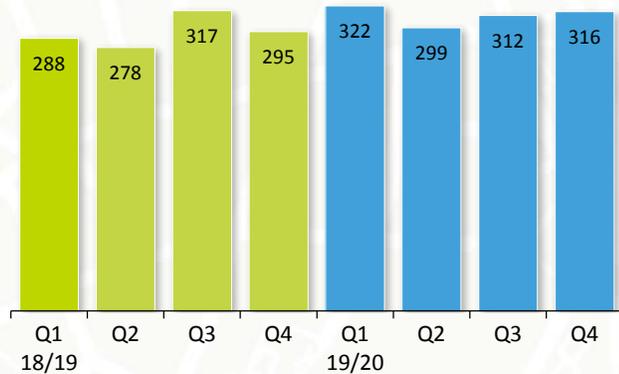
Q4 HIGHLIGHTS

- Significant increase in net sales coming from traffic in Roskilde and from the Örslev acquisition
- EBITA decreased slightly due to contract migration. EBITA was positively impacted by strong performance of the acquired company DBO

STRONG GROWTH AND IMPROVED PROFITABILITY IN NORWAY

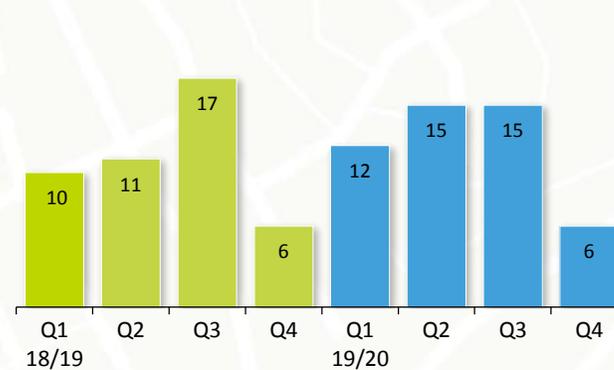
FINLAND - NET SALES

SEK million



FINLAND - EBITA

SEK million

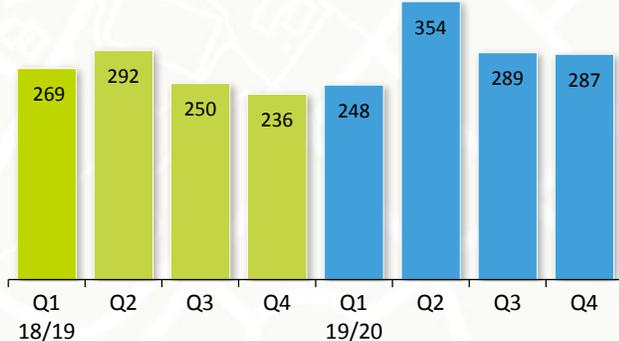


Q4 HIGHLIGHTS

- Net sales is higher than last year driven by volume increase in existing contracts and positive contract migration
- EBITA was unchanged compared with the same period last year

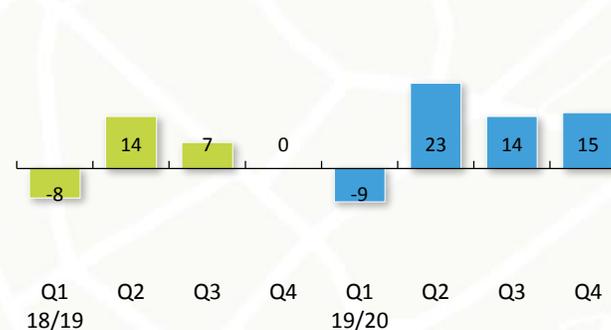
NORWAY - NET SALES

SEK million



NORWAY - EBITA

SEK million



Q4 HIGHLIGHTS

- Net sales higher than last year due to traffic development in existing contracts as well as positive contract migration
- EBITA has increased significantly compared to last year driven by positive impact of contract migration and traffic development in existing contracts

OVERALL STRONG FULL-YEAR RESULTS DESPITE CONTRACT MIGRATIONS

SEK million	Q4 19/20	Q4 18/19	Change	YTD 19/20	YTD 18/19	Change
Net sales	2 605	2 560	45	10 645	9 734	911
EBITDA	357	362	-5	1 764	1 596	168
% of net sales	13,7 %	14,2 %		16,6 %	16,4 %	
EBITA	89	102	-13	662	620	42
% of net sales	3,4 %	4,0 %		6,2 %	6,4 %	
EBIT	64	80	-16	597	575	22
% of net sales	2,5 %	3,1 %		5,6 %	5,9 %	
Interest income	-	-	-	-	-	-
Interest expenses	-48	-46	-2	-193	-177	-16
FX net	-6	-11	5	-5	-9	4
EBT	10	23	-13	399	389	10
% of net sales	0,4 %	0,8 %		3,7 %	4,0 %	
Tax	-10	-5	-4	-94	-91	-2
Earnings after tax	0	18	-17	305	298	8

KEY POINTS

- Net sales growth for the full year mainly driven by acquisitions and positive development in existing contracts but negatively effected by contract migration
- EBT of 10 MSEK in Q4 includes income and cost related to acquisition accounting. Adjusted EBT is 35 MSEK
- All-time-high full year results for the group with all four countries improving compared to last year

PRICE & VOLUME COMPENSATE NEGATIVE EFFECTS FROM MIGRATION

SEK million	Net sales	EBT, Adj.
YTD Mar 2018 – Feb 2019	9,734	434
Price and volume	938	212
Contract migration	-193	-75
Indexation & operational efficiency	166	-14
Other	-	-81
Financial net	-	-12
YTD Mar 2019 – Feb 2020	10,645	464

KEY POINTS

- Effects of price and volume positive both regarding net sales and adj. EBT driven by improvement in existing contracts. This item includes positive effects from acquisitions, and increased volume.
- Contract migrations have been extensive this year and impacted the results negatively in Sweden and Norway primarily.
- Positive indexation effects on net sales, which mainly comes from Sweden. Adjusted EBT was slightly impacted by maintenance cost.
- Other represents cost deviations, primarily within central functions, and includes result from the fleet operations.
- Profit for the year was negatively impacted by higher interest expenses.

CASH FLOW IMPACTED BY NEW FINANCING METHOD AND TIMING EFFECT FROM GREEN BOND

KEY POINTS

- Less negative cash flow from investing activities due to significant conversions from leasing to loan made in Q4 previous year
- Weaker cash flow from financing activities in Q4 due to the green bond proceeds received and conversions from leasing to loan in Q4 previous year
- Total cash flow in Q4 lower than Q4 previous year mainly due to green bond proceeds of 500 MSEK received in February 2019
- YTD negative change in working capital mainly relating to timing impact of VAT payments linked to bus investments, high opening balance on payables and two customer payments received late at year-end
- Total cash flow YTD significantly lower than corresponding period last year due to high level of bus investments this year financed by the green bond issued in Q4 last year, working capital swings, higher amortizations, higher level of cash investments and higher dividends

SEK million	Q4 19/20	Q4 18/19	Change	YTD 19/20	YTD 18/19	Change
Cash flow from operations before changes in working capital	346	349	-3	1 739	1 564	175
Changes in working capital	65	207	-142	-196	78	-274
Interest received and tax payment	11	-4	15	-	-5	5
Cash flow from operations after changes in working capital	422	552	-130	1 543	1 637	-94
Cash flow from investing activities	-5	-925	920	-1 481	-1 588	107
Cash flow from financing activities	-303	1 105	-1 408	-815	239	-1 054
Cash flow for the period	114	732	-618	-753	288	-1041
Cash and cash equivalents at the end of the period	307	1 058	-751	307	1 058	-751

HEAVY INVESTMENT YEAR DUE TO SIGNIFICANT CONTRACT STARTS

SEK million	Q4 19/20	Q4 18/19	Change	YTD 19/20	YTD 18/19	Change
Investments in buses	-78	-961	883	-2 353	-1 193	-1 160
Other investments	-45	-150	105	-79	-203	124
Total investments	-123	-1 111	988	-2 432	-1 396	-1 036
Lease financing	84	166	-82	905	289	616
Capex	-39	-945	906	-1 527	-1 107	-420
Whereof: Loan financing of buses	39	1 415	-1 376	860	1 450	-590
Whereof: Cash financing	0	470	-470	-667	343	-1 010

KEY POINTS

- Leased buses to a value of 46 MSEK in Sweden has been refinanced by loans in Q4
- Leased buses refinanced by loans in Sweden amounts to 799 MSEK YTD out of the total bus investments of 2,353 MSEK
- Investments in buses also includes residual value purchases of buses in expired leasing contracts
- All new bus investments are financed through financial leasing, loans or with green bonds
- Investments for the full-year of 460 MSEK in electric and other fossil free buses financed by green bond proceeds

GREEN BOND TIMING IMPACTING BALANCE SHEET

SEK million	2020-02-29	2019-02-28	Change
ASSETS			
Total non-current assets	7 904	7 504	400
Trade receivables and other current rec.	1 176	1 283	-107
Cash and cash equivalents	307	1 058	-751
Total current assets	1 483	2 341	-858
TOTAL ASSETS	9 387	9 845	-458
EQUITY AND LIABILITIES			
Shareholders' equity	1 380	1 451	-71
Total non-current liabilities	5 262	5 193	69
Total current liabilities	2 745	3 201	-456
TOTAL LIABILITIES	9 387	9 845	-458

KEY POINTS

- Total non-current assets increased relating to investment in new buses, SEK 2 432 (1 396) million.
- Cash position declined to SEK 307 million (1 058) due to Q4 last year boosted by green bond proceeds
- Equity ratio of 14.7% (14.7%)
- Interest-bearing liabilities was SEK 5,841 million (5,886), including acquisition related loan of 246 (308) MSEK
- Net debt/EBITDA was 3.1x (3.0x)

STABLE QUARTER BUT DIVIDEND STILL CANCELLED DUE TO CORONA

Q4

- Adj. EBT lower than last Q4 due to significant contract migration still impacting profitability
- Expansion of the bus-for-train business after winning a new contract with Skånetrafiken, Sweden
- Strengthening Nobina's position at Själland, Denmark further by being awarded a new contract with MOVIA

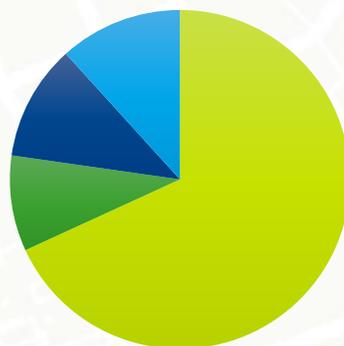
Full year

- Stable growth from acquisitions of 6.5% and positive organic growth adding up to 8.9%
- Secured gained market share in 2020-2021 starting up 351 buses and closing down 142 buses
- Covid-19 has not effected the fiscal year 2019-2020 to a great extent but given the new situation and the short-term development we are seeing ahead of us, the Board proposes that no dividend should be declared for the FY19/20 in order to have good readiness for the future

LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

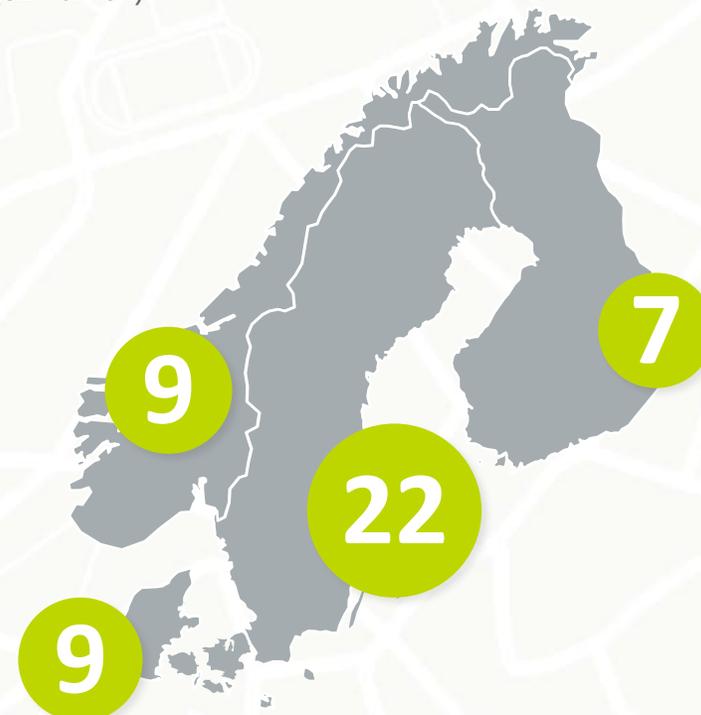
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 97% of revenues supported by long term contracts, typically lasting 5-10 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
2019/2020 (SEK million)



■ Sweden 7 275
■ Denmark 974
■ Norway 1 178
■ Finland 1 249

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



Source: Approximation based on Nobina's data

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