

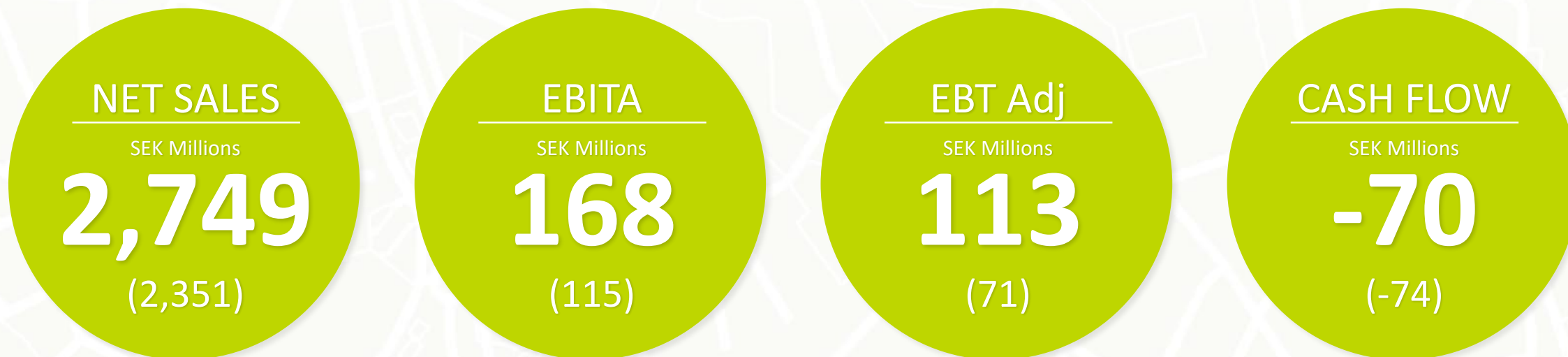


# NOBINA AB

Investor presentation, Interim report March 2019 – May 2019



# STRONG GROWTH AND PROFIT DEVELOPMENT CONTINUING INTO Q1



## Q1 FINANCIAL HIGHLIGHTS

- Net sales\* grew 16.2% supported by acquisitions and increased revenue in existing contracts.
- Adjusted EBT increased to SEK 113 million due to performance improvements in maturing contracts as well as positive contributions from the acquired companies.
- Cash flow from operations before changes in working capital increased to SEK 434 million (377) and total cash flow of SEK-70 million (-74).
- Investments amounting to SEK 660 million (72) in buses and other equipment. Change from leasing to loan financing 510 MSEK

*\*adjusted for currency effects and discontinuing operations*



# HIGHLIGHTS

- New contracts with Västtrafik in Sjuhärad with 70 buses, a total contract value of SEK 1.4 billion and a contract period of 10.5 years
- New contracts with HSL for city transport in Helsinki, comprising 34 buses and a total contract value of EUR 50 million
- Two contracts, whereof one new, for city and regional transport in Halland starting in June 2020. 127 buses with a total contract value of SEK 3 billion.
- New 10-year contract with Piteå municipality starting July 2020, comprising 12 electric buses with a total contract value of SEK 250 million.
- The 2018/2019 AGM approved dividend of SEK 3.80 per share and Johan Bygge was elected Deputy Chairman

# BUSINESS RESTRUCTURING AND TECHNICAL DEVELOPMENT AFFECTING GROWTH AND PROFITABILITY

- Restructuring of business by divesting Express Bus Traffic and acquiring Service Traffic affecting both growth and profitability
- Electric buses included in almost every tender making Nobina the largest electric bus operator in the Nordics with a trippled electric bus fleet within the next 12 months



# GOOD START TO THE YEAR WITH 241 BUSES WON DURING Q1

- Nobina submitted tenders for 1 374 buses
- Nobina won 241 of the 774 announced buses
- Nobina gaining market share through a 31% win rate

## Definitions:

*Available* - Remaining buses available in tenders this year

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

*Pending* - Submitted less announced

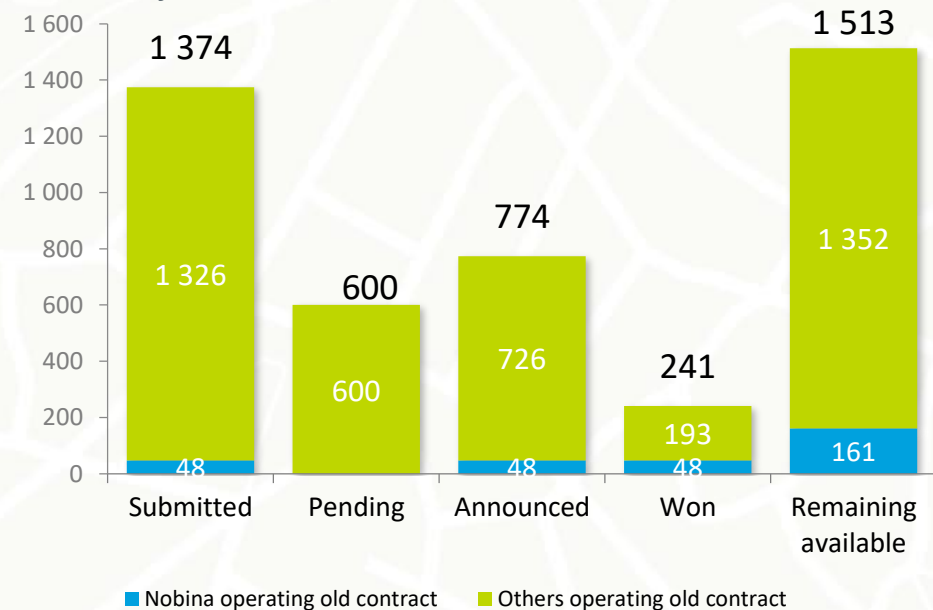
*Announced* - Submitted tenders, results are announced

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

March 2019 – May 2019	Tender results during the period (number of buses)	
	Announced	Won
Sweden	376	207
Norway	329	0
Finland	69	34
Denmark	0	0
<b>Total</b>	<b>774</b>	<b>241</b>

## TENDER UPDATE

Number of buses



# FEW TRAFFIC CHANGES IN Q1

- Nobina started 33 buses during the period
- Nobina did not end any contracts during the period

March 2019 – February 2019	Traffic changes during the period (number of buses)	
	Started	Ended
Sweden	13	0
Norway	0	0
Finland	0	0
Denmark	20	0
<b>Total</b>	<b>33</b>	<b>0</b>

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

**8.0**  
(8.1)

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

**5.3**  
(4.5)

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

**6.7**  
(6.2)



# CONTRACT MIGRATION SCALING UP

## Traffic starts June 2019 – May 2020

PTA	No. of years	Traffic start	No. of buses	New buses
Västtrafik	10	Jun 2019	23	15
Ruter, Norway	8	Jun 2019	127	127
LT Sörmland	10	Aug 2019	130	58
HSL, Finland	1	Aug 2019	59	-
HSL, Finland	7	Aug 2019	56	48
HSL, Finland	1	Jan 2020	7	-
HSL, Finland	7	Jan 2020	27	27
<b>Total</b>			<b>429</b>	<b>275</b>

Nobina will start new contracts involving a total of 429 in-service buses in the next 12 months

## Expiring contracts June 2019 – May 2020

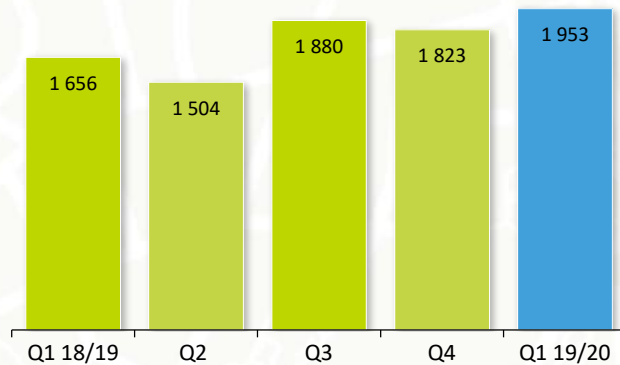
PTA	Traffic ending	No. of buses
Västtrafik	Jun 2019	23
Skånetrafiken	Jun 2019	79
Ruter, Norge	Jun 2019	27
LT Sörmland	Aug 2019	119
HSL, Finland	Aug 2019	122
TFT, Norge	Aug 2019	127
LT Örebro	Sep 2019	100
Movia	Dec 2019	11
<b>Total</b>		<b>608</b>

Nobina will end contracts involving a total of 608 in-service buses in the next 12 months

# GROWTH AND IMPROVED PROFITABILITY

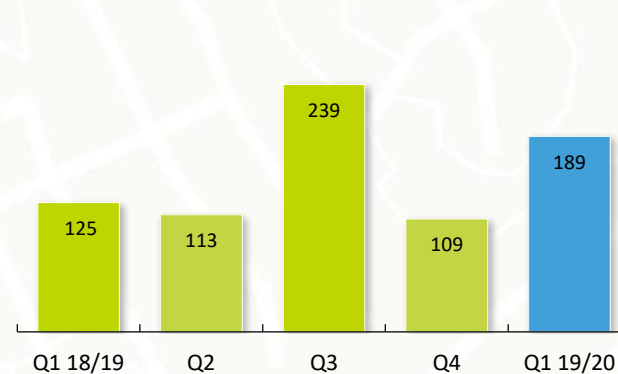
## SWEDEN - NET SALES

SEK million



## SWEDEN – EBITA

SEK million

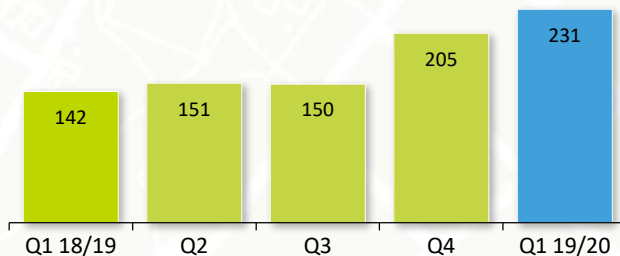


## Q1 HIGHLIGHTS

- Net sales increased by the acquisition of Samtrans, additional sales in existing contracts and indexation
- EBITA significantly higher than last year coming from efficiency improvements, increased traffic and Samtrans

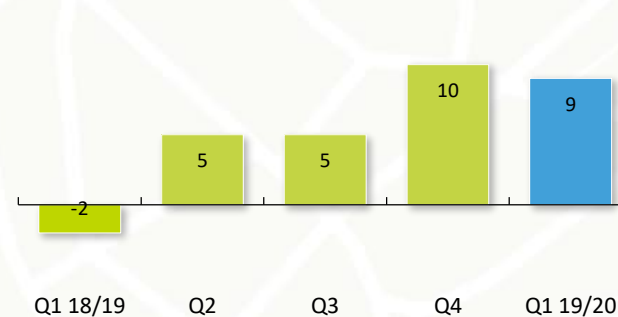
## DENMARK - NET SALES

SEK million



## DENMARK – EBITA

SEK million



## Q1 HIGHLIGHTS

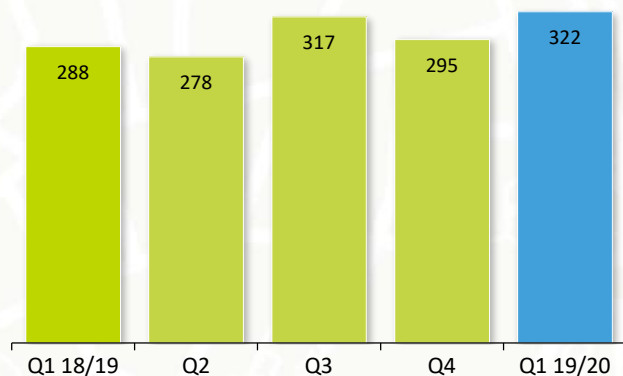
- Increased net sales coming from acquisitions of DBO and Örslev as well as from new traffic in Roskilde
- EBITA significantly higher than last year with strong contribution from DBO and Örslev as well as increased traffic



# SOLID PERFORMANCE IN FINLAND AND POTENTIAL IN NORWAY

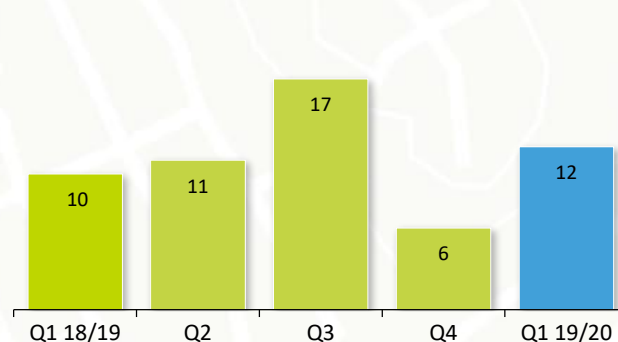
## + FINLAND - NET SALES

SEK million



## + FINLAND - EBITA

SEK million

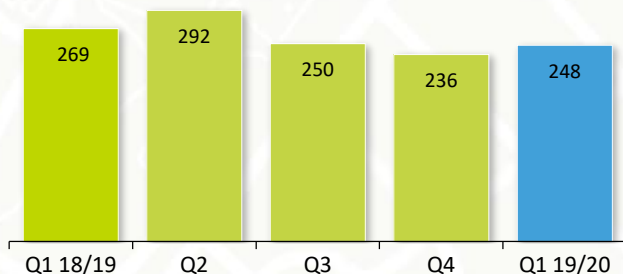


## + Q1 HIGHLIGHTS

- Net sales higher than last year positively affected by new contracts started in autumn 2018 and currency effects
- EBITA higher than last year due to contract start-ups and improved efficiency

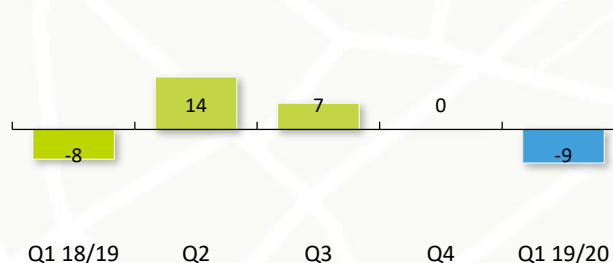
## 🇳🇴 NORWAY - NET SALES

SEK million



## 🇳🇴 NORWAY - EBITA

SEK million



## 🇳🇴 Q1 HIGHLIGHTS

- Net sales lower than last year after close down of Nordhordland contract
- EBITA slightly lower than the prior year period due to start-up costs for the contract in Lilleström that starts end of June 2019

# STRONG FIRST QUARTER WITH SIGNIFICANT GROWTH

## KEY POINTS

SEK million	Q1 19/20	Q1 18/19	Change	YTD 19/20	YTD 18/19	Change
<b>Net sales</b>	<b>2 749</b>	<b>2 351</b>	<b>398</b>	<b>2 749</b>	<b>2 351</b>	<b>398</b>
<b>EBITDA</b>	<b>431</b>	<b>348</b>	<b>83</b>	<b>431</b>	<b>348</b>	<b>83</b>
% of net sales	15,7 %	14,8 %		15,7 %	14,8 %	
<b>EBITA</b>	<b>168</b>	<b>115</b>	<b>53</b>	<b>168</b>	<b>115</b>	<b>53</b>
% of net sales	6,1 %	4,9 %		6,1 %	4,9 %	
<b>EBIT</b>	<b>152</b>	<b>114</b>	<b>38</b>	<b>152</b>	<b>114</b>	<b>38</b>
% of net sales	5,5 %	4,8 %		5,5 %	4,8 %	
Interest income	-	-	-	-	-	-
Interest expenses	-51	-45	-6	-51	-45	-6
FX net	-4	1	-5	-4	1	-5
<b>EBT</b>	<b>97</b>	<b>70</b>	<b>27</b>	<b>97</b>	<b>70</b>	<b>27</b>
% of net sales	3,5 %	3,0 %		3,5 %	3,0 %	
Tax	-21	-18	-3	-21	-18	-3
<b>Earnings after tax</b>	<b>76</b>	<b>52</b>	<b>24</b>	<b>76</b>	<b>52</b>	<b>24</b>

- Net sales growth driven by acquisitions and growth in existing contracts, where both production and incentive based Net sales increased
- EBT of 97 MSEK includes cost of 16 MSEK related to acquisition accounting. Adjusted EBT is 113 MSEK
- Sweden and Denmark showing strong Q1 figures supporting the growth in group EBT

# EFFICIENCY IMPROVING WITH FAVORABLE INDEX EFFECTS

SEK million	Net sales	EBT, Adj.
<b>YTD Mar 2018 – May 2018</b>	<b>2,351</b>	<b>71</b>
Price and volume	309	43
Contract migration	3	-7
Indexation & operational efficiency	86	37
Other	-	-20
Financial net	-	-11
<b>YTD Mar 2019 – May 2019</b>	<b>2,749</b>	<b>113</b>

## KEY POINTS

- Effects of price and volume positive both regarding Net sales and EBT driven by a maturing contract portfolio. This item includes positive effects from acquisitions, additional traffic and incentive revenues.
- Contract migration has been relatively minor this year with some minor favorable effect on Net sales and some negative effect on EBT coming from Sweden.
- Efficiency after indexation has improved compared to last year mainly driven by lower fuel consumption, sick leave and overtime.
- Other represents cost deviations, primarily within central functions, and include extra depreciation costs on buses
- Financial net includes negative impact from unrealized FX effects



# CASH FLOW IN LINE WITH Q1 LAST YEAR

## KEY POINTS

- Cash flow from operations before working capital stronger than Q1 previous year following higher result
- Changes in working capital in line with Q1 last year
- Cash flow from investing deviates from last year due to the change in financing method of the existing bus fleet in Sweden from financial leasing to loans
- Strong positive cash flow from financing activities in Q1 due to loans and green bond financing related to the change in financing method of the bus fleet in Sweden
- Total cash flow for the period is in line with Q1 last year

SEK million	Q1 19/20	Q1 18/19	Change	YTD 19/20	YTD 18/19	Change
Cash flow from operations before changes in working capital	434	377	57	434	377	57
Changes in working capital	-103	-96	-7	-103	-96	-7
Interest received and tax payment	-	-	-	-	-	-
Cash flow from operations after changes in working capital	331	281	50	331	281	50
Cash flow from investing activities	-659	-38	-621	-659	-38	-621
Cash flow from financing activities	258	-317	575	258	-317	575
Cash flow for the period	-70	-74	4	-70	-74	4
Cash and cash equivalents at the end of the period	992	692	300	992	692	300

# REFINANCING OF SWEDISH BUSES

SEK million	Q1 19/20	Q1 18/19	Change	YTD 19/20	YTD 18/19	Change
Investments in buses	-651	-68	-583	-651	-68	-583
Other investments	-9	-4	-5	-9	-4	-5
Total investments	-660	-72	-588	-660	-72	-588
Lease financing	3	33	-30	3	33	-30
Capex	-657	-39	-618	-657	-39	-618
Whereof: Loan financing of buses	589	-	589	589	-	589
Whereof: Cash financing	-68	-39	-29	-68	-39	-29

## KEY POINTS

- Leased buses to a value of 510 MSEK has been refinanced by loans
- Continued low level of investments related to few traffic starts in Q1
- 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

# BALANCE SHEET GROWING WITH BUSINESS EXPANSION

SEK million	2019-05-31	2018-05-31	Change
<b>ASSETS</b>			
Total non-current assets	7 372	6 883	489
Trade receivables and other current rec.	1 207	1 006	201
Cash and cash equivalents	992	692	300
<b>Total current assets</b>	<b>2 199</b>	<b>1 698</b>	<b>501</b>
<b>TOTAL ASSETS</b>	<b>9 571</b>	<b>8 581</b>	<b>990</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity	1 539	1 559	-20
Total non-current liabilities	4 821	4 346	475
Total current liabilities	3 211	2 676	535
<b>TOTAL LIABILITIES</b>	<b>9 571</b>	<b>8 581</b>	<b>990</b>

## KEY POINTS

- Total non-current assets increased relating to acquisitions of 680 MSEK
- Cash position increased to SEK 992 million (692) mainly due to the SEK 500 million green bond issuance in Q4
- Equity ratio of 16.1% (18.1%)
- Interest-bearing liabilities was SEK 5,509 million (5,112), including acquisition related loan of 293 MSEK
- Net debt/EBITDA was 2.7x (2.8x)



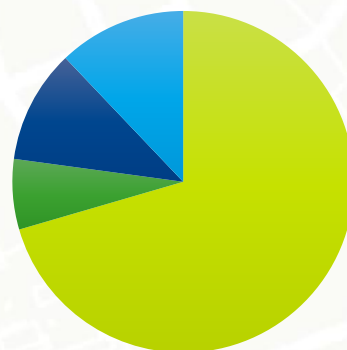
# STRONG START TO THE YEAR

- Significant growth in existing business and from acquisitions
- Last year's strong earnings development from existing contract portfolio continues into this year while the comparison figures in H2 will be more challenging due to contract migration
- Successful tender outcomes in Sweden and Finland already securing market share increase for the current fiscal year
- Nobina's yield case reinforced by the dividend increase of 13% to SEK 3.80 per share, giving a dividend yield of 7.2% at the end of Q1

# LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

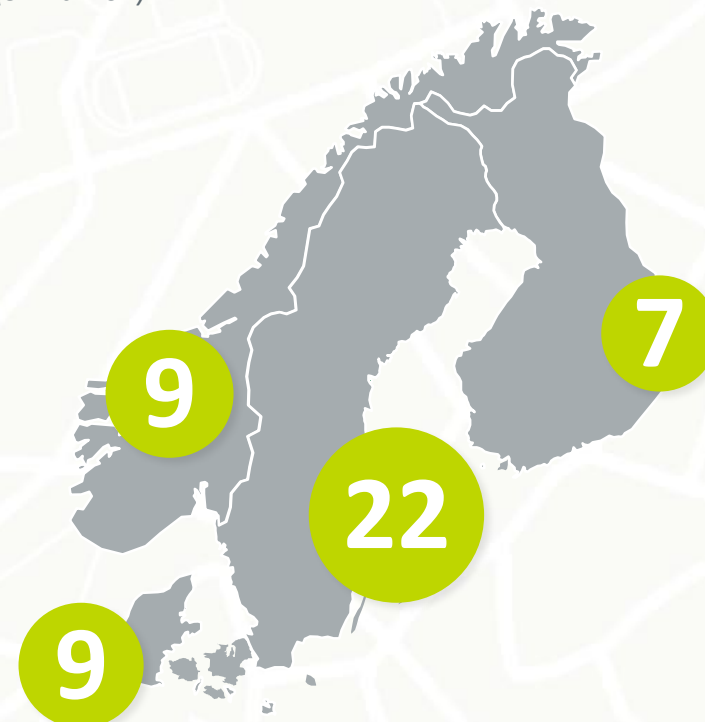
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 97% of revenues supported by long term contracts, typically lasting 5-10 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**  
2018/19 (SEK million)



■ Sweden 6 863  
■ Denmark 648  
■ Norway 1 047  
■ Finland 1 178

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



Source: Approximation based on Nobina's data

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