

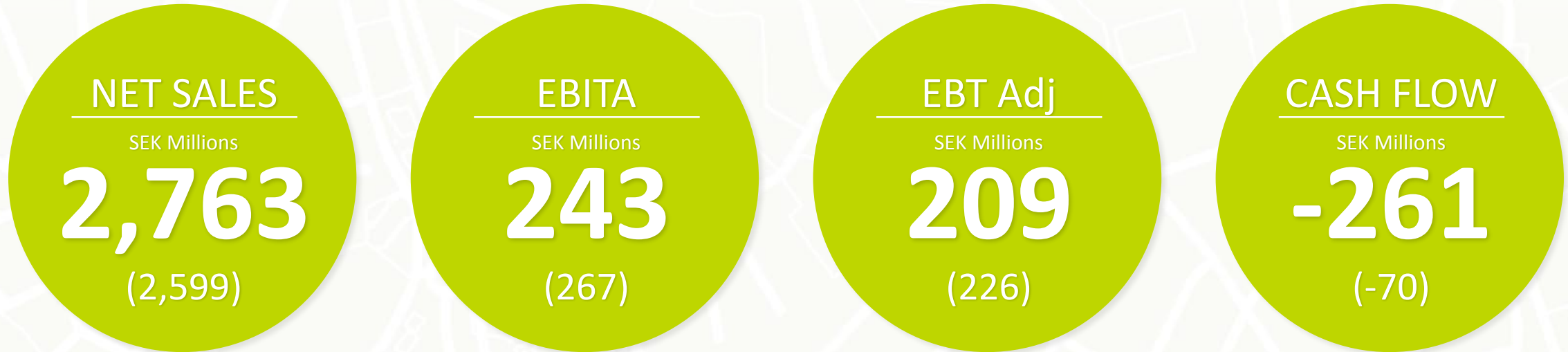


NOBINA AB

Investor presentation, Interim Report September 2019 – November 2019



SECOND BEST QUARTER EVER DESPITE CONTRACT MIGRATION

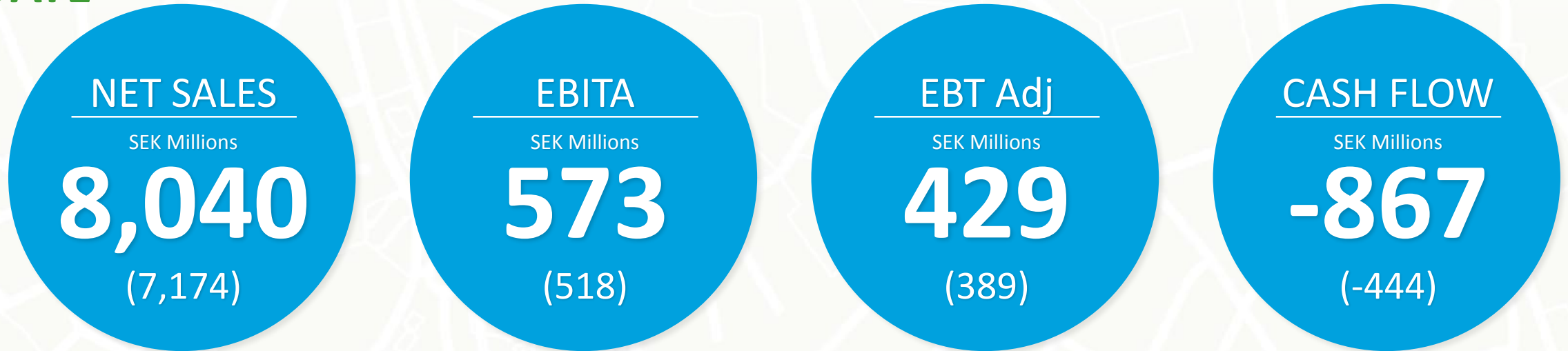


Q3 FINANCIAL HIGHLIGHTS

- Net sales* grew 6.1% mainly supported by acquisitions while organic growth was slightly positive.
- Adjusted EBT decreased to SEK 209 million mainly due to the significant contract migration but also offset by performance improvements in existing contracts and positive contributions from the acquired companies.
- Cash flow from operations before changes in working capital increased to SEK 538 million (491) and total cash flow decreased to SEK-261 million (-70).
- Investments amounting to SEK 485 million (178) in buses and other equipment. Change from leasing to loan financing 19 MSEK

**adjusted for currency effects and discontinuing operations*

STRONG GROWTH AND STABLE PROFIT DEVELOPMENT ALSO YEAR TO DATE



YTD FINANCIAL HIGHLIGHTS

- Net sales* grew 11.7% supported by acquisitions of 8.8% and 2.9% from organic growth.
- Adjusted EBT increased to SEK 429 million (389) due to performance improvements in existing contracts and positive contributions from the acquired companies but partly offset by the contract migration in Q3.
- Cash flow from operations before changes in working capital increased to SEK 1,393 million (1,205) and total cash flow decreased to SEK-867 million (-444) mainly explained by significant bus investments financed by the green bond issued in Q4 last year.
- Investments amounting to SEK 2,309 million (285) in buses and other equipment. Change from leasing to loan financing 753 MSEK

**adjusted for currency effects and discontinuing operations*

HIGHLIGHTS

- Nobina Technology launched the new mobility service app - Travis
- Samtrans Omsorgsresor secured a renewed contract to drive wheelchair accessible taxis in Stockholm county
- Nobina awarded new contract in Piteå comprising 25 scheduled buses, 13 of which are electric
- Expansion of the short-distance commercial traffic business through the launch of LandvetterExpressen
- Renewed contract in Malmö worth SEK 931 million over a three-year tenor and comprising 101 scheduled buses, of which 80 are electric

GAINED MARKET SHARE IN Q3

HIGHLIGHTS *(year-to-date)*

- Nobina has submitted tenders for 1 776 buses
- Nobina won 355 of the 1 536 announced buses
- Nobina gaining market share through a 23% win-rate

Definitions:

Submitted – Number of buses in tenders submitted by Nobina

Pending – Number of buses in submitted less announced

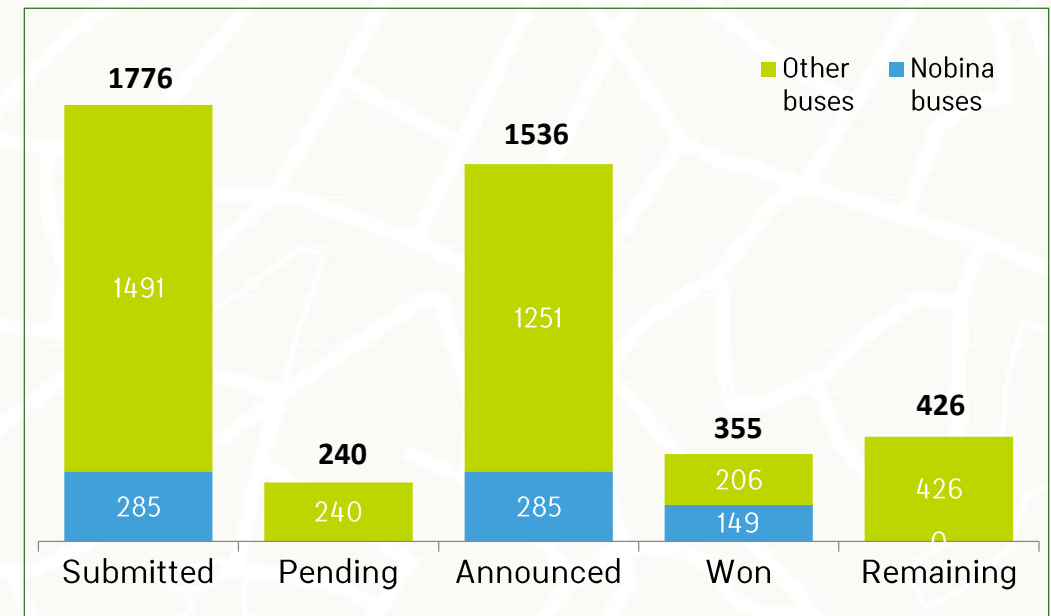
Announced – Number of buses in tenders where results are announced

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

Remaining available - Number of remaining buses available in tenders this year

DETAILED UPDATE *(Number of buses)*

March 2019 – Nov 2019	Tender results during the period	
	Announced	Won
Sweden	904	321
Norway	429	0
Finland	129	34
Denmark	74	0
Total	1 536	355



OVER 1,000 BUSES MIGRATED YEAR-TO-DATE

HIGHLIGHTS *(year-to-date)*

- Nobina has started contracts of 428 buses year-to-date, no change since Q2
- Nobina ended contracts of 597 buses year-to-date, a change of 100 buses since Q2

DETAILED UPDATE *(year-to-date)*

March 2019 – Nov 2019	Traffic changes during the period	
	Started	Ended
Sweden	166	321 ¹⁾
Norway	127	154
Finland	115	122
Denmark	20	0
Total	428	597

Average weighted contract length
(last year)

7.6
(8.1)

Average weighted contract age
(last year)

4.3
(4.7)

Average age of bus fleet
(last year)

6.3
(6.5)

1) Including the contract LT Sörmland of 119 buses ending in August 2019

MARKET GROWTH NEXT YEAR

Traffic starts December 2019 – November 2020

PTA	No. of years	Traffic start	No. of buses	New buses
HSL, Finland	1	Jan 2020	7	-
HSL, Finland	7	Jan 2020	27	27
Hallandstrafiken	10	June 2020	127	120
Piteå	10	July 2021	12	12
Östergötatrafiken	10	Aug 2020	87	87
Västtrafik	10	Aug 2020	71	71
Total			331	317³⁾

Nobina will start new contracts involving a total of 331 in-service buses in the next 12 months

Expiring contracts December 2019 – November 2020

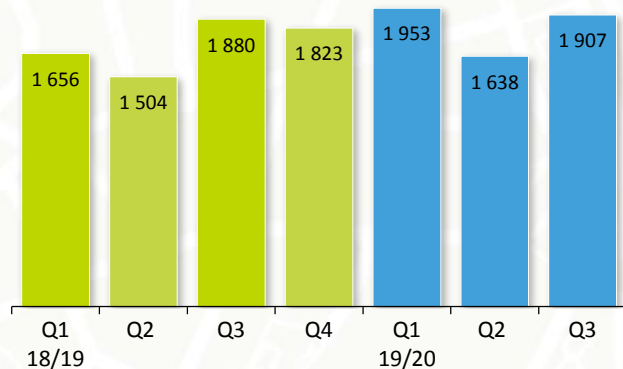
PTA	Traffic ending	No. of buses
Movia, Denmark	Dec 2019	11
Hallandstrafiken	June 2020	58
HSL, Finland	Aug 2020	19
Midttrafik, Denmark	Aug 2020	23
Total		111

Nobina will end contracts involving a total of 111 in-service buses in the next 12 months

ACQUISITION COMPENSATED PARTLY FOR CONTRACT MIGRATION EFFECTS IN SWEDEN

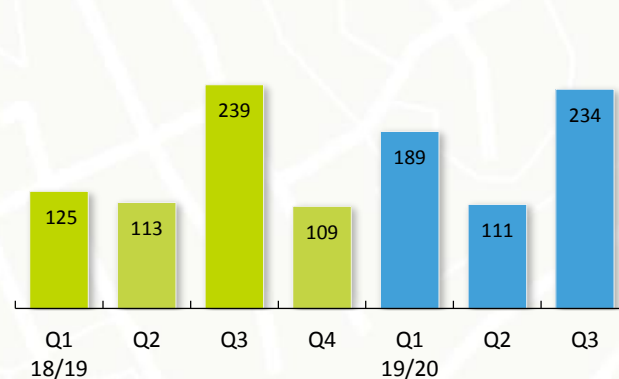
SWEDEN - NET SALES

SEK million



SWEDEN – EBITA

SEK million

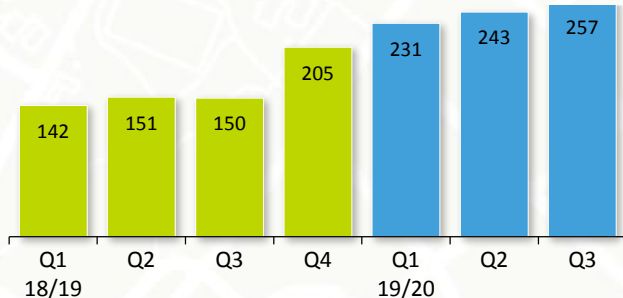


Q3 HIGHLIGHTS

- Net sales increased compared with the prior year period and the Samtrans acquisition has positive contribution
- EBITA has decreased as an effect of contract migration, partly compensated by maturing contract portfolio and by the Samtrans acquisition

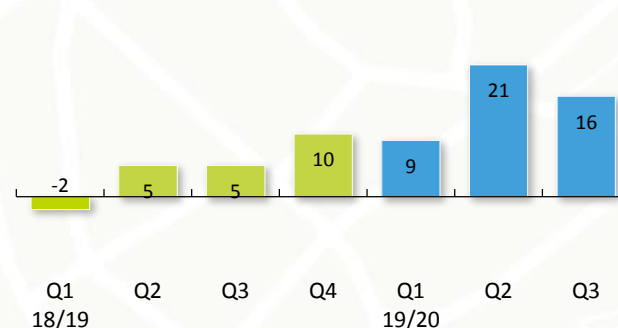
DENMARK - NET SALES

SEK million



DENMARK – EBITA

SEK million



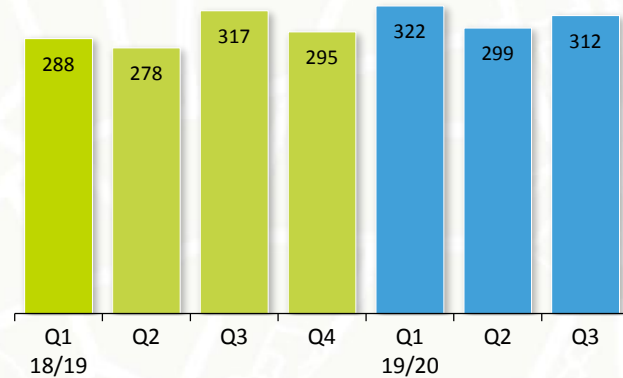
Q3 HIGHLIGHTS

- Significant increase 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

POSITIVE PROFIT DEVELOPMENT IN NORWAY IN EXISTING CONTRACTS

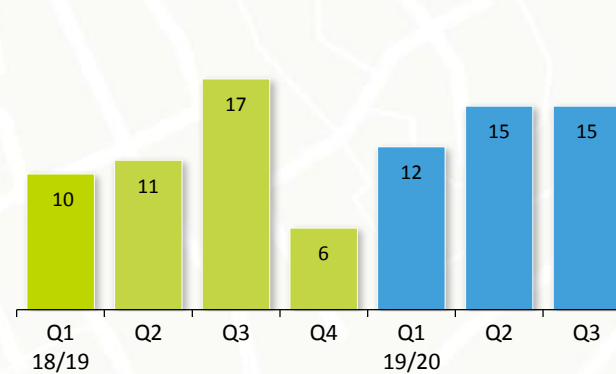
+ FINLAND - NET SALES

SEK million



+ FINLAND - EBITA

SEK million

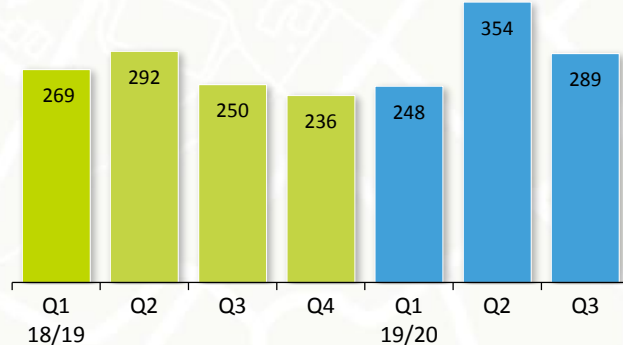


+ Q3 HIGHLIGHTS

- Net sales has decreased slightly vs last year driven by contract migrations and currency effects
- EBITA lower than last year due to contract migration

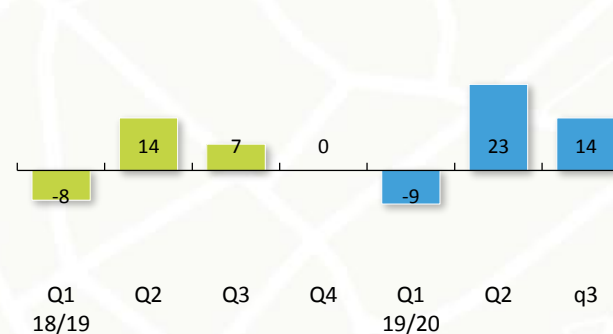
🇳🇴 NORWAY - NET SALES

SEK million



🇳🇴 NORWAY - EBITA

SEK million



🇳🇴 Q3 HIGHLIGHTS

- Net sales higher than last year due to positive effects from additional contract and volume increase in current contracts
- EBITA has increased significantly driven by performance improvement in existing contracts

OVERALL STRONG RESULTS DESPITE CONTRACT MIGRATIONS

KEY POINTS

SEK million	Q3 19/20	Q3 18/19	Change	YTD 19/20	YTD 18/19	Change
Net sales	2 763	2 599	164	8 040	7 174	866
EBITDA	538	499	39	1 407	1 234	173
% of net sales	19,5 %	19,2 %		17,5 %	17,2 %	
EBITA	243	267	-24	573	518	55
% of net sales	8,8 %	10,3 %		7,1 %	7,2 %	
EBIT	225	254	-29	533	495	38
% of net sales	8,1 %	9,7 %		6,6 %	6,9 %	
Interest income	-	-	-	-	-	-
Interest expenses	-48	-42	-6	-145	-131	-14
FX net	14	1	13	1	2	-1
EBT	191	213	-22	389	366	23
% of net sales	6,9 %	8,2 %		4,8 %	5,1 %	
Tax	-43	-47	4	-84	-86	2
Earnings after tax	148	166	-18	305	280	25

- Net sales growth mainly driven by acquisitions and positive development in existing contracts but negatively effected by contract migration
- EBT of 191 MSEK includes income and cost related to acquisition accounting. Adjusted EBT is 209 MSEK
- Norway and Denmark improving profitability compared to last year

PRICE & VOLUME COMPENSATE NEGATIVE EFFECTS FROM MIGRATION

SEK million	Net sales	EBT, Adj.
YTD Mar 2018 – Nov 2018	7,714	389
Price and volume	756	149
Contract migration	-25	-47
Indexation & operational efficiency	135	11
Other	-	-58
Financial net	-	-15
YTD Mar 2019 – Nov 2019	8,040	429

KEY POINTS

- Effects of price and volume positive both regarding net sales and EBT driven by a maturing contract portfolio and contract changes. This item includes positive effects from acquisitions, and increased volume in Norway.
- Contract migrations have been extensive this year and impacted the results negatively in Sweden and Norway primarily.
- Efficiency after indexation has improved compared to last year mainly driven by lower fuel consumption and maintenance.
- Other represents cost deviations, primarily within central functions, and includes result from the fleet operations
- Profit for the year was adversely impacted by higher interest expenses.

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

KEY POINTS

- Negative change in working capital mainly relating to timing impact of accounts payable linked to bus investments paid in the third quarter
- Less negative cash flow from investing compared to last year due to the acquisitions of Samtrans and DBO in Q3 prior year
- Weaker cash flow from financing activities in Q3 due to additional Samtrans consideration and higher amortisations than prior year Q3 which was also strengthened by new borrowings related to the DBO-acquisition
- Total cash flow in Q3 lower than Q3 previous year due to working capital swing.
- Total cash flow YTD 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

SEK million	Q3 19/20	Q3 18/19	Change	YTD 19/20	YTD 18/19	Change
Cash flow from operations before changes in working capital	538	491	47	1 393	1 215	178
Changes in working capital	-211	50	-261	-261	-129	-132
Interest received and tax payment	-9	0	-9	-11	-1	-10
Cash flow from operations after changes in working capital	318	541	-223	1 121	1 085	36
Cash flow from investing activities	-194	-608	414	-1 476	-663	-813
Cash flow from financing activities	-385	-3	-382	-512	-866	354
Cash flow for the period	-261	-70	-191	-867	-444	-423
Cash and cash equivalents at the end of the period	192	320	-128	192	320	-128

HEAVY INVESTMENTS DUE TO SIGNIFICANT CONTRACT STARTS

SEK million	Q3 19/20	Q3 18/19	Change	YTD 19/20	YTD 18/19	Change
Investments in buses	-460	-154	-306	-2 275	-232	-2 043
Other investments	-25	-24	-1	-34	-53	19
Total investments	-485	-178	-307	-2 309	-285	-2 024
Lease financing	293	90	203	821	123	698
Capex	-192	-88	-104	-1 488	-162	-1 326
Whereof: Loan financing of buses	8	35	-27	821	35	786
Whereof: Cash financing	-184	-53	-131	-667	-127	-540

KEY POINTS

- Lease financing of 293 MSEK in Q3 relating to bus investments in Norway and Finland
- Leased buses to a value of 19 MSEK in Sweden has been refinanced by loans in Q3
- 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 GROWTH DRIVEN BY NEW BUS INVESTMENTS

SEK million	2019-11-30	2018-11-30	Change
ASSETS			
Total non-current assets	8 005	7 324	681
Trade receivables and other current rec.	1 099	1 112	-13
Cash and cash equivalents	192	320	-128
Total current assets	1 291	1 432	-141
TOTAL ASSETS	9 296	8 756	540
EQUITY AND LIABILITIES			
Shareholders' equity	1 388	1 420	-32
Total non-current liabilities	5 070	4 772	298
Total current liabilities	2 838	2 564	274
TOTAL LIABILITIES	9 296	8 756	540

KEY POINTS

- Total non-current assets increased relating to investment in new buses
- Cash position reduces to SEK 192 million (320)
- Equity ratio of 14.9% (16.2%)
- Interest-bearing liabilities was SEK 5,893 million (5,218), including acquisition related loan of 259 (316) MSEK
- Net debt/EBITDA was 3.2x (3.1x)

STRONG RESULT DESPITE CONTRACT MIGRATION

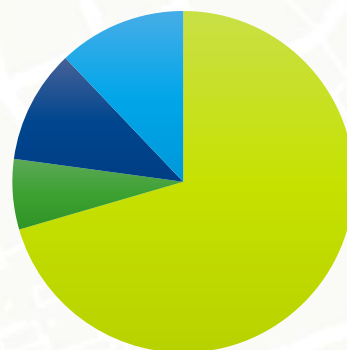
- Adj. EBT lower than last Q3 due to significant contract migration but still the second most profitable quarter ever
- Effects from contract migration offset by continuous improvements in the existing contract portfolio combined with contributions from acquired companies
- Stable growth from acquisitions of 5.5% and positive organic growth adding up to 6.1%
- Renewed contract for Samtrans within wheelchair accessible services in Stockholm
- Nobina Technology continued to lead the way in the MaaS-area by launching the mobility service app Travis
- Business development within short-distance commercial traffic through the launch of LandvetterExpressen
- Secured market share increase with the contract win in Malmö, Sweden which also constitutes one of the largest electric bus investments in Sweden



LARGEST PUBLIC TRANSPORT COMPANY IN THE NORDIC REGION

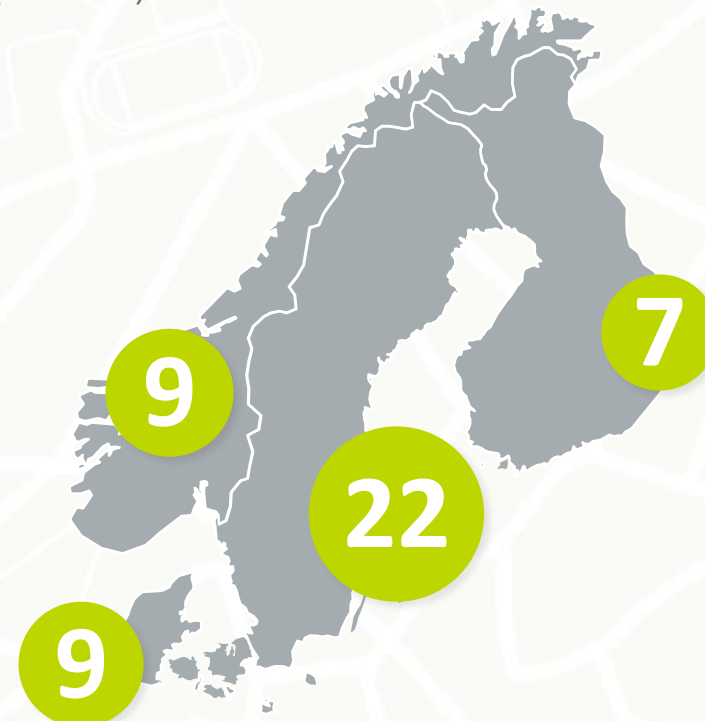
- Nobina's economies of scale, market expertise and outstanding bus fleet, combined with long-term delivery of quality, make Nobina the industry leader in terms of profitability.
- Stable operations and growing market. More than 97% of revenues supported by long term contracts, typically lasting 5-10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