



# Investor Presentation

## Q2 FY20/21

Active management has yielded results



# Sharply improved earnings due to retroactive compensation and strong Samtrans performance



## Q2 Financial highlights

- Net sales\* increased by 3.4% mainly driven by the strong performance of Samtrans and retroactive compensation in incentive revenue linked to Covid-19.
- Adjusted EBT increased to SEK 153 million mainly due to retroactive negotiated incentive revenue linked to Covid-19, the agile performance of Samtrans and improved cost control. In addition the results were strengthened by positive effects from contract migration in Norway and Finland.
- Cash flow from operations increased to SEK 483 million (472) and total cash flow increased to SEK 86 million (-536). Total cash flow significantly stronger than Q2 last year mainly due to cancelled dividend and less bus investments funded by proceeds from the green bond issued in 2019.

*\*Adjusted for currency effects*

# Retroactive revenue compensated the weak Q1 leading to earnings being almost in line with previous year



## YTD Financial highlights

- Net sales\* decreased by 2.6% mainly driven by negative effects from contract migration and lower revenue resulting related to the decline in travel due to Covid-19.
- Adjusted EBT decreased to SEK 203 as a result of lower revenue related to the decline in travel due to Covid-19 and negative contract migration.
- Cash flow from operations increased to SEK 1,051 million (803) and total cash flow increased to SEK 491 million (-606). Total cash flow significantly stronger than H1 last year mainly due to new bank loan of SEK 200 million related to the Samtrans acquisition, cancelled dividend, less bus investments funded by proceeds from the green bond and working capital swings.

*\*Adjusted for currency effects*



## Active management yielded results

- During the quarter Nobina has reached agreements with a number of PTA's regarding the management of the effects of the pandemic resulting in also retroactive compensation.
  - Negotiations with a few PTA's are still ongoing
- Samtrans Omsorgsresor's rapid readjustment of their organization to support new needs in the society with transportation and testing services related to Covid-19 has contributed significantly to the strong results.
- In the second quarter we have seen positive effects on earnings also from increased cost control, higher efficiency and from contract migration in Norway and Finland.
- During the quarter Nobina started new traffic with a total of 268 buses in Linköping, Sjuhärad, Halland and Vejle as a result of last year's contract wins.
- New contract wins in Helsinki, Linköping, Norrbotten and Turku (after the quarter) with a total contract value of appr. SEK 3.3 billion and involving 172 buses.

# Nobina has won contracts of 136 buses in the first two quarters

## Highlights (year-to-date)

- Tenders of 1,930 buses are submitted so far in FY20/21.
- Tenders of 1,198 buses are pending, while tenders corresponding to 732 buses have been announced. Nobina has won 136 buses so far in FY20/21.
- Two of the major tenders in the Stockholm region have been appealed.

### 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 FY20/21

## March 20 – August 20 Tender results during the period

|              | Announced  | Won        |
|--------------|------------|------------|
| Sweden       | 393        | 64         |
| Norway       | 47         | 0          |
| Finland      | 259        | 68         |
| Denmark      | 33         | 4          |
| <b>Total</b> | <b>732</b> | <b>136</b> |



# Nobina has gained market share in the first two quarters

| Mar 20 – Aug 20 | Traffic changes during the period |            |
|-----------------|-----------------------------------|------------|
|                 | Started                           | Ended      |
| Sweden          | 250                               | 58         |
| Norway          | 0                                 | 0          |
| Finland         | 0                                 | 20         |
| Denmark         | 18                                | 23         |
| <b>Total</b>    | <b>268</b>                        | <b>101</b> |

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



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



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



# Majority of buses starting the next 12 months will be electric buses

## Traffic starts Sep 2020 – Aug 2021

| PTA                | No. of years | Traffic start | No. of buses | New buses  |
|--------------------|--------------|---------------|--------------|------------|
| Skånetrafiken (SE) | 6            | Jun 2021      | 101          | 72         |
| HSL (FI)           | 7            | Aug 2021      | 68           | 58         |
| Västtrafik (SE)    | 10.5         | Dec 2020      | 35           | 35         |
| Movia (DK)         | 4.5          | Dec 2020      | 34           | 0          |
| Norrbottnen (SE)   | 10           | Dec 2020      | 13           | 13         |
| Piteå (SE)         | 10           | Jul 2021      | 12           | 12         |
| Norrbottnen (SE)   | 10           | Jun 2021      | 12           | 0          |
| <b>Total</b>       |              |               | <b>275</b>   | <b>190</b> |

- Nobina will start new contracts involving a total of 275 in-service buses in the next 12 months whereof 142 are new electric buses.
- Out of the buses still pending announcement another 588 buses have traffic start within the next 12 months.

## Expiring contracts Sep 2020 – Aug 2021

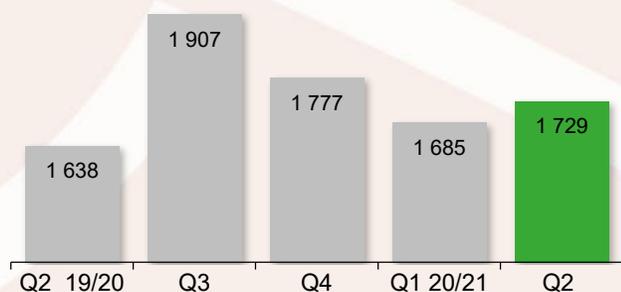
| PTA                | Traffic end   | No. of buses |
|--------------------|---------------|--------------|
| HSL (FI)           | August 2021   | 101          |
| SL (SE)            | June 2021     | 91*          |
| Skånetrafiken (SE) | June 2021     | 82           |
| Movia (DK)         | December 2020 | 34           |
| Västtrafik (SE)    | June 2021     | 33           |
| Skånetrafiken (SE) | June 2021     | 13           |
| Västtrafik (SE)    | June 2021     | 8            |
| HSL (FI)           | December 2020 | 7            |
| <b>Total</b>       |               | <b>369</b>   |

- Nobina will end contracts involving a total of 369 in-service buses in the next 12 months.

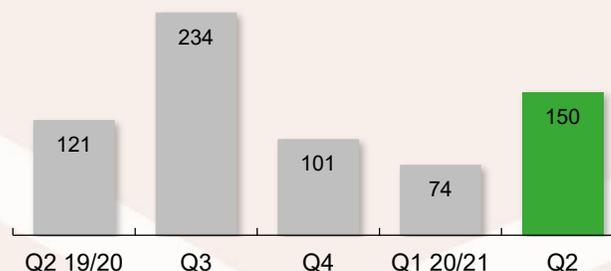
*\*The award is under appeal and pending decision*

# Positive effect from Samtrans and retroactive compensation in Sweden while contract migration had negative effect in both countries

 **SE Net sales**  
SEK million



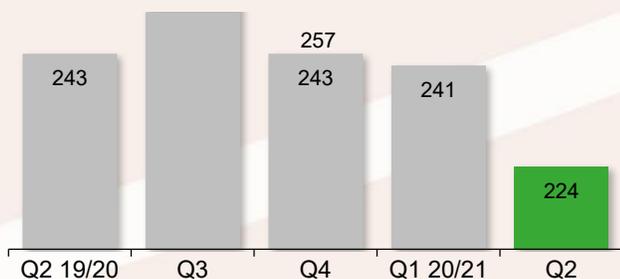
 **SE EBITA**  
SEK million



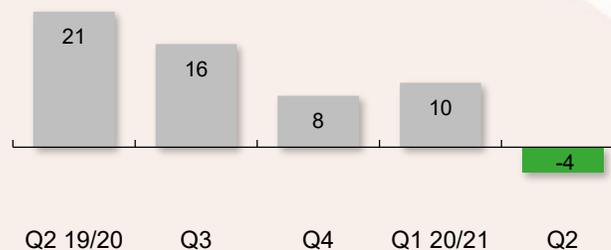
 **Q2 Highlights**

- Net sales for the second quarter increased compared with the prior year period primarily due to positive development for Samtrans and retroactive compensations for incentive income due to Covid-19.
- EBITA increased due to strong Samtrans performance, retroactive compensation for incentive income and increased cost control. Contract migration had a negative effect on the result.
- Negotiations are still ongoing with a few PTA's concerning amendments of traffic contracts.

 **DK Net sales**  
SEK million



 **DK EBITA**  
SEK million

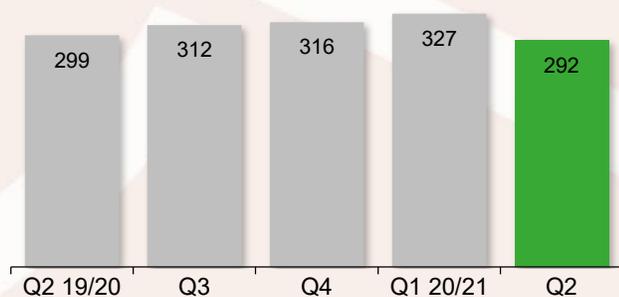


 **Q2 Highlights**

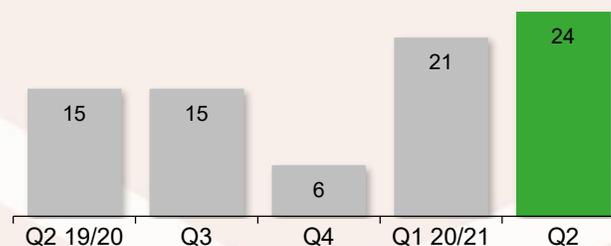
- Net sales lower than last year due to negative contract migration and less extra traffic due to Covid-19.
- EBITA was lower than the prior year period due to negative contract migration and less extra traffic related to Covid-19.

# Contract migration and efficiency improvements drive improved results in Finland and Norway

 **FI Net sales**  
SEK million



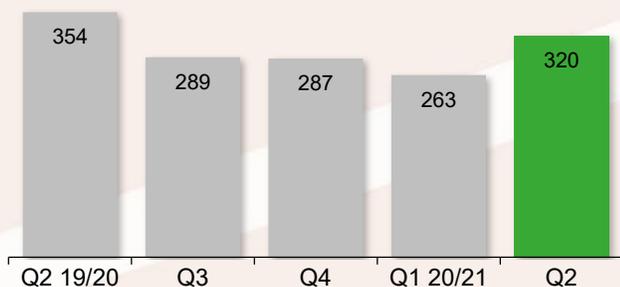
 **FI EBITA**  
SEK million



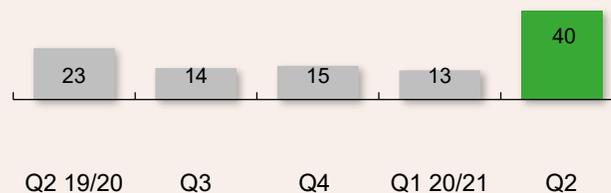
 **Q2 Highlights**

- Net sales for the second quarter were lower than the prior year period due to less traffic as an effect from Covid-19.
- EBITA for the quarter was higher than in the corresponding period last year and was mainly impacted by the positive contract migration but also by efficiency improvements.

 **NO Net sales**  
SEK million



 **NO EBITA**  
SEK million



 **Q2 Highlights**

- Net sales for the second quarter were lower than in Q2 last year due to negative currency effect.
- EBITA was substantially higher year-on-year and was attributable to the positive contract migration, operational improvements and cost control.

# Sharply increased result due to retroactive compensation, increased cost control and strong Samtrans performance

| SEK million              | Q2 20/21      | Q2 19/20      | Change | YTD 20/21     | YTD 19/20     | Change |
|--------------------------|---------------|---------------|--------|---------------|---------------|--------|
| Net sales                | 2 564         | 2 528         | 36     | 5 073         | 5 277         | -204   |
| EBITDA<br>% of net sales | 481<br>18,8 % | 438<br>17,3 % | 43     | 847<br>16,7 % | 869<br>16,5 % | -22    |
| EBITA<br>% of net sales  | 190<br>7,4 %  | 162<br>6,4 %  | 28     | 279<br>5,5 %  | 330<br>6,3 %  | -51    |
| EBIT<br>% of net sales   | 175<br>6,8 %  | 156<br>6,2 %  | 19     | 245<br>4,8 %  | 308<br>5,8 %  | -63    |
| Interest income          | -             | -             | -      | -             | -             | -      |
| Interest expenses        | -44           | -46           | 2      | -88           | -97           | 9      |
| FX net                   | 7             | -9            | 16     | 12            | -13           | 25     |
| EBT<br>% of net sales    | 138<br>5,4 %  | 101<br>4,0 %  | 37     | 169<br>3,3 %  | 198<br>3,7 %  | -29    |
| Tax                      | -24           | -20           | -4     | -34           | -41           | 7      |
| Earnings after tax       | 114           | 81            | 33     | 135           | 157           | -22    |

## Key points

- Net sales increased in the quarter with 3.4% adjusted for currency effects, mainly driven by Samtrans development and retroactive compensation in incentive revenue due to Covid-19.
- EBT of 138 MSEK in Q2 includes income and cost related to acquisition accounting. Adjusted EBT is 153 MSEK.
- Positive EBITA effect from Samtrans due to new business with mobile test stations for Covid-19 and increased cost control.
- Contract migration in total negative for the quarter, but positive for Norway and Finland.
- Positive EBITA contribution from Norway, Finland and Sweden.

# Contract migration and reduced travelling due to Covid-19 still impact both sales and earnings year-to-date

| SEK million                         | Net sales    | EBT Adj.   |
|-------------------------------------|--------------|------------|
| YTD Mar 2019 – Aug 2019             | <b>5,277</b> | <b>220</b> |
| Price and volume                    | -92          | -46        |
| Contract migration                  | -128         | -31        |
| Indexation & operational efficiency | 16           | 36         |
| Other                               | -            | -10        |
| Financial net                       | -            | 34         |
| YTD Mar 2020 – Aug 2020             | <b>5,073</b> | <b>203</b> |

## Key points

- Effects of price and volume negative both regarding net sales and EBT adj. driven by decrease in travel volume resulting from the Covid-19 pandemic. Samtrans had a positive impact on both revenue and earnings.
- Contract migrations have been extensive this year and impacted the results negatively in Sweden. Positive impact of migration in Norway and Finland.
- Operational efficiency improved year-on-year, partly due to lower fuel and damage cost, as well as less overtime.
- Other represents cost deviations, primarily within central functions, and includes result from the fleet operations.
- Profit for the year was positively effected by exchange rate effects.

# Strong cash flow affected by temporary effects

| SEK million   | Q2 20/21 | Q2 19/20 | Change | YTD 20/21 | YTD 19/20 | Change |
|---|----------|----------|--------|-----------|-----------|--------|
| Cash flow from operations before changes in working capital | 485      | 421      | 64     | 848       | 855       | -7     |
| Changes in working capital                                  | -2       | 53       | -55    | 207       | -50       | 257    |
| Interest received and tax payment                           | -        | -2       | 2      | -4        | -2        | -2     |
| Cash flow from operations after changes in working capital  | 483      | 472      | 11     | 1 051     | 803       | 248    |
| Cash flow from investing activities                         | -350     | -623     | 273    | -1 007    | -1 282    | 275    |
| Cash flow from financing activities                         | -47      | -385     | 338    | 447       | -127      | 574    |
| Cash flow for the period                                    | 86       | -536     | 622    | 491       | -606      | 1 097  |

## Key points

- Cash flow from operations slightly higher than Q2 previous year as a result of higher earnings offset by negative working capital swings.
- Positive effect from working capital changes YTD primarily due to impact of postponed final settlements with PTA's pertaining to incentive contracts and increased accounts payables in the fleet group due to new financing method.
- Cash flow from investing activities significantly lower than Q2 previous year since we made large bus investments last year financed by the green bond which was issued in Q4 2019/2020.
- Improved cash flow from financing activities in Q2 due to the cancelled dividend which last year amounted to 331 MSEK.
- Total cash flow for the quarter significantly stronger than Q2 last year mainly due to cancelled dividend and high levels of bus financing funded by the green bond last year.
- Total cash flow YTD significantly stronger than last year mainly due to cancelled dividend, high levels of bus financing funded by the green bond last year, new bank loan and working capital swings.

# Reduced investments YoY due to massive traffic starts last year

| SEK million                      | Q2 20/21 | Q2 19/20 | Change | YTD 20/21 | YTD 19/20 | Change |
|----------------------------------|----------|----------|--------|-----------|-----------|--------|
| Investments in buses             | -313     | -1 164   | 851    | -956      | -1 815    | 859    |
| Other investments                | -19      | -        | -19    | -38       | -9        | -29    |
| Total investments                | -332     | -1 164   | 832    | -994      | -1 824    | 830    |
| Lease financing                  | 27       | 525      | -498   | 27        | 528       | -501   |
| Capex                            | -305     | -639     | 334    | -967      | -1 296    | 329    |
| Whereof: Loan financing of buses | 253      | 224      | 29     | 825       | 813       | 12     |
| Whereof: Cash financing          | -52      | -415     | 363    | -142      | -483      | 341    |

*\*The table includes investments in buses and other equipment but excludes acquisitions*

## Key points

- Total bus investments in the quarter of 313 MSEK whereof 28 MSEK financed by the green bond proceeds.
- Unusually high investments in Q2 previous year due to large number of traffic starts.
- Last year's investments in Q2 included also already existing buses refinanced from financial leasing to installment loans of 243 MSEK.
- Last year's investments YTD also boosted with SEK 753 million by refinancing of existing buses from financial leasing to installment loans.
- Investments in buses also includes residual value purchases of buses in expired leasing contracts.
- All new bus investments are financed through installment loans, financial leasing or by green bonds.

## Strong liquidity and leverage ratio in lower end of the range

| SEK million                              | 2020-08-31    | 2019-08-31   | Change     |
|--|---------------|--------------|------------|
| <b>ASSETS</b>                            |               |              |            |
| Total non-current assets                 | 8 182         | 7 953        | 229        |
| Trade receivables and other current rec. | 1 042         | 1 153        | -111       |
| Cash and cash equivalents                | 786           | 460          | 326        |
| <b>Total current assets</b>              | <b>1 828</b>  | <b>1 613</b> | <b>215</b> |
| <b>TOTAL ASSETS</b>                      | <b>10 010</b> | <b>9 566</b> | <b>444</b> |
|  |               |              |            |
| <b>EQUITY AND LIABILITIES</b>            |               |              |            |
| Shareholders' equity                     | 1 491         | 1 303        | 188        |
| Total non-current liabilities            | 5 705         | 5 067        | 638        |
| Total current liabilities                | 2 814         | 3 196        | -382       |
| <b>TOTAL LIABILITIES</b>                 | <b>10 010</b> | <b>9 566</b> | <b>444</b> |

### Key points

- Total non-current assets increased relating to investment in new buses. Investment in new buses and other equipment during Q2 was SEK 332 (1 164) million.
- Cash position increased to SEK 786 million (460) due to new bank loan of SEK 200 million in Q1 and cancelled dividend in Q2 which last year amounted to SEK 331.
- Equity ratio of 14.9% (13.6%).
- Interest-bearing liabilities was SEK 6,302 million (5,835), including acquisition related loan of 428 (283) MSEK.
- Net debt/EBITDA was 3.2x (3.1x).



# Agile business development and gained market share

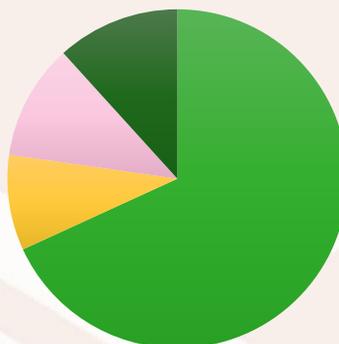
- During the quarter Nobina has improved earnings by:
  - New PTA agreements (incl. retroactive compensation)
  - Samtrans Omsorgsresor’s agile adaptation of their organization and identification of new business opportunities
  - Positive effects from increased cost control
  - Higher efficiency
  - Positive effects from contract migration in Norway and Finland
- Furthermore, Nobina has in the quarter gained market share by starting new traffic with a total of 268 buses in Linköping, Sjuhärad, Halland and Vejle as a result of last year’s contract wins.
- Nobina has taken the market leader role in driving the electrification development in Finland by new contract wins in Helsinki and Turku.

# Appendix

# Largest public transport company in the Nordic region

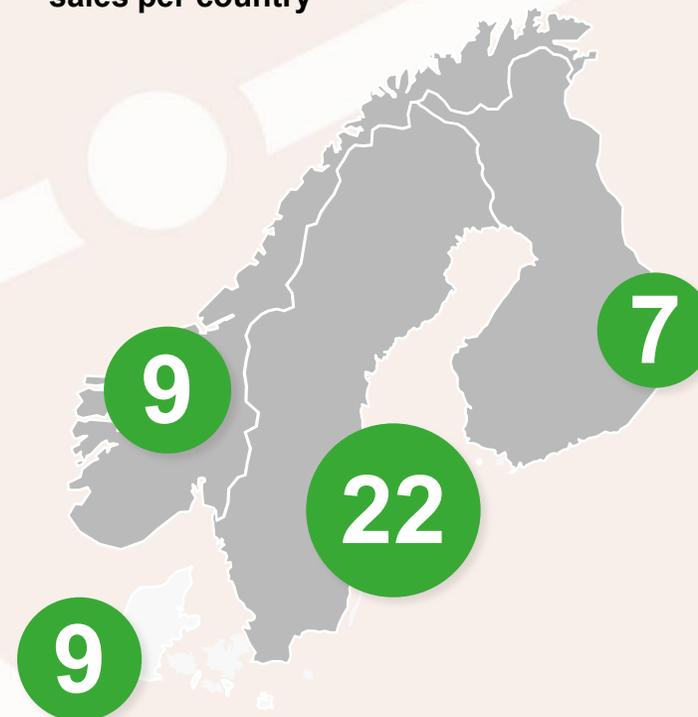
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- Investments in buses also includes residual value purchases of buses in expired leasing contracts
- All new bus investments are financed through installment loans, financial leasing or by green bonds

**Nobina - Net sales per country 2019/2020 (Total SEK 10,7 billion)**



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

**Total market SEK 47 billion – Annual net sales per country**



An aerial photograph of a city at sunset. The sky is filled with dramatic, colorful clouds in shades of orange, red, and blue. The sun is low on the horizon, casting a warm glow over the city. In the foreground, several modern buildings are visible, including a prominent white building with a grid-like facade. Two construction cranes are visible on the right side of the image. The Nobina logo, consisting of the word "Nobina" in white sans-serif font and a green circle, is overlaid in the upper center of the image.

**Nobina**