

# Strong position in a challenging market

During the first quarter, we continued to see negative impact on sales and earnings of last year's extensive contract migration of some 1,100 buses. In addition, profitability in incentive contracts was adversely affected by a drop in passenger numbers by about 50 percent due to covid-19. Negotiations with some clients, concerning how these contracts can be adapted during the pandemic, are still ongoing while some negotiations have been finalized. We noted a slight recovery in passenger numbers in May and can confirm that Nobina's stable financial position gives good conditions to further strengthen the market position in the long term.

## First quarter

- Net sales amounted to **SEK 2,509 million** (2,749), a decrease of **8.7 percent** compared to the prior-year quarter, of which –8.1 percent was organic growth and –0.6 percent derived from currency effects.
- EBITA amounted to **SEK 89 million** (168).
- EBIT amounted to **SEK 70 million** (152).
- Profit after tax amounted to **SEK 21 million** (76), and earnings per share totalled **SEK 0.24** (0.87) before dilution.
- Cash flow from operations was **SEK 568 million** (331).

## Significant events during the first quarter

- In May, Nobina published its first Green Bond Impact Report containing a presentation of how the company has used the proceeds generated by the green bond and the environmental gains achieved through these investments. We have estimated that these investments will

reduce or avoid 8,250 tCO<sub>2</sub>e per annum and that the investment in 2019/20 enabled 8.5 million passengers to travel by fossil free or electric buses in a year.

- In line with the Board's proposal, the Annual General Meeting voted not to pay any dividend for the 2019/2020 fiscal year in order to ensure as strong a financial position as possible. A resolution was taken to introduce a performance-based share saving scheme for 60 key employees. Johan Bygge was elected new Chairman of the Board at the same time as Monica Lingegård and Jan Sjöqvist, after 15 years as Chairman of the Board, declined re-election.

## Significant events after the end of the quarter

- In June, Nobina started new traffic with a total of 250 buses in Linköping, Sjuhärad and Halland due to the contacts secured in spring 2019.

## Key metrics

(SEK million, except as otherwise indicated)

	Quarter		Full year	Rolling 12 months
	Mar–May 2020	Mar–May 2019	Mar 2019–Feb 2020	June 2019–May 2020
Net sales	2,509	2,749	10,645	10,405
EBITDA	366	431	1,764	1,699
EBITA	89	168	662	583
EBIT	70	152	597	515
EBT	31	97	399	333
Adjusted EBT <sup>1)</sup>	50	113	464	401
Adjusted EBT margin	2.0%	4.1%	4.4%	3.9%
Profit after tax	21	76	305	250
Cash flow for the period <sup>2)</sup>	405	–70	–753	–278
	31 May 2020	31 May 2019	29 Feb 2020	
Net debt/EBITDA	3.3x	2.7x	3.1x	
Net debt/EBITDA, excluding bus financing	0.4x	0.1x	0.5x	
Equity/assets ratio, %	13.8	16.1	14.7	

A complete table of key metrics, including definitions, can be found on pages 24–25.

1) Adjusted for income, costs and amortisations related to acquisition accounting effects.

2) Cash flow for the period was positively impacted by a new loan of SEK 200 million relating to an earlier acquisition and by changes in working capital.

# Statement from the CEO



Nobina's first quarter has largely coincided with the accelerating spread of the new coronavirus worldwide. As a result of this development, the everyday habits we have taken for granted, such as travelling and meeting in groups, have become much more difficult in most countries. But even in the midst of a pandemic, public transport plays a central role in keeping society functioning. Travel by train, metro and bus has, of course, fallen sharply, but many people must remain mobile and may rely entirely on public transport. One of our key duties during the quarter has therefore been to make our bus journeys extra safe and secure.

In terms of our economic performance, I can confirm that both sales and earnings declined in the first quarter compared with the prior year period. Adjusted profit before tax totalled SEK 50 million (113). Our performance was impacted by the extraordinary situation we find ourselves in, and by the final phase of the extensive contract migration. We expect this migration to have some impact during the second quarter of the fiscal year, given that we, for example, began operating 250 new buses in Linköping, Sjuhärad and Halland in mid-June. From the third quarter, we expect only a slight impact on profitability and sales from the termination and start-up of bus services.

## We continue to deliver

Bus travel in the Nordic region has halved since the outbreak of covid-19. This has naturally resulted in a sharp decline in ticket revenue for our clients, and we have been affected within the framework of our incentive contracts where compensation often is linked to the number of boarding passengers. At the same time, there has been a strong desire from society to maintain transport services despite the sharp drop in travel, in order to increase space on buses to reduce the risk of infection. I have noted a general desire among clients in all countries to keep traffic operating. And we have delivered. In fact, our traffic delivery, which was at 99.95 percent in May, remains at high levels despite the challenges. Now that we can see a slight recovery in passenger volumes, discussions are also taking place with several clients to increase the number of departures in order to uphold the level of safety for passengers. This means we must utilise our bus fleet more and, in some cases, even operate extra buses.

**"I can also see new business opportunities as we continue to participate in the possible consolidation of the industry"**

Looking at developments in the various markets, I can state that the most challenging market for us was Sweden. This market is where we have most of our incentive contracts and most of our contract migration is also taking place here. Other countries reported an improved profit performance in the quarter. In these countries, the targeted state subsidies to public transport have also effectively mitigated the financial impact of lower ticket revenue for clients. Moreover, we have continued to successfully strengthen the underlying profitability of existing contracts, for example, in Norway, where we now have a contract mix that is far more favourable compared to previously.

## Health and well-being in focus

Our focus on health and well-being not only applies to passengers but also to our own organisation. During the pandemic, we naturally have a particular focus on this, and it has been effective. The sick leave figure which rose initially is now in line with, or even lower than, levels from before covid-19. Care of our employees is very important if Nobina is to serve and fulfil its important public service, in all situations. People who can work from home have done so, and we now keep the front entrance doors closed on almost all of our buses. These measures have helped to make Nobina a healthier company in a difficult time. I can see that drivers are playing a heroic role at this time by going to work every day. I would also like to highlight the actions taken by our subsidiary Samtrans. As the market leader in special needs transportation in the Stockholm region, Samtrans has taken a particular responsibility in a region that was deeply afflicted by the pandemic. By quickly redirecting parts of its operations, Samtrans has been responsible for transporting a large number of covid-19 positive patients and provided mobile stations for virus testing. The changes made by Samtrans is one excellent example of the flexibility demonstrated by the entire Group when society is facing major challenges.

## Challenges may give rise to opportunities

Flexibility also includes our financial situation. During the quarter, we further strengthened our balance sheet and now have healthy liquidity, in part due to the decision by the AGM to not pay a dividend and also due to new financing. Quite simply, we want to ensure that we have ample resources at our disposal should this challenging situation persist, and we are determined to be at least as strong when we exit this situation as when we entered it. I can also see new business opportunities as we continue to participate in the possible consolidation of the industry. Public transport is an industry of the future and has an important part to play on the journey towards a sustainable society, where fossil-free, flexible and cost-efficient buses have a key role in future developments. Our recently published Green Bond Impact Report presents the environmental benefits provided by the 144 buses we have purchased using funds from the green bond we issued in February 2019. While we continue to take our responsibility in an extraordinary situation, we are also building on our strategy for profitable and sustainable growth, with the Nordic region's largest bus fleet and approximately 12,000 committed and dedicated employees.

Magnus Rosén,  
President and CEO

# Nobina's financial performance

First quarter (1 March 2020–31 May 2020)

## Net sales

Nobina's first quarter net sales amounted to SEK 2,509 million (2,749), down 8.7 percent compared with the prior year period. Adjusted for currency effects, net sales decreased 8.1 percent. The net sales development was largely due to contract migration and the impact of covid-19 with a decline in incentive revenue, primarily in Sweden. Denmark, Finland and Norway reported a positive sales trend during the quarter.

## Results

EBITA for the first quarter amounted to SEK 89 million (168), a decline of -47.1 percent primarily attributable to covid-19 and a decrease in incentive revenue, primarily in Sweden. Negotiations are ongoing with certain clients concerning how incentive contracts can be modified in view of the lower passenger volumes, while other negotiations were completed during the quarter. There were positive developments of EBITA in Norway, Finland and Denmark during the quarter. EBIT for the first quarter amounted to SEK 70 million (152), a decline of -54.1 percent. Profit before tax was SEK 31 million (97). Adjusted profit before tax totalled SEK 50 million (113).

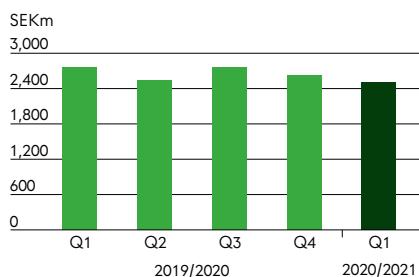
## Income tax

Nobina's income tax in the income statement for the first quarter comprised current tax of SEK -3 million (-1) and the change in estimated deferred tax of SEK -7 million (-20). The effective rate of tax was 32 percent (22). Tax paid in the first quarter amounted to SEK 4 million (-).

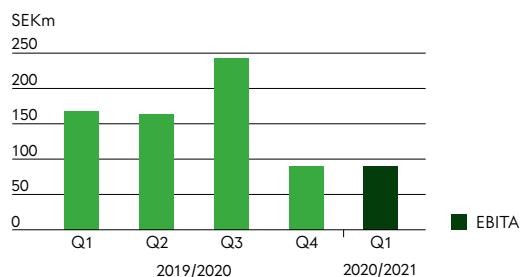
## Financial position

Cash and cash equivalents amounted to SEK 704 million (992) at the end of the period. Nobina has an available bank credit facility of SEK 300 million (300) as of 31 May 2020. Nobina's interest-bearing liabilities amounted to SEK 6,321 million (5,509), mainly divided between right-of-use liabilities of SEK 3,084 million (3,108) and other external liabilities, mainly loans for bus financing, of SEK 2,677 million (1,953) which includes Nobina's green bond of SEK 500 million (500) issued in February 2019. Nobina's liabilities are primarily attributable to the financing of investments in buses and equipment used in operations, but also include certain strategic debt in the form of two loans related to acquisition financing amounting to SEK 444 million (293), which replaced a previous bridge loan, see Note 1. Nobina has pledged shares in Samtrans Omsorgsresor AB and Nobina Danmark Holding AS as collateral for the two acquisition loans, see Note 2. Net debt totalled SEK 5,617 million (4,517) at the end of the period, and net debt/EBITDA was 3.3x (2.7x). Shareholders' equity totalled SEK 1,384 million (1,539). The equity/assets ratio at the end of the period was 13.8 percent (16.1).

## Net sales



## EBITA



## A secure partner at a difficult time

Nobina's subsidiary Samtrans Omsorgsresor helps in the fight against coronavirus. Since the end of March, Samtrans – together with Ambulanssjukvården i Storstockholm and Region Stockholm – has been responsible for transporting more than 7,000 people infected with covid-19 from their homes to hospital or between hospitals. About 30 vehicles have been used for the transportation, and to ensure this service is carried out safely and securely, Samtrans drivers have received training in basic infection control.

"We have quickly redirected operations to help to support society at this difficult time. At the same time, this is an assignment that is in line with our purpose and our values," says Tomas Hansson, Managing Director of Samtrans.

In addition to patient transport, Samtrans has also worked as a mobile logistics partner for covid-19 testing. Samples were initially tested primarily from healthcare and care professionals and people with important societal functions, but have now also been opened to the public. The concept is offered in collaboration with the Public Health Agency of Sweden and has been drawn up by the company Infosolutions, which has a carefully planned logistics process in place for covid-19 sampling, including lab tests. Currently, Samtrans staffs about ten test stations in Stockholm and across Sweden. Tomas Hansson commented:

"We want to help society to create the best possible infrastructure for the management of covid-19. As demand continues to grow, including antibody testing and in the future with a vaccination programme, we are now working to scale up these operations on a national level."



**Investments and divestments**

Bus investments in the first quarter amounted to SEK 643 million (651) and other investments were SEK 19 million (9). Nobina signed right-of-use agreements of SEK – million (–3) and new loans of SEK –572 million (–589). Nobina's cash investments for procurement of buses, accessories and other PPE amounted to SEK 90 million (68). Nobina sold buses and other PPE for a value of SEK 5 million (4).

**Cash flow**

Cash flow from operations before changes in working capital amounted to SEK 363 million (434). The change in working capital amounted to SEK 209 million (–103) and was related to a timing impact of VAT pay-

ments linked to bus investments, timing of customer payments and the impact of postponed final settlements pertaining to incentive contracts due to covid-19. For more information about Nobina's revenue recognition and liquidity settlement, see Nobina's 2019/2020 Annual Report, Note 1.

Cash flow from investing activities amounted to SEK –657 million (–659) and included investments in buses and equipment, which were financed by loans amounting to SEK 572 million (589). Cash flow from financing activities amounted to SEK 494 million (258), which was impacted by the proceeds of SEK 200 million from the financing of previous acquisitions. Total cash flow for the quarter was SEK 405 million (–70).

**Cash flow effect relating to Investments**

	Mar–May 2020	Mar–May 2019	Mar 2019–Feb 2020
Investments in new buses	–643	–651	–2,353
Other investments	–19	–9	–79
<b>Total investments</b>	<b>–662</b>	<b>–660</b>	<b>–2,432</b>
Lease-financed investments	–	3	905
<b>Non-lease-financed investments</b>	<b>–662</b>	<b>–657</b>	<b>–1,527</b>
Of which loan-financed investments	572	589	860
<b>Total cash investments<sup>1)</sup></b>	<b>–90</b>	<b>–68</b>	<b>–667</b>

1) The investment table includes investments in buses and other equipment but excludes acquisitions.

## Results analysis, year to date

Management's assessment of explanatory items regarding net sales and adjusted EBT.

(SEK million)	Net sales	Adj. EBT	Comments on the outcome
<b>Period Mar–May 2019</b>	<b>2,749</b>	<b>113</b>	
Price and Volume	–121	–71	The estimated effects of price and volume were negative in terms of net sales and adjusted EBT. The decrease in travel volume resulting from the covid-19 pandemic had a negative impact on revenue in incentive contracts.
Contract migration	–125	–8	Contract migrations were extensive and impacted the results negatively, primarily in Sweden. Positive impact of migration in Norway.
Indexation and operational efficiency	6	10	Operational efficiency improved year-on-year, partly due to lower fuel and damage costs.
Other	–	–10	This item includes other cost deviations, primarily within central functions, and includes results from the fleet operations.
Net financial items	16		Profit for the year was positively affected by exchange rate effects
<b>Period Mar–May 2020</b>	<b>2,509</b>	<b>50</b>	

## Result analysis for net sales and earnings

The results analysis above explains accumulated results from the preceding year to the current year, related to net sales and adjusted EBT.

**Price and volume** show the effects of changes in existing traffic contracts relating to prices of performed transport as well as changed transport volumes. This explanatory item includes all active traffic contracts carried out by Nobina during both the preceding and current period.

**Contract migration** shows the effect of changes in the contract portfolio. A started traffic contract entails increased sales, and often an initial adverse impact on earnings due to start-up costs and lower initial efficiency. A concluded traffic contract results in lower sales and loss of the contract's contribution to earnings.

**Indexation** shows the impact of indexation on net sales compared with underlying cost inflation as regards pay, fuel, consumables, etc., in existing contracts. This item can also include effects of ex post adjustment of index revenues, with different lag times depending on the structure of the traffic contracts.

**Operational efficiency** shows the effect on earnings of changes in efficiency in the operations in the form of personnel expenses, maintenance, damage, etc.

**Other** includes property expenses, marketing and sales costs, other administrative expenses as well as results from fleet operations which includes the effect of sales of buses on earnings.

**Net financial** items include the effect on earnings of interest payments, exchange rates and other financial items.

## Age structure first quarter



The duration of contracts varies between countries, and was on average (weighted by the number of buses) 7.9 years.



The average age of contracts (weighted by the number of buses) was 4.8 years.



Nobina's bus fleet had an average age of 6.1 years.

# Segments

Net sales by segment (SEK million)	Quarter		Full year	Rolling 12 months
	Mar–May 2020	Mar–May 2019	Mar 2019–Feb 2020	June 2019–May 2020
Nobina Sweden	1,685	1,953	7,275	7,007
Production contracts	1,120	1,316	4,821	
Incentive contracts	493	616	2,343	
Other revenue	72	21	111	
 Nobina Denmark	 241	 231	 974	 984
Production contracts	227	216	876	
Incentive contracts	2	1	3	
Other revenue	12	14	95	
 Nobina Norway	 263	 248	 1,178	 1,193
Production contracts	252	243	1,120	
Incentive contracts	1	1	2	
Other revenue	10	4	56	
 Nobina Finland	 327	 322	 1,249	 1,254
Production contracts	304	315	1,219	
Incentive contracts	3	5	19	
Other revenue	20	2	11	
 Group	 2,516	 2,754	 10,676	 10,438
Production contracts	1,903	2,090	8,036	
Incentive contracts	499	623	2,367	
Other revenue	114	41	273	
 Central functions and other items	 –	 1	 –16	 –17
Elimination of sales within the Group	–7	–6	–15	–16
<b>Total net sales</b>	<b>2,509</b>	<b>2,749</b>	<b>10,645</b>	<b>10,405</b>

EBITA per segment (SEK million)	Quarter		Full year	Rolling 12 months
	Mar–May 2020	Mar–May 2019	Mar 2019–Feb 2020	June 2019–May 2020
Nobina Sweden	74	179	635	530
Nobina Denmark	10	9	54	55
Nobina Norway	13	–9	43	65
Nobina Finland	21	12	48	57
Central functions and other items	–29	–23	–118	–124
<b>Total EBITA</b>	<b>89</b>	<b>168</b>	<b>662</b>	<b>583</b>

## Summary

Nobina's first quarter reported lower sales and earnings compared with the prior year period. Sales were adversely impacted by contract migration and the impact from covid-19 with a decline in incentive revenue, primarily in Sweden, while net sales in Norway, Finland and Denmark rose during the quarter. Adjusted for currency effects, sales fell -8.1 percent. Year-on-year, EBITA was negatively impacted by covid-19 due to a decline in travel and the resulting lower incentive revenue, predominantly in Sweden. Negotiations are ongoing with certain clients concerning how incentive contracts can be modified in view of the lower passenger volumes, while other negotiations were completed during the quarter. There were positive developments of EBITA in Norway, Finland and Denmark during the quarter.

## Sweden

Nobina Sweden's net sales for the first quarter of the year decreased compared with the prior year period primarily from negative contract migration and the impact of covid-19 with a decline in incentive revenue. During the quarter, EBITA decreased and was adversely impacted by covid-19 with lower incentive revenue and a negative contract migration. Negotiations are ongoing with certain clients concerning how incentive contracts can be modified in view of the lower passenger volumes, while other negotiations were completed during the quarter. EBITA for Samtrans was positively impacted during the first quarter by new business.

## Denmark

Nobina Denmark's net sales for the first quarter were higher than the prior year period, primarily driven by a positive contribution from the new contract in Roskilde and adversely impacted by the decrease in service transport for Örslev. EBITA was higher than the prior year period, mainly driven by the positive development of DBO.

## Norway

Nobina Norway's sales for the first quarter were higher than in the prior year period due to contract migration and the positive performance of existing contracts. EBITA was substantially higher year-on-year and was attributable to the expired contract in Tromsø and operational improvements.

## Finland

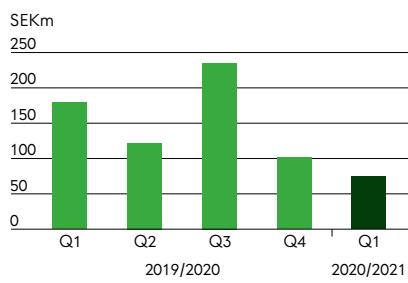
Nobina Finland's net sales for the first quarter were slightly higher than the prior year period. EBITA for the quarter was higher than in the prior year period, and was mainly impacted by the positive contract migration but also by efficiency improvements.

## Central functions and other items

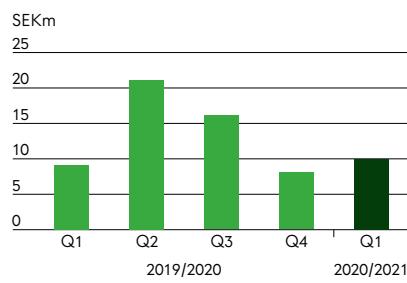
Central functions had a negative impact on the Group's earnings. The figures reported under this heading relate primarily to central head office functions and include results from the fleet operations, which comprises accelerated depreciation costs.

## EBITA per segment

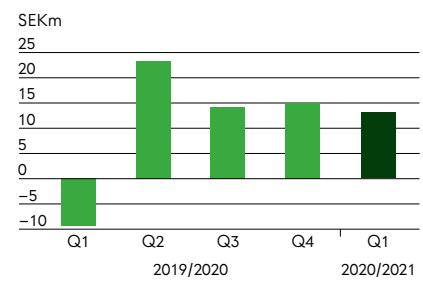
### Sweden



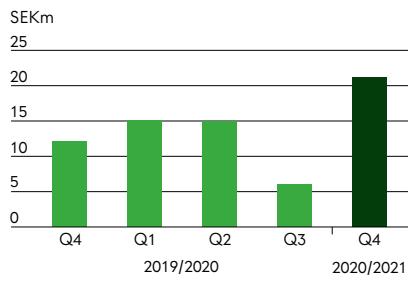
### Denmark



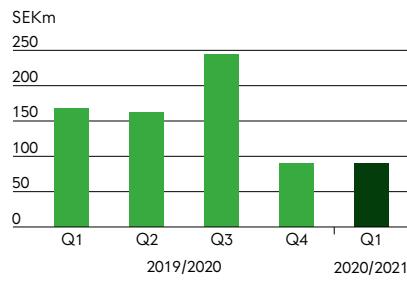
### Norway



### Finland

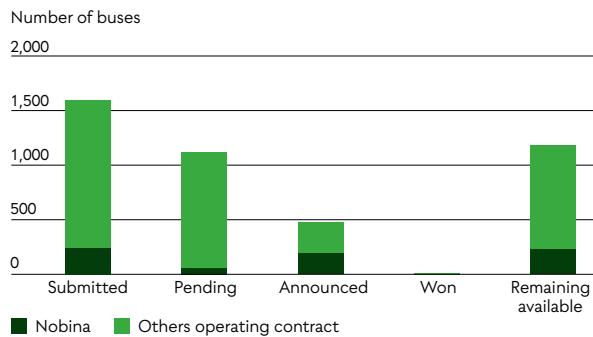


### Nobina



# Tender and contract changes

## Tender volume, current year, March–May 2020



## Contract changes, to date this year

The table shows the change of the number of buses in service as a result of started and completed contracts. During the first quarter, Nobina has neither initiated nor terminated any contracts.

Mar 2020–May 2020	Traffic changes during the period (No. of buses)	
	Started	Expired
Sweden	0	0
Norway	0	0
Finland	0	0
Denmark	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## Definitions:

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

**Pending** – Number of buses in submitted tenders less announced tenders

**Announced** – Submitted tenders, results are announced

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

**Available** – Number of buses available in tenders to be announced this fiscal year

## Tender outcome comment

During the first quarter, contracts operated by Nobina for 189 buses were tendered. Out of the total market volume of 472 buses tendered during the quarter, Nobina has won 4 buses. This represents a renewal rate of 2 percent for the quarter. During the fiscal year, Nobina will start contracts for 350 buses and terminate contracts for 142 buses. Nobina will therefore increase its market share during the fiscal year.

## Tender volume, to date this year

The table shows the results of the tendering processes in which Nobina has participated. Tenders that Nobina participated in during the first quarter have been announced for 472 buses and Nobina won tenders for 4 buses. Contracts for 288 buses are under appeal and pending decision.

Mar 2020–May 2020	Tenders during the period (No. of buses)	
	Announced	Won
Sweden	292	0
Norway	0	0
Finland	162	0
Denmark	18	4
<b>Total</b>	<b>472</b>	<b>4</b>

## Traffic starts and terminations during the coming 12 months, June 2020–May 2021

During the coming 12-month period, Nobina will start traffic involving 350 buses. Of these, 291 buses are expected to be newly acquired.

During the same period, Nobina will terminate traffic involving 142 buses.

## Traffic start-ups

Clients	No. of years	Start of service	No. of buses	New buses
Hallandstrafiken, Sweden	10	June 2020	127	120
Östgötstrafiken, Sweden	10	June 2020	87	87
Västtrafik, Sweden	10	June/December 2020	71	71
Movia, Denmark	4.5	December 2020	34	0
Systrafik, Denmark	3	August 2020	18	0
Norrboten, Sweden	10	December 2020	13	13
<b>Total buses</b>			<b>350</b>	<b>291<sup>1)</sup></b>

## Expired traffic

Clients	End of service	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
<b>Total buses</b>		<b>142</b>

1) Of which, 32 are electric buses

# The Nobina share

The Nobina share (ticker: Nobina) is listed on Nasdaq Stockholm and belongs to the Mid Cap and Industry sector segment. As of 31 May 2020, there was a total of 88,355,682 shares in Nobina, carrying one vote each. The number of shareholders at the close of the period was 35,057. Nobina has 2,208,321 treasury shares on the balance-sheet date.

## Share saving scheme

Nobina AB currently has three share saving schemes encompassing a total of not more than 2,081,842 shares directed to senior executives and key employees of the Nobina Group. All share saving schemes are based on own investments. For more information regarding LTIP 2017, LTIP 2018 and LTIP 2019, refer to the corresponding section in Nobina AB's Annual Report 2019/2020 and regarding LTIP 2020, refer to the minutes of the 2020 Annual General Meeting at [www.nobina.com](http://www.nobina.com).

# Nobina's financial targets

	Target	2019/20	Rolling 12 months	Definition
Percentage YoY growth in net sales	5%	9.4%	-2.2%	Nobina's target is 5 percent accumulated annual average net sales growth with 18/19 as the base year.
Adjusted EBT margin <sup>1)</sup>	5%	4.4%	3.9%	Nobina's target is to achieve an EBT margin of 5 percent at an average contract age of 50 percent of the average contract length.
Net debt/EBITDA <sup>2)</sup>	3.0x–4.0x	3.1x	3.3x	Under normal circumstances, Nobina aims to maintain a net leverage ratio of between 3.0x and 4.0x EBITDA, including strategic debt financing.
Dividend policy <sup>3)</sup>	75 percent of earnings after tax paid	n/a <sup>4)</sup>	n/a	Under normal circumstances, Nobina expects to pay a dividend of at least 75 percent of earnings after tax paid.

1) Adjusted EBT is defined as profit before tax after adjustment for costs and depreciation/amortisation related to acquisition accounting effects.

2) Profit/loss for the period before net financial items, taxes, depreciation/amortisation and impairment of intangible and tangible non-current assets, and capital gains/losses on the sale of non-current assets. EBITDA for the past twelve months. Debts can temporarily exceed this range on the start-up of new contracts or acquisitions.

3) Taking into consideration Nobina's cash flow, investment needs and general operating conditions.

4) The AGM resolved not to pay a dividend for the 2019/2020 fiscal year.

# Other information

## Personnel

Nobina had 10,431 (10,791) employees (FTEs) in its continuing operations. The change in the number of employees is mainly a result of contract migration. Nobina applies collective agreements and has well-established principles and traditions as to the manner in which working hours, remuneration conditions, information and cooperation are negotiated.

## Parent Company

The Parent Company has 15 (15) employees who participate in the overall management of the Nobina Group, including financial analysis, follow-up and financing.

The Parent Company's net sales, which were comprised entirely of internal services, amounted to SEK 17 million (13) during the first quarter. The profit before tax for the first quarter amounted to SEK 110 million (24). The Parent Company's first-quarter profit was impacted by a dividend of SEK 117 million received from Nobina Oy. The first-quarter of the preceding year was impacted by a dividend of SEK 29 million received from Nobina Sverige 3 AB. Cash and cash equivalents amounted to SEK 694 million (968) at the end of the period. Investments in PPE and intangible assets amounted to SEK 0 million (0). On 31 May 2020, the Parent Company's shareholders' equity was SEK 2,221 million (2,573). The equity/assets ratio was 39 percent (40).

## Transactions with closely related parties

No transactions with closely-related parties have taken place during the fiscal year.

## Seasonal variations

Sales, earnings and cash flow trends vary between quarters where the third quarter is the strongest due to higher traffic volumes, a larger number of working days, and high levels of travel activity for the general public, while the second and fourth quarters are weaker due to lower traffic volumes during vacation and public holiday periods and higher costs during the winter. The breakdown of sales and earnings by quarter is shown in the key metrics table on page 23.

## Risks and uncertainty factors

Nobina is exposed to risks associated with situations where authorities recommend the public to avoid public transport such as terrorist threats or pandemics where, due to the increased risk of infection, passengers may be temporarily recommended to avoid public transport. Such a situation mainly affects the incentive contracts where the revenue is variable and based on the number of passengers boarding. The decline in travel and reduced revenues may also mean that the public transport authorities (PTAs) temporarily want to reduce traffic production. This can result in reduced revenue for the operator while the cost base does not decrease to the same extent. A third risk related to pandemics is that Nobina, due to material or driver shortages, is forced to cancel services, which can then result in no compensation and fines from the PTAs. All of the above risks are handled through contract management and in dialogue with the relevant PTAs in order to ensure a functioning public transport with a stable financial framework even during a pandemic.

Nobina is exposed to interest rate risks since the Company's financial and operational leases primarily carry variable interest. The interest rate risk is largely offset by revenue indexation in traffic contracts. During the quarter, Nobina had no interest-rate hedging.

Nobina is exposed to currency risks in conjunction with translation of the balance sheets and income statements of subsidiaries and acquisition financing in a currency other than SEK. Nobina also has indirect exposure to USD/SEK since diesel is purchased in USD in the interna-

tional commodities markets. Nobina's finance policy provides that, if the need exists, currency risks may be hedged through currency derivatives. Nobina had no currency hedging during the quarter.

Nobina is exposed to changes in the price of fuel in its purchases of diesel. The commodity price accounts for less than one-half of the total diesel price, with the remainder comprising taxes, transportation and processing. Within the contract operations, compensation for changes in the diesel price is obtained through revenue indexation in traffic contracts. The index baskets in the traffic contracts are relatively well matched against the cost breakdown, but compensation takes place with a time lag of one to six months, which results in a negative impact on earnings during a period of increasing prices. An imbalance may also arise between costs incurred in a contract and index-based compensation if the index fails to reflect the actual cost structure. This may, for example, occur if an index is based on the price of diesel, while the contract in question requires buses to be run on biogas. This risk is limited through careful risk evaluation in the tender process. Most contracts now have an index which matches the type of fuel. Nobina may be affected by the result of appeals regarding the tender outcome. However, the impact is limited as no vehicle is on order and no other investments will be made before a traffic contract is signed.

Nobina is exposed to risks associated with acquisitions where any acquisition process gives rise to new risks. The starting points for the valuation of acquired companies are based, among other things, on documented data on the target companies' financial positions and historical results, but above all on assessments and assumptions about future market developments, Nobina's ability to develop the companies, the companies' ability to win new traffic contracts and future earnings. Risks can arise if assumptions and judgments deviate from the expectations that existed at the time of acquisition, which may affect the view of the acquired values.

For more information regarding risks and uncertainty factors, refer to the corresponding section in Nobina AB's Annual Report 2019/2020.

## Disputes

Nobina has an ongoing dispute with Länstrafiken Örebro for faulty gas quality.

## Financing

Nobina has as its primary strategy the financing of the purchase of vehicles with finance leases or loans with a term of ten years at a residual value of 10 percent. Lease liabilities are recognised as finance leases and are, like loans, visible in the balance sheet. In addition, some financing is raised in the green bond market for which Nobina has pledged collateral. Nobina's liabilities are primarily attributable to the financing of investments in buses and equipment used in operations, but also includes strategic debt financing.

Nobina has an available bank credit facility of SEK 300 million (300) as of 31 May 2020.

## Financial targets and Dividend policy

In connection with the company's Capital Markets Day on 9 October 2018, Nobina's Board of Directors adopted new financial targets and a new dividend policy, which replaced the targets and policy adopted ahead of the IPO in 2015 (see page 9).

## Dividend

Given the situation with covid-19 and the short-term development we are seeing ahead of us, the Annual General Meeting has – on the recommendation of the Board of Directors – decided that no dividend would be paid for the 2019/2020 fiscal year in order to maintain good readiness for the future.

**Annual General Meeting**

Nobina held its Annual General Meeting at IVA in Stockholm on Thursday, 28 May 2020. At the Annual General Meeting, the Consolidated and Parent Company income statements and balance sheets for the 2019/2020 fiscal year were approved. The Meeting voted not to pay any dividend for the 2019/2020 fiscal year, in line with the Board's proposal. The Board of Directors and CEO were discharged from responsibility for the preceding fiscal year. The Chairman of the Nomination Committee reported on its work and presented proposals for the Board's composition and the Meeting resolved in favour of the Nomination Committee's proposal. Johan Bygge, John Allkins, Graham Oldroyd, Liselott Kilaas and Bertil Persson were re-elected as Board members. Johan Bygge was elected as new Chairman of the Board. Jan Sjöqvist and Monica Lingegård declined re-election. Auditing firm PricewaterhouseCoopers AB was re-elected as the company's auditor. The principles for appointing a Nomination Committee and guidelines on remuneration to senior executives were decided in accordance with the submitted proposal. The Annual General Meeting also resolved, in accordance with the Board's motion, to introduce a performance-based, share saving scheme aimed at increasing the company's ability to retain and recruit key employees. For more information regarding the share saving scheme, see the Board's proposal on the company's website, [www.nobina.com](http://www.nobina.com). It was also resolved, in accordance with the motion presented, to authorise the Board, on one or more occasions during the period until the next Annual General Meeting in 2021, to resolve on the new issue of shares to enable the generation of capital for company acquisitions. The 2019/2020 Annual Report has been available on [www.nobina.com](http://www.nobina.com) since 7 May 2020.

**Accounting policies**

Nobina applies International Financial Reporting Standards (IFRS) as adopted by the EU and applies RFR 1 "Supplementary accounting rules for groups." Nobina applies the same accounting policies and calculation methods as in the 2019/2020 Annual Report. The financial statements for the Parent Company, Nobina AB, and the Group were prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities, as well as opinions issued by the Swedish Financial Reporting Board. This interim report has been prepared in accordance with IAS 34 and the Swedish Annual Accounts Act and covers pages 1–24, and the interim period information on pages 1–12 thus constitutes an integral part of this financial report. There are no new IFRS standards or IFRIC statements adopted by the EU that are applicable to Nobina, or have a material impact on the Group's profit and financial position in 2020/2021.

**Assurance**

The CEO hereby provides an assurance that the interim report provides a true and fair view of the operations, financial position and earnings of the company and the Group and describes the significant risks and uncertainty factors facing the company and companies within the Group.

Stockholm, 26 June 2020

Magnus Rosén  
President and CEO

The content in this interim report has not been subject to review by the company's auditor.

## Financial calendar

Interim report 1 June–31 August 2020	30 September 2020
Interim report 1 September–30 November 2020	22 December 2020
Year-end Report 2020/2021	9 April 2021
Annual General Meeting 2020/2021	31 May 2021

## Telephone conference

Nobina will present the interim report and answer questions during a telephone conference at 10.00 a.m. CEST on Friday, 26 June 2020. The presentation will be available on the website in connection with the telephone conference. Telephone numbers and web link for participants are available on [www.nobina.com](http://www.nobina.com).

## Contact persons

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### Nobina AB

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[www.nobina.com](http://www.nobina.com)  
Reg. no. 556576-4569

# Condensed consolidated income statement

SEK million	Quarter		
	Mar–May 2020	Mar–May 2019	Full year
<b>Net sales</b>	<b>2,509</b>	<b>2,749</b>	<b>10,645</b>
<b>Operating expenses</b>			
Fuel, tyres and other consumables	–409	–477	–1,816
Other external expenses	–352	–416	–1,545
Personnel expenses	–1,382	–1,425	–5,520
<b>Total EBITDA</b>	<b>366</b>	<b>431</b>	<b>1,764</b>
Capital gains/losses from the disposal of non-current assets	–1	–	2
Depreciation/impairment of PPE	–276	–263	–1,104
<b>Total EBITA</b>	<b>89</b>	<b>168</b>	<b>662</b>
Acquisition-related income and costs	–3	–2	–2
Amortisation/impairment of intangible assets	–16	–14	–63
<b>Operating profit (EBIT)</b>	<b>70</b>	<b>152</b>	<b>597</b>
<b>Profit from net financial items</b>			
Financial income	–	–	–
Financial expenses, Note 1	–39	–55	–198
<b>Net financial items</b>	<b>–39</b>	<b>–55</b>	<b>–198</b>
<b>Profit before tax (EBT)</b>	<b>31</b>	<b>97</b>	<b>399</b>
Income tax	–10	–21	–94
<b>PROFIT FOR THE PERIOD</b>	<b>21</b>	<b>76</b>	<b>305</b>
Profit for the period attributable to Parent Company shareholders	21	76	305
Earnings per share before dilution (SEK), attributable to Parent Company shareholders	0.24	0.87	3.47
Earnings per share after dilution (SEK), attributable to Parent Company shareholders	0.24	0.86	3.43
Average number of shares before dilution (000s)	88,356	88,356	88,356
Average number of shares after dilution (000s)	88,947	88,962	89,356
Number of shares outstanding at end of period (000s)	86,147	87,109	86,147

# Statement of consolidated comprehensive income

SEK million	Quarter		
	Mar–May 2020	Mar–May 2019	Full year
<b>Profit for the period</b>	<b>21</b>	<b>76</b>	<b>305</b>
<b>Other comprehensive income</b>	<b>21</b>	<b>76</b>	<b>305</b>
<b>Items not to be reclassified to profit or loss for the period</b>			
Revaluation of defined-benefit pension plan	–	–	–
Tax on items that will not be reclassified to profit or loss for the period	–	–	–
<b>Items that can later be reclassified to profit or loss for the period</b>			
Exchange-rate differences in foreign operations	–21	10	1
<b>Other comprehensive income for the period, net after tax</b>	<b>–21</b>	<b>10</b>	<b>1</b>
<b>Comprehensive income for the period</b>	<b>0</b>	<b>86</b>	<b>306</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS</b>	<b>0</b>	<b>86</b>	<b>306</b>

# Condensed consolidated balance sheet

SEK million	31 May 2020	31 May 2019	Full year 29 Feb 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	772	791	780
Other intangible assets	455	485	456
Real estate and costs for leasehold improvements	764	772	814
Equipment, tools, fixtures and fittings	131	140	113
Vehicles	5,961	5,003	5,628
Deferred tax assets	79	159	93
Assets for pension commitments	15	18	15
Other non-current receivables	5	4	5
<b>Total non-current assets</b>	<b>8,182</b>	<b>7,372</b>	<b>7,904</b>
<b>Current assets</b>			
Inventories	57	55	63
Trade receivables	696	702	705
Other current receivables	54	100	64
Deferred expenses and accrued income	325	350	344
Cash and cash equivalents	704	992	307
<b>Total current assets</b>	<b>1,836</b>	<b>2,199</b>	<b>1,483</b>
<b>TOTAL ASSETS</b>	<b>10,018</b>	<b>9,571</b>	<b>9,387</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity attributable to Parent Company shareholders</b>	<b>1,384</b>	<b>1,539</b>	<b>1,380</b>
<b>Non-current liabilities</b>			
Borrowing, Note 1	5,375	4,465	4,913
Deferred tax liabilities	268	257	275
Provision for pensions and similar commitments	26	32	27
Other provisions	42	67	47
<b>Total non-current liabilities</b>	<b>5,711</b>	<b>4,821</b>	<b>5,262</b>
<b>Current liabilities</b>			
Accounts payable	522	557	561
Borrowing, Note 1	920	1,012	901
Other current liabilities	258	437	206
Accrued expenses and deferred income	1,223	1,205	1,077
<b>Total current liabilities</b>	<b>2,923</b>	<b>3,211</b>	<b>2,745</b>
<b>Total liabilities</b>	<b>8,634</b>	<b>8,032</b>	<b>8,007</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>10,018</b>	<b>9,571</b>	<b>9,387</b>

# Condensed consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Translation differences	Profit/loss brought forward	Total equity attributable to Parent Company shareholders
<b>Opening equity, 1 March 2019</b>	<b>318</b>	<b>3,212</b>	<b>62</b>	<b>-2,141</b>	<b>1,451</b>
Reclassification of exchange-rate differences	–	–	5	–5	–
Profit for the period	–	–	–	305	305
Other comprehensive income	–	–	1	–	1
<b>Transactions with owners</b>					
Repurchase of treasury shares	–	–	–	–60	–60
Share-based remuneration	–	–	–	14	14
Dividend	–	–	–	–331	–331
<b>Closing equity, 29 February 2020</b>	<b>318</b>	<b>3,212</b>	<b>68</b>	<b>-2,218</b>	<b>1,380</b>
<b>Opening equity, 1 March 2019</b>	<b>318</b>	<b>3,212</b>	<b>62</b>	<b>-2,141</b>	<b>1,451</b>
Reclassification of exchange-rate differences	–	–	5	–5	–
Profit for the period	–	–	–	76	76
Other comprehensive income	–	–	10	–	10
<b>Transactions with owners</b>					
Share-based remuneration	–	–	–	2	2
<b>Closing equity, 31 May 2019</b>	<b>318</b>	<b>3,212</b>	<b>77</b>	<b>-2,068</b>	<b>1,539</b>
<b>Opening equity, 1 March 2020</b>	<b>318</b>	<b>3,212</b>	<b>68</b>	<b>-2,218</b>	<b>1,380</b>
Profit for the period	–	–	–	21	21
Other comprehensive income	–	–	–21	–	–21
<b>Transactions with owners</b>					
Share-based remuneration	–	–	–	4	4
<b>Closing equity, 31 May 2020</b>	<b>318</b>	<b>3,212</b>	<b>47</b>	<b>-2,193</b>	<b>1,384</b>

There are no non-controlling interests.

# Condensed consolidated cash-flow statement

SEK million	Quarter		
	Mar–May 2020	Mar–May 2019	Full year
<b>Cash flow from operating activities</b>			
Profit after financial items	31	97	399
Adjustment for non-cash items	332	337	1,340
<b>Cash flow from operations before changes in working capital</b>	<b>363</b>	<b>434</b>	<b>1,739</b>
<b>Cash flow from changes in working capital</b>			
Change in inventories	6	–3	–12
Changes in operating receivables	27	91	118
Changes in operating liabilities	176	–191	–302
<b>Total change in working capital</b>	<b>209</b>	<b>–103</b>	<b>–196</b>
Received interest income	–	–	–
Tax paid	–4	–	–
<b>Cash flow from operating activities</b>	<b>568</b>	<b>331</b>	<b>1,543</b>
<b>Cash flow from investing activities</b>			
Investments in PPE and intangible assets	–662	–657	–1,527
Acquisitions	–	–6	–7
Divestment of PPE and intangible assets	5	4	53
<b>Cash flow from investing activities</b>	<b>–657</b>	<b>–659</b>	<b>–1,481</b>
<b>Cash flow from financing activities</b>			
Amortisation of right-of-use liabilities	–152	–162	–666
Amortisation of other external loans	–83	–116	–426
New borrowing, other external loans	772	589	860
Repurchase of shares	–	–	–60
Financing costs	–1	–	–
Interest paid	–42	–53	–192
Dividend	–	–	–331
<b>Cash flow from financing activities</b>	<b>494</b>	<b>258</b>	<b>–815</b>
<b>Cash flow for the period</b>	<b>405</b>	<b>–70</b>	<b>–753</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>307</b>	<b>1,058</b>	<b>1,058</b>
Cash flow for the period	405	–70	–753
Exchange-rate difference	–8	4	2
<b>Cash and cash equivalents at end of period</b>	<b>704</b>	<b>992</b>	<b>307</b>

# Condensed income statement – Parent Company

SEK million	Quarter		
	Mar–May 2020	Mar–May 2019	Full year
<b>Net sales</b>	<b>17</b>	<b>13</b>	<b>54</b>
<b>Operating expenses</b>			
Other external expenses	–2	–2	–27
Personnel expenses	–18	–14	–60
<b>Operating profit (EBIT)</b>	<b>–3</b>	<b>–3</b>	<b>–33</b>
Profit/loss from participations in Group companies	117	29	–119
Financial income	7	6	22
Financial expenses	–11	–8	–22
<b>Net financial items</b>	<b>113</b>	<b>27</b>	<b>–119</b>
<b>Profit before tax (EBT)</b>	<b>110</b>	<b>24</b>	<b>–152</b>
Income tax	–	–	89
<b>PROFIT/LOSS FOR THE PERIOD</b>	<b>110</b>	<b>24</b>	<b>–63</b>

Since there are no items attributable to other comprehensive income, other comprehensive income is not recognised.

# Condensed balance sheet – Parent Company

SEK million	31 May 2020	31 May 2019	Full year 29 Feb 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Participations in Group companies	4,181	4,547	4,181
Non-current receivables in Group companies	500	500	500
Deferred tax assets	14	–	14
<b>Total non-current assets</b>	<b>4,695</b>	<b>5,047</b>	<b>4,695</b>
<b>Current assets</b>			
Receivables from Group companies	350	240	455
Other current receivables	7	24	6
Deferred expenses and accrued income	6	1	3
Cash and cash equivalents	694	968	292
<b>Total current assets</b>	<b>1,057</b>	<b>1,233</b>	<b>756</b>
<b>TOTAL ASSETS</b>	<b>5,752</b>	<b>6,280</b>	<b>5,451</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity attributable to Parent Company shareholders</b>	<b>2,221</b>	<b>2,573</b>	<b>2,107</b>
<b>Non-current liabilities</b>			
Borrowing	866	853	692
Provision for pensions and similar commitments	2	5	2
Deferred tax liabilities	–	89	–
<b>Total non-current liabilities</b>	<b>868</b>	<b>947</b>	<b>694</b>
<b>Current liabilities</b>			
Accounts payable	5	4	5
Borrowing	161	55	137
Liabilities to Group companies	2,469	2,681	2,484
Other current liabilities	4	2	5
Accrued expenses and deferred income	24	18	19
<b>Total current liabilities</b>	<b>2,663</b>	<b>2,760</b>	<b>2,650</b>
<b>Total liabilities</b>	<b>3,531</b>	<b>3,707</b>	<b>3,344</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>5,752</b>	<b>6,280</b>	<b>5,451</b>

# Condensed Parent Company statement of changes in equity

SEK million	Share capital	Statutory reserve	Share premium reserve	Profit/loss brought forward	Profit for the period	Total equity
<b>Opening equity, 1 March 2019</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>657</b>	<b>235</b>	<b>2,547</b>
Transfer of the preceding year's profit/loss	–	–	–	235	–235	–
Profit for the period	–	–	–	–	–63	–63
Repurchase of treasury shares	–	–	–	–60	–	–60
Share-based remuneration	–	–	–	14	–	14
Dividend	–	–	–	–331	–	–331
<b>Closing equity, 29 February 2020</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>515</b>	<b>–63</b>	<b>2,107</b>
<b>Opening equity, 1 March 2019</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>657</b>	<b>235</b>	<b>2,547</b>
Transfer of the preceding year's profit/loss	–	–	–	235	–235	–
Profit for the period	–	–	–	–	24	24
Share-based remuneration	–	–	–	–	2	2
<b>Closing equity, 31 May 2019</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>892</b>	<b>26</b>	<b>2,573</b>
<b>Opening equity, 1 March 2020</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>515</b>	<b>–63</b>	<b>2,107</b>
Transfer of the preceding year's profit/loss	–	–	–	–63	63	–
Profit for the period	–	–	–	–	110	110
Share-based remuneration	–	–	–	4	–	4
<b>Closing equity, 31 May 2020</b>	<b>318</b>	<b>1</b>	<b>1,336</b>	<b>456</b>	<b>110</b>	<b>2,221</b>

There are no non-controlling interests.

# Notes

## NOTE 1 FINANCING

SEK million, except as otherwise indicated	Quarter		
	Mar–May 2020	Mar–May 2019	Full year
<b>Borrowing</b>			
Loans for acquisition financing	444	293	246
Bond loans	500	500	500
Capitalised financing expenses	–6	–7	–6
Loans for bus financing	2,183	1,460	1,699
Right-of-use liabilities	3,084	3,108	3,287
Contingent consideration not paid	90	123	88
<b>Total</b>	<b>6,295</b>	<b>5,477</b>	<b>5,814</b>
Of which short-term repayment by instalment of portion of the Group's borrowings	920	1,012	901
Of which long-term portion of the Group's borrowings	5,375	4,465	4,913
<b>Total liabilities</b>	<b>6,295</b>	<b>5,477</b>	<b>5,814</b>
<b>Interest expenses and similar loss items</b>			
Interest expenses for right-of-use liabilities	–28	–36	–129
Interest expense, other loans	–15	–14	–58
Other financial expenses	–1	–1	–6
Realised and unrealised exchange gains/losses, net	5	–4	–5
<b>Total</b>	<b>–39</b>	<b>–55</b>	<b>–198</b>

## NOTE 2 PLEDGED ASSETS AND CONTINGENT LIABILITIES

SEK million, except as otherwise indicated	Group		Parent Company	
	31 May 2020	31 May 2019	31 May 2020	31 May 2019
<b>Pledged assets</b>				
Pledged assets pertaining to shares/net assets in subsidiaries	1,318	–	906	–
Chattel mortgages	150	150	–	–
Other pledged assets	–	–	287	328
<b>Contingent liabilities</b>				
Guarantee of lease obligations and other obligations	4,680	5,382	5,158	5,361
<b>Total pledged assets and contingent liabilities</b>	<b>6,148</b>	<b>5,532</b>	<b>6,351</b>	<b>5,689</b>

# Information on performance measures

## Definitions

### Alternative performance measures

Nobina applies the ESMA's guidelines for APMs (alternative performance measures) and the performance measures provide valuable and significant information for investors and company management. Financial non-IFRS measures are subject to limitations as analytical tools and should not be regarded as isolated or as replacements for financial

measures prepared pursuant to IFRS. Financial non-IFRS measures are reported in order to improve the investors' valuation of the company's results from operations and position. The financial non-IFRS measures presented in this report can differ from similar measures used by other companies.

Key metrics	Description
Rolling 12 months	Total for the most recent four quarters.
EBITDA	Operating profit before net financial items, tax, depreciation, amortisation, earnings from sale of non-current assets.
EBITDA margin	EBITDA in relation to net sales.
EBITA	Earnings before interest, tax and amortisation of intangible assets and adjusted for fair value of conditional acquisition not paid and acquisition-related income and costs.
EBITA margin	EBITA in relation to net sales.
EBIT	Operating profit before net financial items and taxes.
EBIT margin	EBIT in relation to net sales.
EBT	Operating profit before tax.
EBT margin	EBT in relation to net sales.
EBT adjusted	Earnings before taxes adjusted for amortisation of intangible assets, fair value of conditional acquisition not paid and acquisition-related income and costs.
Acquisition-related income and costs	Adjustments of fair value of contingent considerations not paid and acquisitions-related costs. Acquisitions-related costs includes costs attributable to ongoing, completed and continuing acquisitions.
Acquisition growth	Growth achieved by the acquisition/divestment of companies owned by Nobina only for part of two comparative periods.
Items affecting comparability	Items affecting comparability include events and transactions, the effect of which on earnings is important to report when profit for the period is compared with previous periods.
Interest-bearing liabilities	Interest-bearing non-current and current liabilities (external loans, pension liabilities and operating and finance lease liabilities).
Net debt	Interest-bearing non-current and current liabilities (external loans, pension liabilities, operating and finance lease liabilities) after deducting cash and cash equivalents.
Net debt/EBITDA	Interest-bearing non-current and current liabilities (external loans, pension liabilities, operating and finance lease liabilities) after deducting cash and cash equivalents in relation to EBITDA during four sequential quarters.
Net debt excluding bus financing/EBITDA	Interest-bearing non-current and current liabilities (external loans, pension liabilities, operating and finance lease liabilities) after deducting of cash, cash equivalents and bus financing in relation to EBITDA during four sequential quarters.
Renewal rate	All won tenders/All own announced tenders.
Retention rate	Defended tenders/Own announced tenders.
Average number of employees (FTEs)	The number of hours paid divided by normal working hours for a full-time employee.
Cash investments	Cost of investments in non-current assets less loan-financed investments.
Reallocation rate	Number of buses allocated to a new contract during the year/Total number of buses.
Earnings per share	Profit for the period divided by average number of shares.
Earnings per share after full dilution	Profit for the period divided by average number of shares after full dilution.
Shareholders' equity per ordinary share	Shareholders' equity per ordinary share as per the balance-sheet date.
Dividend yield	Dividend in relation to the company's share price as per the balance-sheet date.
Equity/assets ratio	Equity in relation to total assets at the end of the period.
Yield	Revenue per driven kilometre.
Contract length	A publicly tendered contract concluded for the provision of transport services between a client and a public transport company. The duration of the contract is typically five to eight years, with the option of extending for an additional one or two years. It is based on either a production or an incentive contract.
Production hours	Number of hours produced as part of a contract.
Production kilometres	Total number of kilometres produced as part of a contract.
Number of buses	The number of buses that are owned, right-of-use agreements (finance and operating leases) and rented on a short-term basis at the end of the period.

**Key metrics**

SEK million, except as otherwise indicated	2019/2020				2020/2021		Full year Mar 2019–Feb 2020
	Q1	Q2	Q3	Q4	Q1		
Net sales for the period	2,749	2,528	2,763	2,605	2,509	10,645	
EBITDA	431	438	538	357	366	1,764	
EBITDA margin	15.7%	17.3%	19.5%	13.7%	14.6%	16.6%	
EBITA	168	162	243	89	89	662	
EBITA margin	6.1%	6.4%	8.8%	3.4%	3.5%	6.2%	
EBIT	152	156	225	64	70	597	
EBIT margin	5.5%	6.2%	8.1%	2.5%	2.8%	5.6%	
EBT	97	101	191	10	31	399	
EBT margin	3.5%	4.0%	6.9%	0.4%	1.2%	3.7%	
EBT adjusted	113	107	209	35	50	464	
EBT margin – adjusted	4.1%	4.2%	7.5%	1.3%	2.0%	4.4%	
Profit for the period	76	81	148	0	21	305	
Cash flow for the period	-70	-536	-261	114	405	-753	
Cash and cash equivalents	992	460	192	307	704	307	
Equity/assets ratio, %	16.1%	13.6%	14.9%	14.7%	13.8%	14.7%	
Shareholders' equity	1,539	1,303	1,388	1,380	1,384	1,380	
Shareholders' equity/ordinary share, SEK	17.4	14.7	15.7	15.6	15.7	15.6	
Number of buses (on balance-sheet date)	3,711	3,897	3,822	3,733	3,853	3,733	
Estimated FTEs	10,791	10,698	10,630	10,512	10,431	10,512	
Production hours	2,928	2,964	2,868	2,766	2,255	11,526	
Production kilometres	74,346	78,356	71,337	71,904	67,644	295,943	

**Calculation of alternative performance measures for continuing operations**

SEK million, except as otherwise indicated	2019/2020				2020/2021		Full year Mar 2019–Feb 2020
	Q1	Q2	Q3	Q4	Q1		
<b>Interest-bearing liabilities:</b>							
Non-current borrowing	4,465	4,729	4,736	4,913	5,375	4,913	
Pension liability	32	41	30	27	26	27	
Current borrowing	1,012	1,065	1,127	901	920	901	
<b>Total interest-bearing liabilities</b>	<b>5,509</b>	<b>5,835</b>	<b>5,893</b>	<b>5,841</b>	<b>6,321</b>	<b>5,841</b>	
Cash	-992	-460	-192	-307	-704	-307	
<b>Total net debt</b>	<b>4,517</b>	<b>5,375</b>	<b>5,701</b>	<b>5,534</b>	<b>5,617</b>	<b>5,534</b>	
<b>Total net debt excluding bus financing</b>	<b>181</b>	<b>555</b>	<b>766</b>	<b>814</b>	<b>617</b>	<b>814</b>	
EBITDA Q1	431	431	431	431	366	431	
EBITDA Q2	378	438	438	438	438	438	
EBITDA Q3	499	499	538	538	538	538	
EBITDA Q4	363	363	363	357	357	357	
<b>Total EBITDA full year</b>	<b>1,671</b>	<b>1,731</b>	<b>1,770</b>	<b>1,764</b>	<b>1,699</b>	<b>1,764</b>	
<b>Net debt/EBITDA</b>	<b>2.7</b>	<b>3.1</b>	<b>3.2</b>	<b>3.1</b>	<b>3.3</b>	<b>3.1</b>	
<b>Net debt excluding bus financing/</b> <b>EBITDA</b>	<b>0.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	

# Nobina in brief

We are the Nordic region's largest public transport operator, with about 12,000 employees across four countries. Every day, all year round, one million people choose to travel more sustainably with us. From north to south, in urban and in rural areas. To the next bus stop, or all the way home. Together with our passengers and clients, we are big enough to make a real difference. From a welcoming greeting to a safe, comfortable journey on board the bus. From new, smart technology to clear information and more fossil-free travel. A unique opportunity to bring about change. Together, we keep society moving every day.

## Our strategic focus areas

To achieve our goals and enable the sustainable development of society, we concentrate on four strategic areas. These encompass the development of new bus solutions that add growth to the current offering, efficient and innovative contract management, optimisation of the company's resources and traffic planning, and development of employee skills with diversity and equality as fundamental elements. This is supplemented with further growth through acquisitions.

### Smart transport solutions

We will develop public transport solutions that meet the need for sustainable modes of transportation both today and tomorrow, and that drive our growth and competitiveness.

### Proactive partner

We will be a proactive partner for our customers by taking initiatives that move collaborations forward and that improve our solutions for them.

### Resource efficiency

Technical innovations, efficient operations and optimised use of resources enable us to strengthen our competitiveness and contribute towards a sustainable development of society with more fossil-free travel.

### People in focus

Everything we do is based on people and their needs. This allows us to provide the safest and most welcoming passenger and employee experience in the industry.

## Our sustainability agenda

Sustainability is an integral part of Nobina – from the inside out – from why we exist and what we offer to how we govern our operations. Our sustainability agenda encompasses three areas in particular that we must focus on to make the greatest difference and be successful in everything we do.

## Bus solutions for a sustainable society

We strive to make more people view public transport as a safe and attractive mode of transport, and to choose to travel by bus rather than by car. This reduces traffic and congestion, emissions and stress.

## Long-term resource use

We are economic with resources – in connection with major decisions and in our day-to-day activities. We will make choices wisely when purchasing buses, fuel, other energy and equipment, we place demands on and challenge suppliers and we serve as an active partner to clients.

## Responsible employer and societal stakeholder

We depend on many individuals choosing Nobina as employer. In return, we offer a welcoming, pleasant and stimulating job, for young people and for people who have – for whatever reason – been longterm unemployed from the Nordic labour market.

## Our market

Sales in the Nordic public transport market for buses are estimated at SEK 50 billion, of which Sweden accounts for almost half of this value. In all of the different markets, an average of half of the cost of regional travel is financed through the budgets of regional public administrations and the remainder through ticket revenue. Virtually the entire market is today exposed to competition. Regional tendered public transport has shown favourable growth in recent years and is expected to continue to grow moving forward, in line with a political will to increase the use of public transport and as more people choose to travel by bus. There is also a trend in all countries to include more quality criteria as part of the tender process, and towards better compensation models where incentives are based on the number of passengers and the quality experienced by the customers.

Nobina is market leader in the Nordic region with a market share of approximately 15 percent (company assessment 2019/2020). In Sweden, our leading market position is a result of high efficiency and successful work in the management and refinement of the contract portfolio. In Finland, in the role as market leader in the Helsinki region, Nobina is well positioned to increase its market share in a growing market. In the Norwegian and Danish markets, Nobina is in a challenger position, while these markets are also growing in terms of volume and the number of contracts. As the Nordic region's largest and most experienced public transport company, the conditions remain favourable for profitable growth.

## Contributions to the global goals

The UN Sustainable Development Goals form a key starting point for Nobina's sustainability agenda. In particular, Nobina has the greatest opportunity to make a positive contribution to goals 11, 12 and 8.



### Goal 11: Sustainable cities and communities

The goal is to make cities and human settlements inclusive, safe, resilient, and sustainable. Nobina's greatest contribution is to interim target 11.2 on providing access to safe, affordable, accessible and sustainable transport systems for all.



### Goal 12: Responsible consumption and production

The goal aims to ensure sustainable consumption and production patterns. Nobina is focusing on the interim target 12.2, which concerns achieving sustainable management and efficient use of natural resources.



### Goal 8: Decent work and economic growth

The goal aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Nobina contributes to interim target 8.4 to improve resource efficiency in consumption and production as well as interim target 8.8 to protect labour rights and promote safe and secure work environments for all workers.

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