

# OPUS

**Q1 2018**

*May 15, 2018*



# Presenters



**Lothar Geilen**

*CEO*

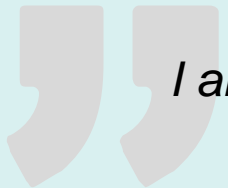


*I am excited to continue our successful journey.*



**Linus Brandt**

*CFO & Executive Vice President*



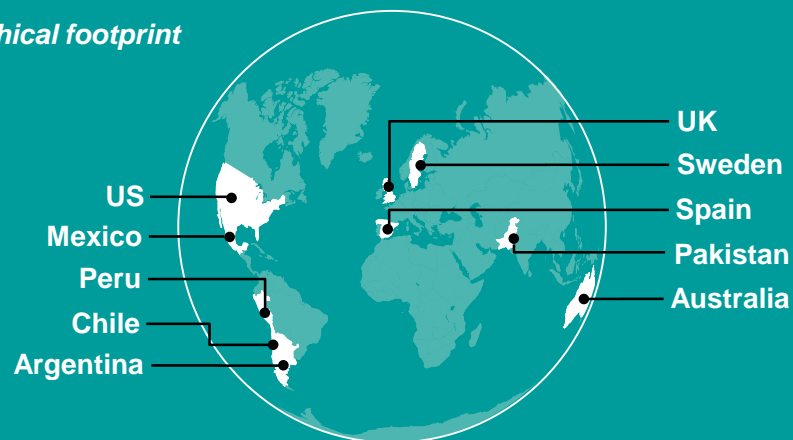
*I am pleased to present a strong financial outcome in Q1.*

# Opus Today



Opus is one of the world's leading vehicle inspection companies, as well as a provider to the growing intelligent vehicle support market.

## Geographical footprint



- 10 countries on 5 continents
- Headquartered in Göteborg
- Approximately 2,200 employees
- Listed on Nasdaq Stockholm

- LTM<sup>(1)</sup> Revenue: **232 MUSD**
- LTM<sup>(1)</sup> EBITDA margin: **17%**
- Net Debt / EBITDA<sup>(2)</sup>: **3.3x**

## Financial targets

**400**

MILLION USD

Revenue by 2021

**25**

PERCENT

EBITDA margin by 2021

**3.0**

TIMES

Net debt / EBITDA  
not to exceed 3.0x<sup>(3)</sup>

(1) Last twelve months: April 1, 2017 – March 31, 2018

(2) LTM EBITDA adjusted for proforma accounts of acquired businesses

(3) Net debt may exceed 3 x EBITDA temporarily, for example if an investment opportunity arises, or if expected EBITDA from new projects will only materialize in a later period

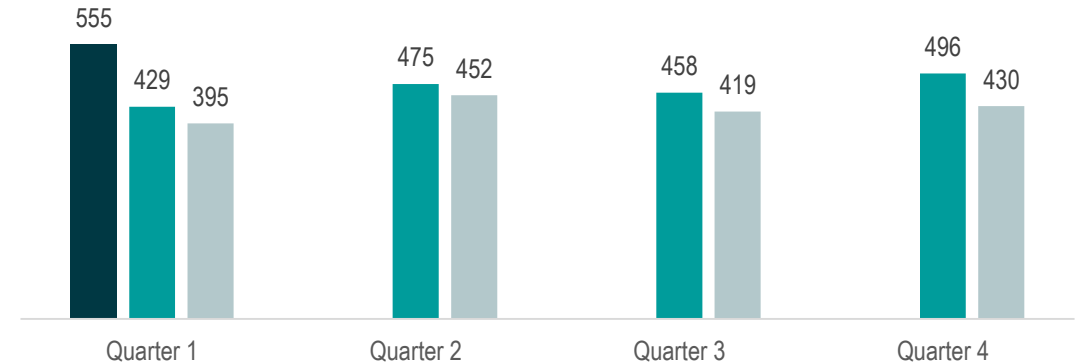
# Strong sales and earnings growth in Q1 2018



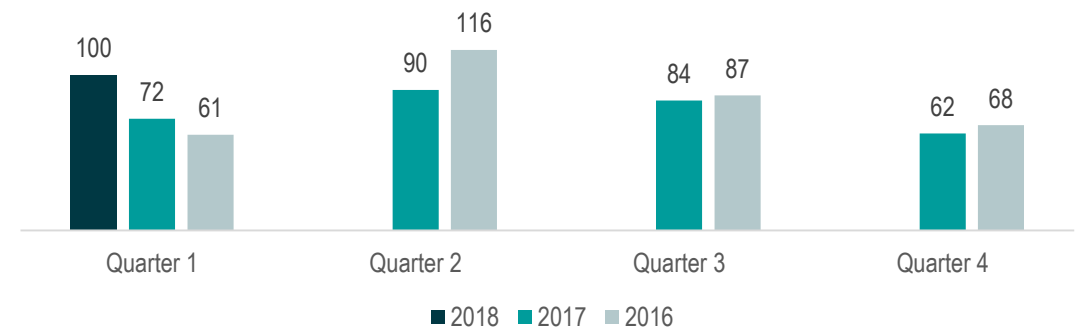
## HIGHLIGHTS Q1 2018

- Our revenue increase of 30% was driven by organic growth and by acquisitions
- The organic growth of 9% was driven by EaaS expansion, VI LatAm and new RAP service customers
- Our EBITDA improved by 39% to 100 MSEK, corresponding to a margin of 18% (17%)
- We are still seeing increased operational expenses resulting from our growth activities
- The acquisition of Gordon-Darby is developing well and has contributed to Opus Q1 performance
- The turn-around of Autologic, acquired in June 2017, is on track and generated positive EBITDA in Q1
- We have implemented a new reporting structure to increase visibility and transparency

*Net Sales (MSEK)*



*EBITDA (MSEK)*



# Financial overview



## OPUS GROUP

### MSEK

Net sales

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net Earnings

EPS (SEK)

Operating Cash Flow

Free Cash Flow<sup>(2)</sup>

Net Debt

Net Debt / EBITDA (x)<sup>(3)</sup>

Equity

Equity / Asset ratio (%)

## 3 MONTHS

Q1 2018

Q1 2017

555

429

100

72

18%

17%

69

42

13%

10%

10

8

0.05

0.03

39

51

-13

10

1,468

723

3.3x

2.1x

985

1,020

27%

34%

## 12 MONTHS

LTM<sup>(1)</sup>

2017

1,984

1,858

336

308

17%

17%

216

188

11%

10%

76

74

0.29

0.27

174

186

-65

-42

1,468

966

3.3x

3.0x

985

947

27%

28%

(1) Last twelve months: April 1, 2017 – March 31, 2018

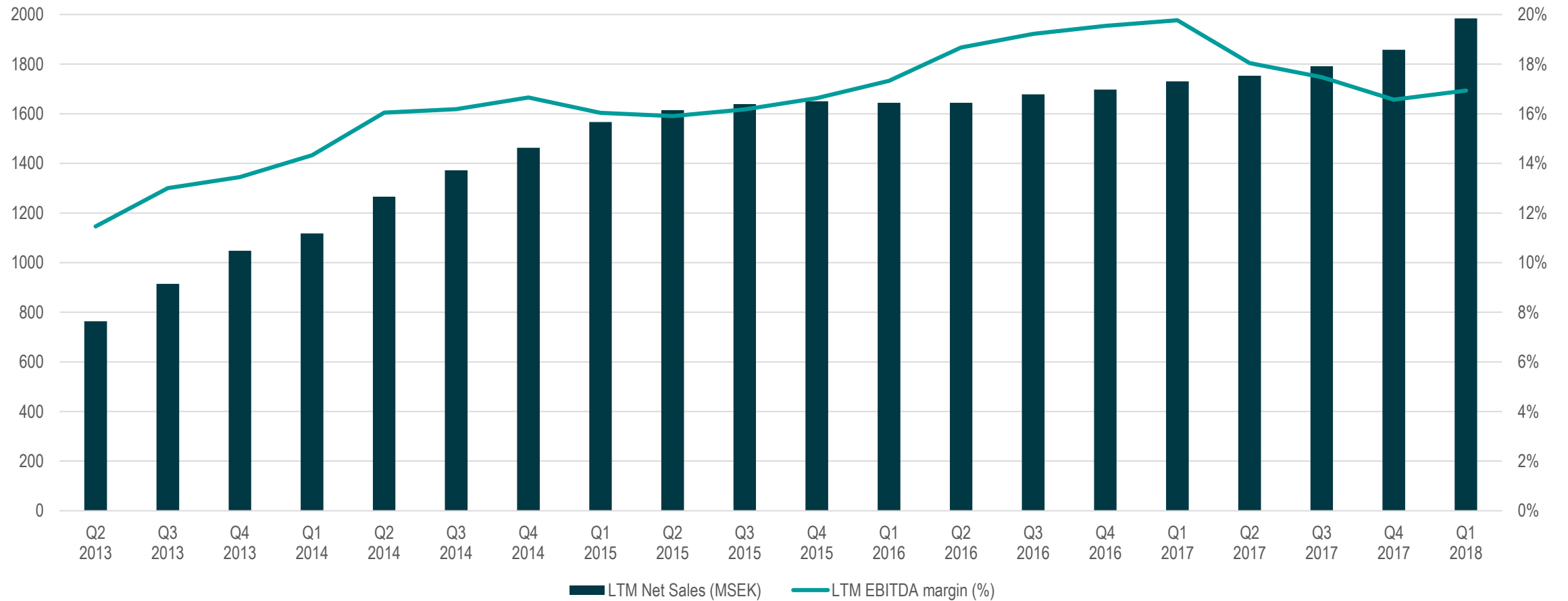
(2) Free Cash Flow before Acquisitions

(3) LTM EBITDA adjusted for proforma accounts of acquired businesses

# Historical development



## LTM NET SALES & EBITDA MARGIN



# New reporting structure



## DIVISION – VEHICLE INSPECTION

### *Three segments:*

#### VI US & Asia

- Clear market leader in the U.S.
- Operates both centralized and decentralized programs
- Provides emission testing equipment to vehicle inspection programs under Equipment as a Service (“EaaS”)
- In Asia, Opus is developing operations in Pakistan

#### VI Europe

- Centralized vehicle inspection operator in Sweden
- 88 stations and ~1.6 million inspections per year
- Market share of ~25%

#### VI Latin America

- Operates in Argentina, Chile, Mexico and Peru
- Strong vehicle population growth of 5% per year
- Continued development of new concessions

## DIVISION – INTELLIGENT VEHICLE SUPPORT

### *A new division:*

- Intelligent Vehicle Support Division established in 2018
- Division includes Drew Tech (2015) and Autologic (2017)
- The new division represents >10% of Opus’ total revenues
- Opus to focus on technology driven solutions (hardware and software) within vehicle communications, reprogramming and diagnostics
- Growth comes from increased computerization of vehicles
- Leverage cross-sales synergies within IVS and also with decentralized Vehicle Inspection customer base (more than 40,000 automotive workshops in U.S.)

# Good growth in both divisions



## DIVISIONS

### MSEK

Net sales

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

## VEHICLE INSPECTION

Q1 2018

Q1 2017

498

413

98

74

20%

18%

69

44

14%

11%

## INTELLIGENT VEHICLE SUPPORT

Q1 2018

Q1 2017

59

17

5

0

8%

-2%

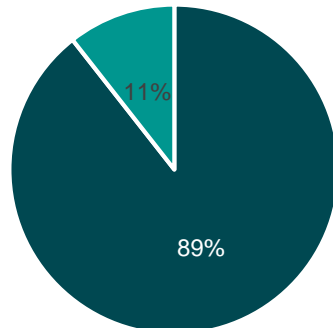
3

-1

6%

-5%

Net sales Q1 – Split by division



■ Vehicle Inspection ■ Intelligent Vehicle Support

- Strong growth of 21%
- Organic growth of 8%
- Increased margins
- Strong performance driven by the acquisition of Gordon-Darby, LatAm and EaaS results

- Strong growth of 252%
- Organic growth of 25%
- Increased margins
- Strong performance driven by the acquisition of Autologic and RAP service expansion



# Strong improvement in VI LatAm & US & Asia segments

## SEGMENTS

### MSEK

Net sales

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

## VI US & ASIA

Q1 2018	Q1 2017
335	267
94	64
28%	24%
70	38
21%	14%

- Total growth of 25%
- Organic growth of 7%
- Increased margins
- Positive contribution by Gordon-Darby
- High EaaS contribution
- Pakistan showing progress, although behind plan

## VI EUROPE

Q1 2018	Q1 2017
148	146
9	15
6%	10%
5	11
4%	7%

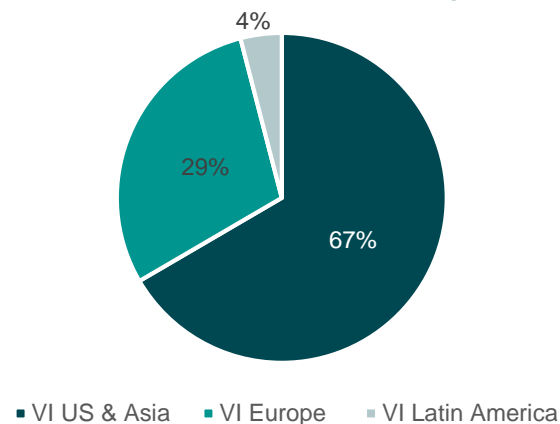
- Total growth of 1%
- Lower margins
- Higher average revenue per inspection but lower volumes
- Station start up costs in Sweden

## VI LATIN AMERICA

Q1 2018	Q1 2017
20	5
-5	-5
-23%	-107%
-6	-5
-28%	-109%

- Organic growth of ~300%
- Negative margins
- Most programs are in a development phase
- Strengthened position in Chile with new concession awards and station openings

Net sales Q1 – Split by segment



# Acquisition of Gordon-Darby



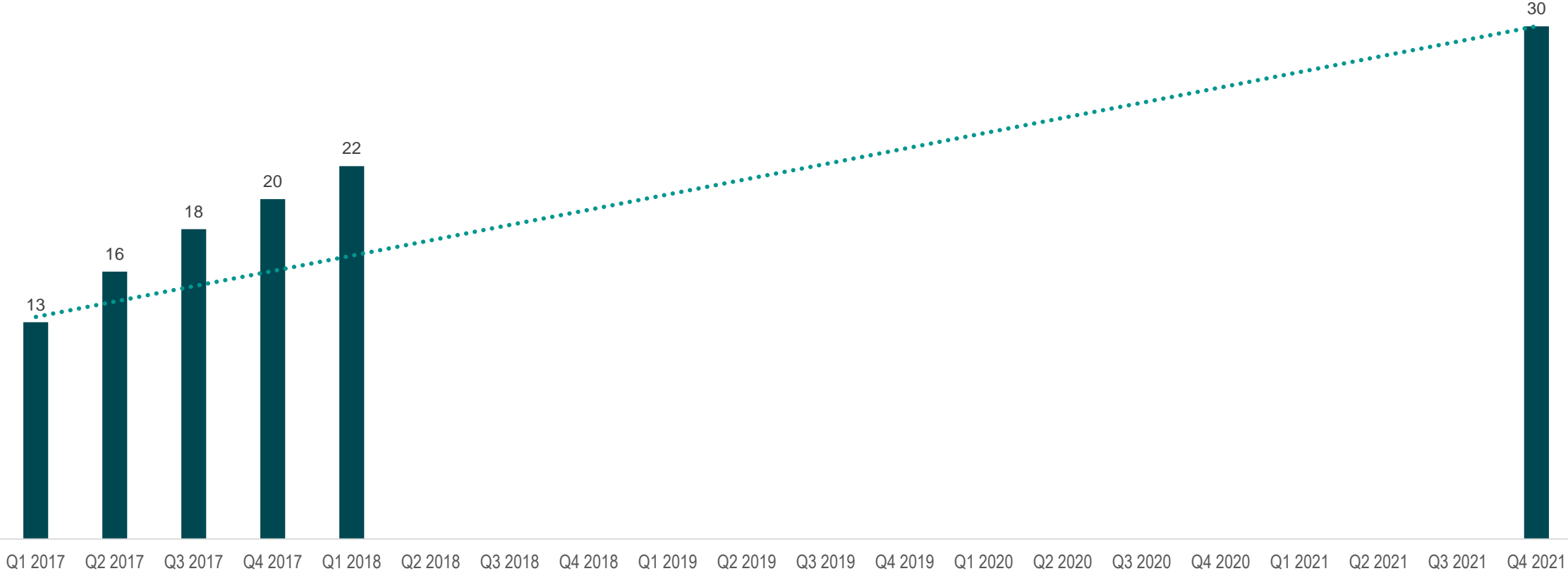
- Opus acquired 100% of the shares in Gordon-Darby in January 2018
- Gordon-Darby was consolidated into Opus accounts as of January 1, 2018
- Gordon-Darby is reported under Vehicle Inspection U.S. & Asia
- Purchase price of 55 MUSD (~432 MSEK) on a cash and debt-free basis
- The company generates full year revenues of ~35 MUSD and has 280 employees
- A leading U.S.-based government services company specializing in vehicle inspection
- Operates programs in Arizona, New Hampshire and Texas
- Increases Opus' footprint in the U.S. and offers management and technology synergies
- The acquisition is developing well and has contributed to the Q1 performance



# Continued growth in emission test equipment EaaS



## EAAS 12 MONTH RUN RATE (MUSD)



# A very good quarter



## SUMMARY Q1 2018

- Strong growth and margin development
- Good contribution from Gordon-Darby and Autologic
- Autologic and Drew Tech cooperating well under IVS; shared management and resources
- Continued expansion of EaaS
- Continued investment in future growth
- New reporting structure





Thank you!