



**OPUS**

# **Year End Report 2018**

*February 18, 2019*



# Presenters



**Lothar Geilen**

*CEO*



**Linus Brandt**

*CFO & Executive Vice President*



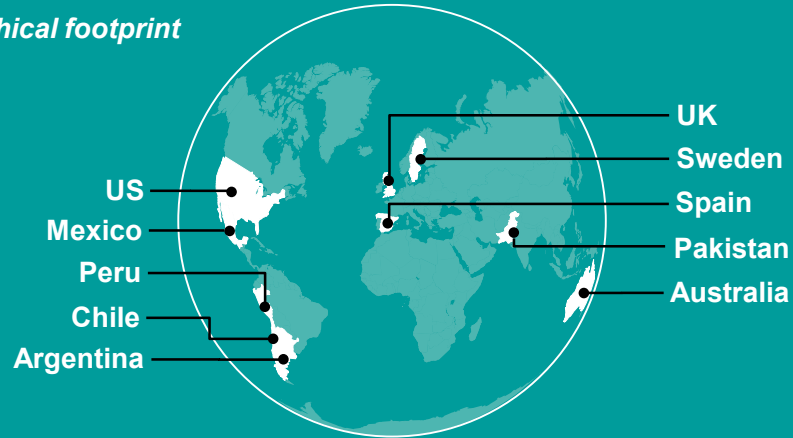
*Strong revenue and operating earnings growth in 2018*

# Opus today



*Opus is a global leader in vehicle inspection, as well as a provider to the growing intelligent vehicle support market*

## Geographical footprint



- Active in 10 countries – 5 continents
- Headquartered in Gothenburg
- Approximately 2,600 employees
- Listed on Nasdaq Stockholm

## LTM<sup>1</sup> Results 2018

**289**

MILLION USD

LTM Revenue

**20**

PERCENT

LTM EBITDA margin

**3.1**

TIMES

LTM  
Net debt / EBITDA

## 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: January 1, 2018 – December 31, 2018

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

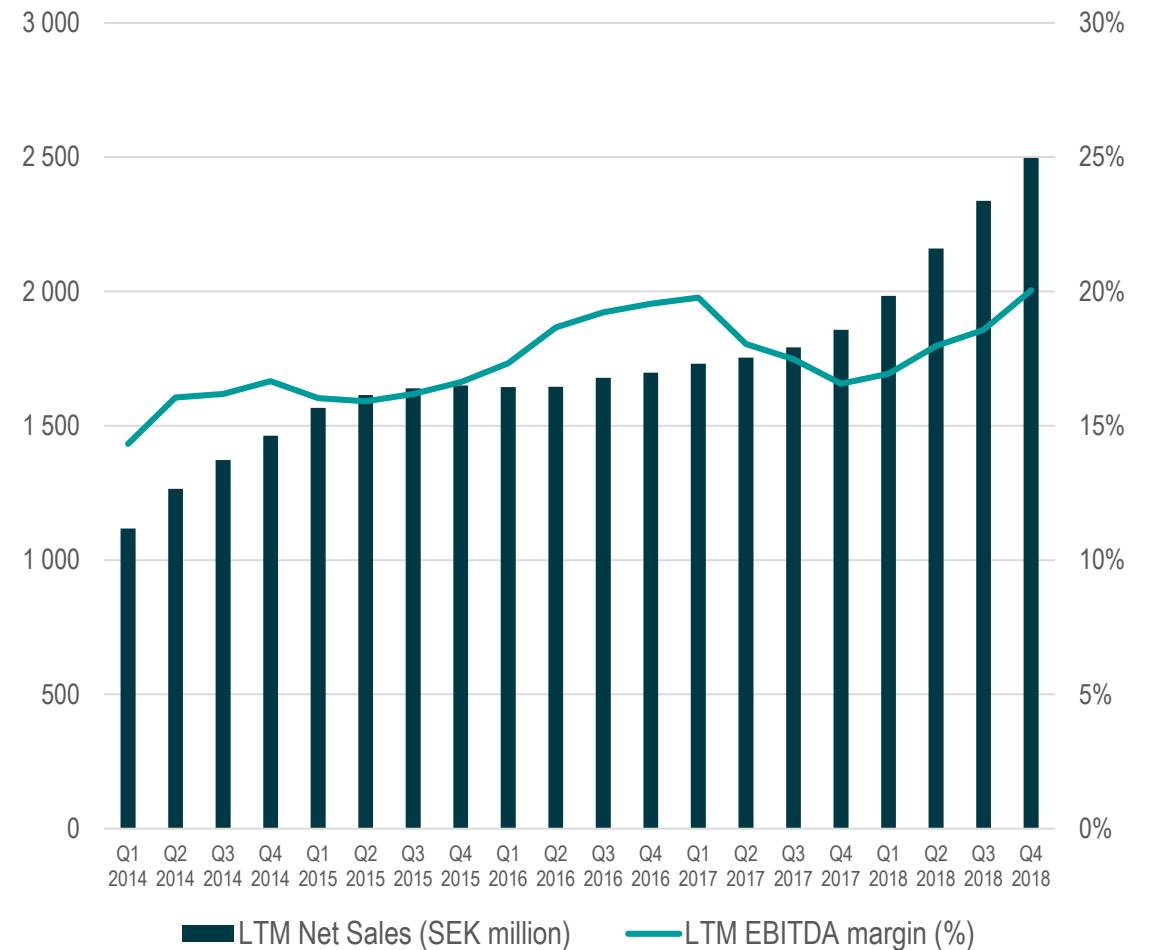
(3) Net debt may exceed 3x EBITDA temporarily, for example if an investment opportunity arises, or if expected EBITDA from new projects will only materialize in a later period

# FY 2018: Good growth and margin development



## HIGHLIGHTS FY 2018

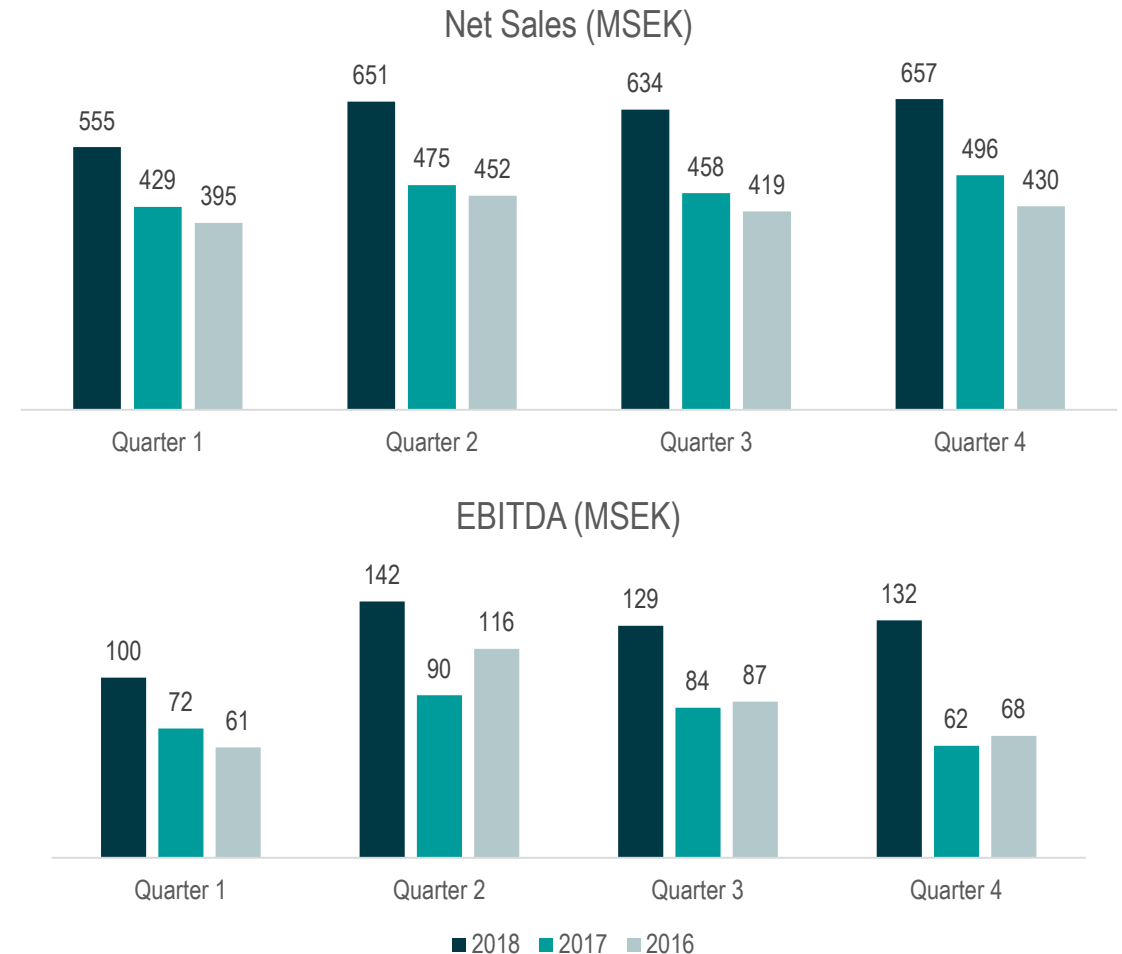
- Good growth and margin development
- Positive development primarily driven by acquisitions (Gordon-Darby and VTV) and EaaS expansion
- New organization and divisional structure
- Released new products and services under IVS
- Net earnings negatively impacted by currency and taxes
- Successful refinancing of our SEK-bonds
- The board proposes a dividend of SEK 0.05 per share



# Q4 2018: Net sales growth with strong operating profit

## HIGHLIGHTS Q4 2018

- Net sales grew by 32% to 657 MSEK. The growth was supported by acquisitions and organic growth of 8%
- EBITDA grew by 112% to 132 MSEK (63), corresponding to an EBITDA margin of 20% (13%)
- EBITA grew by 184% to 90 MSEK (32), corresponding to an EBITA margin of 13% (6%)
- The margin improvement is mainly driven by acquisitions, increased EaaS volumes and equipment sales
- Strong cash generation in the quarter. Cash flow from operating activities amounted to 117 MSEK and Free cash flow amounted to 58 MSEK



# Financial overview



## OPUS GROUP

### MSEK

Net sales

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net Earnings

EPS (SEK) <sup>(1)</sup>

Operating Cash Flow

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

Net Debt

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

Equity

Equity / Asset ratio (%)

## 3 MONTHS

Q4 2018

Q4 2017

657

496

132

62

20%

13%

90

32

13%

6%

34

24

0.12

0.09

117

35

58

-26

1,596

966

3,1x

3,0x

987

947

26%

28%

## 12 MONTHS

FY 2018

FY 2017

2,497

1,858

504

308

20%

17%

358

188

14%

10%

-6

74

0.09

0.27

323

186

84

-41

1,596

966

3,1x

3,0x

987

947

26%

28%

(1) Earnings per share (after dilution) attributable to parent company shareholders

(2) Free Cash Flow before Acquisitions

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

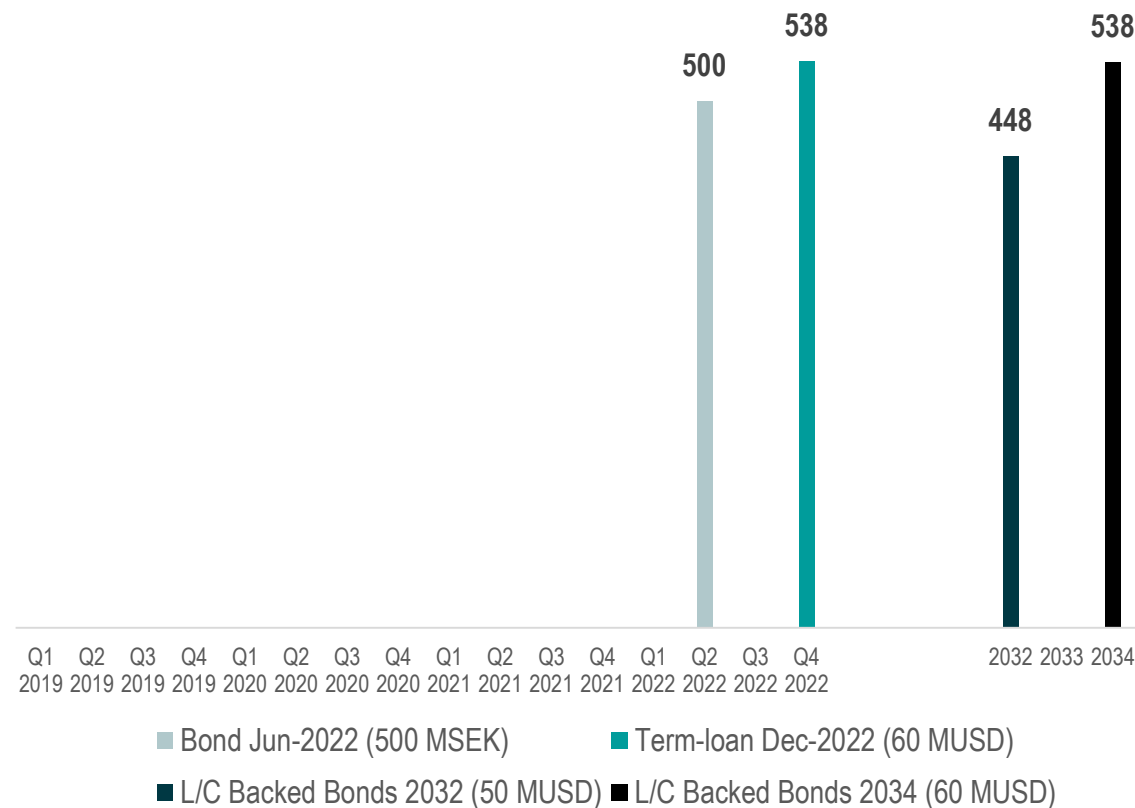
# Secured financing for continued growth



## ISSUE OF 60 MUSD L/C BACKED BONDS

- In January 2019, Opus successfully issued new L/C backed bonds, in the U.S. at a total value of 60 MUSD
- The proceeds from the transaction were mainly used for the early redemption of the 500 MSEK 2016/2021 bond
- The main purpose of the refinancing was to decrease Opus' foreign exchange exposure and secure long-term financing at a favorable cost structure

## DEBT MATURITY PROFILE (MSEK)<sup>(1)</sup>



(1) The USD denoted Credit Facility and L/C Backed Bonds are exchanged to SEK with an USD/SEK Fx-rate of 8.97

# FY 2018: Strong growth in both divisions



## DIVISIONS

### MSEK

Net sales

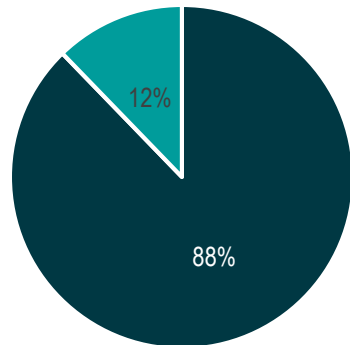
EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net sales FY18 – Split by division



■ Vehicle Inspection ■ Intelligent Vehicle Support

## VEHICLE INSPECTION

FY 2018	FY 2017
2,208	1,693
472	298
21%	18%
334	182
15%	11%

- Total growth of 30%
- Organic growth of 8%
- Growth and improved margin is mainly driven by acquisitions and increased EaaS volumes

## INTELLIGENT VEHICLE SUPPORT

FY 2018	FY 2017
308	172
47	25
15%	15%
40	21
13%	12%

- Total growth of 79%
- Organic growth of 29%
- Organic growth driven by continued turnaround of Autologic and the continued expansion of RAP service



# FY 2018 Vehicle Inspection: Good results in US & Asia

## SEGMENTS

### MSEK

Net sales

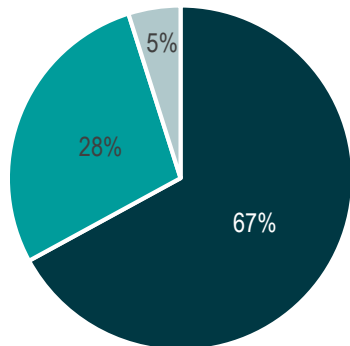
EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net sales FY18 – Split by segment



■ VI US & Asia ■ VI Europe ■ VI Latin America

## VI US & ASIA

FY 2018	FY 2017
1,496	1,048
401	236
27%	23%
286	139
19%	13%

- Total growth of 43%
- Organic growth of 10%
- Increased margins
- The acquisition of Gordon- Darby and the continued roll-out of EaaS contributed to sales and EBITDA growth
- One-off item +11 MSEK

## VI EUROPE

FY 2018	FY 2017
626	626
81	91
13%	15%
64	75
10%	12%

- 2018 revenue flat vs. 2017, at lower EBITDA
- Regulatory change in Sweden had a negative impact on the total market volume
- Our cost reduction plan is showing some positive effects

## VI LATIN AMERICA

FY 2018	FY 2017
109	40
-9	-29
-8%	-71%
-16	-32
-15%	-78%

- Total growth of 174%
- Organic growth of 80%
- Growth due to acquisition of VTV and new station openings in Chile
- EBITDA improved, although still negative, partly due to costs for station openings and other one-off expenses

# Q4 2018: Strong growth in both divisions



## DIVISIONS

### MSEK

Net sales

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

## VEHICLE INSPECTION

Q4 2018

Q4 2017

559

426

108

54

19%

13%

68

25

12%

6%

## INTELLIGENT VEHICLE SUPPORT

Q4 2018

Q4 2017

103

70

30

14

28%

20%

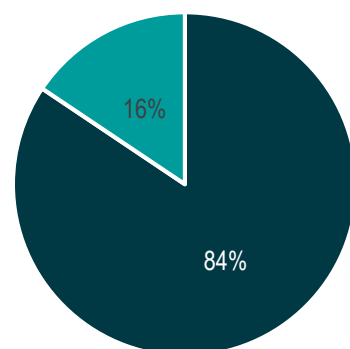
27

12

26%

17%

Net sales Q4 – Split by division



■ Vehicle Inspection ■ Intelligent Vehicle Support

- Total growth of 31%
- Organic growth of 4%
- Increased margins
- Strong performance driven by the acquisitions of Gordon-Darby and VTV as well as higher EaaS volumes

- Total growth of 47%
- Organic growth of 39%
- Strong margins due to increase in recurring revenues and significant sales of high margin equipment
- One-off item +5 MSEK

# Q4 2018: Good performance in US & Asia



## SEGMENTS

### MSEK

Net sales

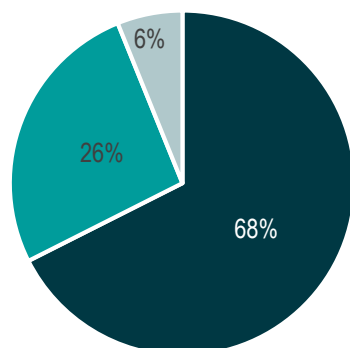
EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net sales Q4 – Split by segment



■ VI US & Asia ■ VI Europe ■ VI Latin America

## VI US & ASIA

Q4 2018	Q4 2017
381	257
101	55
26%	21%
68	32
17%	12%

- Total growth of 48%
- Organic growth of 9%
- Increased margins
- Gordon-Darby acquisition and EaaS expansion drive growth and improve margins
- One-off item +11 MSEK
- Pakistan: 12 stations in operation, but low compliance rate

## VI EUROPE

Q4 2018	Q4 2017
148	163
8	12
5%	8%
4	8
2%	5%

- Net Sales decreased by 9% to 148 MSEK
- The total market in Sweden was down 10% compared to the same quarter last year due to the new inspection intervals
- Good cost control partly offset the negative impact from lower net sales

## VI LATIN AMERICA

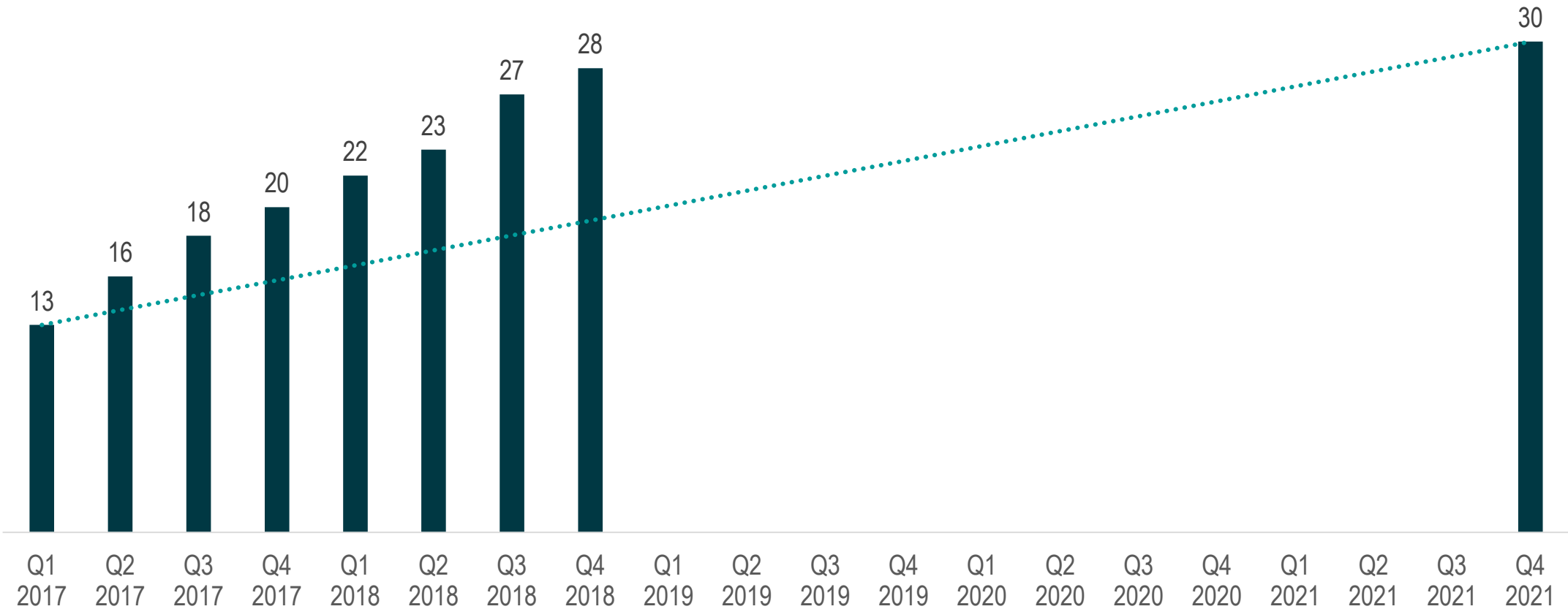
Q4 2018	Q4 2017
35	12
-2	-13
-4%	-104%
-4	-15
-12%	-123%

- Total growth of 195%
- Organic growth of 72%
- VTV acquisition is the key reason for growth
- Chile is improving
- Negative impact from provision for bad debt and write-down of obsolete inventories in Mexico (-5 MSEK)

# Continued growth in emission test equipment EaaS



EAAS 12-MONTH RUN RATE (MUSD)





# Focus on profitable growth and net debt reduction



## GOING FORWARD

- Focus on profitable growth while considering our debt position
- Less capital intensive business models
- Growth and sustainable profit margins in Latin America
- Increased inspection volume in Punjab, Pakistan
- Success of IVS' new product offerings
- Continued customer-focused operation of U.S. inspection programs
- Further expansion of EaaS





Thank you!