

OPUS

Q1 2019 Presentation

May 14, 2019

Presenters



Lothar Geilen

CEO



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CFO & Executive Vice President



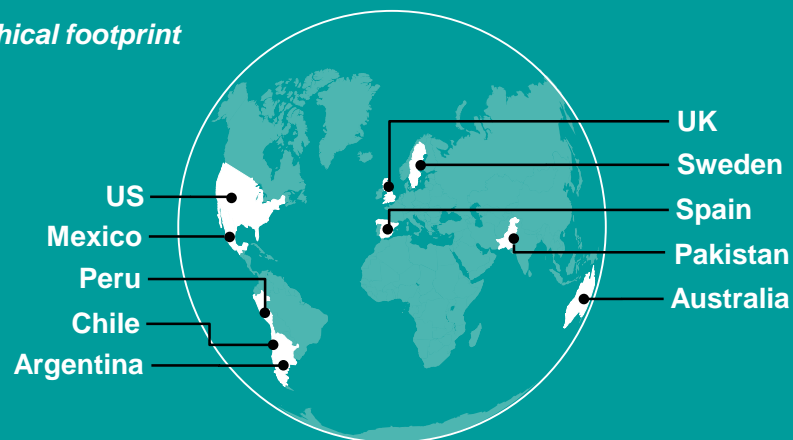
Strong operating earnings growth in the first quarter

Opus today



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

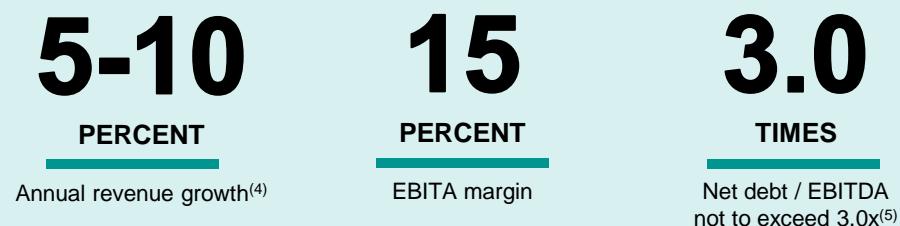
Geographical footprint



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

- Annual Revenue Growth⁽¹⁾: **16%**
- EBITA margin⁽²⁾: **15%**
- Net Debt / EBITDA⁽³⁾: **3.1x**

Financial targets



(1) 3-year CAGR based on LTM Revenue

(2) LTM EBITA divided by LTM Revenue

(3) Net debt as per end of period divided by LTM EBITDA excluding effects from accounting in accordance with IFRS16 and adjusted for pro forma accounts for acquired businesses

(4) Organic and acquisitive growth based on 3-year CAGR

(5) Net Debt/EBITDA excluding IFRS16 effects. Net Debt/EBITDA may exceed 3.0x if an attractive business opportunity arises

Good revenue and operating earnings growth



HIGHLIGHTS Q1 2019

- Good revenue and operating earnings growth during the first quarter of 2019
- Solid performance in VI U.S. & Asia. EaaS reached annualized revenue of 30 MUSD. Re-win of the decentralized program in New Hampshire
- Good cost control in VI Europe in a seasonally weak quarter. Measures taken to address the change in inspection frequency instituted in May 2018
- Good development in VI Latin America driven by the VTV acquisition but also higher volumes in Chile
- Strong growth in IVS primarily driven by an increase in recurring revenues



New financial targets announced in April



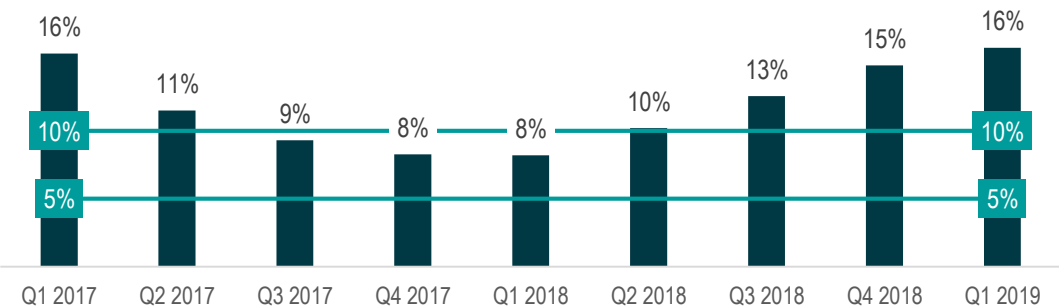
REVENUE

5-10% annual revenue growth

Organic and acquisitive growth based on 3-year CAGR

Previously: Revenue of 400 MUSD by 2021

Definition: 3-year CAGR based on LTM Revenue

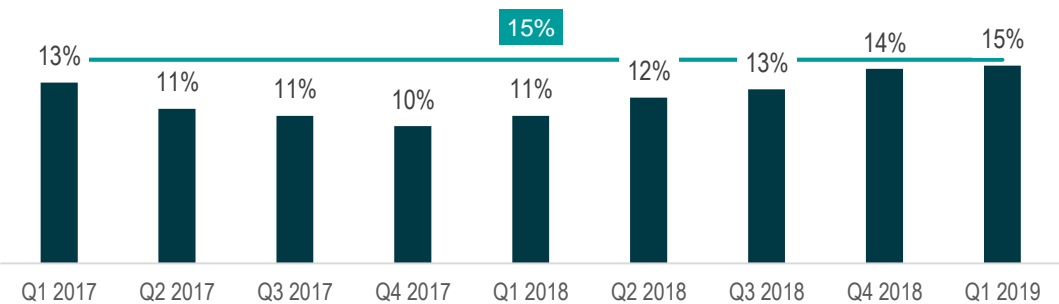


MARGIN

15% EBITA margin

Previously: EBITDA margin of 25% by 2021

Definition: LTM EBITA divided by LTM Revenue

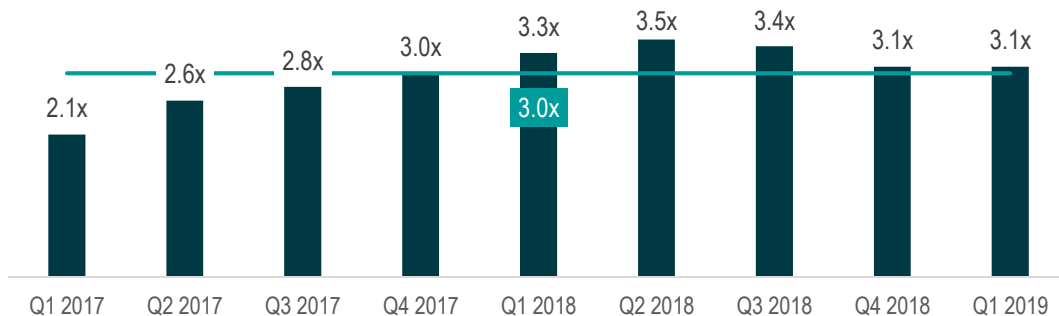


LEVERAGE

Net debt/EBITDA not to exceed 3.0x

Net Debt/EBITDA excluding IFRS16 effects. Net Debt/EBITDA may exceed 3.0x if an attractive business opportunity arises

Previously: Same target



Financial overview



OPUS GROUP

MSEK

Net Sales

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net Earnings

EPS (SEK)⁽²⁾

Operating Cash Flow

Free Cash Flow⁽³⁾

Net Debt

Net Debt / EBITDA (x)⁽⁴⁾

Interest Coverage Ratio (x)

Equity

Equity / Asset Ratio (%)

3 MONTHS

Q1 2019	Q1 2018
633	555
144	100
22.7%	18.0%
87	69
13.7%	12.5%
-17	10
-0.03	0.05
76	39
25	-13
1,938	1,468
3.1x	3.3x
4.7x	6.3x
995	985
23%	27%

12 MONTHS

LTM ⁽¹⁾	FY 2018
2,575	2,497
547	504
21.1%	20.0%
375	358
14.5%	14.2%
-34	-6
0.01	0.09
360	323
122	84
1,938	1,596
3.1x	3.1x
4.7x	5.7x
995	987
23%	26%

(1) Last twelve months: April 1, 2018 – March 31, 2019: As reported

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

(3) Free Cash Flow before Acquisitions

(4) Net debt as per end of period divided by LTM EBITDA excluding effects from accounting in accordance with IFRS16 and adjusted for pro forma accounts for acquired businesses

IFRS16 effects



OPUS GROUP (MSEK)

EARNINGS AND MARGINS

EBITDA

144

-23

121

100

EBITDA margin (%)

22.7%

-3.6%

19.1%

18.0%

EBITA

87

-2

85

69

EBITA margin (%)

13.7%

-0.3%

13.4%

12.5%

Net Earnings

-17

+3

-14

10

CASH FLOW

Operating Cash Flow

76

-17

59

39

Free Cash Flow

25

-17

7

-13

Net Cash Flow

36

0

36

-198

OTHER

Net Debt

1,938

-285

1,652

1,468

Equity / Asset Ratio (%)

23%

+2%

25%

27%

IFRS16 "Leases" replaces IAS 17 "Leases" and is applicable as of January 1, 2019. See Note 2 in Opus Interim Q1 2019 Report for more information

Net income negatively impacted by “one-off” costs

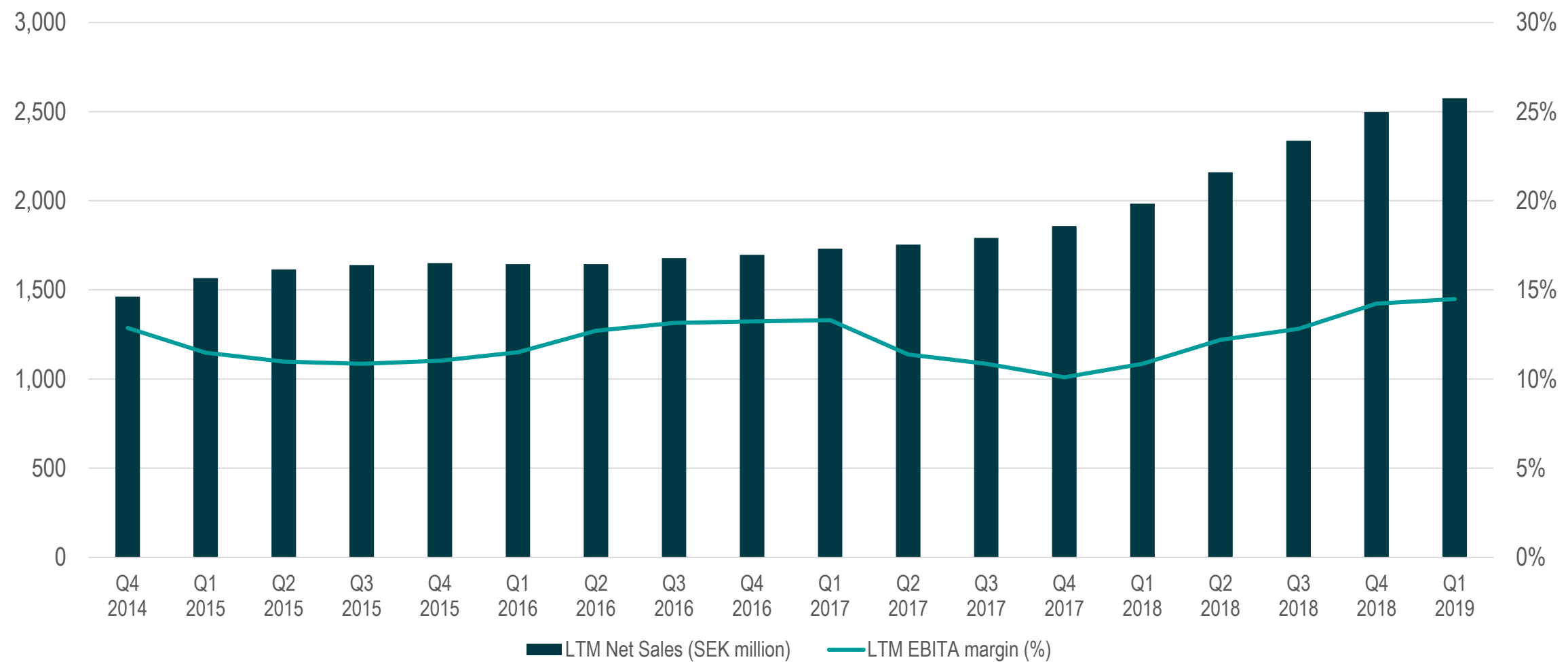


- Net income impacted by refinancing costs of -16 MSEK in connection with the early redemption of the “SEK 500 million 2016/2021-bonds” in January 2019
- Unrealized foreign exchange differences amounted to -3 MSEK
- The reported income tax includes a tax effect of -5 MSEK relating to exchange rate gains not recognized as income but reported directly against equity

Historical development



LTM NET SALES & EBITA MARGIN



Q1 2019: Growth in both divisions



DIVISIONS

MSEK

Net sales

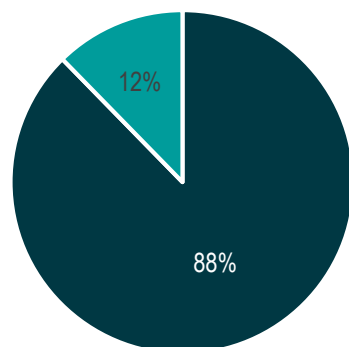
EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net sales Q1 – Split by division



■ Vehicle Inspection ■ Intelligent Vehicle Support

VEHICLE INSPECTION

Q1 2019

Q1 2018

556

498

139

98

25%

20%

86

69

15%

14%

- Total growth of 12%
- Organic growth of 1%
- Increased EBITA margin mainly driven by the acquisition of VTV and increased EaaS volumes

INTELLIGENT VEHICLE SUPPORT

Q1 2019

Q1 2018

78

59

7

5

9%

8%

3

3

4%

6%

- Total growth of 32%
- Organic growth of 21%
- Lower EBITA margin due to changed product mix, increased call-center capacity and higher depreciation costs compared to last year

Q1 2019: Good development in VI Latin America



SEGMENTS

MSEK

Net sales

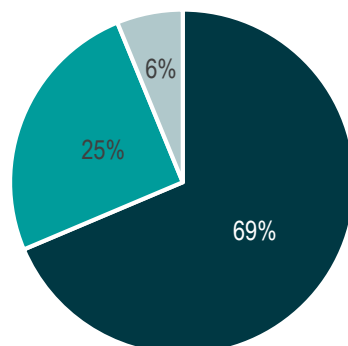
EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

Net sales Q1 – Split by segment



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

VI U.S. & ASIA

Q1 2019	Q1 2018
385	335
115	94
30%	28%
82	70
21%	21%

- Total growth of 15%
- Organic growth of 2%
- Increased EBITA result primarily driven by higher EaaS volumes

VI EUROPE

Q1 2019	Q1 2018
141	148
16	9
11%	6%
0	5
0%	4%

- Net Sales decreased by 4% to 141 MSEK
- The total market in Sweden was down 7% compared to last year due to the new inspection intervals
- EBITA was down compared to last year. Good cost control partly offset the negative impact from lower net sales

VI LATIN AMERICA

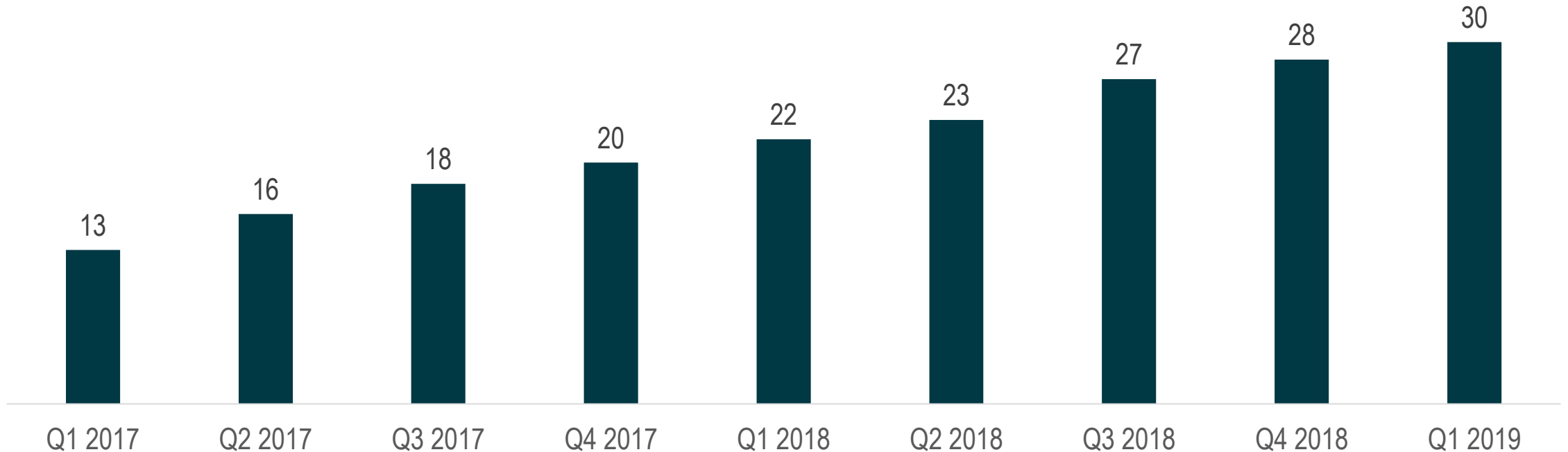
Q1 2019	Q1 2018
35	20
8	-5
24%	-23%
3	-6
10%	-28%

- Total growth of 71%
- Organic growth of 15%
- VTV acquisition is the key reason for growth and improved EBITA margin
- The program implementations in Chile are also supporting growth

Continued growth in emission test equipment EaaS



EAAS 12-MONTH RUN RATE (MUSD)



- Our EaaS business reaching our 2021 annual run rate goal of 30 MUSD a few years early. We expect this business to continue to grow throughout 2019

Strong operating earnings growth in the first quarter



SUMMARY Q1 2019

- Revenues increased by 14 % to 633 MSEK
- EBITA increased by 25% to 87 MSEK
- The EBITA margin improved to 14% (13%)
- EaaS reached annualized revenue of 30 MUSD
- New financial targets focusing on continued profitable growth of the business and efficient use of capital



Thank you!