



# OPUS

Opus Group AB (publ)

# Interim report

## Q 2, 2019

### January 1 - June 30 2019

Report period April – June 2019

- Net sales in the quarter amounted to SEK 708 million (651), a growth of 8.6%. In constant currencies and adjusted for acquisitions, the organic growth was 2.4%.
- EBITDA amounted to SEK 180 million (142), corresponding to an EBITDA margin of 25.4% (21.9).
- EBITA amounted to SEK 120 million (108), corresponding to an EBITA margin of 17.0% (16.6).
- Profit/loss for the quarter amounted to SEK 19 million (-27) and includes unrealized net foreign exchange differences of SEK -20 million (-48).
- Cash flow from operating activities amounted to SEK 132 million (111) and Free cash flow amounted to SEK 68 million (44).

Report period January – June 2019

- Net sales in the period amounted to SEK 1,341 million (1,206), a growth of 11.1%. In constant currencies and adjusted for acquisitions, the organic growth was 2.6%.
- EBITDA amounted to SEK 323 million (243), corresponding to an EBITDA margin of 24.1% (20.1).
- EBITA amounted to SEK 207 million (177), corresponding to an EBITA margin of 15.4% (14.7).
- Profit/loss for the period amounted to SEK 2 million (-17) and includes refinancing costs of SEK -16 million and unrealized net foreign exchange differences of SEK -23 million (-54).
- Cash flow from operating activities amounted to SEK 209 million (151) and Free cash flow amounted to SEK 93 million (30).

#### Financial overview <sup>1) 2)</sup>

SEK millions	Apr 1 - Jun 30		Jan 1 - Jun 30		12 months	
	2019	2018	2019	2018	LTM <sup>3)</sup>	2018
Net sales	708	651	1,341	1,206	2,632	2,497
EBITDA	180	142	323	243	584	504
EBITDA margin	25.4%	21.9%	24.1%	20.1%	22.2%	20.2%
EBITA	120	108	207	177	387	358
EBITA margin	17.0%	16.6%	15.4%	14.7%	14.7%	14.3%
Profit/loss for the period	19	-27	2	-17	13	-6
Cash flow from operating activities	132	111	209	151	381	323
Free cash flow	68	44	93	30	147	84
Net debt	1,931	1,633	1,931	1,633	1,931	1,596
Net debt/EBITDA	3.1x	3.5x	3.1x	3.5x	3.1x	3.1x
Interest coverage ratio	5.2x	5.5x	5.2x	5.5x	5.2x	5.7x
Equity	995	1,030	995	1,030	995	987
Equity/Total assets ratio	23.4%	26.2%	23.4%	26.2%	23.4%	25.5%

<sup>1)</sup> For definitions of key ratios, see Opus' Annual Report 2018 and Key ratios on page 13 in this report.

<sup>2)</sup> IFRS 16 is effective from January 1, 2019 and has affected the Group's key ratios. Comparative figures have not been recalculated. See note 2 for more information.

<sup>3)</sup> Last 12-months: July 1, 2018 - June 30, 2019 (as reported).

## CEO letter

The seasonally strong second quarter 2019 showed good revenue and earnings growth. Revenue increased 9% overall, and 2% organically compared to the same quarter last year. EBITA increased 11% to SEK 120 million, a margin of 17%. Profit for the period increased from SEK -27 million to SEK 19 million.

The Vehicle Inspection U.S. & Asia segment ended the quarter with a 9% revenue increase, although, when adjusting for currency effects, in line with Q2 last year. EBITA for the segment increased by 22%, reaching an EBITA margin for the quarter of 21%. Higher EaaS volumes contributed to improved margins. Our EaaS business continues to grow and the current run rate is USD 31 million. We have initiated an expansion of our EaaS business into the Philippines with the goal of signing our first customer under the new vehicle inspection regulation in the Philippines in Q3, with operations expected to start H1 2020. During the quarter we expanded operations in Punjab, Pakistan to 26 operational stations and now cover the entire province. We are working with the Government of Punjab to increase inspection enforcement.

The Vehicle Inspection Europe segment's revenues decreased by 1% quarter-over-quarter. A somewhat lower market share was offset by higher per inspection revenue achieved during the quarter. EBITA amounted to SEK 39 million, same as last year. As expected, the total annualized market volume in Sweden has decreased by 8% following the change in the inspection intervals from 12 to 14 months effective May 2018. The total annual market volume has now stabilized at the new base level, however, comparability between quarters will be affected by the new inspection interval pattern going forward.

Our Latin America vehicle inspection segment recorded revenue of SEK 30 million in the seasonally lower Q2. This represents a revenue increase of 76% compared to Q2 last year. EBITA, while negative, improved from SEK -9 million to SEK -3 million. During the second half of the year, we will open new stations in Chile which will add to the region's revenues and earnings. In July our fees in Argentina were adjusted to compensate for inflation as is done every year per our contracts.

The IVS division delivered a revenue increase of 14% (7% organically) to SEK 81 million. Profitability was negatively affected by business ramp-up and by one-off legal costs in one of the division's subsidiaries. IVS has launched an offering for collision scanning services and we are in the process of adding new customers in the third quarter.

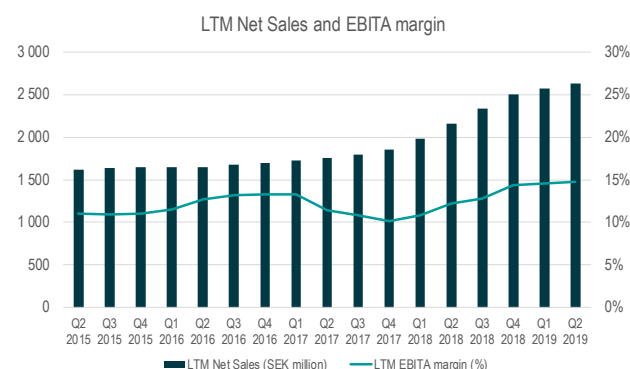
I am satisfied with the development of Opus and the achievements during the second quarter as well as our performance based on the last twelve months in relation to our financial targets.



Gothenburg in August 2019  
Lothar Geilen  
CEO

## Highlights second quarter 2019

- Net sales: SEK **708** million
- Net sales growth: **9%** (2% organic)
- EBITA: SEK **120** million (11% increase)
- EBITA margin: **17%**



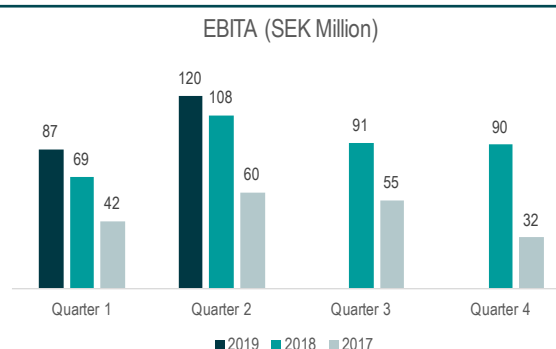
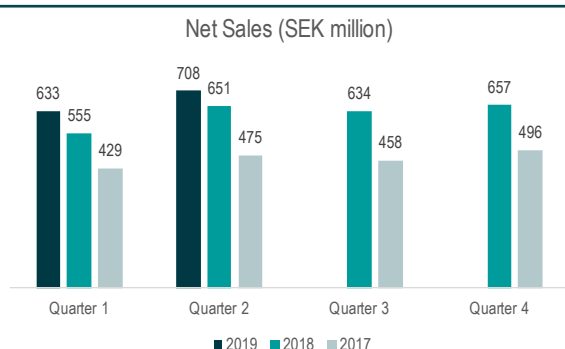
## Financial result

### The Group's sales and result April – June 2019

- Net sales for the quarter amounted to SEK 708 million (651). Reported net sales is 8.6% higher for the Group compared to previous year. Net sales has been positively affected by the acquisition of VTV, which was finalized in May 2018. The organic growth (i.e. in constant currencies and adjusted for acquisitions) was 2.4%.
- EBITDA amounted to SEK 180 million (142), corresponding to an EBITDA margin of 25.4% (21.9). The implementation of IFRS 16 has had a positive impact on EBITDA. See Note 2 for more information on the effects of IFRS 16.
- Depreciation of tangible assets amounted to SEK -60 million (-35) whereof depreciation of machinery, equipment and buildings amounted to -38 million (-35) and depreciation of Right-of-Use assets was SEK -21 million (-).
- EBITA amounted to SEK 120 million (108), corresponding to an EBITA margin of 17.0% (16.6). Increased EaaS volumes, improved performance in Vehicle Inspection Latin America as well as changed assessment of the useful life of equipment within the EaaS business (which has been changed from five to seven years) have contributed positively to the improved EBITA.
- Amortization of intangible assets was SEK -36 million (-48). Amortization has been positively affected by the fact that acquired customer contracts from the acquisition of Envirotest have been fully amortized (according to plan) and negatively affected by the new assessment of the useful life of the Drew Technologies brand. Amortization in the previous year was negatively affected by a one-time adjustment attributable to the acquisition of Gordon-Darby for the period February - March 2018 of SEK -11 million after the completion of the purchase price allocation.
- The Group's net financial items amounted to SEK -47 million (-79), whereof interest and financing expenses stood for SEK -29 million (-32) and includes interest expenses for leasing liabilities in accordance with IFRS 16 of SEK -5 million (-). Unrealized foreign exchange differences amounted to SEK -20 million (-48).
- The reported income tax includes a tax effect of SEK 1 million relating to non-expensed exchange-rate losses reported directly over equity.
- Profit/loss for the period was SEK 19 million (-27).

### January – June 2019

- Net sales for the period amounted to SEK 1,341 million (1,206). Reported net sales is 11.1% higher for the Group compared to previous year. Net sales has been positively affected by the acquisition of VTV, which was finalized in May 2018. The organic growth (i.e. in constant currencies and adjusted for acquisitions) was 2.6%.
- EBITDA amounted to SEK 323 million (243), corresponding to an EBITDA margin of 24.1% (20.1). The implementation of IFRS 16 has had a positive impact on EBITDA. See Note 2 for more information on the effects of IFRS 16.
- Depreciation of tangible assets amounted to SEK -116 million (-65) whereof depreciation of machinery, equipment and buildings amounted to -74 million (-65) and depreciation of Right-of-Use assets was SEK -42 million (-).
- EBITA amounted to SEK 207 million (177), corresponding to an EBITA margin of 15.4% (14.7). Increased EaaS volumes, improved performance in Vehicle Inspection Latin America as well as changed assessment of the useful life of equipment within the EaaS business (which has been changed from five to seven years) have contributed positively to the improved EBITA.
- Amortization of intangible assets was SEK -78 million (-68). The increase in amortization is primarily due to the acquisition of VTV. The Drew Technologies brand, previously deemed to have an indefinite useful life, is now assumed to have a set useful life of 15 years and is amortized accordingly, effective from January 2019. Amortization has also been affected by the fact that acquired customer contracts from the acquisition of Envirotest have been fully amortized (according to plan).
- The Group's net financial items amounted to SEK -98 million (-104), whereof interest and financing expenses stood for SEK -75 million (-52) and includes interest expenses for leasing liabilities in accordance with IFRS 16 of SEK -11 million (-) as well as refinancing costs of SEK -16 million in connection with the early redemption of the "SEK 500 million 2016/2021-bonds" in January 2019. Unrealized foreign exchange differences amounted to SEK -23 million (-54).
- The reported income tax includes a tax effect of SEK -5 million relating to exchange rate gains not recognized as income but reported directly against equity.
- Profit/loss for the period was SEK 2 million (-17).



## Financial position

### Cash and cash equivalents

Cash and cash equivalents at the end of the period amounted to SEK 443 million (compared with SEK 384 million at the beginning of the year), whereof SEK 45 million is only available to the Group for special purposes attributable to a contractual investment fund for one of the states in the U.S. Consequently, available cash and cash equivalents at the end of the period amounted to SEK 398 million.

### Interest bearing debt and net debt

The Group's interest bearing debt at the end of the period amounted to SEK 2,373 million compared with SEK 1,981 at December 31, 2018. The increase is primarily due to the implementation of IFRS 16, which entailed reporting of leasing liabilities of SEK 285 million. Consequently, interest bearing debt excluding IFRS 16 effects was SEK 2,088 million.

In January 2019, Opus issued a new corporate bond of USD 60 million in the U.S. In conjunction with this, Opus prematurely redeemed all outstanding bonds on the SEK 500 million bond loan due to expire in May 2021 (the "SEK 500 million 2016/2021-bonds").

The Group's net debt at the end of the period amounted to SEK 1,931 million including leasing liabilities of SEK 285 million. Consequently, the Group's net debt excluding IFRS 16 effects was SEK 1,645 million (SEK 1,596 million at the beginning of the year), corresponding to 3.1 times the Group's EBITDA on a last 12-month basis, excluding effects from accounting in accordance with IFRS 16 and adjusted for pro forma accounts for acquired businesses.

Opus' bond and loan agreements include customary terms and conditions and undertakings. The bond and loan agreements contain three financial covenants, which consist of interest coverage ratio, Net debt/EBITDA and minimum cash requirements. The new accounting standard for leasing agreements, IFRS 16, does not affect the calculation of the covenants, which are still calculated in accordance with IAS 17 as set out in the definition in the Group's bond and loan agreements.

### Equity

The Group's total equity amounted to SEK 995 million at the end of the period compared with SEK 987 million at the beginning of the year.

Equity attributable to equity holders of the parent company at the end of the period amounted to SEK 1,019 million (1,001 at the beginning of the year), equivalent to SEK 3.51 per share outstanding at the end of the period before dilution. In 2019, exchange rate gains not recognized as income but reported directly over equity have positively impacted equity attributable to equity holders of the parent company by SEK 30 million of which SEK 22 million consists of exchange rate gains from intra-group loans reported directly over equity and SEK 8 million consists of translation differences on foreign operations.

Equity attributable to non-controlling interests at the end of the period amounted to SEK -24 million (-14 at the beginning of the period) and is mainly attributable to, not wholly-owned,

subsidiaries in Pakistan and Argentina, which are operating in a start-up phase and where the result and equity was negatively affected by unrealized exchange rate losses.

Equity/Total assets ratio at the end of the period was 23.4% compared with 25.5% at the beginning of the year.

## Cash flow

Cash flow from operating activities in the first six months amounted to SEK 209 million (151), including a change in working capital of SEK -8 million (9).

Cash flow from investing activities amounted to SEK -140 million (-707) in the first six months. Investments in tangible fixed assets amounted to SEK -111 million (-115) and primarily consisted of machinery and equipment related to the company's EaaS business and investments in new vehicle inspection stations in Sweden and Chile. Investments in intangible fixed assets amounted to SEK -5 million (-5). The Group's Free cash flow was SEK 93 million (30). Other investing activities include earnout paid of SEK -21 million (-21).

Cash flow from financing activities in the first six months amounted to SEK -15 million (254) and primarily comprised SEK 36 million net in connection with the refinancing of the "SEK 500 million 2016/2021 bonds", amortization of leasing liabilities of SEK -37 million (-) and dividends paid to the parent company shareholders of SEK -15 million.

## Other information

### Significant events during the period and after the end of the period.

For more detailed information on events during the period and after the end of the period see the Group's website [www.opus.global](http://www.opus.global).

#### Opus refinanced the "SEK 500 million 2016/2021 bonds"

In January 2019, Opus issued a new corporate bond (Taxable Corporate Notes commonly known as Letter of Credit (L/C) backed bonds) of USD 60 million in the U.S. The proceeds from the transaction were mainly used for the early redemption of the "SEK 500 million 2016/2021 bonds". The L/C backed bonds of USD 60 million carry a variable short-term taxable interest rate, in line with LIBOR 7 days. The L/C backed bonds are guaranteed through a letter of credit issued by Swedbank AB (publ), New York Branch. The letter of credit has a maturity of three years and is extendable upon agreement. The maturity under the framework of the L/C backed bonds is 15 years. The bonds may be prepaid by Opus, in whole or in part, at no additional cost.

#### Opus signs New Hampshire emission and safety contract

In March 2019, Opus was awarded a new five-year contract by the U.S. state of New Hampshire to develop, implement, and operate the state's emissions and safety testing program. The new contract will be effective January 1, 2020. The five-year contract allows for one additional two-year extension. In addition to the new contract, the state extended the current contract for six months, now ending December 31, 2019.

### Opus revised its financial targets

In April 2019, Opus revised its financial targets. The revised financial targets, which are presented under “Financial targets” in this report, focus on growth, operating profit margin and the efficient use of capital. The revised financial targets include organic growth from existing business, as well as from program wins as they may occur, complemented by attractive bolt-on acquisitions. While continuing the growth of Opus, our operating profit target ensures focus on solid profit margins and capital returns of our combined businesses.

### Employees

The average number of employees during the period amounted to 2,567 (2,270). At the end of the period the number of employees amounted to 2,619 (2,446).

### Transactions with related parties

A provision for earnout for the acquisition of Systech 2008 has been accounted for in relation to Lothar Geilen (the Group’s CEO) in his role as the former owner. More information on the terms of the agreement for the earnout is provided in note 17 for the Group in the Opus Annual report 2018.

In April 2019, Opus fulfilled the remaining obligations that the company had in accordance with the Settlement Agreement with Hickok, Inc. from 2016 (see “Legal proceedings” under the Directors’ Report in Opus Annual Report 2017 for more information). The 1.4 million shares in Opus Group AB, that Lothar Geilen had pledged for the risks related to the settlement agreement, have thus been released.

Brian Herron, president of Intelligent Vehicle Support, is entitled to additional consideration paid in accordance with the acquisition agreement for Drew Technologies. For more information see note 17 for the Group in the Opus Annual report 2018

### Risks and uncertainty factors

Opus applies a risk management model in which potential risks are identified and evaluated using a five-point scale based on likelihood and impact. Identified risks are assigned to one of three categories – Environment risks, Operational risks and Financial risks. A detailed description of the parent company and subsidiaries’ risks and risk management is provided in Opus Group’s Annual Report 2018.

Events that have occurred in the environment or within Opus since the publication of the annual report are deemed not to have resulted in any significant risks or any change in how the Group works with the identified risks compared with the description in the Annual Report for 2018

### Legal proceedings

A U.S. subsidiary in the Intelligent Vehicle Support Division (“Subsidiary”) has been named as a defendant in a lawsuit filed in the State of California, United States in 2018. The complaint alleges that plaintiffs’ former employees illegally shared plaintiffs’ business plans and market research with the Subsidiary and that the Subsidiary has misappropriated plaintiffs’ trade secrets. The complaint requests injunctive relief and unspecified damages. Opus has engaged legal counsel to

defend the allegations. The information disclosed to date does not change counsel’s initial assessment that the allegations in plaintiffs’ complaint made against the Subsidiary are without merit.

### Parent company

Opus Group AB (publ) is the parent company in Opus Group. The parent company’s operations include group management and group-wide functions within group reporting, financing, legal services, business development, HR and communication. During the period the parent company’s net sales amounted to SEK 10 million (9) and profit/loss before tax to SEK 64 million (117). Profit/loss includes unrealized foreign exchange differences of SEK 30 million (104).

### Dividend policy

Opus’ Board has adopted the following dividend policy: Opus has a policy to distribute dividends in relation to the development of earnings and cash flow, taking the company’s financial position, future outlook and growth opportunities into consideration.

For the fiscal year 2018 the Board proposed a dividend of SEK 0.05 per share. Resolution on the dividend was taken at the Annual General Meeting 2019 and the dividend was executed on May 23, 2019.

### Financial targets

The Board of Opus has adopted the following financial targets:

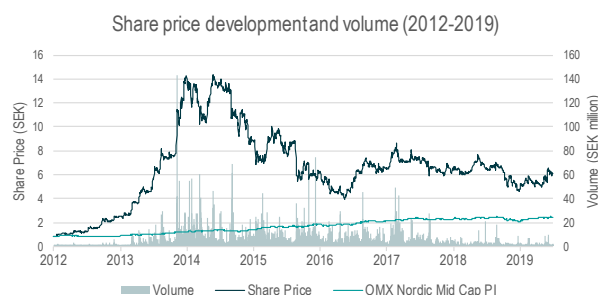
- **5-10% annual revenue growth**  
Organic and acquisitive growth based on 3-year CAGR
- **15% EBITA margin**
- **Net debt/EBITDA not to exceed 3.0x**  
Net Debt/EBITDA excluding IFRS16 effects  
Net Debt/EBITDA may exceed 3.0 times if an attractive business opportunity arises

### Financial calendar

- November 14, 2019 - Interim Report Q3 2019.
- February 18, 2020 - Year-end report 2019.

### The share

The share capital in Opus Group AB totals SEK 5,806,365 distributed over 290,318,246 shares, each with a quota value of SEK 0.02 per share. All shares have one (1) vote each and hold equal rights to the company’s assets and profits. Opus Group’s market capitalization totaled SEK 1,768 million as of June 30, 2019.



## Shareholding

The table below lists the ten largest shareholders of Opus Group AB as of June 30, 2019.

Shareholder	Number of shares	Share of capital and votes
RWC Asset Management	57,778,150	19.9%
Magnus Greko and Jörgen Hentschel <sup>1)</sup>	42,348,969	14.6%
Lothar Geilen	19,628,132	6.8%
Andra AP-Fonden	18,621,167	6.4%
Henrik Wagner Jørgensen	10,045,727	3.5%
Rickard Andersson <sup>1)</sup>	9,279,236	3.2%
Avanza Pension	8,802,782	3.0%
Dimensional Fund Advisors	8,584,334	3.0%
Deutsche Bank AG, W8IMY	8,294,916	2.9%
State Street Bank & Trust Company, Boston	3,400,000	1.2%
<b>Subtotal</b>	<b>186,783,413</b>	<b>64.3%</b>
Other shareholders	103,534,833	35.7%
<b>Total</b>	<b>290,318,246</b>	<b>100.0%</b>

<sup>1)</sup> Privately and through companies.

## IR

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For any questions regarding the interim report, please contact Helene Carlson, Director of Corporate Communications & Investor Relations, E-mail: helene.carlson@opus.se.

This information is information that Opus Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 07:30 CET on August 16, 2019.

The Board of Directors has ensured that the interim report provides an accurate overview of the Parent company's and the Group's operations, financial position and results, and that it describes the significant risks and uncertainties faced by the Parent company and the companies in the Group

Gothenburg, August 16, 2019

Katarina Bonde  
*Chairman of the Board*

Anne-Lie Lind  
*Board member*

Friedrich Hecker  
*Board member*

Ödgård Andersson  
*Board member*

Magnus Greko  
*Board member*

Håkan Erixon  
*Board member*

Jimmy Tillotson  
*Board member*

Lothar Geilen  
*CEO*

## Divisions and segments

### Division - Vehicle Inspection

In the Vehicle Inspection division Opus operates vehicle inspection programs for safety and emission testing and provides associated products and services. The division provides turnkey systems, services and equipment (including EaaS and remote sensing) for government agencies, with advanced technology that increases the quality and efficiency of inspections and helps drive compliance with safety and emission standards.

Share of Opus' net sales  
(last 12-months)



Share of Opus' EBITA  
excl. Group-wide expenses  
(last 12-months)



SEK millions	Apr 1 - Jun 30		Jan 1 - Jun 30		12 months	
	2019	2018	2019	2018	LTM	2018
Net sales	631	587	1,187	1,085	2,311	2,208
EBITDA	181	138	320	236	556	472
EBITDA margin	28.7%	23.4%	26.9%	21.8%	24.1%	21.4%
EBITA	126	105	212	174	372	334
EBITA margin	19.9%	17.8%	17.8%	16.0%	16.1%	15.1%

Net sales in Q2 2019 increased to SEK 631 million (587), corresponding to a growth of 8%. Adjusted for currency effects and acquisitions, the organic growth was 1%. EBITA

rose to SEK 126 million (105). The EBITA margin was 19.9% (17.8).

### Segment - Vehicle Inspection U.S. & Asia

SEK millions	Apr 1 - Jun 30		Jan 1 - Jun 30		12 months	
	2019	2018	2019	2018	LTM	2018
Net sales	422	389	808	724	1,580	1,496
EBITDA	126	101	241	195	446	401
EBITDA margin	29.8%	26.1%	29.8%	26.9%	28.2%	26.8%
EBITA	91	74	172	144	315	286
EBITA margin	21.5%	19.1%	21.3%	19.9%	19.9%	19.1%

Net sales in Q2 2019 increased by 9% to SEK 422 million (389). Adjusted for currency effects, net sales was in line with previous year.

EBITA rose to SEK 91 million (74). The EBITA margin was 21.5% (19.1). Higher EaaS volumes had a positive impact on the margin.

The EaaS business continues to grow. The run rate amounted to USD 31 million (23) on an annualized basis based on the revenue in June 2019. The program implementation in Punjab, Pakistan is continuing and by the end of the quarter, 26 stations were operational.

### Segment - Vehicle Inspection Europe

SEK millions	Apr 1 - Jun 30		Jan 1 - Jun 30		12 months	
	2019	2018	2019	2018	LTM	2018
Net sales	186	188	327	336	617	626
EBITDA	54	44	70	53	98	81
EBITDA margin	29.1%	23.2%	21.3%	15.8%	15.8%	12.9%
EBITA	39	39	39	44	58	64
EBITA margin	20.8%	20.9%	12.0%	13.2%	9.4%	10.1%

Net sales in Q2 2019 decreased by 1% to SEK 186 million (188). In Q2 2019, Opus' market share was slightly down leading to a negative volume effect of 3% compared to Q2 2018. Higher average revenue per inspection partly offset the lower volumes.

EBITA amounted to SEK 39 million (39). The EBITA margin was 20.8% (20.9).

During the quarter one station was closed, bringing the total number of Opus stations in Sweden to 92.

## Segment - Vehicle Inspection Latin America

SEK millions	Apr 1 - Jun 30		Jan 1 - Jun 30		12 months	
	2019	2018	2019	2018	LTM	2018
Net sales	30	17	65	37	137	109
EBITDA	2	-7	10	-12	13	-9
EBITDA margin	5.1%	-42.5%	15.0%	-32.1%	9.3%	-8.3%
EBITA	-3	-9	0	-14	-2	-16
EBITA margin	-11.6%	-51.1%	0.0%	-38.5%	-1.2%	-14.7%

Net sales in Q2 2019 increased to SEK 30 million (17), corresponding to a growth of 76%. The growth was mainly driven by the acquisition of VTV in Argentina, higher inspection fees in Argentina and increasing volumes in Chile. Adjusted for currency effects and acquisitions, the organic growth was 70%.

EBITA increased to SEK -3 million (-9). The EBITA margin

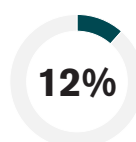
was -11.6% (-51.1). The margin improvement was primarily driven by the VTV acquisition.

The opening of new stations in Chile is continuing and by the end of the quarter 8 stations were operational. Within awarded concessions in Chile, Opus is contracted to operate 11 stations. The remaining 3 stations are expected to be opened in the second half of 2019.

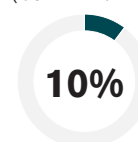
## Division - Intelligent Vehicle Support

The Intelligent Vehicle Support division helps automotive service technicians meet the challenges of ever-increasing vehicle complexity through a range of advanced diagnostic, programming and remote assistance services (such as RAP service). The division provides advanced diagnostic and programming tools that help technicians in the secondary aftermarket compete on a level footing with manufacturer-owned dealerships.

Share of Opus' net sales  
(last 12-months)



Share of Opus' EBITA  
excl. Group-wide expenses  
(last 12-months)



SEK millions	Apr 1 - Jun 30		Jan 1 - Jun 30		12 months	
	2019	2018	2019	2018	LTM	2018
Net sales	81	71	159	130	337	308
EBITDA	1	11	8	16	40	47
EBITDA margin	1.6%	15.2%	5.2%	12.0%	11.9%	15.4%
EBITA	-3	9	1	12	28	40
EBITA margin	-3.2%	12.9%	0.5%	9.5%	8.4%	13.0%

Net sales in Q2 2019 increased by 14% to SEK 81 million (71). The growth was driven by an increase in recurring revenues. Adjusted for currency effects, the organic growth was 7%.

EBITA was SEK -3 million (9). The EBITA margin was -3.2% (12.9). The margin was negatively impacted by business ramp-up and one-off costs relating to legal proceedings in one of the division's subsidiaries amounting to SEK 4 million.



## Strategy and goals

Opus intends to defend and strengthen its position in its core markets - the U.S. and Sweden, to continue to grow in Latin America and Asia, and to develop new services aimed at repair shops that focus on vehicle communication, reprogramming and diagnostics.

Increased mobility and growing vehicle fleets in low and middle-income countries create a higher demand for vehicle inspection programs to improve road safety and help reduce air pollution. In 2018, Opus expanded its foundation for growth in Latin America, focusing on Argentina, Chile, Mexico and Peru. In Asia, Opus began initial operations in Punjab, Pakistan and expands its operations into Sindh, Pakistan during 2019. The company is reviewing other growth opportunities in Asia.

Opus continues to expand Equipment as a Service (EaaS) for emission test equipment in the U.S., as a part of its strategy to defend its position in the U.S. and Swedish vehicle inspection markets. Cash flows from these markets will allow the company to finance its growth in Latin America and Asia. The acquisition of Gordon-Darby in 2018 has increased the Opus' footprint in the U.S., while offering management and technology synergies to benefit customers worldwide.

The rapidly increasing vehicle complexity, not least in the vast expansion of advanced driver assistance systems (ADAS) in modern vehicles brings with it serious technical support challenges. Independent repair shops need to rapidly expand their technical capacity to keep up with the pace of change in vehicle technology. Opus' Intelligent Vehicle Support (IVS) division focuses on technology-based offerings that assist repair shops in the scanning, re-programming, diagnostics, and repair of advanced vehicles. Opus sees potential in remote technical support, such as Autologic Support and Remote Assist Program (RAP) service. Further, the new Drive platform offers significant technological advances, broader fleet coverage and entrance into new market segments, including the collision scanning market, which will allow Opus to extend its reach.

In 2019, Opus revised its financial targets. Opus' goal is to reach a long-term annual revenue growth of 5-10 percent, through organic and acquisitive growth based on 3-year CAGR, and an EBITA margin of 15 percent, while not exceeding Net debt/ EBITDA of 3.0.

Opus does not provide any forecasts.

## ABOUT OPUS

Opus is a technology-driven growth company in the vehicle inspection and intelligent vehicle support markets. The company has a strong focus on customer service and innovative technology within emission and safety testing and intelligent vehicle support. Opus had approximately SEK 2.5 billion in revenues in 2018 with solid operating profit and cash flow. Opus' goal is to reach an annual revenue growth of 5-10 percent, through organic and acquisitive growth based on 3-year CAGR, and an EBITA margin of 15 percent. The majority of the growth is estimated to come from the international expansion of the vehicle inspection

business, with a primary focus on the Latin American and Asian markets, and the expansion of the intelligent vehicle support business. With approximately 2,600 employees, Opus is headquartered in Gothenburg, Sweden. Opus has 34 regional offices, 24 of which are in the United States and the others in Sweden, Argentina, Chile, Mexico, Peru, Pakistan, United Kingdom, Spain and Australia. Opus has production facilities in the U.S. in Hartford, Ann Arbor and Tucson. The shares of Opus Group are listed on Nasdaq Stockholm.

## Financial reports - Group

### Income statement in summary

SEK thousands	Apr 1 - Jun 30 2019	Apr 1 - Jun 30 2018	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
Net sales	707,517	651,234	1,340,669	1,206,415	2,497,327
Other operating income	565	313	732	740	15,397
<b>Total operating income</b>	<b>708,082</b>	<b>651,547</b>	<b>1,341,401</b>	<b>1,207,155</b>	<b>2,512,724</b>
Operating expenses	-528,514	-509,058	-1,018,125	-964,473	-2,009,107
<b>EBITDA</b>	<b>179,568</b>	<b>142,489</b>	<b>323,276</b>	<b>242,682</b>	<b>503,617</b>
Depreciation of Right-of-Use assets	-21,101	-	-41,925	-	-
Depreciation of other tangible assets	-38,464	-34,557	-74,368	-65,282	-145,951
<b>EBITA</b>	<b>120,003</b>	<b>107,932</b>	<b>206,983</b>	<b>177,400</b>	<b>357,666</b>
Amortization of intangible assets	-35,891	-47,907	-78,125	-67,631	-151,999
<b>Earnings before interest and tax (EBIT)</b>	<b>84,112</b>	<b>60,025</b>	<b>128,858</b>	<b>109,769</b>	<b>205,667</b>
Net financial income/expense	-46,903	-78,653	-97,824	-104,180	-155,170
<b>Profit/loss after financial items (EBT)</b>	<b>37,209</b>	<b>-18,628</b>	<b>31,034</b>	<b>5,589</b>	<b>50,497</b>
Income taxes	-17,977	-8,345	-28,880	-22,260	-56,708
<b>Profit/loss for the period</b>	<b>19,232</b>	<b>-26,973</b>	<b>2,154</b>	<b>-16,671</b>	<b>-6,211</b>
<b>Attributable to:</b>					
Parent company shareholders	23,359	-15,736	15,034	-1,162	25,806
Non-controlling interests	-4,127	-11,237	-12,880	-15,509	-32,017
<b>Earnings per share</b>					
Earnings per share before dilution, SEK	0.08	-0.05	0.05	0.00	0.09
Earnings per share after dilution, SEK	0.08	-0.05	0.05	0.00	0.09

### Statement of comprehensive income in summary

SEK thousands	Apr 1 - Jun 30 2019	Apr 1 - Jun 30 2018	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
<b>Profit/loss for the period</b>	<b>19,232</b>	<b>-26,973</b>	<b>2,154</b>	<b>-16,671</b>	<b>-6,211</b>
<b>Items that might be reclassified to profit/loss for the period</b>					
Translation differences	2,988	85,199	33,901	113,647	100,758
Exchange rate differences reversed to income	-	-	-1,010	-	-38,029
Cash flow hedge, net after tax	-7,318	-	-12,103	-	-2,129
<b>Other comprehensive income for the period</b>	<b>-4,330</b>	<b>85,199</b>	<b>20,788</b>	<b>113,647</b>	<b>60,600</b>
<b>Comprehensive income for the period</b>	<b>14,902</b>	<b>58,226</b>	<b>22,942</b>	<b>96,976</b>	<b>54,389</b>
<b>Attributable to:</b>					
Parent company shareholders	18,850	65,356	32,674	107,989	75,592
Non-controlling interests	-3,948	-7,130	-9,732	-11,013	-21,203

## Financial reports - Group

### Statement of financial position in summary

SEK thousands	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
<b>Assets</b>			
Intangible assets	1,998,483	2,106,949	2,019,876
Right-of-Use assets	280,572	-	-
Other tangible assets	1,046,512	984,191	990,000
Financial assets	59,908	51,532	59,307
Deferred tax assets	31,269	57,799	27,031
<b>Total fixed assets</b>	<b>3,416,744</b>	<b>3,200,471</b>	<b>3,096,214</b>
Inventory	132,138	138,705	133,331
Current receivables	267,124	251,937	253,805
Cash and cash equivalents	442,642	342,020	384,155
<b>Total current assets</b>	<b>841,904</b>	<b>732,662</b>	<b>771,291</b>
<b>Total assets</b>	<b>4,258,648</b>	<b>3,933,133</b>	<b>3,867,505</b>
<b>Equity and liabilities</b>			
Equity attributable to parent company's shareholders	1,019,395	1,033,634	1,001,237
Equity attributable to non-controlling interests	-23,896	-3,974	-14,164
<b>Total equity</b>	<b>995,499</b>	<b>1,029,660</b>	<b>987,073</b>
Non-current leasing liabilities	206,263	-	-
Other non-current interest bearing liabilities	2,087,761	1,974,536	1,980,501
Non-current non-interest bearing liabilities and provisions	322,469	345,192	336,950
<b>Total non-current liabilities</b>	<b>2,616,493</b>	<b>2,319,728</b>	<b>2,317,451</b>
Current leasing liabilities	79,174	-	-
Current non-interest bearing liabilities and provisions	567,482	583,745	562,981
<b>Total current liabilities</b>	<b>646,656</b>	<b>583,745</b>	<b>562,981</b>
<b>Total equity and liabilities</b>	<b>4,258,648</b>	<b>3,933,133</b>	<b>3,867,505</b>

## Financial reports - Group

### Statement of changes in equity in summary

SEK thousands	Equity attributable to parent company's shareholders	Equity attributable to non-controlling interests	Total equity
<b>Equity 2018-01-01</b>	<b>939,650</b>	<b>7,039</b>	<b>946,689</b>
Comprehensive income for the period	107,989	-11,013	96,976
Subscription options	510	-	510
Dividend	-14,516	-	-14,516
<b>Equity 2018-06-30</b>	<b>1,033,634</b>	<b>-3,974</b>	<b>1,029,660</b>
Comprehensive income for the period	-32,397	-10,190	-42,587
<b>Equity 2018-12-31</b>	<b>1,001,237</b>	<b>-14,164</b>	<b>987,073</b>
Comprehensive income for the period	32,674	-9,732	22,942
Dividend	-14,516	-	-14,516
<b>Equity 2019-06-30</b>	<b>1,019,395</b>	<b>-23,896</b>	<b>995,499</b>

### Statement of cash flows in summary

SEK thousands	Apr 1 - Jun 30 2019	Apr 1 - Jun 30 2018	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
<b>Earnings before interest and tax (EBIT)</b>	<b>84,112</b>	<b>60,025</b>	<b>128,858</b>	<b>109,769</b>	<b>205,667</b>
Depreciation/amortization	95,456	82,464	194,418	132,913	297,950
Other non-cash items	-195	-1,677	-1,259	-9,471	-20,970
Interest and similar items	-28,163	-28,396	-68,177	-47,264	-91,011
Income tax paid	-18,938	-14,983	-37,484	-44,493	-58,855
Change in working capital	148	13,861	-7,606	9,087	-9,734
<b>Cash flow from operating activities</b>	<b>132,420</b>	<b>111,294</b>	<b>208,750</b>	<b>150,541</b>	<b>323,047</b>
Acquisition of subsidiary/business net after acquired cash	-	-112,045	-	-543,581	-543,581
Investments in tangible assets	-62,043	-64,114	-111,243	-115,013	-223,644
Investments in intangible assets	-2,109	-3,668	-4,648	-5,216	-15,221
Other	-16,969	-16,387	-24,069	-43,200	-53,502
<b>Cash flow from investing activities</b>	<b>-81,121</b>	<b>-196,214</b>	<b>-139,960</b>	<b>-707,010</b>	<b>-835,948</b>
Dividend	-14,516	-14,516	-14,516	-14,516	-14,516
New debt	6	494,580	535,996	768,491	768,331
Amortization of leasing liabilities	-19,757	-	-36,979	-	-
Amortization of other debt	-	-500,000	-500,000	-500,000	-500,000
Other	-	510	-	510	510
<b>Cash flow from financing activities</b>	<b>-34,267</b>	<b>-19,426</b>	<b>-15,499</b>	<b>254,485</b>	<b>254,325</b>
<b>Liquid assets at the beginning of the period</b>	<b>426,890</b>	<b>443,789</b>	<b>384,155</b>	<b>642,801</b>	<b>642,801</b>
Translation difference	-1,280	2,577	5,196	1,203	-70
Cash flow for the period	17,032	-104,346	53,291	-301,984	-258,576
<b>Liquid assets at the end of the period</b>	<b>442,642</b>	<b>342,020</b>	<b>442,642</b>	<b>342,020</b>	<b>384,155</b>

## Key ratios - Group <sup>1)</sup>

	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
<b>Profitability</b>			
Return on equity, percent <sup>2) 3)</sup>	4.2	4.3	2.6
Return on capital employed (ROCE), percent <sup>3)</sup>	12.8	10.9	13.1
<b>Margins</b>			
EBITDA margin, percent <sup>4)</sup>	24.1	20.1	20.2
EBITA margin, percent <sup>4)</sup>	15.4	14.7	14.3
EBIT margin, percent <sup>4)</sup>	9.6	9.1	8.2
Profit margin (Profit/loss after financial items), percent <sup>4)</sup>	2.3	0.5	2.0
<b>Growth</b>			
Revenue growth, percent	11.1	33.5	34.4
EBITDA growth, percent	33.2	49.6	63.5
EBITA growth, percent	16.7	74.4	90.3
<b>Financial position</b>			
Cash and cash equivalents, SEK thousands	442,642	342,020	384,155
Interest bearing debt, SEK thousands	2,373,198	1,974,536	1,980,501
Net debt, SEK thousands	1,930,556	1,632,516	1,596,346
Net debt/EBITDA, times <sup>5)</sup>	3.1	3.5	3.1
Equity, SEK thousands	995,499	1,029,660	987,073
Equity/Total assets ratio, percent	23.4	26.2	25.5
Interest coverage ratio, times <sup>6)</sup>	5.2	5.5	5.7
<b>Other</b>			
Average number of employees	2,573	2,270	2,464
Number of employees at end of the period	2,619	2,446	2,569
Number of shares at end of the period before dilution	290,318,246	290,318,246	290,318,246
Number of shares at end of the period after dilution <sup>7)</sup>	295,818,246	295,818,246	295,818,246
Average number of outstanding shares, before dilution	290,318,246	290,318,246	290,318,246
Average number of outstanding shares, after dilution <sup>7)</sup>	295,818,246	295,818,246	295,818,246
<b>Data per share</b>			
Equity per share, before dilution, SEK <sup>2)</sup>	3.51	3.56	3.45
Equity per share, after dilution, SEK <sup>2)</sup>	3.45	3.49	3.38
Profit per share, before dilution, SEK <sup>2)</sup>	0.05	0.00	0.09
Profit per share, after dilution, SEK <sup>2)</sup>	0.05	0.00	0.09
Cash flow from operating activities per share, before dilution, SEK	0.72	0.52	1.11
Cash flow from operating activities per share, after dilution, SEK	0.71	0.51	1.09

<sup>1)</sup> IFRS 16 is effective from January 1, 2019 and has affected the Group's key ratios. Comparative figures have not been recalculated. See note 2 for more information.

<sup>2)</sup> Excluding minority interests.

<sup>3)</sup> Calculated on a last 12-month basis.

<sup>4)</sup> The key ratio definition has been changed compared to Opus' Annual Report 2018. According to the new definition, the margin is calculated as the earnings measure divided by net sales.

<sup>5)</sup> Net debt as per end of period divided by LTM EBITDA excluding effects from accounting in accordance with IFRS 16 and adjusted for pro forma accounts for acquired businesses.

<sup>6)</sup> LTM EBITDA adjusted for pro forma accounts for acquired businesses divided by LTM net financial items excluding Fx gains and losses, excluding effects from accounting in accordance with IFRS 16.

<sup>7)</sup> If the discounted exercise price for outstanding subscription options is less than the average price for the Opus share, the options give rise to a dilution effect. The dilution effect with reference made to the option program is calculated according to the dilution that applied at the end of each period.

## Quarterly development - Group

### Income statement

SEK thousands	2019			2018		
	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	707,517	633,152	656,548	634,363	651,234	555,182
Total operating income	708,082	633,319	671,213	634,356	651,547	555,608
Operating expenses	-528,514	-489,611	-539,298	-505,336	-509,058	-455,415
Depreciation of tangible assets	-59,565	-56,727	-42,351	-38,318	-34,557	-30,725
<b>EBITA</b>	<b>120,003</b>	<b>86,981</b>	<b>89,564</b>	<b>90,702</b>	<b>107,932</b>	<b>69,468</b>
EBITA margin	17.0%	13.7%	13.3%	14.3%	16.6%	12.5%
Amortization of intangible assets	-35,891	-42,235	-41,544	-42,824	-47,907	-19,724
<b>Earnings before interest and tax (EBIT)</b>	<b>84,112</b>	<b>44,746</b>	<b>48,020</b>	<b>47,878</b>	<b>60,025</b>	<b>49,744</b>
Net financial income/expense	-46,903	-50,920	-5,740	-45,250	-78,653	-25,527
<b>Profit/loss after financial items (EBT)</b>	<b>37,209</b>	<b>-6,174</b>	<b>42,280</b>	<b>2,628</b>	<b>-18,628</b>	<b>24,217</b>
Income taxes	-17,977	-10,904	-8,217	-26,231	-8,345	-13,915
<b>Profit/loss for the period</b>	<b>19,232</b>	<b>-17,078</b>	<b>34,063</b>	<b>-23,603</b>	<b>-26,973</b>	<b>10,302</b>

### Cash flow

SEK thousands	2019			2018		
	Q2	Q1	Q4	Q3	Q2	Q1
Cash flow from operating activities	132,420	76,330	117,145	55,361	111,294	39,247
Cash flow from investing activities	-81,121	-58,839	-64,074	-64,864	-196,214	-510,796
Cash flow from financing activities	-34,267	18,768	-	-160	-19,426	273,911
<b>Cash flow for the period</b>	<b>17,032</b>	<b>36,259</b>	<b>53,071</b>	<b>-9,663</b>	<b>-104,346</b>	<b>-197,638</b>
<b>Liquid assets at the beginning of the period</b>	<b>426,890</b>	<b>384,155</b>	<b>328,087</b>	<b>342,020</b>	<b>443,789</b>	<b>642,801</b>
Translation difference	-1,280	6,476	2,997	-4,270	2,577	-1,374
<b>Liquid assets at the end of the period</b>	<b>442,642</b>	<b>426,890</b>	<b>384,155</b>	<b>328,087</b>	<b>342,020</b>	<b>443,789</b>

## Quarterly development - Group

### Segment information

SEK thousands	2019			2018		
	Q2	Q1	Q4	Q3	Q2	Q1
<b>Net sales</b>						
Vehicle Inspection U.S. & Asia	422,206	385,376	381,123	391,261	388,881	335,060
Vehicle Inspection Europe	185,682	141,381	148,440	141,848	187,995	147,830
Vehicle Inspection Latin America	30,162	34,752	34,542	37,097	17,130	20,306
Division eliminations	-6,939	-5,272	-5,344	-5,111	-7,068	-5,506
<b>Division Vehicle Inspection</b>	<b>631,111</b>	<b>556,237</b>	<b>558,761</b>	<b>565,095</b>	<b>586,938</b>	<b>497,690</b>
<b>Division Intelligent Vehicle Support</b>	<b>81,361</b>	<b>78,119</b>	<b>103,276</b>	<b>74,618</b>	<b>71,169</b>	<b>58,959</b>
Group eliminations	-4,955	-1,204	-5,489	-5,350	-6,873	-1,466
<b>Group</b>	<b>707,517</b>	<b>633,152</b>	<b>656,548</b>	<b>634,363</b>	<b>651,234</b>	<b>555,183</b>
<b>EBITA</b>						
Vehicle Inspection U.S. & Asia	90,632	81,696	68,212	74,317	74,216	69,627
Vehicle Inspection Europe	38,703	478	3,635	15,443	39,216	5,221
Vehicle Inspection Latin America	-3,488	3,485	-4,183	2,573	-8,761	-5,637
<b>Division Vehicle Inspection</b>	<b>125,847</b>	<b>85,659</b>	<b>67,664</b>	<b>92,333</b>	<b>104,671</b>	<b>69,211</b>
<b>Division Intelligent Vehicle Support</b>	<b>-2,593</b>	<b>3,348</b>	<b>27,414</b>	<b>87</b>	<b>9,151</b>	<b>3,247</b>
Group-wide expenses	-3,251	-2,026	-5,515	-1,718	-5,890	-2,990
<b>Group</b>	<b>120,003</b>	<b>86,981</b>	<b>89,563</b>	<b>90,702</b>	<b>107,932</b>	<b>69,468</b>
<b>EBITA margin</b>						
Vehicle Inspection U.S. & Asia	21.5%	21.2%	17.9%	19.0%	19.1%	20.8%
Vehicle Inspection Europe	20.8%	0.3%	2.4%	10.9%	20.9%	3.5%
Vehicle Inspection Latin America	-11.6%	10.0%	-12.1%	6.9%	-51.1%	-27.8%
<b>Division Vehicle Inspection</b>	<b>19.9%</b>	<b>15.4%</b>	<b>12.1%</b>	<b>16.3%</b>	<b>17.8%</b>	<b>13.9%</b>
<b>Division Intelligent Vehicle Support</b>	<b>-3.2%</b>	<b>4.3%</b>	<b>26.5%</b>	<b>0.1%</b>	<b>12.9%</b>	<b>5.5%</b>
<b>Group</b>	<b>17.0%</b>	<b>13.7%</b>	<b>13.6%</b>	<b>14.3%</b>	<b>16.6%</b>	<b>12.5%</b>

## Financial reports - Parent company

### Income statement in summary

SEK thousands	Apr 1 - Jun 30 2019	Apr 1 - Jun 30 2018	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
Net sales	4,924	4,584	9,714	8,999	16,119
Other operating income	-24	161	45	299	405
<b>Total operating income</b>	<b>4,900</b>	<b>4,745</b>	<b>9,759</b>	<b>9,298</b>	<b>16,524</b>
Operating expenses	-8,459	-10,302	-15,108	-17,885	-39,643
<b>EBITDA</b>	<b>-3,559</b>	<b>-5,557</b>	<b>-5,349</b>	<b>-8,587</b>	<b>-23,119</b>
Depreciation and amortization	-249	-227	-489	-450	-938
<b>Earnings before interest and tax (EBIT)</b>	<b>-3,808</b>	<b>-5,784</b>	<b>-5,838</b>	<b>-9,037</b>	<b>-24,057</b>
Net financial income/expense	41,413	88,679	69,623	126,057	199,063
<b>Profit/loss after financial items</b>	<b>37,605</b>	<b>82,895</b>	<b>63,785</b>	<b>117,020</b>	<b>175,006</b>
Appropriations	-	-	-	-	-38,172
<b>Profit/loss before tax (EBT)</b>	<b>37,605</b>	<b>82,895</b>	<b>63,785</b>	<b>117,020</b>	<b>136,834</b>
Income taxes	-1,628	-18,056	-7,230	-25,563	-25,780
<b>Profit/loss for the period</b>	<b>35,977</b>	<b>64,839</b>	<b>56,555</b>	<b>91,457</b>	<b>111,054</b>

### Statement of comprehensive income in summary

SEK thousands	Apr 1 - Jun 30 2019	Apr 1 - Jun 30 2018	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
<b>Profit/loss for the period</b>	<b>35,977</b>	<b>64,839</b>	<b>56,555</b>	<b>91,457</b>	<b>111,054</b>
Other comprehensive income for the period	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>35,977</b>	<b>64,839</b>	<b>56,555</b>	<b>91,457</b>	<b>111,054</b>

### Balance sheet in summary

SEK thousands	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
<b>Assets</b>			
Intangible assets	2,244	1,799	2,060
Tangible assets	882	1,038	949
Financial assets	1,829,974	2,322,882	1,806,664
<b>Total non-current assets</b>	<b>1,833,100</b>	<b>2,325,719</b>	<b>1,809,673</b>
Current receivables	256,967	261,400	772,538
Cash and cash equivalents	191,784	88,384	144,552
<b>Total current assets</b>	<b>448,751</b>	<b>349,784</b>	<b>917,090</b>
<b>Total assets</b>	<b>2,281,851</b>	<b>2,675,503</b>	<b>2,726,763</b>
<b>Equity and liabilities</b>			
Equity	974,096	912,460	932,057
Untaxed reserves	57,736	20,669	57,736
Non-current interest bearing liabilities	958,700	1,436,947	1,438,970
Non-current non-interest bearing liabilities and provisions	102,183	110,288	101,289
Current non-interest bearing liabilities and provisions	189,136	195,139	196,711
<b>Total equity and liabilities</b>	<b>2,281,851</b>	<b>2,675,503</b>	<b>2,726,763</b>



## Notes

### Note 1 - Accounting principles

This report has been prepared in accordance with IAS 34 Interim Financial Reporting. The group accounting has been prepared in accordance with International Financial Reporting Standards, IFRS, as approved by the EU, and in accordance with the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary Accounting Rules for Groups". The interim report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and with the Swedish Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities". Some figures in this report have been rounded, which may mean that some tables do not seem to sum up correctly due to rounding differences. Except for the following changes, in regards to IFRS 16, the same accounting and calculation principles apply in the interim report as in the annual report for 2018.

On July 1, 2018, hyperinflation in Argentina's economy was determined according to the criteria in IAS 29. Opus has evaluated the effect of applying IAS 29 and the conclusion is that the effect on the consolidated financial statements is not considered material to the Group. The financial reports in this interim report have therefore not been adjusted for hyperinflation in Argentina in accordance with IAS 29.

### Translation of foreign operations

Currency	Average rate					Closing rate		
	Apr - Jun 2019	Apr - Jun 2018	Jan - Jun 2019	Jan - Jun 2018	Jan - Dec 2018	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
ARS	0.21	0.37	0.23	0.39	0.33	0.22	0.32	0.24
GBP	12.15	11.79	12.04	11.53	11.59	11.75	11.75	11.35
PKR	0.06	0.07	0.07	0.07	0.07	0.06	0.07	0.06
USD	9.45	8.67	9.31	8.38	8.69	9.27	8.96	8.97

Assets and liabilities in foreign entities, including goodwill and other corporate fair value adjustments, are translated to Swedish kronor (SEK) at the rate prevailing on the balance sheet date, meanwhile all items in the income statement are

### New standards applicable from January 1, 2019

IFRS 16 "Leases" replaces IAS 17 "Leases" and is applicable as of January 1, 2019. See Note 2 for a summary of the effects.

The Parent company has chosen to apply the exemption rules in RFR 2, which means that all lease agreements will continue to be recorded as operational leases.

IFRIC 23 is a new interpretation of uncertain income tax treatments within the scope of IAS 12 "Income taxes". IFRIC 23 clarifies how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. The interpretation has not affected the Group's financial reports.

translated using an average rate for the period. On translation of foreign operations, the exchange rates in the table above have been used for currencies that are material for the Group.

### Note 2 - Transition to IFRS 16 "Leases"

Opus applies IFRS 16 as of January 1, 2019. Implementation of the new standard has resulted in an increased balance sheet total as the present value of future lease payments is reported in the balance sheet as Right-of-Use assets and interest bearing liabilities (on separate lines as current and non-current leasing liabilities). The implementation also means that EBITDA is positively affected as expenses for leasing are reported as depreciation and interest expense instead of as operating expenses but only with a limited effect on EBITA and net result. In the cash flow statement, leasing payments will be divided between interest paid in the cash flow from operating activities and amortization of leasing liabilities in the financing activities. This therefore has a positive effect on operating cash flow.

Opus has applied the modified retroactive method in the transition to IFRS 16 which means that comparative figures are not restated. Leasing liabilities are valued at the present value of the remaining lease payments. The discount rate on calculation of the present value is based on the Group's borrowing rate, adjusted for differences in market interest rates between the country in which the loans are taken out and the country where the Right-of-Use asset exists. The terms of the leases are taken into account when setting market interest rates. The practical expedient that the Right-of-Use asset should correspond to the leasing liability, has been applied at the transition, and hence no transition effect is presented in equity. Operating leases with a remaining term of less than 12 months as at January 1, 2019 are reported as current leases, which means that they are not included in the

## Notes

balance sheet at the time of the transition. Low-value leases, primarily office equipment for Opus, will not be included in leasing liabilities but will continue to be expensed on a straight-line basis over the term of the lease. The practical expedient for definition of a lease, when making a transition to IFRS 16, has been applied, which means that all components of a lease, in accordance with IAS 17, have been considered to be lease components.

As at January 1, 2019, the Group's opening leasing liabilities and Right-of-Use assets balance amounted to SEK 303 million. The Group's average discount rate used when discounting future lease payments amounts to 8.6%. The table below shows the reconciliation between the operational leasing commitments as of December 31, 2018 and the leasing liabilities as of January 1, 2019:

<b>Reconciliation opening balance of leasing liability (SEK thousands)</b>	
<b>Obligations for operational leases as at December 31, 2018</b>	<b>442,269</b>
Discount effect	-80,721
Short-term and low-value leases	-21,380
Reasonable certain to use extension options	8,587
Price and index adjustments	1,041
Agreements not covered by IFRS 16 <sup>1)</sup>	-47,226
<b>Leasing liabilities as at January 1, 2019</b>	<b>302,569</b>

<sup>1)</sup> Refers to agreements that are reported in accordance with IFRIC 12 "Agreement for economic and social services".

Since Opus has applied the modified retroactive method at the transition and has thus not restated comparative figures, the effects on the financial reports for the period from IFRS

16 are presented below to obtain comparability between the years.

<b>Key ratios adjusted for IFRS 16 effects</b>	<b>Apr 1 - Jun 30</b>			<b>Jan 1 - Jun 30</b>		
	<b>2019</b>	<b>Adjustment for IFRS 16 effects</b>	<b>2019 excl IFRS 16</b>	<b>2019</b>	<b>Adjustment for IFRS 16 effects</b>	<b>2019 excl IFRS 16</b>
<b>SEK thousands</b>						
<b>Earnings and margins</b>						
EBITDA	179,568	-24,890	154,678	323,276	-47,709	275,567
EBITDA margin	25.4%	-3.5%	21.9%	24.1%	-3.5%	20.6%
EBITA	120,003	-3,789	116,214	206,983	-5,784	201,199
EBITA margin	17.0%	-0.6%	16.4%	15.4%	-0.4%	15.0%
Earnings before interest and tax (EBIT)	84,112	-3,789	80,323	128,858	-5,784	123,074
EBIT margin	11.9%	-0.5%	11.4%	9.6%	-0.4%	9.2%
Profit/loss after financial items	37,209	1,344	38,553	31,034	4,946	35,980
Profit margin	5.3%	0.1%	5.4%	2.3%	0.4%	2.7%
Profit/loss for the period	19,232	979	20,211	2,154	3,639	5,793
<b>Cash flow</b>						
Cash flow from operating activities	132,420	-19,757	112,663	208,750	-36,979	171,771
Cash flow from financing activities	-34,267	19,757	-14,510	-15,499	36,979	21,480
Free cash flow	68,268	-19,757	48,511	92,859	-36,979	55,880
<b>Other</b>						
Return on capital employed (ROCE)	12.8%	0.3%	13.1%	12.8%	0.3%	13.1%
EBITDA growth	26.0%	-17.4%	8.6%	33.2%	-19.6%	13.6%
EBITA growth	11.2%	-3.5%	7.7%	16.7%	-3.3%	13.4%
Interest bearing debt	2,373,198	-285,437	2,087,761	2,373,198	-285,437	2,087,761
Net debt	1,930,556	-285,437	1,645,119	1,930,556	-285,437	1,645,119
Equity/Total assets ratio	23.4%	1.7%	25.1%	23.4%	1.7%	25.1%

## Notes

### Note 3 - Revenue

Distribution of revenues has been made in the main income categories and segments, which also corresponds to Opus geographical markets. Vehicle inspection includes all types of inspections from decentralized and centralized programs and inspections carried out on the Swedish market (open market, not regulated by contract).

Equipment sales includes the sale of inspection equipment to inspection stations and automotive repair shops. Service and support refers to service of sold equipment, support

of sold software systems, and service to automotive repair shops within our decentralized programs. Equipment as a Service (EaaS) constitutes leasing income from Opus' rental of inspection equipment, which includes maintenance, spare parts and software updates. The income category Other includes Remote Assist Program (RAP), software sales, vehicle registration services, voluntary (non-statutory) inspection services and fish and game licensing.

Distribution of revenues per income category Q2, 2019 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	264,852	167,602	24,664	-	457,118
Equipment sales	13,799	-	3,380	21,936	39,115
Service and support	21,623	-	1,245	27,512	50,380
Equipment as a Service (EaaS)	74,658	-	-	338	74,996
Other	40,335	18,080	872	26,620	85,907
<b>Total</b>	<b>415,267</b>	<b>185,683</b>	<b>30,161</b>	<b>76,406</b>	<b>707,517</b>

Distribution of revenues per income category Q2, 2018 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	262,351	178,737	13,627	-	454,714
Equipment sales	27,812	-	565	24,067	52,444
Service and support	24,418	-	1,147	23,811	49,376
Equipment as a Service (EaaS)	49,668	-	-	508	50,175
Other	17,623	9,259	1,728	15,915	44,525
<b>Total</b>	<b>381,871</b>	<b>187,996</b>	<b>17,067</b>	<b>64,300</b>	<b>651,234</b>

Distribution of revenues per income category 6 months, 2019 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	518,127	301,744	57,772	-	877,643
Equipment sales	27,210	-	3,410	47,370	77,990
Service and support	43,835	-	2,224	54,616	100,675
Equipment as a Service (EaaS)	143,605	-	-	688	144,293
Other	62,594	25,319	1,507	50,648	140,068
<b>Total</b>	<b>795,371</b>	<b>327,063</b>	<b>64,913</b>	<b>153,322</b>	<b>1,340,669</b>

Distribution of revenues per income category 6 months, 2018 (SEK thousands)	Vehicle Inspection U.S. & Asia	Vehicle Inspection Europe	Vehicle Inspection Latin America	Intelligent Vehicle Support	Group
Vehicle inspection	473,554	319,738	23,509	-	816,800
Equipment sales	37,166	-	11,052	43,970	92,188
Service and support	48,821	-	1,147	46,171	96,139
Equipment as a Service (EaaS)	92,836	-	-	931	93,766
Other	59,054	16,087	1,728	30,653	107,522
<b>Total</b>	<b>711,430</b>	<b>335,825</b>	<b>37,436</b>	<b>121,724</b>	<b>1,206,415</b>

## Notes

### Note 4 - Financial instruments valued at fair value

<b>Financial instruments valued at fair value</b>			
<b>SEK thousands</b>	<b>Jun 30, 2019</b>	<b>Jun 30, 2018</b>	<b>Dec 31, 2018</b>
<i>Liabilities</i>			
Additional consideration	134,972	144,284	147,492
Derivatives - Interest rate swap	19,048	-	2,915
<b>Carrying amount</b>	<b>154,020</b>	<b>144,284</b>	<b>150,407</b>
<i>Assets</i>			
Derivatives - Foreign currency forward contract	-	-	4,891
<b>Carrying amount</b>	<b>-</b>	<b>-</b>	<b>4,891</b>

In conjunction with the Systech acquisition in 2008, an agreement was signed for additional consideration on gaining certain new contracts for major vehicle inspection programs. An agreement on additional consideration was also signed upon acquisition of Drew Technologies in 2015. Valuation of additional consideration at fair value is attributable to Level 3 of the fair value hierarchy. No changes have been made to valuation techniques or assumptions in comparison with the Annual Report 2018. More information about the terms of the additional consideration agreements and their reporting is

described in the Opus Annual Report for 2018.

Derivatives are attributable to level 2 of the fair value hierarchy. The fair value of the interest rate swap is calculated as the present value of estimated future cash flows according to the terms and conditions of the contract and due dates and based on the market interest rate for similar instruments on the balance sheet date.

The fair value of other financial assets and liabilities that are valued at amortized cost is estimated to be equivalent to their book value.

### Note 5 - Pledged assets and contingent liabilities

<b>Pledged assets and contingent liabilities</b>	<b>Group</b>			<b>Parent company</b>		
	<b>Jun 30, 2019</b>	<b>Jun 30, 2018</b>	<b>Dec 31, 2018</b>	<b>Jun 30, 2019</b>	<b>Jun 30, 2018</b>	<b>Dec 31, 2018</b>
<i>Assets pledged for liabilities to credit institutions</i>						
Pledged shares in subsidiaries	512,549	512,549	512,549	512,549	512,549	512,549
<b>Total</b>	<b>512,549</b>	<b>512,549</b>	<b>512,549</b>	<b>512,549</b>	<b>512,549</b>	<b>512,549</b>
<i>Contingent liabilities</i>						
Guarantees on behalf of Group companies	-	-	-	1,127,197	536,250	540,108
Warranty obligations	5,942	5,743	5,942	5,942	5,743	5,942
Additional consideration	8,208	10,096	8,777	8,208	10,096	8,777
<b>Total</b>	<b>14,150</b>	<b>15,839</b>	<b>14,719</b>	<b>1,141,347</b>	<b>552,089</b>	<b>554,827</b>

## Reconciliation between IFRS and key ratios

### Organic growth

SEK thousands	Apr 1 - Jun 30	Jan 1 - Jun 30
Net sales 2019	707,517	1,340,669
- Net exchange rate effects	-32,358	-76,655
- Effect of acquisitions/divestments	-8,443	-25,836
<b>Comparable net sales</b>	<b>666,716</b>	<b>1,238,178</b>
<b>Net sales 2018</b>	<b>651,234</b>	<b>1,206,415</b>
<b>Revenue growth</b>	<b>8.6%</b>	<b>11.1%</b>
<b>Organic growth</b>	<b>2.4%</b>	<b>2.6%</b>

*In this report, Opus presents certain financial measures that are not defined under IFRS, referred to as Alternative Performance Measures. The Group believes that these measures provide useful supplemental information to investors and the Company's management as they allow for the evaluation of the Company's results and financial position. As not all companies calculate the financial measures in the same way, these are not always comparable to measures used by other companies. Investors should consider these financial measures as a complement rather than a substitute for financial reporting under IFRS.*

### Return on capital employed and equity

SEK thousands	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
LTM EBITA	387,249	263,672	357,666
LTM average working capital	-129,521	-101,082	-114,593
LTM average value tangible and intangible assets	3,155,686	2,529,518	2,837,270
<b>Average capital employed</b>	<b>3,026,165</b>	<b>2,428,436</b>	<b>2,722,677</b>
<b>Return on capital employed</b>	<b>12.8%</b>	<b>10.9%</b>	<b>13.1%</b>
LTM profit/loss - attributable to parent company shareholders	42,002	41,113	25,806
LTM average equity - attributable to parent company shareholders	1,010,697	952,799	988,193
<b>Return on equity - attributable to parent company shareholders</b>	<b>4.2%</b>	<b>4.3%</b>	<b>2.6%</b>

### Interest coverage ratio and Net debt/EBITDA

SEK thousands	Jan 1 - Jun 30 2019	Jan 1 - Jun 30 2018	Jan 1 - Dec 31 2018
LTM EBITDA	584,210	388,555	503,617
LTM IFRS 16 effects on EBITDA	-47,709	-	-
LTM EBITDA for pro forma accounts from acquired businesses	-	84,288	7,440
<b>LTM EBITDA excluding IFRS 16 effects and adjusted for pro forma accounts from acquired businesses</b>	<b>536,501</b>	<b>472,843</b>	<b>511,057</b>
LTM Net financial income/expense	-148,814	-169,543	-155,170
- LTM IFRS 16 effects on net financial income/expense	-10,730	-	-
- LTM Fx gains and losses	-34,897	-83,947	-65,724
<b>LTM Net financial items excluding IFRS 16 effects and Fx gains and losses</b>	<b>-103,187</b>	<b>-85,596</b>	<b>-89,446</b>
<b>Interest coverage ratio</b>	<b>5.2</b>	<b>5.5</b>	<b>5.7</b>
Net debt	1,930,556	1,632,516	1,596,346
- Leasing liabilities	285,437	-	-
<b>Net debt excluding IFRS 16 effects</b>	<b>1,645,119</b>	<b>1,632,516</b>	<b>1,596,346</b>
<b>Net debt/EBITDA</b>	<b>3.1</b>	<b>3.5</b>	<b>3.1</b>

