

OPUS

Q3 2019 Presentation

November 14, 2019

Presenters



Lothar Geilen

CEO



Linus Brandt

CFO & Executive Vice President



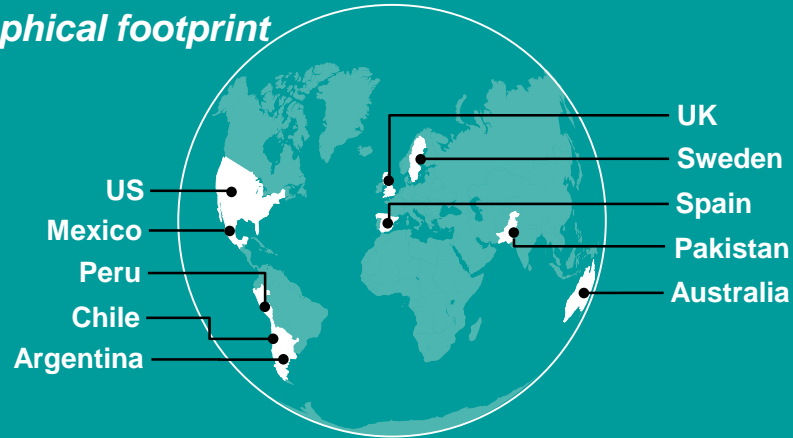
Continued, good performance in our main business resulted in revenue growth and good underlying profitability

Opus today



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

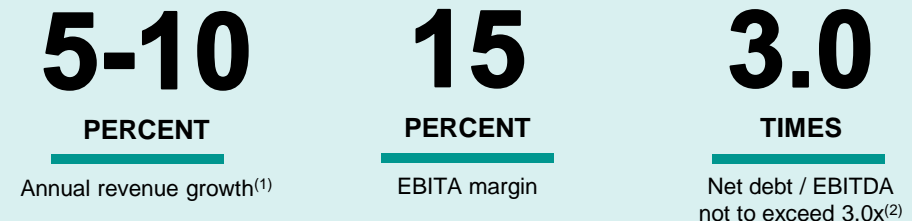
Geographical footprint



- Active in 10 countries – 5 continents
- LTM Revenue of 2.7 bn SEK
- Approximately 2,600 employees
- Headquartered in Gothenburg
- Listed on Nasdaq Stockholm

- **Division Vehicle Inspection (VI)**
- Segment VI US & Asia
- Segment VI Europe
- Segment VI Latin America
- **Division Intelligent Vehicle Support (IVS)**

Financial targets



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

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

We performed well overall in the third quarter



HIGHLIGHTS Q3 2019

- Opus underlying EBITA, adjusted for one-off impairment costs in Argentina of SEK 21 million, reached SEK 116 million, representing an EBITA-margin of 17%
- VI US & Asia delivered good results. US emission testing programs remain stable and generated solid earnings; the EaaS business continues to grow
- VI Europe reaped the benefits of a solid market position, continued increased revenue per inspection and further cost reduction efforts
- VI Latin America's underlying performance, i.e. adjusted for the impairment costs in Argentina, was stable and showed resilience toward political turmoil and currency fluctuations
- EBITA of our IVS division is lagging expectation due to our investment into future expansion, currently incurring costs for business ramp-up and significant legal cost



Financial overview



OPUS GROUP

MSEK	3 MONTHS		9 MONTHS		12 MONTHS	
	Q3 2019	Q3 2018	YTD 2019	YTD 2018	LTM ⁽¹⁾	2018
Revenue	699	634	2,040	1,841	2,696	2,497
EBITDA	181	129	505	372	637	504
EBITDA margin (%)	26%	20%	25%	20%	24%	20%
EBITA	96	91	303	268	392	358
EBITA margin (%)	14%	14%	15%	15%	15%	14%
Net Earnings	-26	-24	-24	-40	10	-6
EPS (SEK) ⁽²⁾	0.00	-0.02	0.05	-0.03	0.16	0.09
Operating Cash Flow	153	55	361	206	479	323
Free Cash Flow ⁽³⁾	94	-4	187	27	244	84
Net Debt	1,920	1,635	1,920	1,635	1,920	1,596
Net Debt / EBITDA (x) ⁽⁴⁾	3.0x	3.4x	3.0x	3.4x	3.0x	3.1x
Interest Coverage Ratio (x)	5.5x	5.3x	5.5x	5.3x	5.5x	5.7x
Equity	1,018	971	1,018	971	1,018	987
Equity / Asset Ratio (%)	23%	25%	23%	25%	23%	26%

(1) Last twelve months: October 1, 2018 – September 30, 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)	Q3 2019 REPORTED	ADJ. IFRS16 EFFECTS	Q3 2019 EXCL. IFRS16	Q3 2018 REPORTED
EARNINGS AND MARGINS				
EBITDA	181	-25	156	129
EBITDA margin (%)	25.9%	-3.5%	22.4%	20.3%
EBITA	96	-3	93	91
EBITA margin (%)	13.7%	-0.5%	13.2%	14.3%
Net Earnings	-26	+1	-25	-24
CASH FLOW				
Operating Cash Flow	153	-20	133	55
Free Cash Flow	94	-20	74	-4
Net Cash Flow	64	0	64	-10
OTHER				
Net Debt	1,920	-254	1,666	1,635
Equity / Asset Ratio (%)	23%	+2%	25%	25%

IFRS16 "Leases" replaces IAS 17 "Leases" and is applicable as of January 1, 2019. See Note 2 in Opus Interim Report Q3 2019 for more information

Earnings negatively impacted by “one-off” costs



Q3 2019

- Costs relating to an ongoing legal proceeding in one of IVS subsidiaries amounting to -4 MSEK
- Impairment of -21 MSEK attributable to the canceled concession in Buenos Aires, Argentina
- Unrealized foreign exchange differences amounted to -32 MSEK

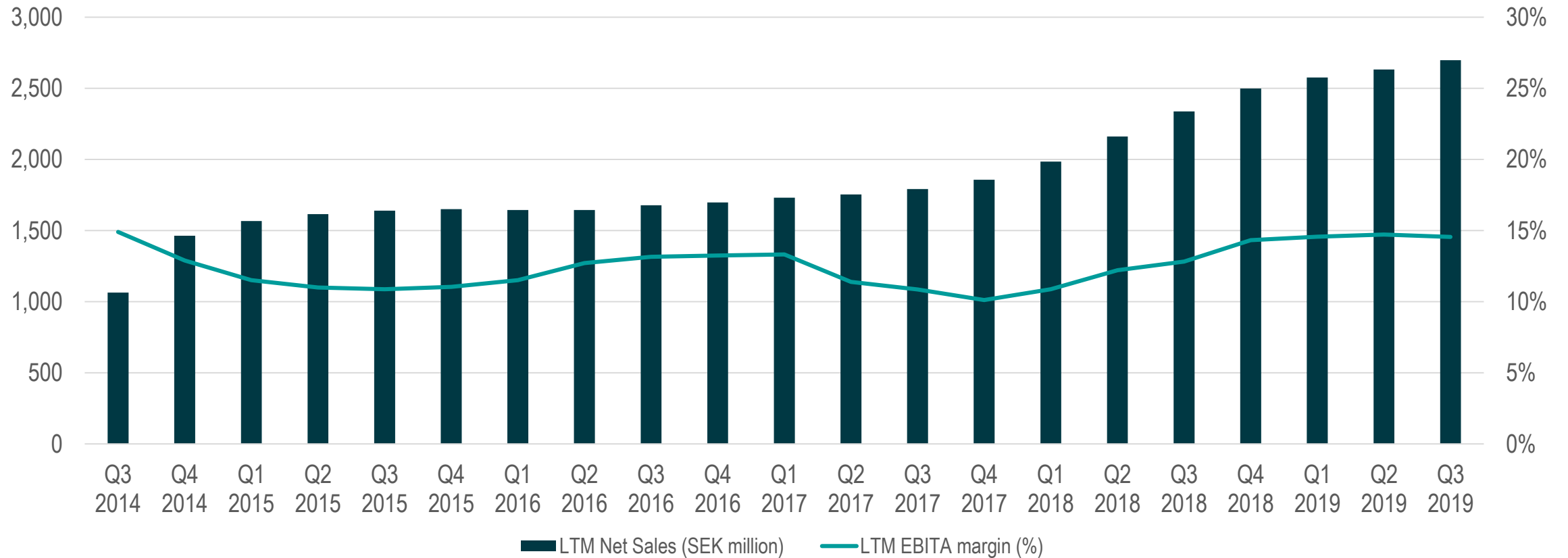
YTD 2019

- Costs relating to an ongoing legal proceeding in one of IVS subsidiaries amounting to -13 MSEK
- Impairment of -21 MSEK attributable to the canceled concession in Buenos Aires, Argentina
- 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 -55 MSEK

Historical development



LTM REVENUE & EBITA MARGIN



Performance vs Financial Targets



End of
Sept. 2019

FINANCIAL TARGETS

REVENUE

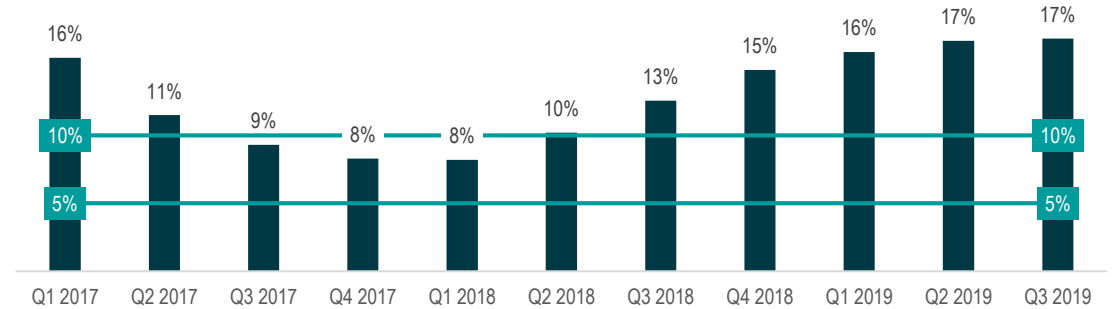
5-10% annual revenue growth

Organic and acquisitive growth based on 3-year CAGR

Definition: 3-year CAGR based on LTM Revenue

17%

DEVELOPEMENT

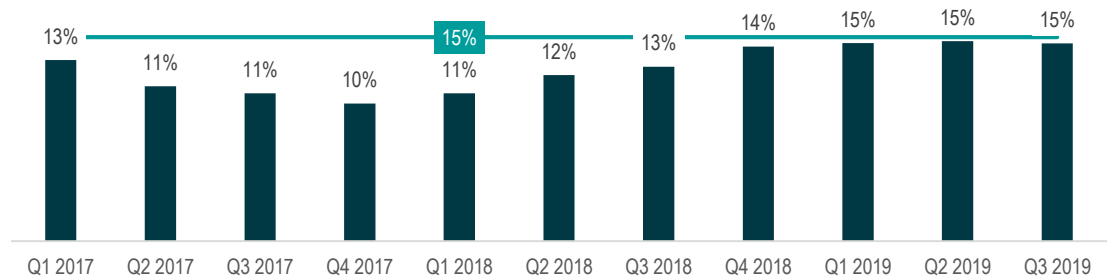


MARGIN

15% EBITA margin

Definition: LTM EBITA divided by LTM Revenue

15%

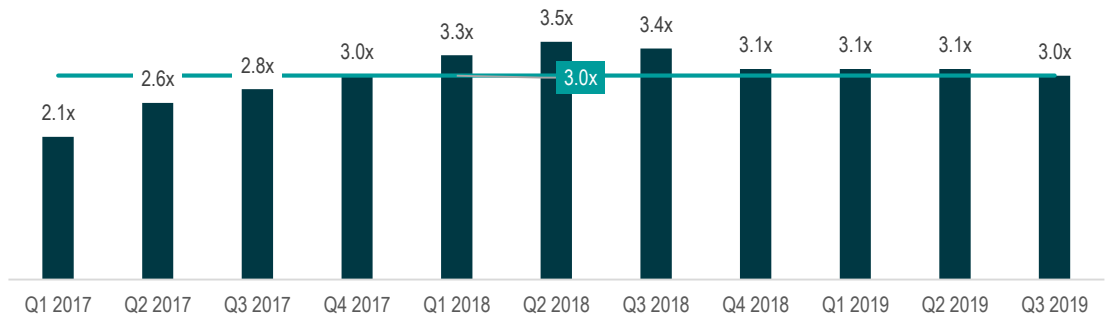


LEVERAGE

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

3.0x



Q3 2019: Growth in both divisions



DIVISIONS

MSEK

Revenue

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

VEHICLE INSPECTION

Q3 2019

Q3 2018

622

565

185

129

30%

23%

104

92

17%

16%

INTELLIGENT VEHICLE SUPPORT

Q3 2019

Q3 2018

80

75

-2

2

-2%

3%

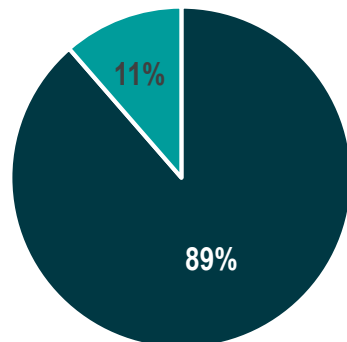
-6

0

-7%

0%

Revenue Q3 – Split by division



■ Vehicle Inspection ■ Intelligent Vehicle Support

- Total growth of 10%
- Organic growth of 8%
- EBITA improved due to strong performance in VI Europe and increased EaaS volumes
- EBITA negatively impacted by the 21 MSEK impairment in Argentina

- Total growth of 7%
- Organic growth of 3%
- Lower EBITA due to business ramp-up and costs relating to ongoing legal proceedings

Q3 2019: Strong performance in VI Europe



SEGMENTS

MSEK

Revenue

EBITDA

EBITDA margin (%)

EBITA

EBITA margin (%)

VI U.S. & ASIA

Q3 2019	Q3 2018
433	391
123	104
28%	27%
86	74
20%	19%

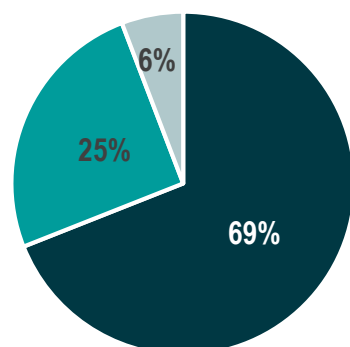
VI EUROPE

Q3 2019	Q3 2018
158	142
55	20
35%	14%
39	15
25%	11%

VI LATIN AMERICA

Q3 2019	Q3 2018
36	37
8	5
22%	12%
-21	3
-58%	7%

Revenue Q3 – Split by segment



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

- Total growth of 11%
- Organic growth of 4%
- Increased revenue and EBITA primarily due to higher EaaS volume
- US emission testing programs remain stable and generate solid earnings

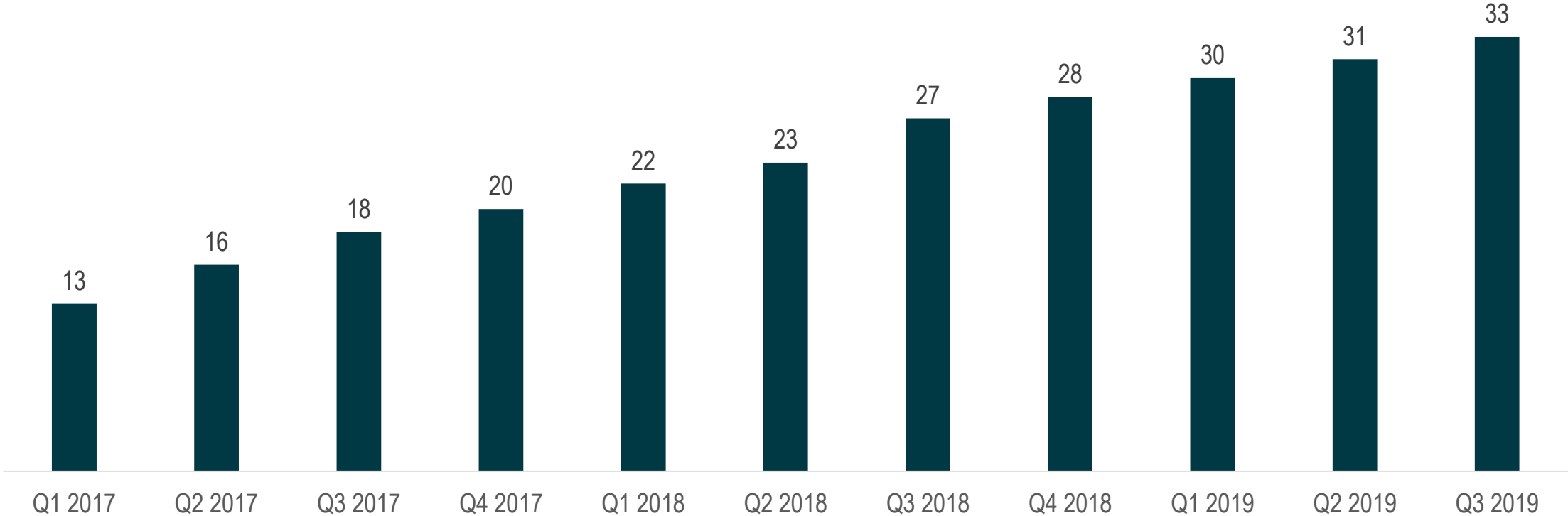
- Total growth of 11%
- Revenue positively impacted by higher average revenue per inspection and increased volumes
- EBITA improvement due to higher revenue per inspection and good cost control

- Negative growth of 2% due to Fx effects
- Organic growth of 42% due to fee adjustment in Argentina and increased volumes in Chile
- EBITA negatively impacted by fixed assets write down of 21 MSEK in Argentina

Continued growth in emission test equipment EaaS



EAAS 12-MONTH RUN RATE (MUSD)



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

Drew Technologies and Autologic become Opus IVS



OPUS IVS

- Opus companies Drew Technologies, Autologic and Bluelink Diagnostic Solutions have joined as one business now called Opus IVS. Opus IVS helps independent automotive service shops repair complex vehicles around the world.
- Creating one company – Opus IVS – is the logical step in our companies' evolution to deliver even more advancements to the market under one unified identity that emphasizes our strengths in innovation and diagnostic support.
- Visit www.OpusIVS.com for more info



Strong underlying performance in the third quarter



SUMMARY Q3 2019

- Revenues increased by 10% to 699 MSEK. The organic growth was 8%
- EBITA increased by 6% to 96 MSEK. The EBITA margin reached 14%.
- EBITA adjusted for the impairment in Argentina increased by 28% to 116 MSEK. The adjusted EBITA margin reached 17%
- Strong performance in the Swedish inspection business, i.e., VI Europe
- Continued EaaS growth
- Net Debt / EBITDA below our financial target of 3.0x



Thank you!