



OPUS GROUP

Five-year growth strategy & new organization 2016 year-end report

February 14, 2017

Katarina Bonde, Chairman of the Board

Magnus Greko, President and CEO

Linus Brandt, CFO

Lothar Geilen, Division Manager, Vehicle Inspection

**The world wants safer roads and cleaner air
A perfect condition for our growth**

Agenda

Katarina Bonde

- Introduction
- CEO shift

Magnus Greko

- New role
- Journey and milestones
- Platform for growth
- Full Year 2016 highlights

Linus Brandt

- Q4 2016 highlights

Lothar Geilen

- Global demand - the world needs Opus
- Strategic business
- Five year growth plan



Katarina Bonde

Chairman of the Board

The world wants safer roads and cleaner air
A perfect condition for our growth

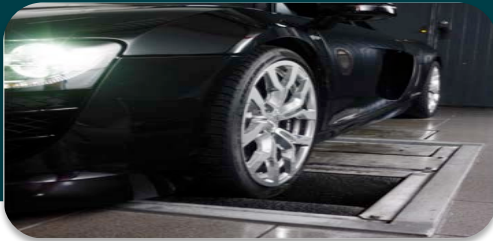


NEXT STEP FOR OPUS GROUP

Ready, Set, Grow!

READY

We built a strong company; one of the leading vehicle inspection companies worldwide



SET

Strengthened mgmt team
International Focus
New services & technologies



GROW

Sales: 200 to 400 MUSD
EBITDA: 40 to 100 MUSD.
EBITDA margin: 20% to 25%

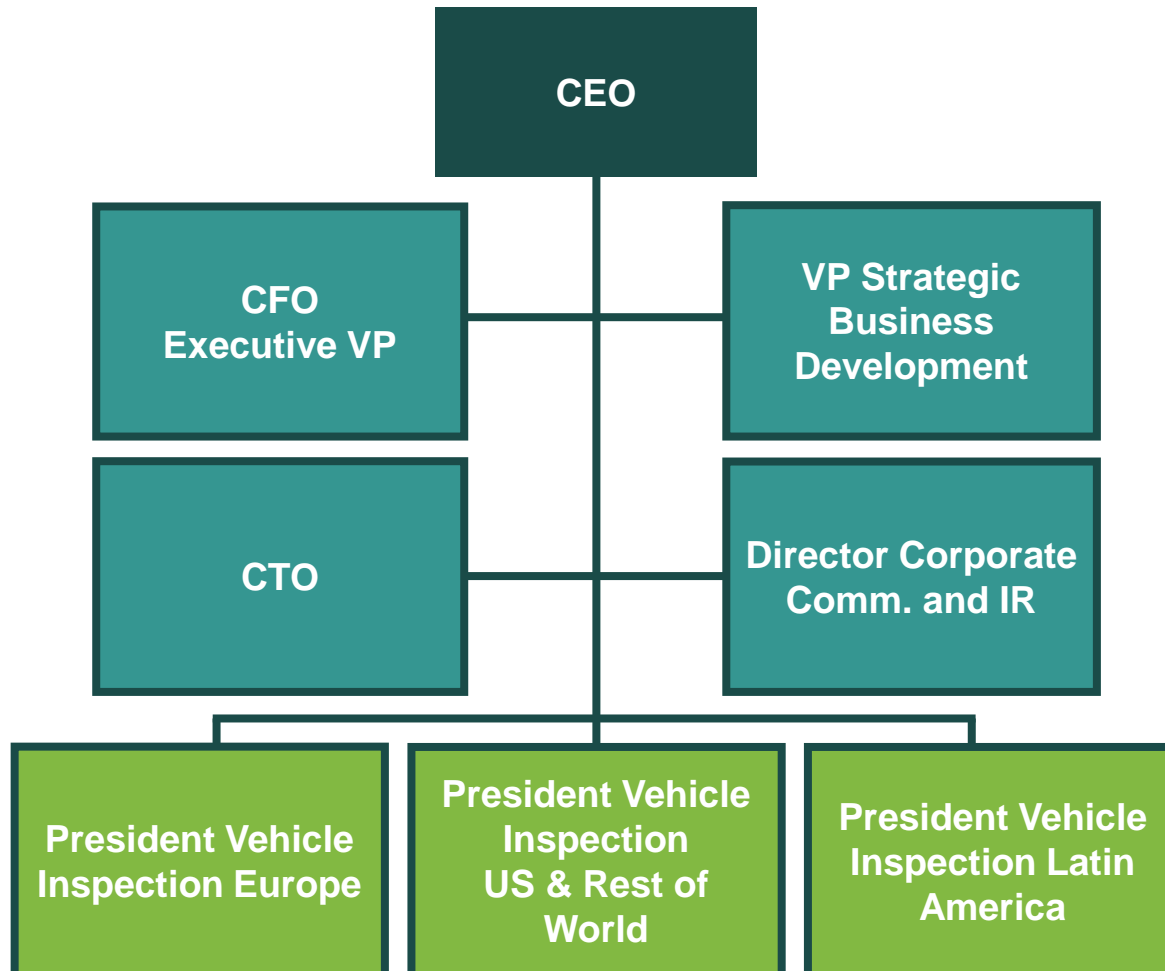


Lothar Geilen to replace Magnus Greko as CEO as per April 1, 2017



NEW ORGANIZATION

Revised organization structure to prepare for growth





Magnus Greko

CEO

MY NEW ROLE AT OPUS GROUP

**Vice President
Strategic Business Development**



40 YEARS EXPERIENCE IN VEHICLE INSPECTION

1974

Envirotest
is founded

1976

First
inspection
program

1990

Opus is
founded

2008

Acquires
Systech

2012

Acquires
ESP & 1/3 of
Svensk Bil-
provning

2013

Wins
N.Y. State
& Virginia

2013

Listed on
Nasdaq
Stockholm

2014

Acquires
Envirotest

2015

Acquires
Drew Tech-
nologies

2015

Wins in
Chile &
Pakistan

2016

Acquires
FASTLIGN®
& Bosch U.S.
equipment

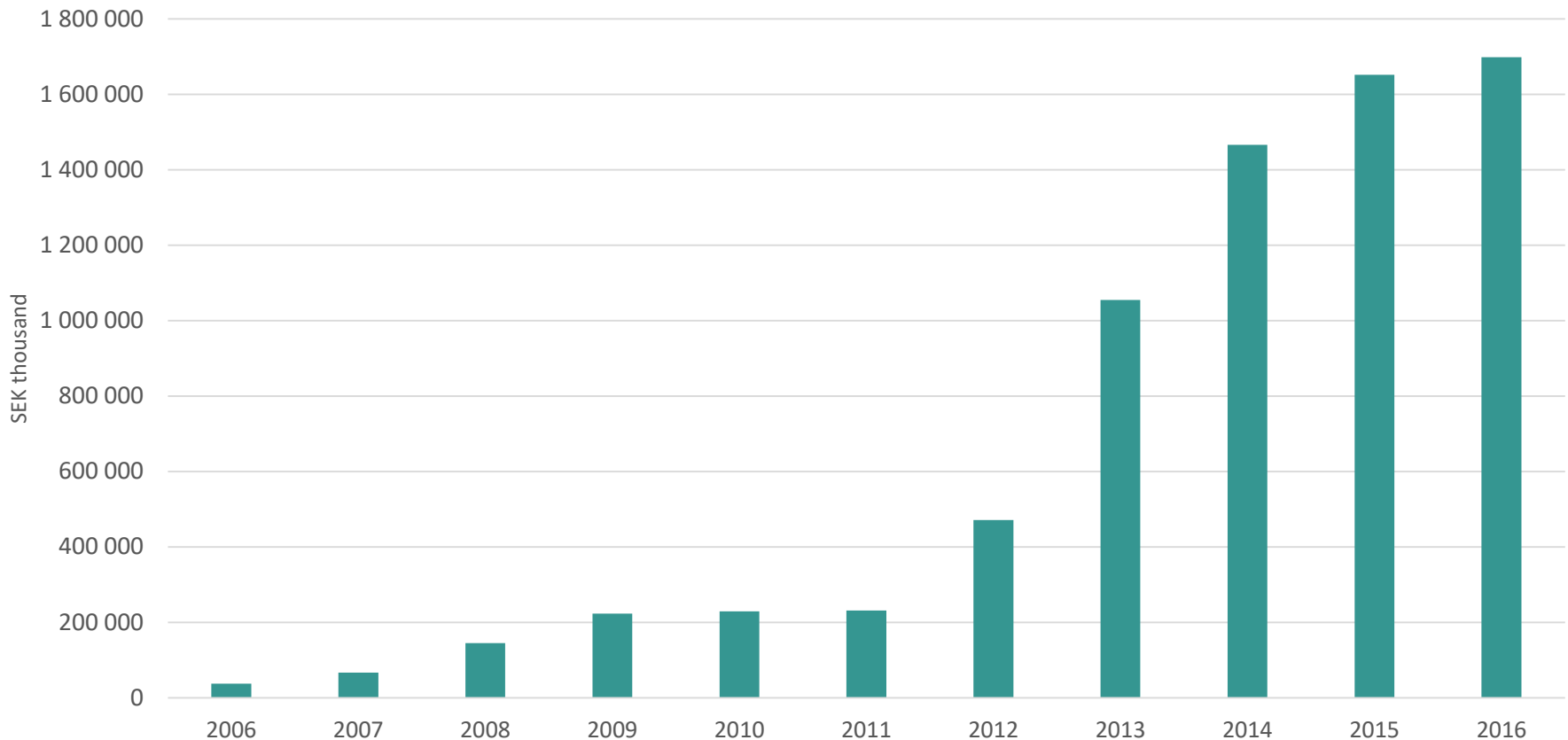
2017

Growth
strategy

HISTORICAL REVENUE

- Strong revenue growth, both organic and acquisition driven.
- Revenue growth: 37 MSEK in 2006 to 1,700 MSEK in 2016.

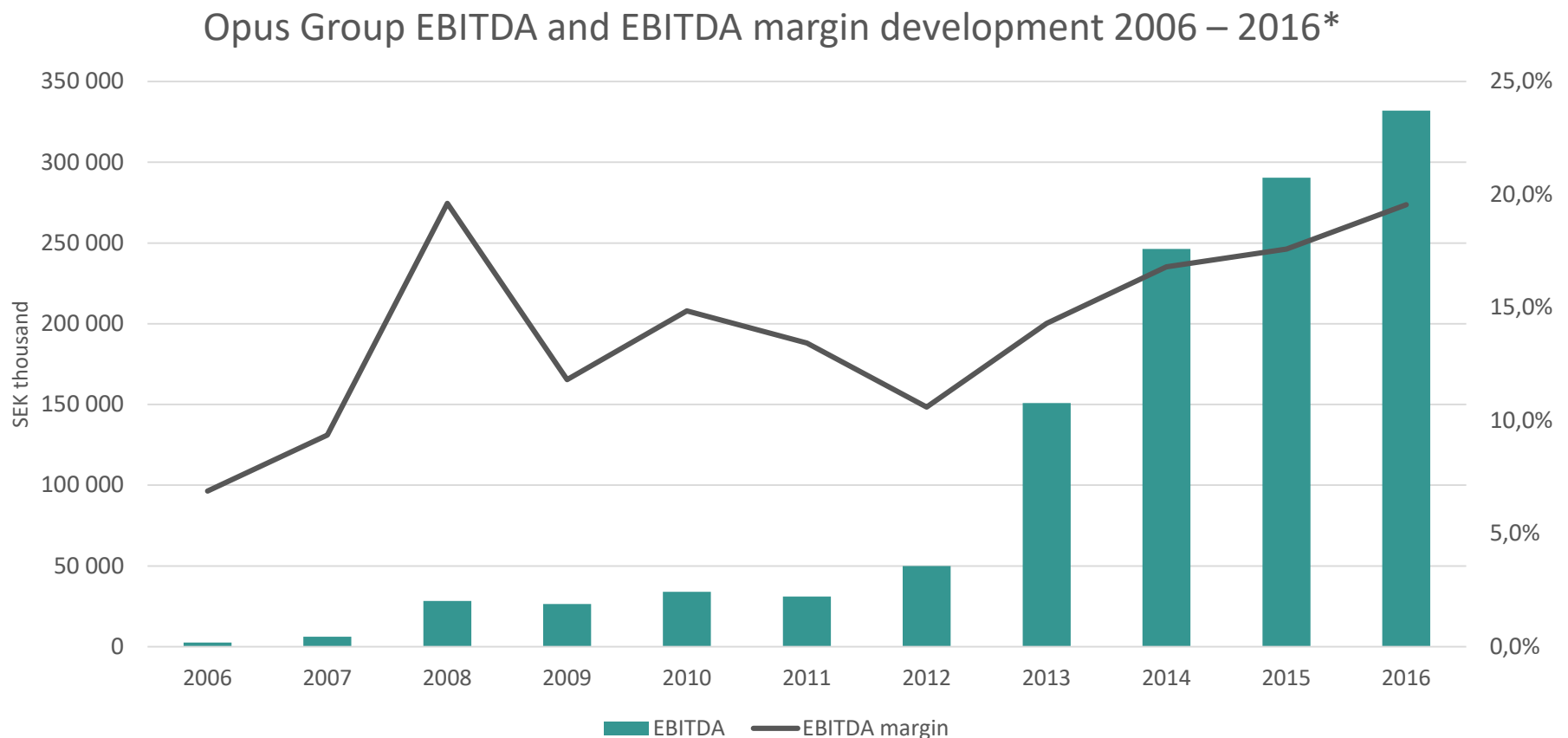
Revenue Development 2006 - 2016



HISTORICAL EBITDA AND EBITDA MARGIN

● EBITDA growth: 2.5 MSEK in 2006 to 332 MSEK in 2016

● EBITDA margin growth: 7 % to 20 %



*EBITDA and the EBITDA margin has been adjusted for acquisition related costs.

PLATFORM FOR GROWTH

- **No. 1 in the US**
- **Top 2 in Sweden**
- **No. 7 position world wide**
- **Established positions in Latin America and Asia**
- **Experienced and skilled management team**
- **Extensive technology portfolio**
- **Broad R&D base**
- **Strong financial position**

2016 OUTCOME - ANOTHER STRONG YEAR

- Reported revenue grew 2.8%
 - Organic growth: 5.7% FX adjusted
 - Revenue growth 5Y CAGR: 49%
- EBITDA grew 21% to 332 MSEK
 - EBITDA margin improved from 16.6% in 2015 to 19.5% in 2016
 - EBITDA margin adjusted for start-up costs (EaaS & RAP): 20.5%
- Exceeded our financial targets
- International expansion: Chile and Pakistan
- Expansion of EaaS in Georgia, US and RAP service pilot
- Acquisitions: Bosch's US emission test equipment and FASTLIGN®
- New Swedish regulation effective 2018 – minor effect from regulation compensated by vehicle market growth

Linus Brandt

CFO

Q4 2016 HIGHLIGHTS

- Revenue: 430 MSEK (411)
 - Revenue growth 4.6%
 - Organic growth 0.5% (FX adjusted)
- EBITDA: 67.8 MSEK (58.3)
 - EBITDA margin 15.7% (14.2%)
 - EBITDA growth 16%
- Adjusted for start-up costs of 7.7 MSEK EBITDA was 75.5 MSEK (EBITDA margin of 17.5%)
- Net financial items +18.8 MSEK (-16.2) including FX gain of +33.6 MSEK (-3.6).
- Net earnings: 21.4 MSEK (3.0)
- Cash flow from operating activities: 39.2 MSEK (44.6)
- Proposed dividend: 0.12 SEK (0.10) per share



VEHICLE INSPECTION INTERNATIONAL – Q4 2016

| Vehicle Inspection International | | | | |
|----------------------------------|---------|---------|-----------|-----------|
| | Q4 | | Full year | |
| SEK thousands | 2016 | 2015 | 2016 | 2015 |
| Revenue | 274,524 | 259,242 | 1,092,897 | 1,017,543 |
| EBITDA | 48,397 | 47,051 | 246,204 | 209,495 |
| EBITDA margin | 17.6% | 18.1% | 22.5% | 20.6% |
| Close-down costs | - | - | - | 3,293 |
| Acquisition related costs | - | - | - | 1,718 |
| Start-up costs | 7,650 | 2,966 | 16,626 | 12,577 |
| Adjusted EBITDA | 56,047 | 50,017 | 262,830 | 227,083 |
| Adjusted EBITDA margin | 20.4% | 19.3% | 24.0% | 22.3% |



- Revenue: 275 MSEK (259). Growth 5.9% in SEK (-0.4% FX adjusted).
- EaaS strong revenue growth in Q4 vs. Q3. Some negative timing effects in the US business
- EBITDA: 48.4 MSEK (47.1), up 2.9%
- Adjusted for start-up costs the EBITDA margin improved vs. Q4-15

VEHICLE INSPECTION SWEDEN – Q4 2016

| Vehicle Inspection Sweden | | | | |
|---------------------------|---------|---------|-----------|---------|
| | Q4 | | Full year | |
| SEK thousands | 2016 | 2015 | 2016 | 2015 |
| Revenue | 160,413 | 155,437 | 623,195 | 586,661 |
| EBITDA | 22,484 | 16,133 | 104,902 | 80,257 |
| EBITDA margin | 14.0% | 10.4% | 16.8% | 13.7% |

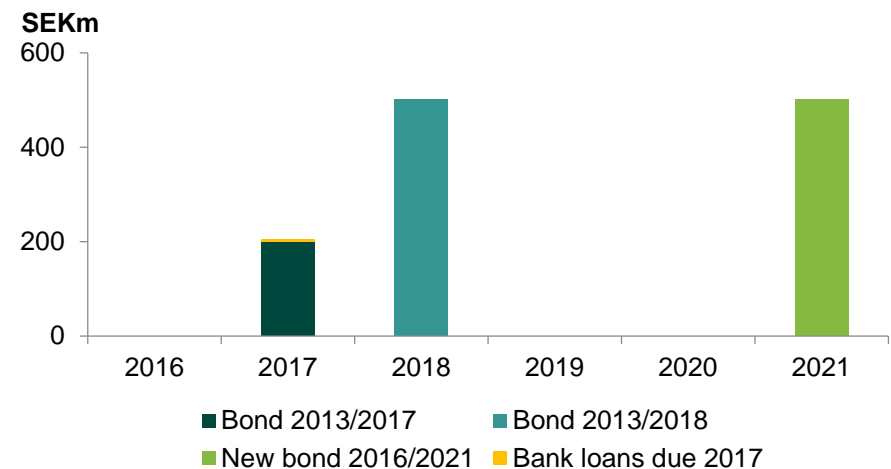


- Revenue: 160 MSEK (155). Organic growth: 2.5% in Q4 and 6.2 percent full year
- Q4 EBITDA amounted to SEK 22.5 million (16.1) with an EBITDA margin of 14.0% (10.4)
- The EBITDA growth and margin improvement:
 - Increased average revenue per inspection
 - New station openings (2 in Q4 and 5 in 2016)
 - Improved productivity in the organization
- Market leader in Sweden in December

STRONG FINANCIAL POSITION

- Strong cash position: SEK 0.5 bn
- Total assets: SEK 3 bn
- Equity ratio: 35%
- Debt consists of corporate bonds of SEK 1.2 bn
- Net debt: SEK 0.7 bn
- Net debt / EBITDA: 2.1x LTM

Debt maturity structure



Lothar Geilen

Division Manager Vehicle Inspection

LOTHAR GEILEN – NEXT CEO

Ready for a new challenge

The world wants safer roads and cleaner air

- In 2010, World Health Organization (WHO) declared the **Decade of Action**, with a goal of cutting worldwide traffic fatalities in half by 2020.
 - Developed world is on track to meet the 50% reduction target
 - Worldwide traffic fatalities increased from 1.25 to 1.3 million
- Pollution levels in metropolitan areas are at an all-time high



...A perfect condition for our growth

- The world's growing economy leads to more mobility, more cars and increased traffic.
- Opportunity in low and middle income countries for vehicle inspection programs
 - fleet is old
 - population growth is significant
- New car technology provides opportunity for innovative products first in the US

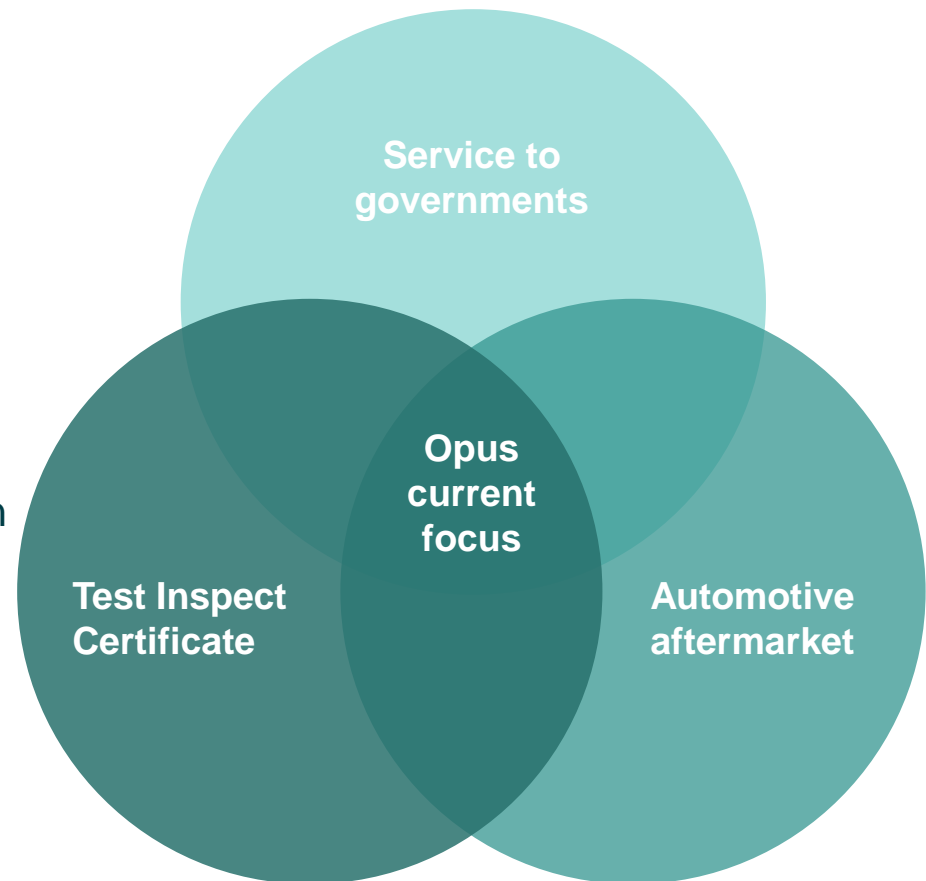
**Focus is shifting from
new car assessment to used car assessment**

STRATEGIC BUSINESS PLAN 2017 – 2021

Opus core business is in the intersection of TIC, service to governments and automotive aftermarket

The strategy of Opus rests on three sectors;

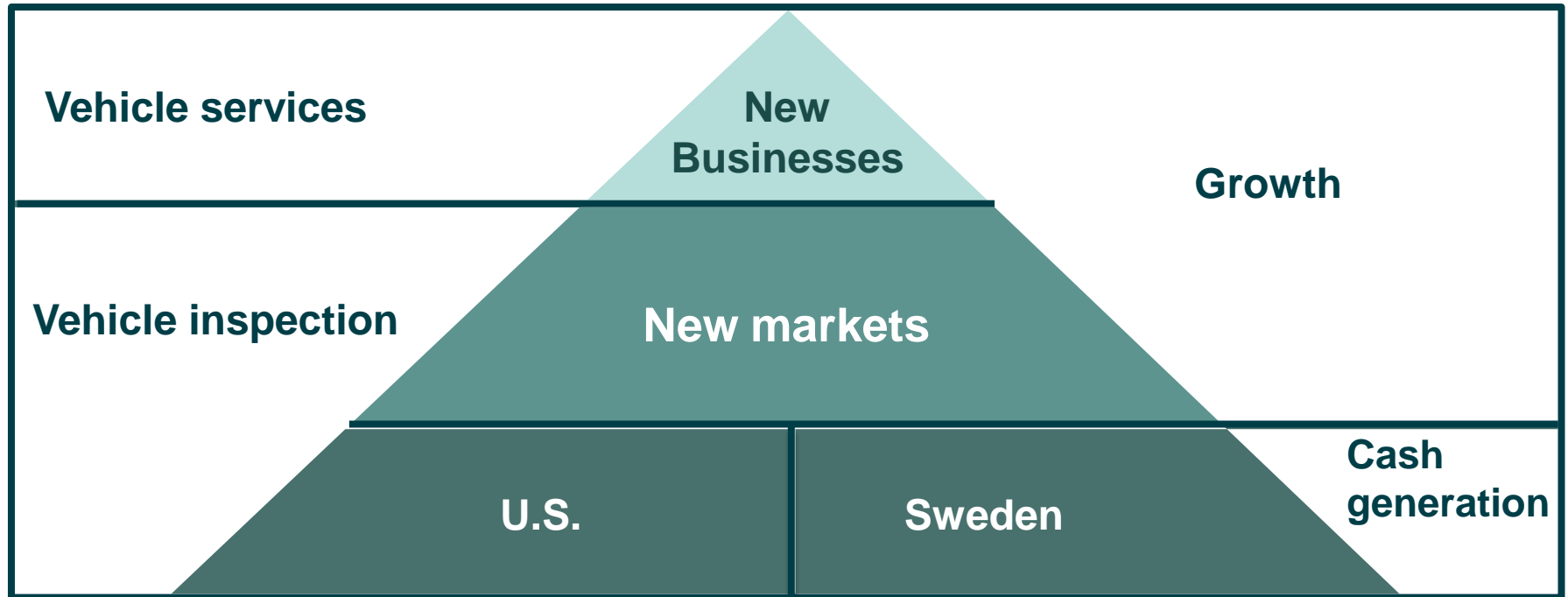
- 1. DEFEND** – Opus' strong position in U.S. and Sweden vehicle inspection market
- 2. GROW** – Win new vehicle inspection contracts, in low and middle income countries
- 3. DEVELOP** – Novel services and technologies close to the focus area



THE STRATEGY PYRAMID

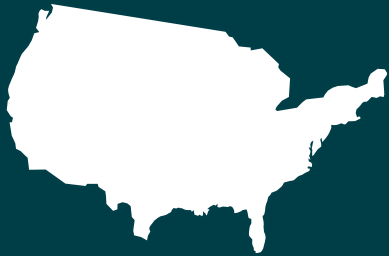
Strategic sectors of Opus

Cleaner and safer world



Differentiate through innovation and technology

Vehicle Inspection – U.S. and Sweden



DEFEND



- Solid EBITDA margin of >20% in the U.S. and >15% in Sweden
- Low operating CapEx – generate cash for growth
- Improved productivity
- Industry-leading in-house R&D resources
- Low revenue growth

Vehicle Inspection – International Expansion



GROW

- EaaS business model adds to EBITDA growth
- Focus on low & middle income countries in Latin America & Asia
- Identify government's desire to implement vehicle inspection
- Promote Opus as best value proposition
- Significant (5 – 10%) annual vehicle growth in low and middle income countries
- Significant growth in compliance rate over time

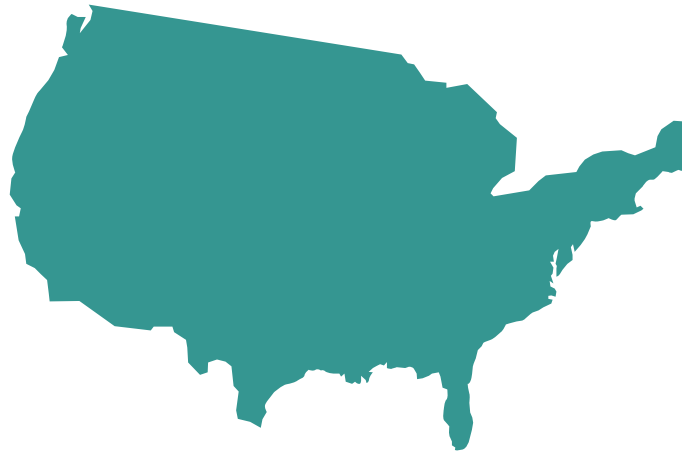
New Businesses



DEVELOP

- New technologies to address ancillary markets in automotive testing: RAP Service and FASTLIGN®
- Initial sales to our >30,000 U.S. workshop customers
- Create new markets through product innovation
- Demonstrate significant Opus' value-add

5-YEAR GROWTH PLAN – U.S.



\$127 million >> \$185 million

5-YEAR GROWTH PLAN – EUROPE



\$73 million >> \$120 million

 **Sweden: \$73 >> \$90 million**

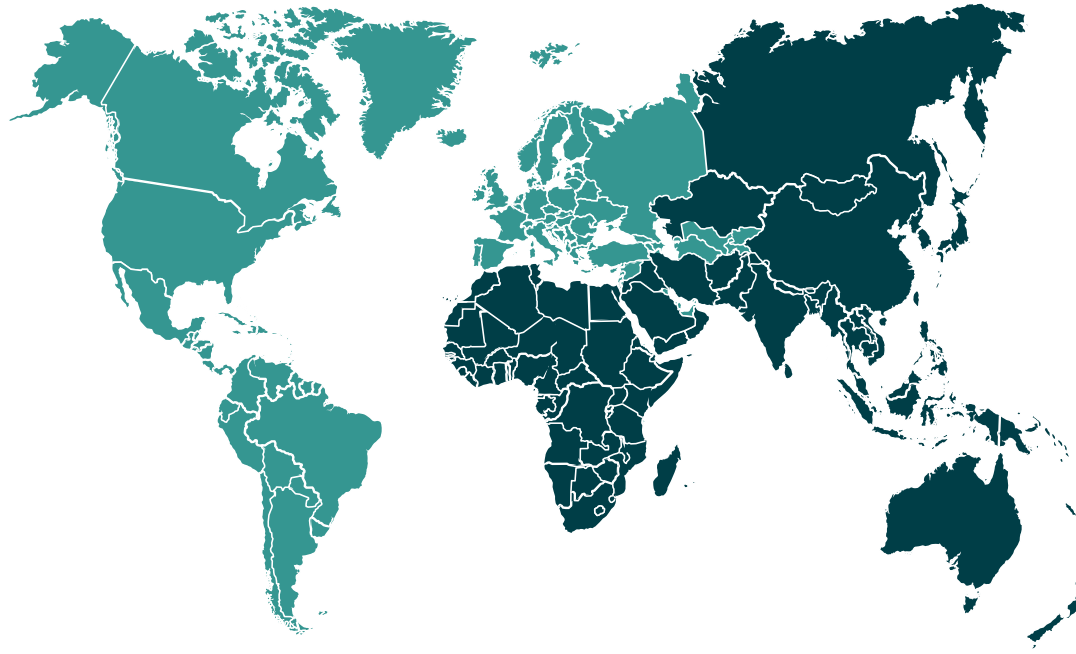
 **Rest of Europe: \$30 million**

5-YEAR GROWTH PLAN – LATIN AMERICA



\$1 million >> \$50 million

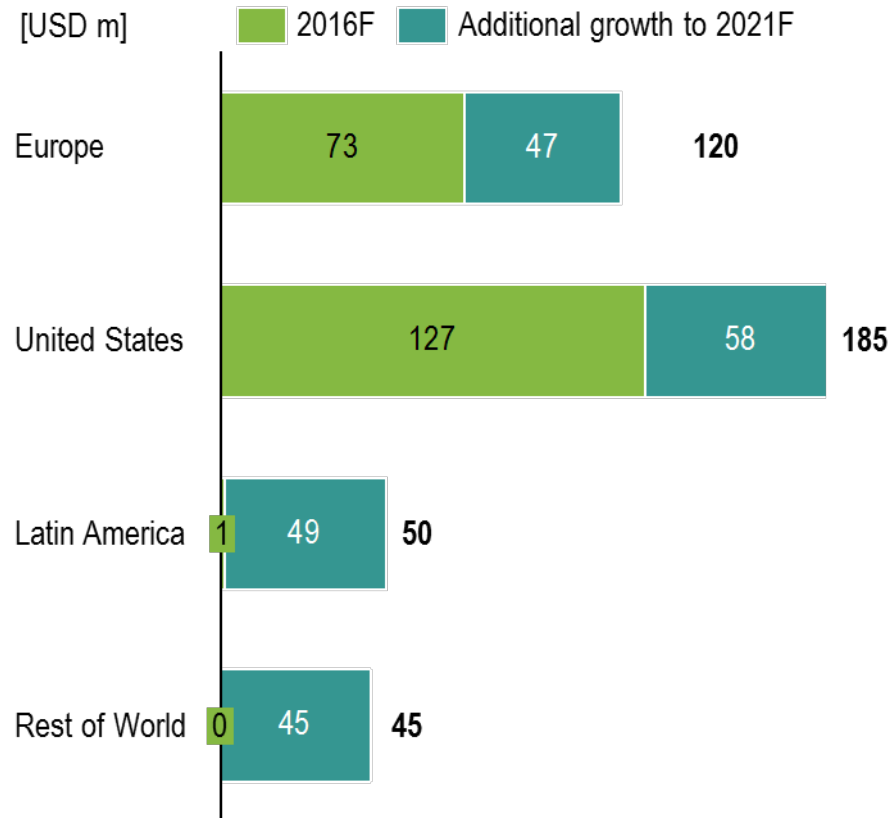
5-YEAR GROWTH PLAN – REST OF THE WORLD



\$0 million >> \$45 million

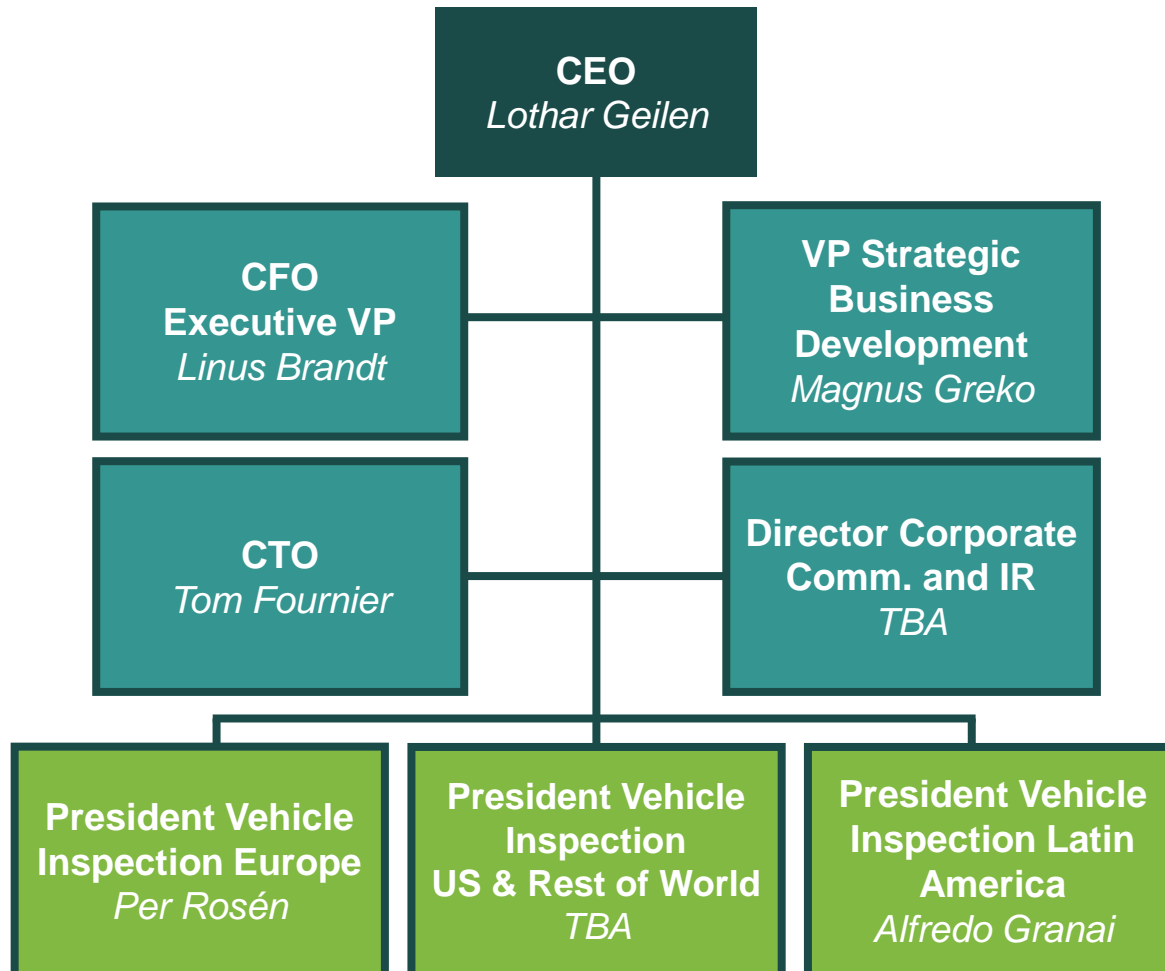
5-YEAR GROWTH PLAN - SUMMARY

Growth per region



NEW ORGANIZATION

Revised organization structure to prepare for growth



5-YEAR GROWTH PLAN

2017 – 2021

Vehicle Inspection and Services:

- Revenue growth: \$200 million to **\$400** million
- EBITDA growth: \$40 million to **\$100** million
- EBITDA margin growth: 20 % to **25 %**

400/100/25

FINANCIAL IMPACT OF THE STRATEGIC GROWTH PLAN

- Estimated Capex to support 5-year growth plan: SEK 1.5 – 2 bn
 - Real estate – land and buildings: ~ 60%
 - Vehicle inspection equipment and IT: ~ 20%
 - Implementation related capex: ~10%
 - Foothold and add-on acquisitions: ~10%
- Mainly organic growth
- Initial negative impact on EBITDA growth
- Planned financing through debt financing



Questions?



Thank You!