

## Opus Group AB (publ)

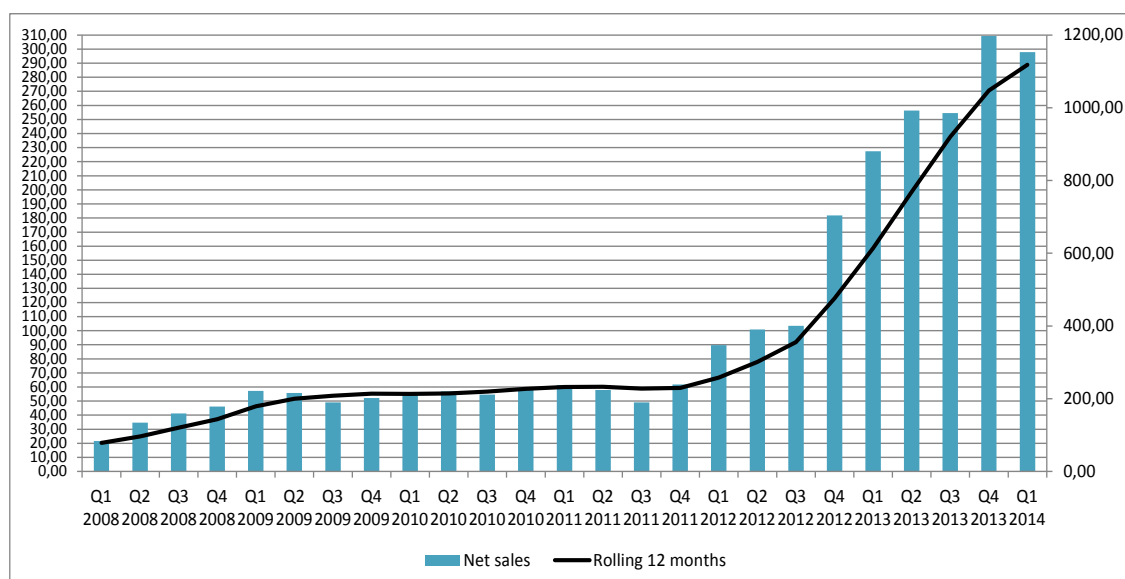
# Interim Report (January – March 2014)

## Acquisition of Envirotec completed and good volume and margin growth in the quarter

### January – March 2014

- Sales amounted to SEK 297,8 million (227.4), a sales growth of 30.8 percent
- Operating profit before depreciation (EBITDA) amounted to SEK 45.4 million (24.2), corresponding to an EBITDA margin of 15.2 percent (10.6)
- Cash flow from operating activities amounted to SEK -19.3 million (10.6). The negative cash flow is due to a temporary change in working capital.
- Profit after tax amounted to SEK 16.7 million (6.2)
- Earnings per share after dilution amounted to SEK 0.06 (0.03)

### NET SALES, MSEK





## Acquisition of Envirotest completed and good volume and margin growth in the quarter

The first quarter 2014 is marked by good volume and margin growth. The organic growth is about 11% compared to previous year and consists primarily of the new vehicle inspection contracts in New York State and the State of Virginia. In addition, the acquisition of Envirotest, which was completed on February 28, 2014, contributes with one month's acquisition-driven growth. The total turnover increases by approximately 31% while profitability strengthened to an EBITDA margin exceeding 15%.

In the international vehicle inspection segment, the large New York State contract was fully operational as of mid-January and the State of Virginia contract was implemented already on January 1. In February, Envirotest won the RFP in the State of Colorado, which means that the current contract will be prolonged for up to 11 years (until 2025), including extensions. Furthermore, the international vehicle inspection segment focuses on delivering the next phase of the contracts in North Carolina and Virginia and the integration of Envirotest into the organization. Jim Sands with more than 20 years of experience in the vehicle inspection business was recently recruited as the new President of Envirotest.

In the segment Vehicle Inspection Sweden, the first quarter is seasonally weak. Despite this the segment had a revenue growth of more than 13% while increased profitability. The focus is on taking care of the customers and offer good availability with good service in order to improve market share. In addition, Opus Bilprovning introduces new services and works with opening more stations.

Sales in the Equipment division continue to recover and the revenues increased by more than 9% compared with the same quarter 2013. Due to changes in the product mix and increased promotional activity during the quarter (Auto Trade Fair 2014) the EBITDA margin in the quarter amounts to approximately 3%.

This year will be a year of growth, thanks to the new contracts in New York State and the State of Virginia in conjunction with the acquisition of Envirotest. The focus this year will be to consolidate the operations and strengthen the organization in order to prepare the company for continued growth.

Gothenburg in May 2014  
Magnus Greko  
CEO and Group President

## Notable Events during the first quarter

### **Publication of prospectus in connection with issue of corporate bond in Opus Group**

Opus Group has prepared a prospectus in connection with the corporate bond that the company issued in November 2013. The prospectus in English has been approved and registered by the Swedish Financial Supervisory Authority, and is now available on Opus Group's website, [www.opus.se](http://www.opus.se).

### **Opus Inspection begins vehicle inspection operations in Virginia**

On January 1, 2014, Opus Inspection successfully began vehicle inspection operations under its exclusive contract with the Commonwealth of Virginia Department of Environmental Quality (DEQ) to provide Vehicle Emissions Inspection & Maintenance Program, Program Coordinator Services. Over 530 Virginia inspection stations are now communicating with Opus Inspection's data management system, which will process approximately 900,000 inspections per year.

### **Opus Inspection begins full operation of the New York vehicle inspection program (NYVIP2)**

On January 16, 2014, Opus Inspection assumed full operation of NYVIP2 under its exclusive contract with the State of New York. Opus Inspection has designed, built and delivered over 9,800 new vehicle inspection analyzers to participating inspection stations throughout the State of New York and is now processing 100% of the inspection related transactions with its new data management system. Opus Inspection began NYVIP2 operations in October 2013 in parallel with the legacy system, which has now been fully replaced by the new Opus system.

### **Change in the number of shares and votes in Opus Group**

As a result of the rights issue, resolved upon by the Board of Directors in Opus Group AB (publ) ("Opus Group") on November 6, 2013 and approved by the Extraordinary General Meeting on November 28, 2013, the number of shares and votes in Opus Group has increased by 17,959,269. Total number of shares and votes in Opus Group on January 31, 2014 amounts to 251,429,777.

### **Envirotest awarded vehicle inspection contract in Colorado**

Envirotest Systems Holdings Corp. has been awarded the vehicle inspection contract by the Colorado Department of Public Health and Environment.

### **Vehicle inspection contract in Colorado signed**

Envirotest Systems Holdings Corp. has signed an exclusive contract with the Colorado Department of Public Health and Environment to operate the vehicle inspection contract in Colorado.

### **Opus Group completes acquisition of Envirotest**

The vehicle inspection company Opus Group AB (publ) announces that it has completed the closing of the acquisition and has received access to all shares of Envirotest Systems Holdings Corp. The purchase price is USD 89.96 million (approx. SEK 585 million). All conditions of the merger agreement for the acquisition of Envirotest Systems Holdings Corp., a leading vehicle inspection services and technology company in North America, have now been met.

## Notable Events after the first quarter

### **Opus Inspection awarded US patent for OBD fraud detection system**

Opus Inspection, Inc. has been awarded US Patent 8,666,588 FRAUD DETECTION IN AN OBD INSPECTION SYSTEM. The innovative technology, marketed under the trademark "Tamper Terminator™," addresses a problem that has been increasingly challenging to government agencies relying on On-Board Diagnostic (OBD) testing for emission inspection since the early 2000's.

**Opus Group convenes to AGM**

Opus Group convened to an AGM that will take place at 6 pm on May 22, 2014, at Elite Park Avenue Hotel in Gothenburg.

**Opus Group's Board of Directors increases financial targets and updates the vision in connection with publication of the annual report 2013**

Opus Group's Board of Directors has increased the company's financial targets with regards to the EBITDA margin. The yearly target for the company's EBITDA margin was previously at least 10 percent and has now been increased to at least 15 percent from the year 2014 and onwards. The Board of Directors has also adopted an updated vision for the company. Opus Group's vision is "to be a global leader in vehicle inspection through customer focus, operational excellence and innovative technologies".

**Opus Inspection's subsidiary Envirotest selected by the State of Indiana to negotiate a vehicle inspection contract**

The State of Indiana has selected Opus Inspection's subsidiary, Envirotest Corp., to begin contract negotiations to provide Vehicle Emissions Testing services for the Indiana Department of Environmental Management (IDEM).

**Jim Sands becomes President of Envirotest**

Envirotest, an Opus Inspection, Inc. subsidiary, welcomes Mr. Jim Sands as President. Mr. Sands is a leading business executive with more than twenty years of vehicle inspection industry experience in various positions, who brings global experience and proven leadership to Envirotest. Mr. Sands has a strong customer relations orientation and will be instrumental in continuing the company's focus on our customers' needs in the U.S. centralized vehicle inspection programs and remote sensing operations.

## Financial Information, Group

**Sales and result****January - March 2014**

Net sales for the period amounted to SEK 297.8 million (227.4). The turnover has increased by 30.8 percent for the Group compared to the same period for the previous year. The acquisition of Envirotest Corp. as well as the new vehicle inspection contracts in New York State and Virginia State have contributed to the increase in sales.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 45.4 million (24.2), corresponding to an EBITDA margin of 15.2 percent (10.6). Net earnings amounted to SEK 16.7 million (3.8).

## Financial Position and Liquidity

**Cash and cash equivalents**

Available cash and cash equivalents at end of period amounted to SEK 174.9 million (84.3) including an unutilised overdraft facility of SEK 25.0 million (25.0).

**Equity**

Shareholders' equity at the end of the period amounted to SEK 482.6 million (268.0), equivalent to SEK 1.92 (1.13) per share outstanding at the end of the period.

**Solvency**

The equity ratio at the end of the period amounted to approx. 25.1 percent (28.7).

## Cash Flow

**Cash flow from operating activities**

Cash flow from operations for the period January - March 2014 amounted to SEK -19.3 million (10.6) including a change of working capital of -53.6 MSEK. The negative cash flow is due to a temporary change in working capital. The change is due to a temporary increase in inventories due to the company's new business model with leases of equipment in the

U.S. market as well as larger vendor payments related to the New York State contract.

### Investments

Investing activities for the period January - March 2014 exhibited a cash flow of SEK -561.8 million compared with SEK -5.0 million for the corresponding period last year. The increase primarily relates to the acquisition of Envirotec Corp. Investments in tangible fixed assets consisted primarily of plant, machinery and equipment, amounting to SEK -17.8 million (-4.6). Investments in Capitalised Development Expenditure amounted to SEK -5.7 million (-0.4).

### Financing

The Group's interest bearing liabilities at the end of the period amounted to SEK 810.6 million (371.3). Cash flows from financing activities during the period January - March 2014 amounted to SEK -275.9 million (-42.9). The change is due to a new long-term credit facility of USD 45.4 million (approx. SEK 295.7 million) used to finance the acquisition of Envirotec Corp., as well as the amortization of bank loans. The Group amortized SEK 20.4 million during the first quarter of 2014. During the remainder of 2014, the Group will amortize about SEK 45 million per quarter. The Group's net debt at the end of the period amounted to SEK 660.7 million (312.0).

Opus Group's borrowing is limited by the financial obligations of the loan agreement in the form of covenants. These consist of the financial key ratios net debt, interest coverage ratio, equity ratio and Opus Group's liquidity.

### Dividend policy

Opus Group's Board has adopted the following dividend policy: Opus Group's dividend policy is to distribute 10-20% of profit at the EBITDA level, provided that the company meets the financial target for net indebtedness. For 2013, the Board proposed that a dividend of SEK 0.06 (SEK 0.02) per share be paid.

### Financial Targets

Opus Group's financial targets, over a business cycle, are:

- Compounded annual growth (CAGR) of at least 10% during a five year period
- EBITDA margin of at least 15% (prior 2014: 10%)
- Interest-bearing net debt relative to EBITDA shall not exceed 3.0 times

Quarterly development of financial targets			
	2014	2013	2013
SEK thousands	Q1	Q1	Full year
Revenue growth:			
Annual growth in revenues of at least 10%	30.8%	156.7%	123.4
EBITDA-margin:			
EBITDA-margin of at least 15% (prior 2014: 10%)	15.2%	9.7%	14.3%
Net debt:			
Interest net debt relative to EBITDA** should not exceed 3.0 times	2.2x	2.0x	0.5x

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

\*\* EBITDA has been calculated based on 12 months rolling result adjusted for acquisition related adjustments and costs and includes proforma accounts for Envirotec Corp.



## Business Areas

Opus Group's business consists of two divisions and three segments. The divisions are Vehicle Inspection and Equipment. The Vehicle Inspection division consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International.

## Vehicle Inspection

Vehicle Inspection International (Vehicle Inspection operations outside Sweden)			
	Jan - March		Jan - Dec
SEK thousands	2014	2013	2013
Segment's net sales	122,697	68,460	387,193
EBITDA	26,504	12,645	58,184
Insurance compensation	-	-	4,818
EBITDA före försäkringsersättning	26,504	12,645	53,366
EBITDA margin	21.6%	18.5%	13.8%

Sales for the first quarter amounted to SEK 122.7 million (68.5). EBITDA amounted to SEK 26.5 million (12.6), corresponding to an EBITDA margin of 21.6 percent (18.5). The number of employees at end of the reporting period amounted to 1 192 people (237).

The table below shows external revenue and EBITDA in local currency (USD).

	Jan - March		Jan - Dec
Local currency (USD thousands)	2013	2012	2012
External net sales*	18,991	10,641	59,440
EBITDA	4,100	1,966	8,932

\* External net sales, for comparable units and in local currencies. Also see page 8 "Translation of Foreign Operations".

Vehicle Inspection Sweden			
	Jan - March		Jan - Dec
SEK thousands	2014	2013	2013
Segment's net sales	143,165	126,208	551,254
EBITDA	18,525	8,731	82,501
Acquisition and start up costs	-	-2,578	2,578
EBITDA before acquisition and start-up costs	18,525	11,309	85,079
EBITDA margin	12.9%	9.0%	15.4%

Sales for the first quarter amounted to SEK 143.2 million (126.2). EBITDA amounted to SEK 18.5 million (8.7), corresponding to an EBITDA margin of 12.9 percent (9.0). The number of employees at end of the reporting period amounted to 543 persons (551).

## Equipment

Equipment			
	Jan - March		Jan - Dec
SEK thousands	2014	2013	2013
Segments net sales	35,721	32,720	124,118
EBITDA	1,070	2,793	484
EBITDA margin	3.0%	11.0%	0.5%

Sales for the third quarter amounted to SEK 35.7 million (32.7). EBITDA amounted to SEK 1.1 million (2.8). The number of employees at end of the reporting period amounted to 72 people (69).

## Customers

Opus Group's customers on the international market are primarily government agencies (counties, states etc.), the automotive industry, vehicle garages, and vehicle inspection companies (state and privately owned). The customers of Vehicle Inspection Sweden include individuals, businesses and governments who are the owners of Swedish registered vehicles or foreign-registered vehicles to be inspected.

## Taxes

The tax expense for the first quarter is calculated using the current tax rate for the Parent company and each subsidiary. Temporary differences and existing fiscal loss carry-forwards have been taken into account.

## Employees

The number of FTEs (full-time equivalents) in the Group was 1 812 (867) at end of the reporting period. The increase in number of employees is mainly related to the acquisition of Envirotest Corp.

## Parent Company

The Parent company's sales during the third quarter amounted to SEK 2.6 million (3.2) and loss after financial items to SEK -5,6 million (-5.0).

## Related Parties

A provision for earnout for the acquisition of Systech 2008 has been accounted for to Lothar Geilen in his role as the former owner. More information on the terms of the agreement for the earnout is described in Opus Group's annual report of 2013.

## Accounting and Valuation Policies

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 EU, and the Swedish Annual Accounts Act. The interim report for the Parent company has been prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2. The same accounting and valuation policies were applied as in the 2013 Annual Report. No new or revised IFRS standards or interpretations from IFRIC have been applied or have had any essential effect on the financial position, result or information for the group or parent company.

## Accounting Estimates and Assumptions

The preparation of financial reports in accordance with IFRS requires the Board of Directors and Management to make estimates and assumptions that affect the application of accounting principles and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may deviate from these estimates.

## Translation of Foreign Operations

Assets and liabilities in foreign entities, including goodwill and other corporate fair value adjustments, are translated to Swedish crowns at the rate prevailing on the balance sheet date, meanwhile all items in the income statement are translated using an average rate for the period. On translation of foreign operations, the following exchange rates have been used:

Country	Currency	Average rate			Closing rate		
		Jan - march 2014	Jan - march 2013	Jan - dec 2013	31 mar 2014	31 mar 2013	31 dec 2013
USA, Peru, Chile and Cyprus	USD	6.46	6.43	6.51	6.51	6.52	6.51
Hong Kong	HKD	0.83	0.83	0.84	0.84	0.84	0.84
China	CNY	1.06	1.03	1.06	1.05	1.05	1.07

## Essential Risks and Uncertainty Factors

Opus Group AB (publ) and the Opus Group companies are through their activities at risk of both financial and operational nature, which the companies themselves may affect to a greater or lesser extent. Within the companies, continuous processes are ongoing to identify possible risks and assess how these should be handled.

The companies' operations, profitability and financial conditions are directly related to investments within the automotive industry and regulations within environmental and safety testing of vehicles. In the business area Vehicle Inspection International, the Group runs vehicle inspection programs through long-term contracts with government agencies. There is a risk of early contract termination, which would affect the Group's financial position negatively. The business area Equipment is depending on garages and vehicle inspection stations making new investments in equipment, which is affected by the general economic climate. Furthermore, the Group has a currency risk through its translation exposure of the operations in the United States. A detailed description of the Parent company and subsidiaries' risks and risk management are given in Opus Group's Annual Report 2013.

## Outlook

During the last years Opus Group has had a strong growth, which was both organic and acquisition driven. For 2014, the focus is aimed at consolidation of operations with the implementation of a new proprietary IT-system developed for Opus Bilprovning and the integration of the acquisition of Envirotec. The company sees continued organic growth opportunities through more vehicle inspection contracts and new markets. Through its Vehicle Inspection division, Opus Group has a well-established position as number two in the Swedish vehicle inspection market and market leader in the U.S.

In the long term, Opus Group aims to expand the vehicle inspection business in several markets internationally. This can be achieved in established vehicle inspection markets as well as in emerging and developing countries where vehicle inspection is planned to be introduced in the future. Within the Equipment division the focus in 2014 will be to maintain turnover with improved profitability.

Opus Group does not provide financial forecasts.



## Next financial report

August 21, 2014, Interim Report (January - June 2014)

November 21, 2014, Interim Report (January - September 2014)

This report has not been subject to auditors' review.

Gothenburg, Sweden, May 22, 2014

Magnus Greko

President and CEO

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For any questions regarding the interim report, please contact Magnus Greko, President and CEO, +46 31 748 34 91.

## Opus Group AB (publ) in Brief

Opus Group is a leading company in vehicle inspection technology and vehicle inspection program operations. The Group has two main business areas which consist of vehicle inspection and equipment. Opus Group is one of the market leaders in vehicle inspection operations in the US and Sweden. Opus Bilprovning has 73 vehicle inspection stations in Sweden. Opus Inspection operates vehicle inspection programs in the U.S., Bermuda and Peru and is active in sales and service of emission control equipment in North America and Mexico. Through the subsidiaries, Opus Equipment and J&B Maskinteknik, Opus Group conduct production, sales and service of vehicle inspection equipment for vehicle inspection companies and vehicle workshops. Opus Group's revenues amounted to approx. SEK 1 047 million in 2013. Opus Group's shares are listed on Nasdaq OMX Stockholm.

## GROUP INCOME STATEMENT IN SUMMARY

SEK thousands	14-01-01 14-03-31	13-01-01 13-03-31	13-01-01 13-12-31
<b>Operating income</b>			
Net sales	297,353	227,389	1,047,493
Other operating income	407	1,090	7,193
<b>Total operating income</b>	<b>297,760</b>	<b>228,479</b>	<b>1,054,686</b>
Operating expenses	-252,409	-204,310	-912,832
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>45,351</b>	<b>24,169</b>	<b>141,854</b>
Depreciation and amortization	-13,128	-9,703	-29,937
<b>Operating profit (EBIT)</b>	<b>32,223</b>	<b>14,466</b>	<b>111,917</b>
<b>Results from financial items</b>			
Interest income and similar items	8,921	1,307	3,209
Interest expense and similar charges	-17,537	-6,750	-25,410
<b>Financial items</b>	<b>-8,616</b>	<b>-5,443</b>	<b>-22,201</b>
<b>Profit after financial items</b>	<b>23,607</b>	<b>9,023</b>	<b>89,716</b>
Current tax/Deferred tax	-6,914	-2,785	-28,419
<b>Net profit</b>	<b>16,693</b>	<b>6,238</b>	<b>61,297</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company	16,693	6,238	61,297
<b>Earnings per share</b>			
Average number of shares, before dilution, thousands	251,430	236,853	252,302
Average number of shares, after dilution, thousands	260,985	237,381	261,857
Number of shares at period end, before dilution, thousands	251,430	236,853	251,430
Number of shares at period end, after dilution, thousands	260,985	237,381	260,985
Earnings per share before dilution (SEK)	0.07	0.03	0.24
Earnings per share after dilution (SEK)	0.06	0.03	0.23

## GROUP STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	14-01-01 14-03-31	13-01-01 13-03-31	13-01-01 13-12-31
<b>Net profit</b>	<b>16,693</b>	<b>6,238</b>	<b>61,297</b>
<b>Items that may be reclassified to profit for the year</b>			
Translation differences on foreign operations	-75	-406	306
Cash flow hedge	-621	-	-1 824
Tax effect on cash flow hedge	300	-	238
<b>Other comprehensive income</b>	<b>-396</b>	<b>-406</b>	<b>-1,280</b>
<b>Total comprehensive income</b>	<b>16,297</b>	<b>5,832</b>	<b>60,017</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company	16,297	5,832	60,017

## GROUP STATEMENT OF FINANCIAL POSITION IN SUMMARY

SEK thousands	14-03-31	13-03-31	13-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Capitalized development costs	14,852	6,755	9,473
Other intangible assets	240,700	54,446	47,912
Goodwill	703,672	456,476	469,668
<b>Total intangible assets</b>	<b>959,224</b>	<b>517,677</b>	<b>527,053</b>
<b>Tangible assets</b>			
Land and buildings	334,868	28,929	28,567
Furnishings, machinery and other technical equipment	193,868	105,492	101,737
<b>Total tangible assets</b>	<b>528,736</b>	<b>134,421</b>	<b>130,304</b>
Financial assets	7,960	3,750	6,129
<b>Total financial assets</b>	<b>7,960</b>	<b>3,750</b>	<b>6,129</b>
Deferred tax assets	14,693	36,341	21,283
<b>Total non-current assets</b>	<b>1,510,613</b>	<b>692,189</b>	<b>684,769</b>
<b>Current assets</b>			
Inventory	100,599	70,980	85,866
Trade receivables	73,376	55,959	58,321
Other current assets	87,780	55,943	76,183
Cash and cash equivalent	149,900	59,269	452,923
<b>Total current assets</b>	<b>411,655</b>	<b>242,152</b>	<b>673,293</b>
<b>TOTAL ASSETS</b>	<b>1,922,268</b>	<b>934,340</b>	<b>1,358,062</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>	<b>482,623</b>	<b>268,007</b>	<b>465,630</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	277,892	26,400	40,352
Other non-current liabilities	2,844	160,780	1,316
Corporate bonds	391,032	-	390,471
Loans from financial institutions	245,641	120,323	63,266
Provisions	72,428	60,728	74,463
<b>Total non-current liabilities</b>	<b>989,837</b>	<b>368,231</b>	<b>569,868</b>
<b>Current liabilities</b>			
Loans from financial institutions	173,886	90,211	80,791
Trade payables	38,074	34,103	59,668
Other current liabilities	229,846	163,313	172,005
Provisions	8,002	10,476	9,873
<b>Total current liabilities</b>	<b>449,808</b>	<b>298,103</b>	<b>322,564</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,922,268</b>	<b>934,340</b>	<b>1,358,062</b>
Pledged assets	699,136	711,180	699,199
Contingent liabilities	100,057	143,833	107,346

## GROUP STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Number of shares outstanding	Share capital	Other capital contributions	Reserves	Retained earnings	Total equity
<b>Equity 2013-01-01</b>	<b>231,674,455</b>	<b>4,633</b>	<b>269,435</b>	<b>16,970</b>	<b>-28,903</b>	<b>262,135</b>
Total comprehensive income	-	-	-	-406	6,238	5,832
Rights Issue	-	-	-	-	40	40
<b>Equity 2013-03-31</b>	<b>231,674,455</b>	<b>4,633</b>	<b>269,435</b>	<b>16,564</b>	<b>-22,625</b>	<b>268,007</b>
Total comprehensive income	-	-	-	-874	55,019	54,145
Ongoing rights Issue	-	-	143,705	-	-	143,705
Stock options	-	-	1,927	-	-	1,927
Redemption stock options	<b>1,796,053</b>	36	2,443	-	-	2,479
Dividend	-	-	-	-	-4,633	-4,633
<b>Equity 2013-12-31</b>	<b>233,470,508</b>	<b>4,669</b>	<b>417,510</b>	<b>15,690</b>	<b>27,761</b>	<b>465,630</b>
Total comprehensive income	-	-	-	-396	16,693	16,297
Redemption stock options	<b>17,959,269</b>	359	337	-	-	696
<b>Equity 2014-03-31</b>	<b>251,429,777</b>	<b>5,028</b>	<b>417,847</b>	<b>15,294</b>	<b>44,454</b>	<b>482,623</b>

## GROUP STATEMENT OF CASH FLOWS IN SUMMARY

SEK thousands	14-01-01 14-03-31	13-01-01 13-03-31	13-01-01 13-12-31
Operating profit (EBIT)	32,223	14,466	111,917
Adjustment for non-cashflow items	13,022	9,703	30,407
Financial items	-7,693	-5,443	-20,631
Income tax paid	-3,169	-7,076	-19,697
<b>Cash flow from operating activities before changes in working capital</b>	<b>34,383</b>	<b>11,650</b>	<b>101,996</b>
Change in net working capital	-53,636	-1,019	12,483
<b>Cash flow from operating activities</b>	<b>-19,253</b>	<b>10,631</b>	<b>114,479</b>
<b>Investing activities</b>			
Acquisition of subsidiaries, net of acquired cash	-531,113	-	-
Paid additional consideration	-9,950	-	-2,106
Capitalized development costs	-5,690	-384	-4,943
Acquisition of tangible assets	-17,763	-4,633	-11,649
Acquisition of intangible assets	-503	-88	-
Proceeds from sale of tangible assets	-	-	25
Other	3,225	57	-2,322
<b>Cash flow from investment activities</b>	<b>-561,794</b>	<b>-5,048</b>	<b>-20,995</b>
<b>Financing activities</b>			
Payment stock options	-	40	1 927
Dividends paid	-	-	- 4 633
Redemption stock options	-	-	2 479
Rights issue	696	-	143 705
New debt	295 675	-	390 250
Net change in bank overdraft	-	-20 936	-20 937
Amortization of loans from financial institutions	-20 450	-21 976	-250 203
<b>Cash flow from financing activities</b>	<b>275 922</b>	<b>-42 872</b>	<b>262 588</b>
<b>Change in cash and cash equivalents</b>			
<b>Cash and cash equivalents at the beginning of the period</b>	<b>452,923</b>	<b>96,964</b>	<b>96,964</b>
Foreign currency translation differences	2,001	-406	-113
Net cash flow for the period	-305,023	-37,289	356,072
<b>Cash and cash equivalents at the end of the period</b>	<b>149,900</b>	<b>59,269</b>	<b>452,923</b>



## SEGMENTAL REPORTING

Opus Group's business consists of two divisions and three segments. The divisions are Vehicle Inspection and Equipment. The Vehicle Inspection division consists of two segments: Vehicle Inspection Sweden and Vehicle Inspection International.

January - March, 2014 SEK thousands	Vehicle Inspection				Group
	Equipment	Sweden	International	Group & eliminations	
External sales	31,491	143,165	122,697	-	297,353
Internal sales (to other segments)	4,230	-	-	-4,230	-
<b>Net sales</b>	<b>35,721</b>	<b>143,165</b>	<b>122,697</b>	<b>-4,230</b>	<b>297,353</b>
Other external operating income	94	165	70	78	407
<b>Total income</b>	<b>35,815</b>	<b>143,330</b>	<b>122,767</b>	<b>-4,152</b>	<b>297,760</b>
EBITDA	1,070	18,525	26,504	-748	45,351
EBITDA margin	3.0%	12.9%	21.6%		15.3%
Depreciation and amortization					-13,128
Results from financial items					-8,616
<b>Profit after financial items</b>					<b>23,607</b>
Current tax/Deferred tax					-6,914
<b>Net profit</b>					<b>16,693</b>

January - March, 2013 SEK thousands	Vehicle Inspection				Group
	Equipment	Sweden	International	Group & eliminations	
External sales	32,720	126,208	68,460	-	227,389
Internal sales (to other segments)	2,716	-	-	-2,716	-
<b>Net sales</b>	<b>35,436</b>	<b>126,208</b>	<b>68,460</b>	<b>-2,716</b>	<b>227,389</b>
Other external operating income	380	178	532	-	1,090
<b>Total income</b>	<b>35,816</b>	<b>126,386</b>	<b>68,992</b>	<b>-2,716</b>	<b>228,479</b>
EBITDA	2,793	8,731	12,645	-	24,169
EBITDA margin	7.9%	6.9%	18.5%		10.6%
Depreciation and amortization					-9,703
Results from financial items					-5,443
<b>Profit after financial items</b>					<b>9,023</b>
Current tax/Deferred tax					-2,785
<b>Net profit</b>					<b>6,238</b>

January - December, 2013 SEK thousands	Vehicle Inspection				Group
	Equipment	Sweden	International	Group & eliminations	
External sales	109,206	551,254	387,033	-	1,047,493
Internal sales (to other segments)	13,743	-	160	-13,903	-
<b>Net sales</b>	<b>122,949</b>	<b>551,254</b>	<b>387,193</b>	<b>-13,903</b>	<b>1,047,493</b>
Other external operating income	1,182	1,015	4,818	778	7,193
<b>Total income</b>	<b>124,131</b>	<b>552,269</b>	<b>392,011</b>	<b>-13,725</b>	<b>1,054,686</b>
EBITDA	4,831	82,501	58,184	-3,662	141,854
EBITDA margin	3.9%	15.0%	15.0%		13.5%
Depreciation and amortization					-29,937
Results from financial items					-22,201
<b>Profit after financial items</b>					<b>89,716</b>
Current tax/Deferred tax					-28,419
<b>Net profit</b>					<b>61,297</b>

## KEY RATIOS

	14-01-01 14-03-31	13-01-01 13-03-31	13-01-01 13-12-31
Return on capital employed, percent	3.2	2.5	11.5
Return on total assets, percent	2.1	1.7	8.5
Return on equity, percent	8.5	5.9	24.7
EBITDA margin, percent	15.2	10.6	13.5
Operating profit margin (EBIT), percent	10.8	6.4	10.7
Net profit margin, percent	7.9	2.7	5.9
Sales growth, percent	30.8	153.5	123.4
Net debt, SEK thousands	660,659	312,045	81,605
Net debt / equity ratio, times	1.4	1.2	0.2
Interest coverage ratio, times	2.3	2.3	0.2
Equity ratio, percent	25.1	28.7	34.3
Cash liquidity ratio, percent	67.1	56.5	174.5
Number of employees at period end	1,812	867	868
<b>Data Per Share</b>			
Number of shares at period end, before dilution, thousands	251,430	236,853	251,430
Number of shares at period end, after dilution, thousands	260,985	237,381	260,985
Average number of shares, before dilution, thousands	251,430	236,853	252,302
Average number of shares, after dilution, thousands	260,985	237,381	261,857
Equity per share, before dilution, SEK	1.92	1.16	1.85
Equity per share, after dilution, SEK	1.85	1.13	1.78
Earnings per share before dilution, SEK	0.07	0.03	0.24
Earnings per share after dilution, SEK	0.06	0.03	0.23
Dividend per share, before dilution, SEK	-	-	0.02
Dividend per share, after dilution, SEK	-	-	0.02
Cash flow per share, before dilution, SEK	-0.08	0.04	0.45
Cash flow per share, after dilution, SEK	-0.07	0.04	0.44

Outstanding stock options result in a dilution effect since the average market price of ordinary shares during the period exceeded the discounted exercise price for the stock options.

For definitions of key ratios, see Opus Group's annual report 2013.

## QUARTERLY DEVELOPMENT FOR THE GROUP

Income Statement SEK thousands	2014		2013		
	Q1	Q1	Q2	Q3	Q4
Net sales	297,353	227,389	256,299	254,504	309 300
Total income	297,760	228,479	261,213	254,968	310 025
Operating expenses	-252,409	-204,310	-214,967	-211,268	-282 286
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>45,351</b>	<b>24,169</b>	<b>46,246</b>	<b>43,700</b>	<b>27 739</b>
% margin	15.2%	10.6%	17.7%	17.2%	8.9%
Depreciation and amortization	-13,128	-9,703	-7,377	-6,700	-6 157
<b>Operating profit/loss (EBIT)</b>	<b>32,223</b>	<b>14,466</b>	<b>38,869</b>	<b>37,000</b>	<b>21 582</b>
Results from financial investments	-8,616	-5,443	-4,936	-5,164	-6 658
<b>Profit/loss after financial items</b>	<b>23,607</b>	<b>9,023</b>	<b>33,933</b>	<b>31,836</b>	<b>14 924</b>
Current tax/Deferred tax	-6,914	-2,785	-12,575	-7,621	-5 438
<b>Net profit/loss</b>	<b>16,693</b>	<b>6,238</b>	<b>21,358</b>	<b>24,215</b>	<b>9 486</b>

Balance Sheet SEK thousand	2014		2013		
	Q1	Q1	Q2	Q3	Q4
<b>ASSETS</b>					
Intangible assets	959,224	517,677	520,063	520,445	527,053
Tangible assets	528,736	134,421	133,863	129,485	130,304
Financial assets	7,960	3,750	3,727	3,569	6,129
Deferred tax assets	14,693	36,341	34,037	36,336	21,283
<b>Total non-current assets</b>	<b>1,510,613</b>	<b>692,189</b>	<b>691,689</b>	<b>689,835</b>	<b>684,769</b>
Inventory	100,599	70,980	75,768	86,902	85,866
Current assets	174,198	111,902	104,155	130,404	134,504
Cash and cash equivalents	149,900	59,269	61,368	105,293	452,923
<b>Total current assets</b>	<b>411,655</b>	<b>242,152</b>	<b>241,291</b>	<b>322,599</b>	<b>673,293</b>
<b>Total assets</b>	<b>1,922,268</b>	<b>934,340</b>	<b>932,980</b>	<b>1,012,434</b>	<b>1,358,062</b>
<b>EQUITY AND LIABILITIES</b>					
Shareholders' equity	482,623	268,007	291,458	310,473	465,630
Interest bearing liabilities	810,559	371,314	350,664	326,680	534,528
Non-interest bearing liabilities and provisions	629,086	295,019	290,858	375,281	357,904
<b>Total equity and liabilities</b>	<b>1,922,268</b>	<b>934,340</b>	<b>932,980</b>	<b>1,012,434</b>	<b>1,358,062</b>

Cash Flow Analysis SEK thousands	2014		2013		
	Q1	Q1	Q2	Q3	Q4
Cash flow from operating activities	-19,253	10,631	27,903	68,710	7,235
Cash flow from investing activities	-561,693	-5,048	-58	-4,795	-11,094
Cash flow from financing activities	275,922	-42,872	-26,616	-19,300	351,376
<b>Net cash flow for the period</b>	<b>-305,024</b>	<b>-37,289</b>	<b>1,229</b>	<b>44,615</b>	<b>347,517</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>452,923</b>	<b>96,964</b>	<b>59,269</b>	<b>61,368</b>	<b>105,293</b>
Foreign currency translation differences	2,001	-406	870	-690	113
<b>Cash and cash equivalents at the end of the period</b>	<b>149,900</b>	<b>59,269</b>	<b>61,368</b>	<b>105,293</b>	<b>452,293</b>



## QUARTERLY DEVELOPMENT PER SEGMENT

Income Statement	2014		2013		
SEK thousands	Q1	Q1	Q2	Q3	Q4
<b>Total income</b>					
Equipment	35,815	35,816	31,225	22,450	34,903
Vehicle Inspection Sweden	143,330	126,386	156,067	120,728	149,087
Vehicle Inspection International	122,767	68,992	76,695	115,423	130,901
Vehicle Inspection International in local currency USD thousands	18,991	10,641	11,704	17,643	19,452
<b>Group</b>	<b>297,760</b>	<b>228,479</b>	<b>261,213</b>	<b>254,968</b>	<b>310,025</b>
<b>EBITDA</b>					
Equipment	1,070	2,793	-283	-64	1,548
Vehicle inspection Sweden	18,525	8,731	32,371	19,422	21,977
Vehicle Inspection International	26,504	12,645	16,888	23,714	4,937
Vehicle Inspection International in local currency USD thousands	3,942	1,966	2,581	3,625	760
<b>Group</b>	<b>45,351</b>	<b>24,169</b>	<b>46,246</b>	<b>43,698</b>	<b>27,739</b>
<b>EBITDA margin</b>					
Equipment	3.0%	7.9%	neg.	neg.	4.5%
Vehicle Inspection Sweden	12.9%	6.9%	20.8%	16.1%	14.8%
Vehicle Inspection International	21.6%	18.5%	23.3%	20.5%	3.8%
<b>Group</b>	<b>15.2%</b>	<b>10.6%</b>	<b>18.0%</b>	<b>17.2%</b>	<b>9.0%</b>

## Note 1. Earnout

In connection with the acquisition of Systech in 2008, a contract was signed concerning earnout for new contracts of larger vehicle inspection programs. As the Wisconsin, North Carolina, New York State and Virginia programs qualify for earnout payments to the sellers of Systech, Opus has accounted for a total provision of 74.1 MSEK (long-term SEK 66.1 million and short-term SEK 8.0 million) for the contractual periods (five year, two year and seven year). This earnout affects the company's goodwill with the same amount. More information on the terms of the agreement for the earnout is described in Opus Group's annual report of 2013.

## Note 2. Acquisitions

*Acquisition of Envirotest Systems Holdings Corp.*

On February 28, 2014, Opus Group AB acquired Envirotest Systems Holdings Corp. and received access to all shares in the company. After the acquisition the company is now called Envirotest Corp. Envirotest, headquartered in Windsor, Connecticut, USA, is the market leader in the centralized vehicle inspection business in the United States. Program management and operations are conducted in North America, and Remote Sensing Device (RSD) services are offered globally. Envirotest has exclusive rights to certain RSD patented technology and proprietary vehicle inspection database systems (VIDs). The acquired business had revenues of USD 81 million and an EBITDA of USD 23 million during 2013. At the date of acquisition, the company had approx. 1,060 employees.

The total purchase price was paid cash and amounted to USD 89.96 million (approx. SEK 585 million) on a debt free basis. The acquisition includes real estate properties, skilled personnel, intellectual properties, 60 vehicle inspection stations, inspection equipment, leases of the real estate and miscellaneous assets. The acquisition also includes processes, procedures and knowhow.



After the acquisition, Opus Inspection will become the market leader in the U.S. vehicle inspection market. Opus Inspection is already the market leader in the U.S. decentralized vehicle inspection market segment and now also becomes the market leader in the U.S. centralized vehicle inspection market segment. The acquisition increases the Opus Group's contract base of long-term vehicle inspection contracts in the U.S. All conditions for the completion of the acquisition were satisfied: Envirotest executed a contract for the continuation of the vehicle inspection program in Colorado which is expected to start in January 2015 and has a contract period of five years and can be extended by the Colorado Department of Public Health and Environment for an additional six years (2 + 4 years); and Opus Group received funding for the purchase price.

The acquisition was financed through a long-term credit facility of USD 46 million (approx. SEK 300 million) from Swedbank, a corporate bond of SEK 200 million and a rights issue of SEK 152.7 million. Direct acquisition costs amounted to approx. SEK 4,6 million and are included under "other external costs" in the group's income statement during 2013.

MSEK	Fair value
<i>Acquired net assets</i>	
Customer contracts	103,405
Brands	12,647
Other intangible assets	86,200
Land and buildings	306,658
Other tangible assets	81,363
Current assets	85,831
Non-current liabilities	-4,469
Deferred tax liability	-246,728
Current liabilities	-73,223
<b>Total acquired net assets</b>	<b>351,684</b>
Goodwill	232,228
<b>Purchase price</b>	<b>583,912</b>
<i>Deduct:</i>	
Acquired cash and bank	56,412
<b>Effect on Group cash and bank from acquisition</b>	<b>527,500</b>

Surplus values of tangible fixed assets are amortized over the useful life of 2-11 years. Customer contracts are amortized over a useful life of 5 years while the Group has considered brands to have a useful life of 3 years. Identified goodwill, which is tax deductible, is attributable to future synergies arising from the combination.

## PARENT COMPANY'S INCOME STATEMENT IN SUMMARY

SEK thousands	14-01-01 14-03-31	13-01-01 13-03-31	13-01-01 13-12-31
<b>Operating income</b>			
Net sales	2,603	3,161	12,640
Other operating income	31	14	213
<b>Total operating income</b>	<b>2,634</b>	<b>3,175</b>	<b>12,853</b>
Operating expenses	-3,435	-3,988	-17,258
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA)</b>	<b>-801</b>	<b>-813</b>	<b>-4,405</b>
Depreciation and amortization	-42	-14	-105
<b>Operating loss (EBIT)</b>	<b>-843</b>	<b>-827</b>	<b>-4,510</b>
Results from financial items	-4,734	-5,388	62,650
<b>Net loss/profit after financial items</b>	<b>-5,577</b>	<b>-6,215</b>	<b>58,410</b>
Appropriations	-	-	- 6,742
<b>Net loss/profit before taxes</b>	<b>-5,577</b>	<b>-6,215</b>	<b>51,398</b>
Current tax/Deferred tax	1,227	1,325	-6,850
<b>Net loss/profit</b>	<b>-4,350</b>	<b>-4,890</b>	<b>44,548</b>

## PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY

SEK thousands	14-01-01 14-03-31	13-01-01 13-03-31	13-01-01 13-12-31
<b>Net loss/profit</b>	<b>-4,350</b>	<b>-4,890</b>	<b>44,548</b>
<b>Items that may be reclassified to profit for the year</b>			
Cash flow hedges	-621	-	-1,824
Tax effect on cash flow hedges	300	-	238
Translation of net investment	-4	-1	-17
<b>Other comprehensive income</b>	<b>-325</b>	<b>-1</b>	<b>-1,603</b>
<b>Total comprehensive income</b>	<b>-4,675</b>	<b>-4,891</b>	<b>42,945</b>

## PARENT COMPANY'S BALANCE SHEET IN SUMMARY

SEK thousands	13-09-30	12-09-30	12-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	123	-	130
<b>Tangible assets</b>	<b>566</b>	<b>429</b>	<b>587</b>
<b>Financial assets</b>			
Shares in Group companies	606,220	624,066	606,220
Receivables from Group companies	692,003	86,676	98,636
Deferred tax asset	538	3,739	238
<b>Total financial assets</b>	<b>1,298,761</b>	<b>714,481</b>	<b>705,094</b>
<b>Total non-current assets</b>	<b>1,299,450</b>	<b>714,910</b>	<b>705,811</b>
<b>Current assets</b>			
Trade receivables	17	542	25
Receivables from Group companies	59,822	14,180	107,765
Current tax receivable	1,227	102	-
Other current assets	794	735	695
Cash and cash equivalent	6,045	2,301	371,154
<b>Total current assets</b>	<b>67,905</b>	<b>17,860</b>	<b>479,639</b>
<b>TOTAL ASSETS</b>	<b>1,367,355</b>	<b>732,770</b>	<b>118,450</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Restricted equity	5,878	5,483	5,519
Non-restricted equity	445,883	260,871	450,223
<b>Total shareholder's equity</b>	<b>451,761</b>	<b>266,354</b>	<b>455,740</b>
<b>Untaxed reserves</b>	<b>6,742</b>	<b>-</b>	<b>6,742</b>
<b>Non-current liabilities</b>			
Liabilities to Group companies	-	33,606	-
Bank overdraft	2,445	160,711	1,080
Corporate bonds	391,032	-	390,471
Other long term liabilities	240,273	98,575	57,409
Loans from financial institutions	66,142	60,728	72,890
<b>Total non-current liabilities</b>	<b>699,892</b>	<b>353,620</b>	<b>521,850</b>
<b>Current liabilities</b>			
Loans from financial institutions	155,667	58,833	57,143
Trade payables	297	2,797	3,998
Liabilities to Group companies	31,703	35,410	112,157
Other current liabilities	13,291	6,605	17,945
Provision	8,002	9,151	9,873
<b>Total current liabilities</b>	<b>208,960</b>	<b>112,796</b>	<b>201,116</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,367,355</b>	<b>732,770</b>	<b>1,185,450</b>
<b>Items within the line</b>			
Pledged assets	606,220	622,901	606,220
Contingent liabilities	100,057	143,833	107,346

## PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY IN SUMMARY

SEK thousands	Restricted equity			Non-restricted equity		Total equity
	Share capital	Statutory reserve	Share premium reserve	Fair value reserve	Retained earnings	
<b>Equity 2013-01-01</b>	<b>4,633</b>	<b>850</b>	<b>269,436</b>	<b>1,245</b>	<b>-4,920</b>	<b>271,245</b>
Net profit/loss	-	-	-	-1	-4,890	-4,891
<b>Equity 2013-03-31</b>	<b>4,633</b>	<b>850</b>	<b>269,436</b>	<b>1,244</b>	<b>-9,810</b>	<b>266,354</b>
Net profit/loss	-	-	-	-1,603	49,438	47,835
Ongoing rights issue	-	-	143,705	-	-	143,705
Redemption stock options	36	-	2,443	-	-	2,479
Dividend	-	-	-	-	-4,633	-4,633
<b>Equity 2013-03-31</b>	<b>4,669</b>	<b>850</b>	<b>415,584</b>	<b>-358</b>	<b>34,995</b>	<b>455,740</b>
Net profit/loss	-	-	-	-325	-4,350	-4,675
Rights issue	359	-	337	-	-	696
<b>Equity 2014-01-31</b>	<b>5,028</b>	<b>850</b>	<b>415,921</b>	<b>-683</b>	<b>30,645</b>	<b>451,761</b>

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