

# #2017 April OPUS NEWS

## Welcome to Opus News No 3 News & Information for us at Opus



This year's first Opus News is about our investments to establish our group as one of the world's foremost operators in the field of traffic safety and vehicle emissions control. We've enjoyed fantastic development over the past five years in terms of both growth and profitability and we expect the next five-year period to be at least as strong.

This Opus News is also my last as CEO and President of Opus Group. As of April 1, Lothar Geilen has taken over while I will be working with the Group's strategic business development. You can read more about this and our growth strategy elsewhere in Opus News.

*Enjoy your read.  
Magnus Greko*

## Yet another strong year Economic performance, 2016

*Increased sales and earnings, new markets and Group companies. 2016 was another great year for Opus Group. Both sales and earnings increased, which they have done steadily over the past 10 years. Compared to 2015, sales increased by SEK 37 million to SEK 1700 million and earnings increased by 20.9 percent. The 19.5 percent profit margin is well above the 15 percent financial target.*

During the year, we took important steps into new markets. Last summer we opened our first stations in Chile and Pakistan, which will be followed by more during 2017 and the years ahead. Our Latin American organization was strengthened by Alfredo Granai as CEO of Vehicle Inspection Latin America, and we see many interesting opportunities in Latin America, Asia and Africa.

During 2016, we continued introducing our EaaS (Equipment as a Service) business model in Georgia, USA.

We've built a solid platform with strong finances and market-leading positions in the United States and Sweden with leading edge technology and expertise. The demand for our services is increasing and in February of this year we presented an aggressive growth plan in which we anticipate doubling sales and earnings over five years.

Magnus Greko  
President and CEO

Read the entire annual report at [www.opus.se](http://www.opus.se)



# READY, SET, GROW!

## Twice as big in five years.

*The world wants safer traffic and cleaner air. Opus Group companies offer services and technology solutions to achieve this, and we aim to be twice as big within five years. In 2010, the World Health Organization (WHO) set the goal of halving road traffic deaths by 2020. The developed world is right on track to achieve the goal, while the trend is in the opposite direction in developing countries and fast-growing economies. What's more, in many of these countries air pollution in urban areas is increasingly troublesome and is often several times over the applicable limits.*

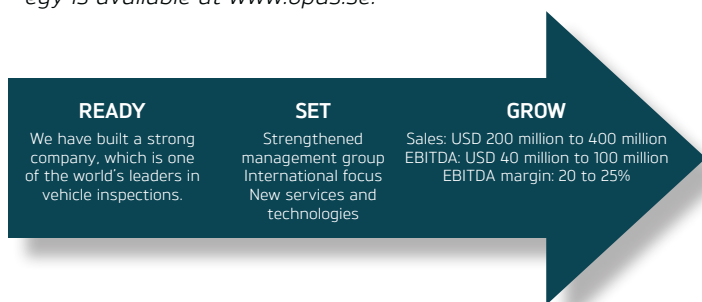
### Focus on old vehicles

Economic growth and a burgeoning middle class have led to more vehicles and increased traffic. Because new vehicles usually enjoy high safety and low emissions, the focus is more and more on older vehicles. Regular inspections take the most dangerous and environmentally harmful vehicles off the road, which is precisely what has happened in developed countries since the 60s and 70s.

### Twice the sales

The fact that more and more countries are introducing inspection programmes is ideal for Opus. We have the experience, the technical expertise and the financial muscle to grow and become a world leading operator in vehicle inspections. The goal is to double sales within five years from USD 200 million to USD 400 million and increase earnings from USD 40 million to USD 100 million.

*Our growth strategy is based upon being one of the world's strongest vehicle inspection companies, strengthening our leadership, developing new technologies and services and setting up in new markets. A complete presentation of the strategy is available at [www.opus.se](http://www.opus.se).*



## READY

We have a stable platform upon which to grow and become one of the truly significant operators worldwide. Opus is number one in the United States, number two in Sweden and has established operations in Asia and Latin America. Management has long and extensive experience in vehicle inspections globally; we are leaders in the field of technology and have major in-house development resources. Last but not least, we have strong finances which provide us with the conditions to grow profitably.

## SET

We will strengthen group management by expanding from four to eight people. Lothar Geilen will be CEO and Group President after Magnus Greko, who will be working with strategic business development for the group. The new management team will include the heads of the three segments Europe, Latin America and USA & the rest of the world. Recruitment of a global Head of Communication to develop our internal and external communications is in progress. In Pakistan, Sohaib Ahmad recently took up his post as country manager, as did Martin Susbielles in Argentina.

## GROW USA

And in the case of vehicle inspections, it is largely about defending our market-leading position, increasing productivity and developing new technological aids and tools. Most of the growth from USD 127 million to USD 185 million comes from our business model EaaS (Equipment as a Service).

### Europe

In Sweden, we grow by building new stations to cover every part of the country and we expect to increase sales from USD 73 million to 90 million. We also plan to set up in other parts of Europe and go from zero to USD 30 million.

### Latin America

We see major growth opportunities here. In 2016, our operations in Mexico and Peru were joined by Chile where we opened two stations and have plans for an additional six or seven this year. We've also had a presence in Argentina since March 1, when we took over another operator's business activities with three stations in Cordoba. The newly appointed Head of Opus in Latin America is Alfredo Granai. The goal is to grow from today's USD 1 million to USD 50 million by the year 2021.

### Rest of the world

In July 2016 we inaugurated a station in Lahore, our first in Pakistan. We have since added a station and are entering phase 2, which will involve around 20 stations in Punjab province. Several other countries in Asia – among others India – and Africa have advanced plans for vehicle inspections. We see good opportunities for Opus here and we aim for a sales increase from zero to USD 45 million.

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## The world needs Opus

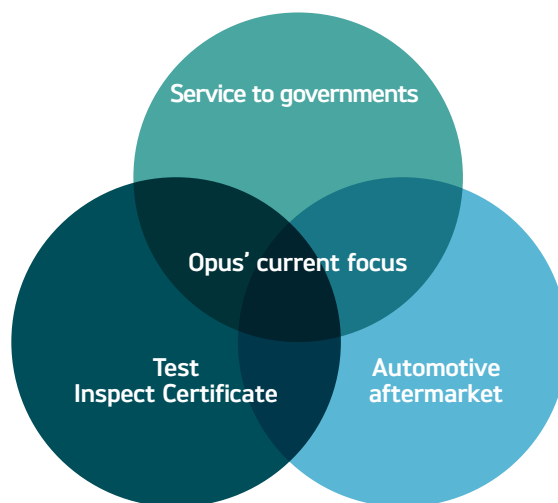
What makes us think we can achieve our ambitious goals?

"Our business has perfect timing since demand is growing steadily as more and more new countries introduce vehicle inspection programmes," says Magnus Greko. To put it simply, we improve the environment and road safety every day in people's day-to-day lives. Our high level technology is a strong competitive advantage, and will only grow in importance as vehicles become more sophisticated with systems that assist the driver and even take over control. Faults in advanced systems in vehicles of this kind could have entirely different consequences than those we see in today's vehicles.

But an equally important success factor is our corporate culture.

"We're not only good at growing organically, but also through acquisition," concludes Magnus Greko. "We are good at acquiring companies and creating a common Opus culture where the entrepreneurial spirit thrives."

*Opus core business lies at the intersection of vehicle repair shop technology, government service and certified inspection activities.*



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# Lothar Geilen taking over

## Succeeds Magnus Greko as President and CEO.

*"As Opus now enters a new phase of development, we've also reviewed the allocation of work within company management," says Magnus Greko. "As a natural result of this, Lothar Geilen is taking over as president and CEO of Opus Group. This means I'll be letting go of my operational duties and will work instead with the Group's strategic business development."*



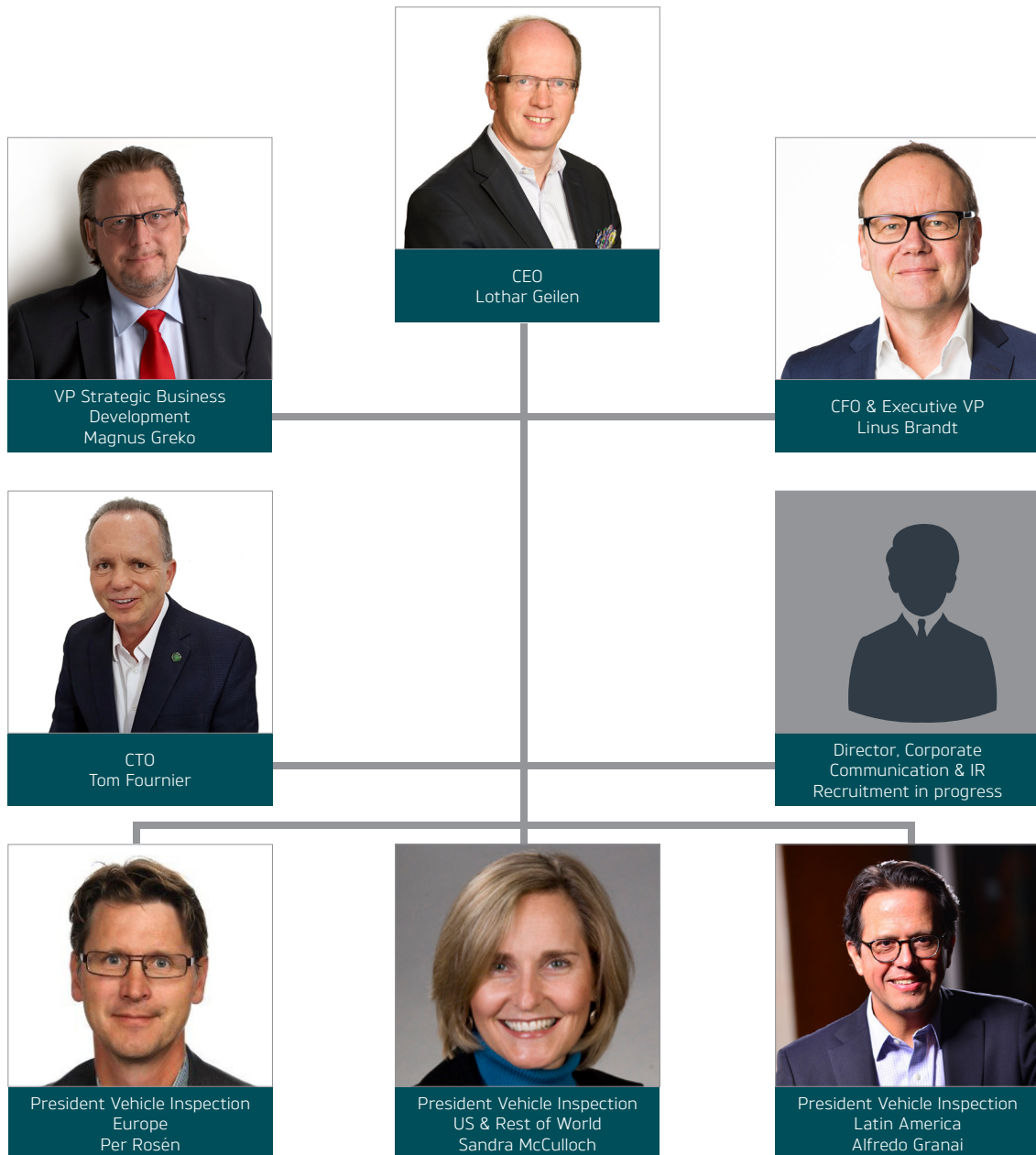
It was Lothar Geilen who co-founded the American company Systech in the year 2000 and which was acquired by Opus in 2008. Since then, he has been responsible for vehicle inspection operations at Opus.

"I'm very pleased that Lothar accepted the position as our new CEO," says Karin Bonde, who chairs the Opus Group Board of Directors. "He knows the business from top to bottom and has extensive international experience from vehicle inspection operations. Lothar has been a key member of the management team and made a strong contribution to our leading role among the world's vehicle inspection companies."

The change is part of the new growth plan presented on February 14. The plan includes expansion into new markets and company acquisitions which will require sharper focus on strategic business development, a task which Magnus Greko is now taking over. Lothar Geilen will lead the Opus Group through this growth period – a challenge he is looking forward to.

"My focus will be on international expansion and strengthening our leading technological position and our sustainability efforts," he says. "We've built a good foundation and all the conditions are right for our achieving our set objectives."

# STRENGTHENED GROUP MANAGEMENT



On April 1, Group management increased from four people to eight as part of the growth plan. The new management group will include the three business segment heads and we extend a special welcome to our new colleagues Sandra McCulloch and Alfredo Granai. Recruitment of a global head of communications, who will also be a member of the management group, is in progress.

**Per Rosén** has been CEO for Opus Bilprovning in Sweden since 2013 and is now also in charge of developing vehicle inspection operations in Europe.

**Sandra McCulloch** joined us on April 1 to head up vehicle inspections in the USA and the rest of the world. She has extensive experience from the automotive industry where she held several positions with Delphi Automotive.

Since January 1, 2017 **Alfredo Granai** has been in charge of vehicle inspection operations in Latin America. He joins us from the meditech industry where he held senior positions with Johnson & Johnson, DePuySynthes and Roche.

# CONTINUED SUCCESS for EaaS

*Workshop technology rentals (Equipment as a Service) is enjoying rapid growth in the USA. An important component in Opus' growth plan is the EaaS business model (Equipment as a Service). In a nutshell, vehicle repair shops and inspection stations rent advanced measuring equipment and technology in a full-service package that includes support, service, software and financing. It's easy for the customer, who also has no need to tie up capital.*

## Old equipment gets replaced

EaaS was successfully introduced in California in 2014 and in Georgia 2016. With the acquisition of the Bosch emission control operation in November 2016, our market share is now around 70 percent in California. We will gradually replace the old Gen I and Gen II machines with new BAR 97 Gen III units. The State of Pennsylvania will introduce OBD tests in a market that will require a total of around 6000 units over two years.

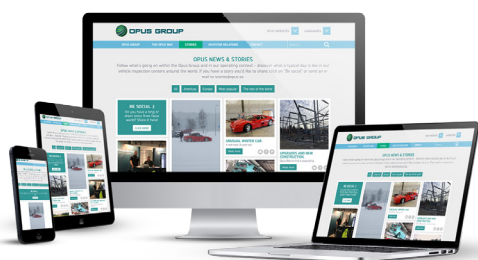
## Introduction of new technologies

During 2016, we acquired a majority stake in Fastlign® – a technology for touchless, dynamic wheel alignment. It is being adapted for production now and will be introduced in more states during 2017, and will also be available as part of the EaaS model. RAP remote assistance programming for vehicle computers developed by DrewTech, is another technology rented out to workshops on a pay-per-use basis.



## SO WHAT'S NEW? SHARE YOUR STORY!

*Anything interesting or fun happen in your Opus world?  
Tell your colleagues all about it in Stories!*



### BE SOCIAL :)

Do you have a long or short story from Opus world? Share it here!

[CLICK HERE!](#)



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