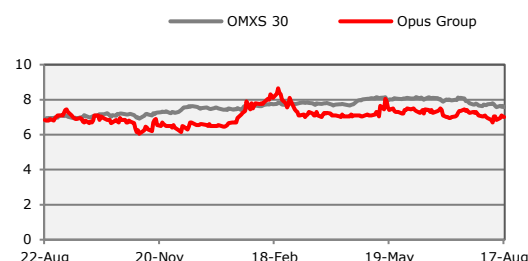


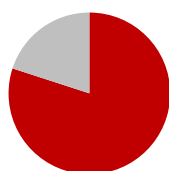
Summary
Opus Group (OPUS.ST)
Burdened by expansion costs

- The outcome of the Q2 report did not quite meet our expectations this time. Increased costs for expansion into new markets and products meant that EBITDA decreased Y/Y to SEK 90m (our forecast SEK 110m).
- Spring and summer have been eventful, with a number of new deals and acquisitions. In the short term, Autologic appears to be the most important, but Opus now has a large number of businesses that are growing and will successively impact earnings.
- Our forecasts are weighted down by a weaker dollar rate. However, from 2018 this should be offset by the contribution from Autologic following the necessary restructuring this year. Our valuation is slightly lower than before, with a fair value in our Base Case of just below SEK 10 per share.

List: Nasdaq Mid Cap
 Market Cap: 1,800 MSEK
 Industry: Industrial Goods & Services
 CEO: Lothar Geilen
 Chairman: Katarina Bonde

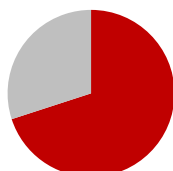

Redeye Rating (0 – 10 points)

Management



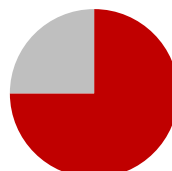
8.0 points

Ownership



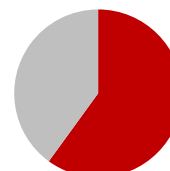
7.0 points

Profit outlook



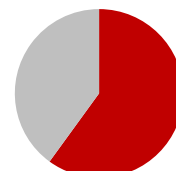
7.5 points

Profitability



6.0 points

Financial strength



6.0 points

Key Financials

	2015	2016	2017E	2018E	2019E	Share information	
Revenue, MSEK	1,652	1,698	1,879	2,073	2,197	Share price (SEK)	6.2
Growth	13%	3%	11%	10%	6%	Number of shares (m)	290.3
EBITDA	275	332	313	380	437	Market Cap (MSEK)	1,800
EBITDA margin	17%	20%	17%	18%	20%	Net debt (MSEK)	884
EBIT	109	149	105	153	216	Free float (%)	73%
EBIT margin	7%	9%	6%	7%	10%	Daily turnover ('000)	900
Pre-tax earnings	80	145	32	76	139	Analysts: Henrik Alveskog henrik.alveskog@redeye.se	
Net earnings	66	85	27	54	99		
Net margin	4%	5%	1%	3%	5%		
Dividend/Share	0.10	0.12	0.13	0.14	0.16		
EPS adj.	0.22	0.29	0.09	0.18	0.33		
P/E adj.	26.9	22.6	68.3	34.4	18.7		
EV/S	1.5	1.5	1.4	1.3	1.2		
EV/EBITDA	8.9	7.8	8.5	6.9	5.8		

Important information: All information regarding limitation of liability and potential conflicts of interest can be found at the end of the report.

Redeye Rating: Background and definitions

The aim of a Redeye Rating is to help investors identify high-quality companies with attractive valuation.

Company Qualities

The aim of Company Qualities is to provide a well-structured and clear profile of a company's qualities (or operating risk) – its chances of surviving and its potential for achieving long-term stable profit growth.

We categorize a company's qualities on a ten-point scale based on five valuation keys; 1 – Management, 2 – Ownership, 3 – Profit Outlook, 4 – Profitability and 5 – Financial Strength.

Each valuation key is assessed based a number of quantitative and qualitative key factors that are weighted differently according to how important they are deemed to be. Each key factor is allocated a number of points based on its rating. The assessment of each valuation key is based on the total number of points for these individual factors. The rating scale ranges from 0 to +10 points.

The overall rating for each valuation key is indicated by the size of the bar shown in the chart. The relative size of the bars therefore reflects the rating distribution between the different valuation keys.

Management

Our Management rating represents an assessment of the ability of the board of directors and management to manage the company in the best interests of the shareholders. A good board and management can make a mediocre business concept profitable, while a poor board and management can even lead a strong company into crisis. The factors used to assess a company's management are: 1 – Execution, 2 – Capital allocation, 3 – Communication, 4 – Experience, 5 – Leadership and 6 – Integrity.

Ownership

Our Ownership rating represents an assessment of the ownership exercised for longer-term value creation. Owner commitment and expertise are key to a company's stability and the board's ability to take action. Companies with a dispersed ownership structure without a clear controlling shareholder have historically performed worse than the market index over time. The factors used to assess Ownership are: 1 – Ownership structure, 2 – Owner commitment, 3 – Institutional ownership, 4 – Abuse of power, 5 – Reputation, and 6 – Financial sustainability.

Profit Outlook

Our Profit Outlook rating represents an assessment of a company's potential to achieve long-term stable profit growth. Over the long-term, the share price roughly mirrors the company's earnings trend. A company that does not grow may be a good short-term investment, but is usually unwise in the long term. The factors used to assess Profit Outlook are: 1 – Business model, 2 – Sale potential, 3 – Market growth, 4 – Market position, and 5 – Competitiveness.

Profitability

Our Profitability rating represents an assessment of how effective a company has historically utilised its capital to generate profit. Companies cannot survive if they are not profitable. The assessment of how profitable a company has been is based on a number of key ratios and criteria over a period of up to the past five years: 1 – Return on total assets (ROA), 2 – Return on equity (ROE), 3 – Net profit margin, 4 – Free cash flow, and 5 – Operating profit margin or EBIT.

Financial Strength

Our Financial Strength rating represents an assessment of a company's ability to pay in the short and long term. The core of a company's financial strength is its balance sheet and cash flow. Even the greatest potential is of no benefit unless the balance sheet can cope with funding growth. The assessment of a company's financial strength is based on a number of key ratios and criteria: 1 – Times-interest-coverage ratio, 2 – Debt-to-equity ratio, 3 – Quick ratio, 4 – Current ratio, 5 – Sales turnover, 6 – Capital needs, 7 – Cyclicity, and 8 – Forthcoming binary events.

Lukewarm earnings but high activity levels

Increased transparency in reporting next year

Opus's second quarter was a little weaker than we anticipated in terms of earnings, entirely explained by higher costs in the international operations. Other items were just as expected. The new ventures, particularly the expansion into new geographical markets, are likely to bring costs that are difficult for outsiders to foresee. More transparent reporting is planned for next year, which is very welcome.

In terms of deals, there has been a high level of activity recently with a number of interesting acquisitions and new contracts; see pages 4-6.

Higher expansion costs burdened earnings

Actual vs. Forecast				
SEKm	Q2'16	Q2'17P	Actual	Diff
Sales	452	475	475	0%
EBITDA	116	110	90	-18%
EBIT	73	60	41	-32%
PTP *	77	40	18	-55%
Net earnings	23	17	11	4%
Sales growth	0%	5%	5%	
Whereof organic growth	11%	0%	-2%	
EBITDA margin	25.7%	23.2%	19.0%	
EBIT margin	16.2%	12.6%	8.6%	

* Fx-effects Q2-16: +18 SEKm and Q2-17: -8 SEKm

Source: Opus Group, Redeye Research

Given that Q2 2016 was an extremely strong quarter it has been tough to match it this year. Partly because of a negative calendar effect (Easter in Q2) in the inspection operations and also because of costs for new deals.

Quarterly performance by segment						
SEKm	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17
Vehicle Inspection Sweden						
Net sales	141	184	138	160	146	176
EBITDA	7	45	30	22	15	38
EBITDA-margin	5.2%	24.3%	22.0%	14.0%	10.1%	21.8%
EBITDA-margin, TTM	12.6%	13.6%	15.9%	16.8%	17.9%	17.1%
Vehicle Inspection International						
Net sales	258	274	287	275	288	305
EBITDA *	56	74	71	56	64	64
EBITDA-margin *	21.9%	27.2%	24.8%	20.4%	22.1%	20.8%
Group elimination etc	-2	-1	-12	-8	-5	-8
Total sales	395	452	420	431	429	476
EBITDA *	63	117	99	76	77	99
EBITDA-margin *	16.0%	25.9%	23.6%	17.6%	17.9%	20.7%
EBITDA	61	116	87	68	72	90
Depreciation & amortization	-44	-43	-45	-50	-50	-50
EBIT	18	73	41	17	22	41

* Excluding acquisition and start up costs.

Source: Opus Group, Redeye Research

Q2 highlights**Vehicle Inspection International**

- 20-year vehicle inspection contract in Sindh province, Pakistan's second-largest province after Punjab. The contract in Sindh also includes private cars and the fees are higher than in Punjab. Therefore, the potential based on current contracts should be greater in Sindh than in Punjab, in terms of both size and profitability. However, the ambition in Punjab is likely to also eventually include private cars.
- Acquisition and takeover of vehicle inspection concession and stations in Cordoba, Argentina. There was a price hike of 28 percent in July and Opus expects the business to become profitable in the second half of 2017.
- The EaaS rental business experienced stronger second-quarter growth than we expected. The annual turnover rate was up to USD 15.6m at the end of Q2, which is 23 percent higher than the previous quarter and 40 percent higher than at the start of the year. The expansion will continue, focusing on Pennsylvania and California in the near term. Management now seems fairly sure of reaching the goal of USD 30m before 2021.
- RAP service is also growing fast and has now delivered 1,800 units, compared with the "slightly above" 1,000 units stated in the Q1 report. The launch clearly seems promising so far. FastLign, which is not as advanced, has a pilot program with just over 30 installations at dealerships.
- Opus announced an extension to its Nashville contract in April. There was a similar announcement about Ohio in June, which was a relief as this is a relatively large programme with revenue of about USD 9.4m annually. Opus says that the terms of the new contract are the same as previously.
- Opus is facing a lawsuit from a former owner/competitor. Pradeep Tripathi, who together with Opus CEO Lothar Geilen sold Systech to Opus in 2008, claims that the correct additional consideration for the acquisition has not been paid. He also accuses Opus of anti-competitive behaviour in California. Opus believes the claims are unfounded, which we are inclined to agree with, but lawsuits in the United States are really nothing to be desired and can unfortunately cost a lot even if you don't lose.
- Acquisitions of Autologic and Farsight in vehicle diagnostics; see page 6.

Vehicle Inspection Sweden

- Revenue and earnings in Q2 hit our forecasts.
- Opus has retaken some market share since the dip in the spring, when competitors had extensive discounting campaigns that have now expired. However the market shares are lower this year than in Q2 2016; see table below.
- This and the Easter effect explain why revenues and earnings were lower Y/Y.
- Opus has also opened a couple of new stations that have not yet achieved the right utilisation rate. This is certain to have impacted the margins somewhat, but it is unclear how much.

Market shares									
Inspection companies	2016 Apr	May	June	2017 Jan	Feb	Mar	April	May	June
AB Svensk Bilprovning	30.1%	30.3%	28.7%	27.0%	28.4%	28.9%	28.4%	29.3%	28.6%
Opus Bilprovning	26.6%	27.7%	28.2%	26.1%	25.9%	24.7%	25.2%	26.2%	26.2%
Besikta Bilprovning	21.3%	20.3%	22.8%	26.6%	26.2%	26.6%	27.8%	25.2%	25.3%
Carspect (A-Katsastus)	9.9%	9.8%	10.5%	11.6%	11.1%	11.1%	10.7%	11.5%	12.0%
Clearcar	4.9%	4.6%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DEKRA (inkl Applus)	6.6%	6.7%	6.8%	8.1%	7.8%	8.0%	7.3%	7.2%	7.2%
Others (5 comp)	0.6%	0.6%	0.7%	0.6%	0.7%	0.7%	0.6%	0.6%	0.7%
Total: (11 comp)	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Transportstyrelsen

Autologic – a potentially great deal

The recently completed acquisition of British Autologic Diagnostics appears to be a perfect deal from an industrial perspective. The subsidiary Drew Tech and Autologic have similar products for vehicle diagnostics, but with a different focus in terms of vehicle models and geographical coverage. Autologic is strong on European car models and has the bulk of its customers in Europe. Drew Tech has its centre of gravity in North America.

Together they should be able to gain real synergies, especially on the market side. But this in turn provides economies of scale and more resources for development and support. With a more complete offer in terms of the number of vehicle models, more customers will be able to cover their entire needs. Autologic has a relatively large development department and three call-support centres. It is likely that the phone support could bolster Drew Tech's operations fairly quickly. The two are likely to benefit each other when it comes to development by coordinating resources.

Restructuring 2017, strong profit 2018

Good profitability

Autologic had revenues of GBP 16.5m (SEK 184m) in 2016 and EBITDA of GBP 2.6m (SEK 29m). Profitability remained good in the first half of this year. Given these numbers, the purchase price of SEK 89m on a debt-free basis appears to be extremely attractive (3x EBITDA for a high-tech company!!!). But Opus points out that 2017 will be a year of major restructuring. It has somewhat loosely suggested that it does not expect the company to show a profit in 2017. In 2018 it expects to be back to 2016 levels. Significant intervention will be needed to correct a couple of earlier strategic errors, but Opus describes these measures as proactive and they should be positively received by staff and customers. It would have been significantly worse if the company had been forced to make large cuts.

*Drew Tech knows
Autologic well*

Major changes to newly purchased companies always involve some risk, but it is reassuring in this case that Drew Tech seems to know Autologic very well. In 2015 the two companies discussed the possibility of a joint venture to benefit from their mutual strengths in each of their home markets. According to Opus, this fell through as Autologic's then-CEO opposed the deal. The earlier plan is now being pursued, albeit in a different form.

US company **Farsight** was also acquired this summer. The company was started by former employees at Autologic and has sales of almost USD 2m. The two companies will be integrated shortly.

Forecasts & Valuation

*Weaker dollar offset by
Autologic from 2018*

Business deals over the summer, the falling dollar and the outcome of the Q2 report have led to relatively large forecast revisions. For 2017 this means a much lower earnings forecast. However, from 2018 and onward our earnings predictions are largely unchanged but with somewhat lower margins. A weakened USD vs the SEK will hamper growth and earnings compared with earlier exchange rate levels. However, according to our assumptions and estimates the impact on earnings will be more or less offset by the Autologic contribution from 2018.

Our forecasts for **Vehicle Inspection Sweden** are once again unchanged. We believe prices will continue to rise somewhat in the next few years, which provides scope for moderate growth and margins roughly in line with those for the full year of 2016.

Vehicle Inspection International consists mainly of the programmes in the US, where we expect unchanged volumes for Opus in coming years. The growth in our forecasts comes initially from the Autologic acquisition and EaaS, Pakistan, Chile and Argentina. From 2018 and, even more so, 2019, we also include RAP and FASTLIGN®.

High level of investment and depreciation and amortisation

Investment will remain high for the next few years due to foreign expansion and EaaS. Our forecast is around SEK 150m per year 2017-19. In addition there will be a further SEK 100m or so this year for corporate acquisitions. Depreciation and amortisation levels will thus continue to rise, masking underlying profitability. Accordingly, EBITDA is a more relevant margin measurement than EBIT.

Redeye estimates						
SEKm	2014	2015	2016	2017E	2018E	2019E
Vehicle Inspection Sweden						
Net sales	560	587	623	644	664	687
EBITDA	86	80	105	106	110	115
EBITDA-margin	15.3%	13.7%	16.8%	16.5%	16.6%	16.7%
Vehicle Inspection International						
Net sales	783	1,017	1,093	1,255	1,429	1,530
EBITDA	161	214	246	225	294	347
EBITDA-margin	20.6%	21.1%	22.5%	17.9%	20.6%	22.7%
Group & Eliminations						
EBITDA	-9	-23	-19	-18	-24	-25
Total sales	1,460	1,644	1,698	1,879	2,073	2,197
EBITDA	246	275	332	313	380	437
EBITDA-margin	16.9%	16.7%	19.6%	16.7%	18.3%	19.9%
Depreciation & amortization	-98	-166	-183	-208	-227	-221
EBIT	148	109	149	105	153	216
EBIT-margin	10.2%	6.6%	8.8%	5.6%	7.4%	9.8%

Source: Opus Group, Redeye Research

*Fair value estimate:
SEK ~9.7 per share*

Valuation

Our cash flow model values the business at just over SEK 3.5bn. With a deduction for interest-bearing net debt of SEK 0.7bn, this gives a fair market value of SEK 2.8bn, or **SEK 9.7 per share**.

This is slightly lower than in our last research update of 22 May 2017, when the equivalent value was SEK 10.3. Although our forecasts have barely changed, the cash flows are affected by higher investment costs (primarily the acquisition of Autologic).

Valuation assumptions (unchanged)

- Sustainable EBIT margins around 15%. This corresponds to approximately the level of today with a normalised level of depreciation and amortisation.
- For the period 2020-25, we have assumed an annual growth rate of 6 percent. Opus's own new target for the period until 2021 is to double revenue, which corresponds to about 15 percent average annual growth.
- From 2026 (terminal growth rate): 2%.
- WACC: 9.5%.

WACC

The WACC we use is calculated by applying a number of parameters that, combined, make up the Redeye rating model. The underlying factors are aimed at picking up company-specific risk and involve everything from management and owners to market position and balance sheet. These criteria, however, do not include share liquidity and volatility, which sets our WACC calculation apart from most others. We add the risk-free rate to this company-specific risk premium.

Conservative forecasts vs Opus's growth plan

The new growth plan presented earlier this year is certainly not impossible or unrealistic to achieve but there is still a long way to go before it can be factored in. Our Bull Case valuation scenario is based on the company hitting the target; see page 10. However, our Base Case valuation scenario is clearly more conservative and primarily considers business opportunities that are relatively concrete and feasible now. This probably means that we underestimate the growth rate in the next few years. On the other hand, new business also means investment and lower initial profitability, a partially offsetting factor purely in terms of valuation.

Sensitivity analysis: WACC vs margin

The table below shows various values for WACC and long-term profitability, in the form of the EBIT margin. The box indicates the valuation assumptions in our Base Case scenario. Even if profitability does not quite reach our long-term assumptions, the stock still appears to be undervalued.

DCF-value, SEK per share					
Sustainable EBIT-margin	11%	13%	15%	17%	19%
WACC					
8.5%	8.5	10.1	11.7	13.4	15.0
9.5%	6.9	8.3	9.7	11.0	12.4
10.5%	5.8	6.9	8.1	9.3	10.4

Source: Redeye Research

Valuation multiples slightly below historical levels

The earnings measure somewhere between EBITA and EBITDA is the most relevant for Opus's underlying profitability since this takes into account both net debt and the extremely high depreciation and amortisation levels in relation to the level of maintenance investment.

The share is now back to levels where it once again looks really attractive. Based on our forecasts, Opus has historically been valued much higher than it is currently.

Earnings multiples					
Share price: 6.2 SEK	2015	2016	2017E	2018E	2019E
P/E	26.2	22.0	66.5	33.5	18.2
EV/EBIT	22.4	17.2	25.5	17.5	12.4
EV/EBITA	12.1	10.0	11.5	9.2	7.4
EV/EBITDA	8.9	7.7	8.6	7.1	6.1

Source: Redeye Research

Scenarios and fair value range

Our main scenario, under the Base Case heading below, is the starting point for our valuation and provides a fair value **just below SEK 10 per share**. We have also outlined two other possible outcomes. These scenarios are both entirely possible, albeit clearly positive or negative.

Bull Case

Our assumptions for this positive scenario are based on the company delivering in line with its five-year growth plan, communicated at the start of 2017. This would double revenue to around SEK 3,600m (USD 400m) and improve the EBITDA margin to 25%. It would also require investment of an estimated SEK 1.5-2bn. The fair value in this scenario is much higher, at **just over SEK 15 per share**.

Bear Case

We should not ignore the risk of the company losing some of its existing contracts in the US. There is nothing to suggest that customers are currently dissatisfied, but this could naturally change. In a negative scenario, we could also imagine the competition in Sweden intensifying significantly and Opus losing market share, resulting in impaired capacity utilisation and profitability. However, prices for inspection services in Sweden will in all likelihood continue to rise since all the other providers currently have lower profitability than Opus. In this scenario, we simulate 1-2% annual growth until 2021 and operating margins not exceeding 12%. This makes the fair value around **SEK 6 per share**.

Bull Case					
SEKm	2021E	Assumptions:	2017-21	DCF-value, SEK per share	
Revenues	3600	Annual growth	15.0%	EV	17.7
EBITDA	900	CAPEX, total:	1800	Net Debt	-2.4
EBITDA-margin	25%			DCF-value	15.3
EBIT-margin	18%				
Base Case					
SEKm	2021E	Assumptions:	2017-21	DCF-value, SEK per share	
Revenues	2478	Annual growth	7.0%	EV	12.2
EBITDA	545	CAPEX, total:	600	Net Debt	-2.4
EBITDA-margin	22%			DCF-value	9.7
EBIT-margin	15%				
Bear Case					
SEKm	2021E	Assumptions:	2017-21	DCF-value, SEK per share	
Revenues	1880	Annual growth	2.0%	EV	8.4
EBITDA	377	CAPEX, total:	600	Net Debt	-2.4
EBITDA-margin	20%			DCF-value	6.1
EBIT-margin	12%				

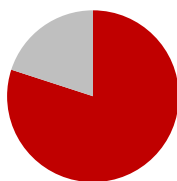
Source: Redeye Research

Summary Redeye Rating

The rating consists of five valuation keys, each constituting an overall assessment of several factors that are rated on a scale of 0 to 2 points. The maximum score for a valuation key is 10 points.

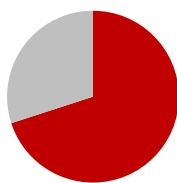
Rating changes in the report: No changes.

Management 8.0p



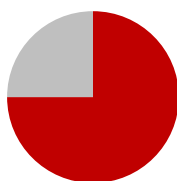
Management performance has been outstanding at growing the company in recent years. This has been accomplished both through winning new and profitable business and a few truly major acquisitions. Industry experience is considerable and the company culture seems strong.

Ownership 7.0p



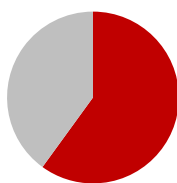
There is strong commitment among management and directors through their ownership of the company. Founder and former CEO, Magnus Greko, as well as the newly appointed, Lothar Geilen, both have substantial holdings. However, no single shareholder controls more than 20% of the votes, which limits the rating for Ownership.

Profit outlook 7.5p



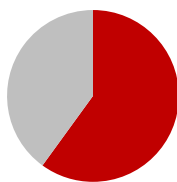
The profit outlook is very good and Opus almost takes the jackpot for all criteria. The company has obvious competitive advantages that are creating the conditions to continue growing while maintaining high profitability. Underlying market growth is limited in the Western world, but there is significant long-term potential in other parts of the world.

Profitability 6.0p



The business has demonstrated good profitability and stable positive cash flows for a long time. Reported profits and return figures have been modest, however, due to high amortisation of intangible assets from previous acquisitions. Profitability and key financial data are set to improve over the next years in pace with the company's planned expansion.

Financial strength 6.0p



Opus has stable earnings and a good credit rating, although net debt is relatively high after a couple of major acquisitions and investments into EaaS business. As revenues from the new businesses are picking up, key ratios for Financial Strength will improve. To hit the jackpot, however, would also require sales above SEK 10 billion, which still is a long way off.

Income statement	2015	2016	2017E	2018E	2019E
Net sales	1,652	1,698	1,879	2,073	2,197
Total operating costs	-1,377	-1,366	-1,566	-1,693	-1,760
EBITDA	275	332	313	380	437
Depreciation	-92	-107	-128	-139	-145
Amortization	-74	-76	-80	-88	-75
Impairment charges	0	0	0	0	0
EBIT	109	149	105	153	216
Share in profits	0	0	0	0	0
Net financial items	-29	-4	-74	-78	-76
Exchange rate dif.	0	0	0	0	0
Pre-tax profit	80	145	32	76	139
Tax	-14	-60	-8	-22	-40
Net earnings	66	85	27	54	99

Balance	2015	2016	2017E	2018E	2019E
Assets					
<i>Current assets</i>					
Cash in banks	256	507	470	518	549
Receivables	97	100	150	166	176
Inventories	81	85	132	124	132
Other current assets	165	224	224	224	224
Current assets	599	917	976	1,033	1,081
<i>Fixed assets</i>					
Tangible assets	739	815	867	908	913
Associated comp.	0	0	0	0	0
Investments	14	23	23	23	23
Goodwill	791	791	831	831	831
Cap. exp. for dev.	427	381	401	343	298
O intangible rights	33	49	54	60	63
O non-current assets	0	0	0	0	0
Total fixed assets	2,003	2,058	2,176	2,164	2,127
Deferred tax assets	29	32	32	32	32
Total (assets)	2,631	3,007	3,183	3,228	3,239

Liabilities					
<i>Current liabilities</i>					
Short-term debt	264	204	224	227	217
Accounts payable	39	42	113	124	132
O current liabilities	392	350	350	350	350
Current liabilities	695	597	686	701	699
Long-term debt	696	988	1,082	1,097	1,051
O long-term liabilities	0	0	0	0	0
Convertibles	0	0	0	0	0
Total Liabilities	1,391	1,585	1,768	1,798	1,750
Deferred tax liab	234	280	280	280	280
Provisions	115	100	100	100	100
Shareholders' equity	891	1,029	1,022	1,038	1,096
Minority interest (BS)	0	13	13	13	13
Minority & equity	891	1,042	1,034	1,050	1,109
Total liab & SE	2,631	3,007	3,183	3,228	3,239

Free cash flow	2015	2016	2017E	2018E	2019E
Net sales	1,652	1,698	1,879	2,073	2,197
Total operating costs	-1,377	-1,366	-1,566	-1,693	-1,760
Depreciations total	-166	-183	-208	-227	-221
EBIT	109	149	105	153	216
Taxes on EBIT	-19	-62	-25	-44	-63
NOPLAT	90	87	80	109	153
Depreciation	166	183	208	227	221
Gross cash flow	256	271	288	336	374
Change in WC	16	-105	-26	3	-10
Gross CAPEX	-561	-239	-325	-216	-184
Free cash flow	-290	-73	-63	123	181

Capital structure	2015	2016	2017E	2018E	2019E
Equity ratio	34%	35%	32%	33%	34%
Debt/equity ratio	108%	116%	128%	128%	116%
Net debt	704	685	836	805	719
Capital employed	1,595	1,727	1,870	1,855	1,828
Capital turnover rate	0.6	0.6	0.6	0.6	0.7

Growth	2015	2016	2017E	2018E	2019E
Sales growth	13%	3%	11%	10%	6%
EPS growth (adj)	-59%	29%	-68%	99%	84%

DCF valuation		Cash flow, MSEK	
WACC (%)	9.5 %	NPV FCF (2017-2019)	193
		NPV FCF (2020-2026)	1372
		NPV FCF (2027-)	1984
		Non-operating assets	451
		Interest-bearing debt	-1192
		Fair value estimate MSEK	2808
Assumptions 2020-2025 (%)			
Average sales growth	6%	Fair value e. per share, SEK	9.7
EBIT margin	15%	Share price, SEK	6.2

Profitability	2015	2016	2017E	2018E	2019E
ROE	9%	9%	3%	5%	9%
ROCE	6%	7%	5%	7%	9%
ROIC	7%	5%	5%	6%	8%
EBITDA margin	17%	20%	17%	18%	20%
EBIT margin	7%	9%	6%	7%	10%
Net margin	4%	5%	1%	3%	5%

Data per share	2015	2016	2017E	2018E	2019E
EPS	0.23	0.30	0.09	0.19	0.34
EPS adj	0.22	0.29	0.09	0.18	0.33
Dividend	0.10	0.12	0.13	0.14	0.16
Net debt	2.44	2.37	2.88	2.77	2.48
Total shares	288.67	288.67	290.30	290.30	290.30

Valuation	2015	2016	2017E	2018E	2019E
EV	2,436.0	2,583.9	2,657.6	2,626.6	2,539.7
P/E	26.2	22.0	66.5	33.5	18.2
P/E diluted	26.9	22.6	68.3	34.4	18.7
P/Sales	1.0	1.1	1.0	0.9	0.8
EV/Sales	1.5	1.5	1.4	1.3	1.2
EV/EBITDA	8.9	7.8	8.5	6.9	5.8
EV/EBIT	22.4	17.3	25.3	17.1	11.8
P/BV	1.9	1.8	1.8	1.7	1.6

Share performance		Growth/year	15/17e
1 month	-15.1 %	Net sales	6.7 %
3 month	-16.2 %	Operating profit adj	-1.6 %
12 month	-5.3 %	EPS, just	-36.2 %
Since start of the year	-4.6 %	Equity	7.8 %

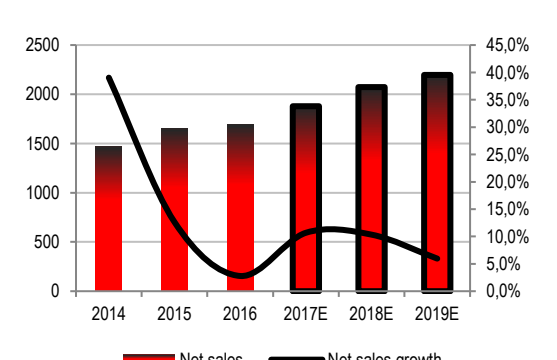
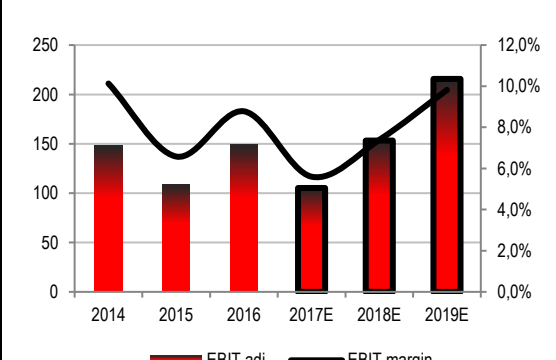
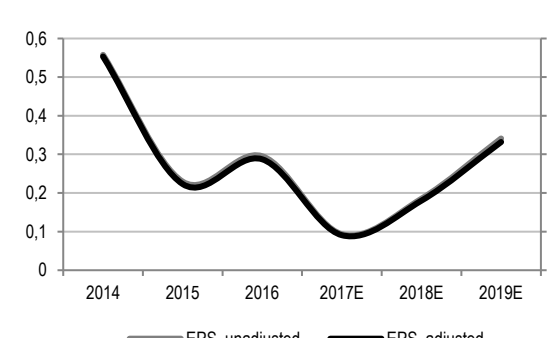
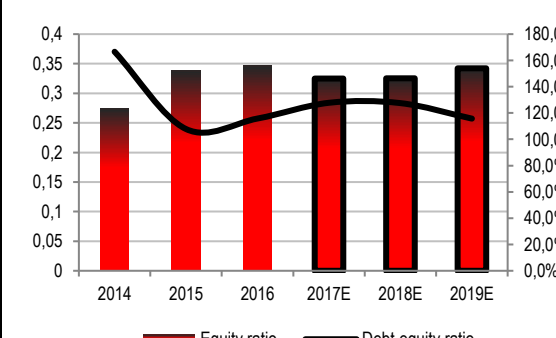
Shareholder structure %	Capital	Votes
Kommandoran AB & närstående	14.7 %	14.7 %
RWC Fonder	10.0 %	10.0 %
Lothar Geilen	6.8 %	6.8 %
Andra AP-Fonden	6.4 %	6.4 %
Avanza Pension	6.3 %	6.3 %
Dimensional Fund Advisors	2.3 %	2.3 %
Nordnet Pensionsförsäkring	1.5 %	1.5 %
Schroders	1.1 %	1.1 %
Aberdeen Asset Management	1.0 %	1.0 %
Per Hamburg	0.9 %	0.9 %

Share information	
Reuters code	OPUS.ST
List	Mid Cap
Share price	6.2
Total shares, million	290.3
Market Cap, MSEK	1799.9

Management & board	
CEO	Lothar Geilen
CFO	Linus Brandt
IR	Helene Carlson
Chairman	Katarina Bonde

Financial information	
Q3 report	November 10, 2017
FY 2017 Results	February 21, 2018

Analysts	Redeye AB
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Revenue & Growth (%)	EBIT (adjusted) & Margin (%)
 <p>Net sales (bars) and Net sales growth (line) from 2014 to 2019E. Net sales are shown in red bars on the left axis (0 to 2500). Net sales growth is shown as a black line on the right axis (0,0% to 45,0%).</p>	 <p>EBIT adj (bars) and EBIT margin (line) from 2014 to 2019E. EBIT adj is shown in red bars on the left axis (0 to 250). EBIT margin is shown as a black line on the right axis (0,0% to 12,0%).</p>
Earnings per share	Equity & debt-equity ratio (%)
 <p>EPS, unadjusted (grey line) and EPS, adjusted (black line) from 2014 to 2019E. Both are shown on the left axis (0 to 0,6).</p>	 <p>Equity ratio (bars) and Debt-equity ratio (line) from 2014 to 2019E. Equity ratio is shown in red bars on the left axis (0 to 0,4). Debt-equity ratio is shown as a black line on the right axis (0,0% to 180,0%).</p>
Sales division	Geographical areas
Conflict of interests	Company description
<p>Henrik Alveskog owns shares in the company: Yes</p> <p>Redeye performs/have performed services for the Company and receives/have received compensation from the Company in connection with this.</p>	<p>Opus är en serviceleverantör inom miljö- och säkerhetskontroll av fordon. Bolaget driver bilprovsningsprogram i Nordamerika och sedan 2012 i Sverige. De har även tillverkning av utrustning för bilprovsningsanläggningar och verkstäder.</p>

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Redeye Rating (2017-08-21)

Rating	Management	Ownership	Profit outlook	Profitability	Financial Strength
7,5p - 10,0p	44	42	17	11	22
3,5p - 7,0p	71	65	99	35	45
0,0p - 3,0p	12	20	11	81	60
Company N	127	127	127	127	127

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