

## Applus+ acquires Besikta

- *One of the leading statutory vehicle inspection companies in Sweden*
- *Fully liberalised market with a high level of recurrent revenue and cash flow*
- *€101 million consideration to be financed from existing liquidity*
- *Immediately accretive to Group margin and earnings per share*

**Madrid, October 20 2020** - Applus+, the global testing, inspection and certification company, is pleased to announce that it has agreed to acquire the entire share capital of Besikta Bilprovning i Sverige Holding AB (Besikta) from Volati AB for a total consideration of SEK 1,050 million (c. €101 million) on a cash and debt free basis.

Besikta is a leading statutory vehicle inspection group in Sweden, with a footprint of 185 stations and 560 employees. Besikta has a high level of recurrent and growing revenue and cash flows and an operating profit margin higher than the Applus+ Group. In the last twelve months ended 30 June 2020, Besikta had revenue of c. €62 million, from performing more than 1.5 million vehicle inspections, at an adjusted EBITDA margin in the high teens (pre IFRS16). The acquisition is expected to be immediately accretive to earnings per share.

The Swedish statutory vehicle inspection market was liberalised ten years ago and is now consolidated amongst five groups that have over 99% of the market in the country. Besikta is one of the top three leading groups which jointly account for approximately 75% of the market with similar shares each. As the market is liberalised it continues indefinitely, without the risk of renewals and with ongoing opportunities to keep growing through targeted investment in growth locations and efficient marketing.

Integrating Besikta into the Applus+ Automotive division will bring mutual benefits from the opportunity to share best practice and consumer marketing expertise. Following this acquisition, Applus+ will become the leading operator in the Nordic region building upon its strong presence in the liberalised markets of Denmark and Finland.

Aitor Retes, Executive Vice President of the Automotive Division, said: "*Besikta is a business we know well and have admired for many years. We are confident of a smooth integration into our division and expect to optimise each other's businesses over time using our respective market and technical knowledge.*"

Fernando Basabe, Chief Executive Officer of the Applus+ Group, said: "*We are delighted to become a leading player in the Swedish market through Besikta. The acquisition further reinforces our global leadership position in Auto inspection. It provides an excellent fit with our existing presence in the region and is aligned with our strategy to expand in attractive markets through organic and inorganic means into businesses with long term visibility.*"

Completion of the transaction is subject to Swedac (the Swedish Board for Accreditation and Conformity Assessment) giving its approval and is expected to take place in November after which the proforma leverage of the Group, as per the covenant definition and after funding this acquisition, is expected to be around 3.0 times.

