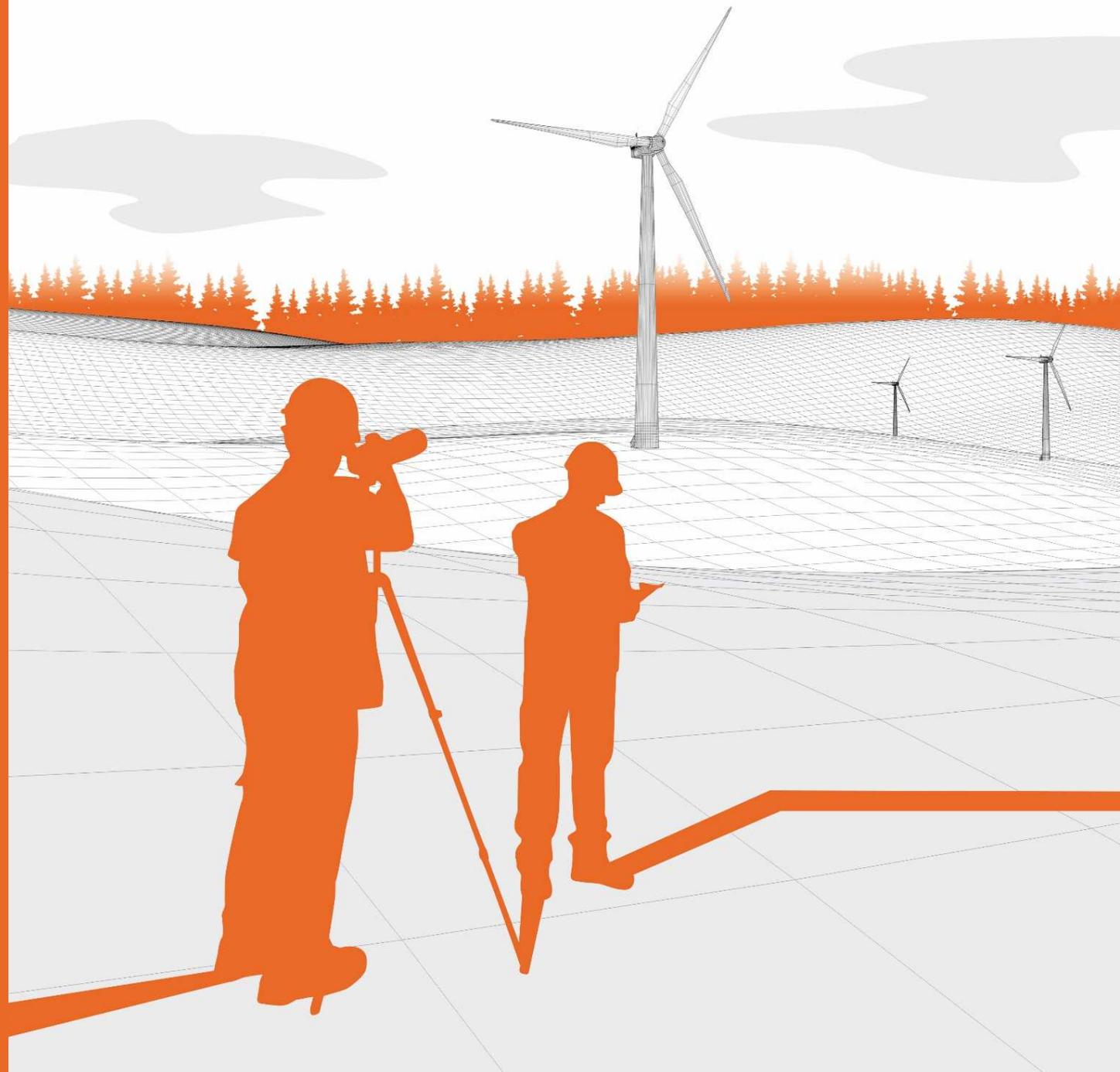


Applus+ Group H1 2020 Results Presentation

28 JULY 2020



This document may contain statements that constitute forward looking statements about Applus Services, SA (“Applus+” or “the Company”). These statements are based on financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations, which refer to estimates regarding, among others, future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company.

Such forward looking statements, by its nature, are not guarantees of future performance and involve risks and uncertainties, and other important factors that could cause actual developments or results to differ from those expressed or implied in these forward looking statements. These risks and uncertainties include those discussed or identified in fuller disclosure documents filed by Applus+ with the relevant Securities Markets Regulators, and in particular, with the Spanish Market Regulator, the Comisión Nacional del Mercado de Valores.

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Nothing in this presentation should be construed as a profit forecast.

Results Presentation H1 2020

→ HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

SUMMARY & OUTLOOK

Fernando Basabe
Chief Executive Officer



- Coronavirus impacted every division but recovery is under way
- Q2 revenue down 29% with a good June improvement and with tight cost control delivered a small adjusted operating profit
- Strong cash generation, Net Debt reduced with available liquidity remaining high
- Significant new awards in Energy & Industry division
- Auto Aragon in Spain contract renewed for 10 years on same terms
- Government of Catalonia preparing to tender new 20 year concession for IDIADA
- Acquisition process resumed

- H1 2020 Results:
 - **Revenue** of €741.2 million down 15.4%
 - Operating **profit**¹ of €34.5 million down 64.9%
 - Operating profit¹ **margin** of 4.7% (11.2% H1 2019)
 - Adjusted **Net profit** €2.1 million (€54.1m H1 2019)
 - Adjusted¹ **free cash flow** of €86.9 million (€66.5m H1 2019)
 - Net debt/EBITDA ratio of 2.4x and liquidity of €666 million
 - Impairment² of €148 million linked to a challenging Oil & Gas and Auto OEM end markets and COVID-19

(1) Adjusted for Other Results, amortisation of acquisition intangibles and impairment

(2) Net of deferred tax liabilities

Results Presentation H1 2020

HIGHLIGHTS

→ **FINANCIAL REVIEW**

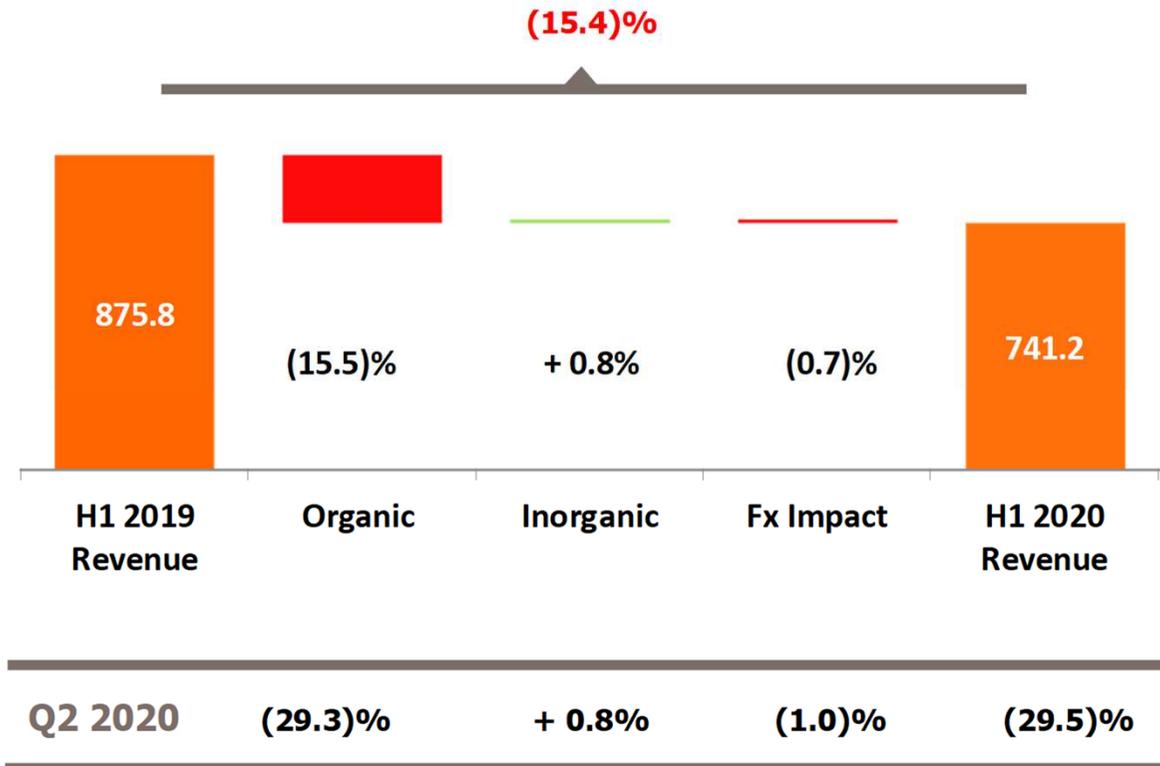
BUSINESS REVIEW

SUMMARY & OUTLOOK

Joan Amigó
Chief Financial Officer

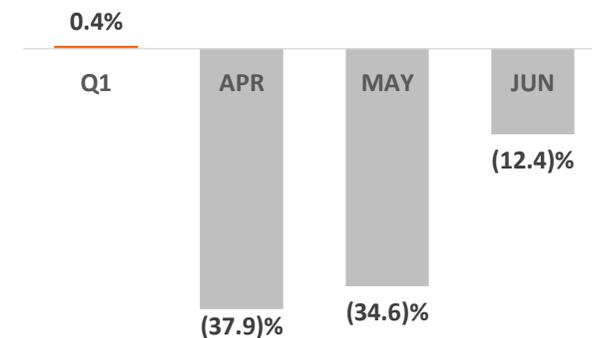


EUR Million



Peak coronavirus impact in April-May

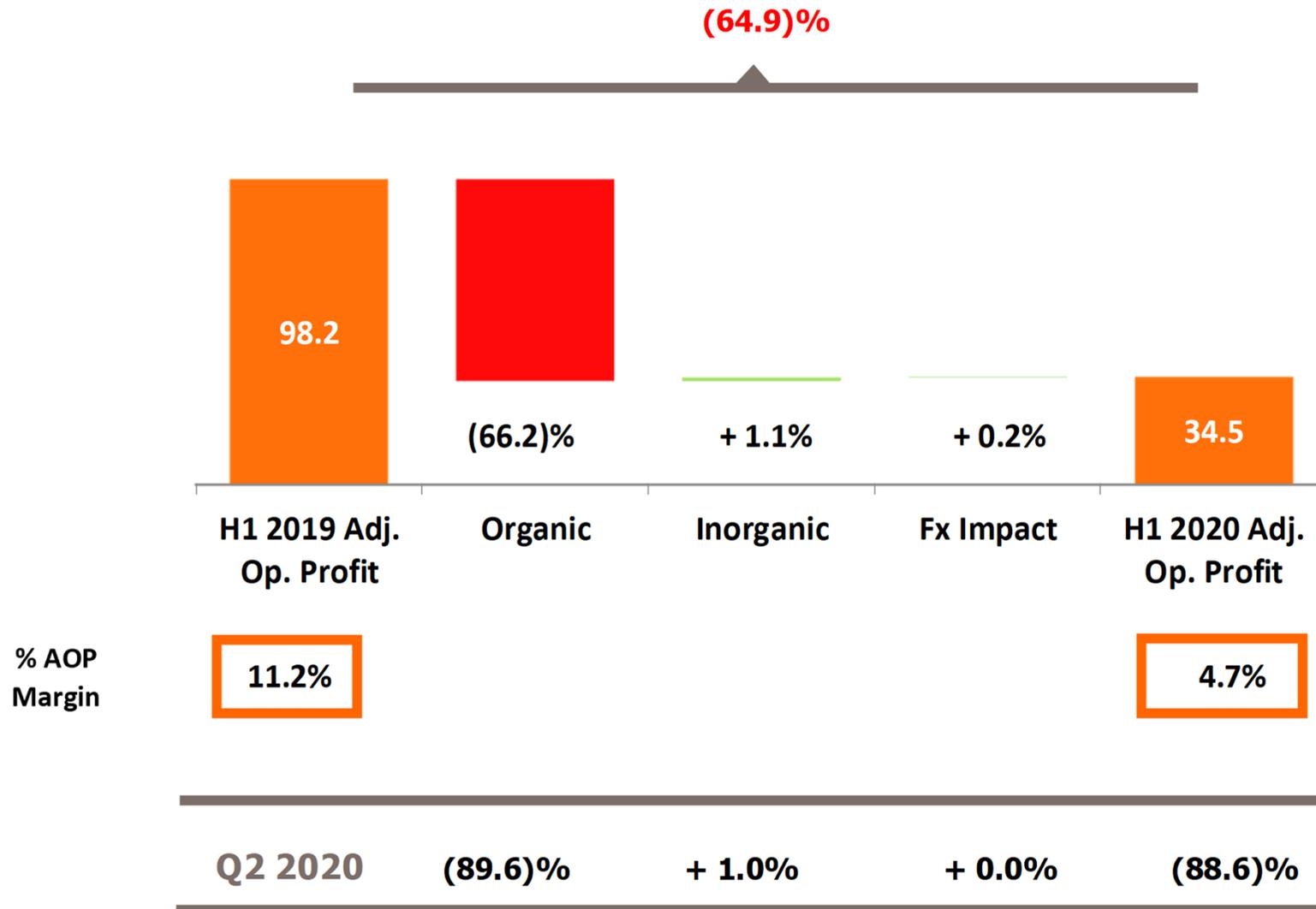
Q1 & Monthly Revenue at constant rates⁽¹⁾



(1) Year on Year change

H1 2020. Adjusted Operating Profit Bridge

EUR Million



Margin impact reduced following cost initiatives

EUR Million

EUR Million	H1 2020			H1 2019	+/- % Adj. Results
	Adj. Results	Other ⁽¹⁾ results	Statutory results	Adj. Results	
Revenue	741.2		741.2	875.8	(15.4)%
Operating Profit	34.5	(196.4)	(161.9)	98.2	(64.9)%
Net financial expenses	(11.6)		(11.6)	(11.5)	
Profit Before Taxes	22.9	(196.4)	(173.6)	86.7	
Income Tax	(13.8)	24.5	10.7	(21.5)	
Non controlling interests	(7.0)		(7.0)	(11.1)	
Net Profit	2.1	(171.9)	(169.9)	54.1	
EPS, in Euros	0.01		(1.19)	0.38	

(1) Other results within Operating Profit includes an impairment of €165 million plus the PPA amortisation of €29.2 million and others

EUR Million

	H1			
	2020	2019	Change	
Adjusted EBITDA ⁽¹⁾	85.4	146.7	(61.4)	(41.8)%
Change in Working Capital	19.6	(30.1)		
Capex - Operational	(14.5)	(24.8)		
Capex - Net new vehicle stations	1.9	(0.4)		
Adjusted Operating Cash Flow	92.4	91.3	1.0	1.1%
Taxes	(0.3)	(19.6)		
Interest	(5.2)	(5.2)		
Adjusted Free Cash Flow	86.9	66.5	20.4	30.7%
Extraordinaries & Others	(2.6)	0.7		
Dividends to Minorities	(3.4)	(6.0)		
Operating Cash Generated	80.9	61.2	19.7	32.2%
Acquisitions	(4.5)	(13.3)		
Cash b/Changes in Financing & FX	76.4	47.9		
Payments of lease liabilities (IFRS 16)	(26.9)	(27.3)		
Other Changes in financing	137.5	(23.9)		
Currency translations	(3.8)	0.2		
Cash increase	183.1	(3.1)		

- Strong cash flow driven by working capital inflows, reduced spending on capex and lower tax payments

(1) Adjusted EBITDA is stated as Operating Profit before depreciation, amortization, impairment and Other results

EUR Million

Net Debt at 30 June	Due Date	Drawn (€ Million)
Term Loan (€200m)	27/06/2025	200.0
RCF (€400m)	27/06/2025	250.0
USPP- 7 Years	27/06/2025	150.0
USPP- 10 Years	27/06/2028	80.0
Bilateral Facility	20/04/2023	50.0
Other Debt		28.1
TOTAL GROSS DEBT		758.1
Cash		(331.6)
TOTAL NET DEBT b/ IFRS 16⁽¹⁾		426.6
IFRS 16		181.2
TOTAL NET DEBT		607.8
LTM EBITDA b/ IFRS 16		180.2
Net Debt / Ebitda⁽²⁾		2.4x
Liquidity		
Cash at 30 June 2020 ⁽¹⁾		331.6
Undrawn facilities		334.6
Available liquidity		666.2

- Net debt reduced by €47 Million in H1 2020
- Syndicate facility of €600 million extended one year to 2025 at no cost
- Leverage Covenant set at 4.0x b/IFRS 16, tested in June and December
 - Net debt /EBITDA 2.4x at June
- Undrawn facilities include new €100 million bilateral.

(1) Stated at annual average rates and excluding IFRS 16 as defined by bank covenant

(2) Leverage including IFRS 16 2.6x

Results Presentation H1 2020

HIGHLIGHTS

FINANCIAL REVIEW

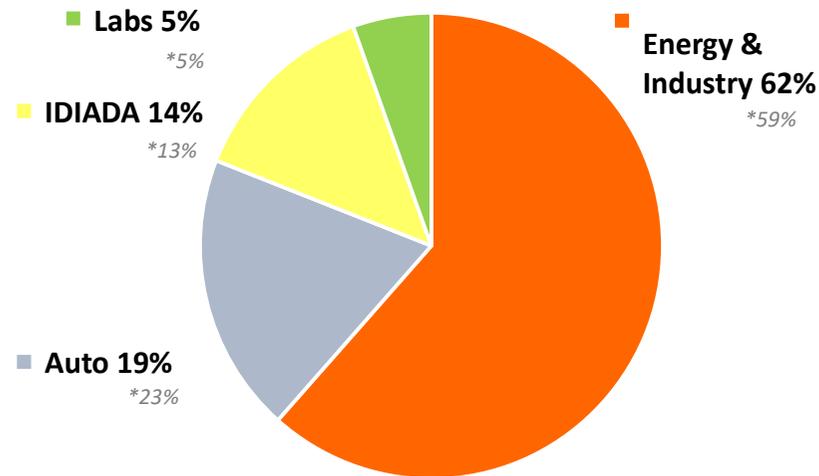
→ **BUSINESS REVIEW**

SUMMARY & OUTLOOK

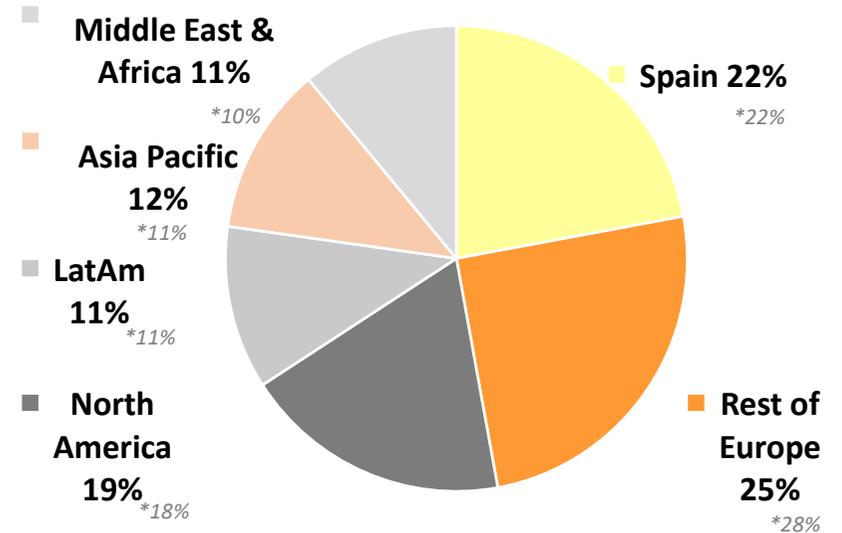
Fernando Basabe
Chief Executive Officer



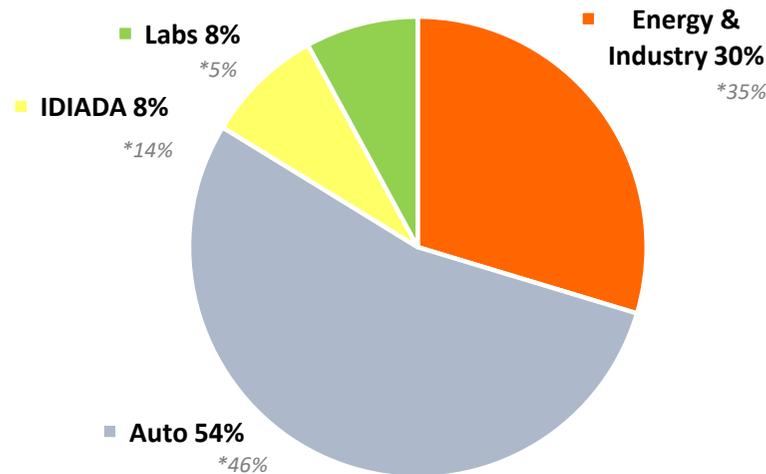
Revenue by Division



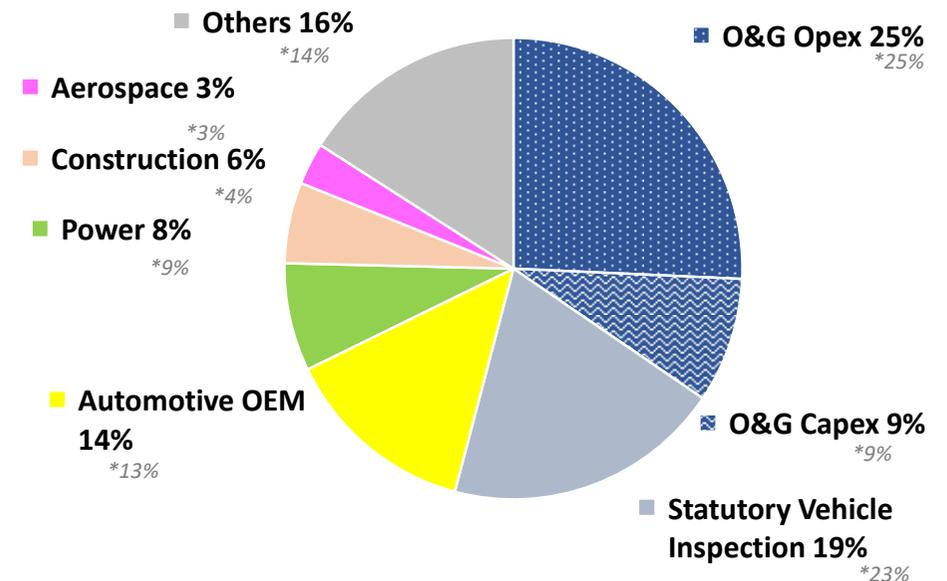
Revenue By Geography



Adj. Op. Profit by Division

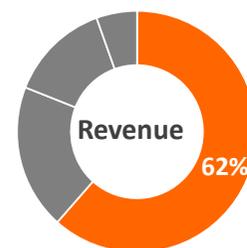


Revenue By End Market



* H1 2019

Energy & Industry Division

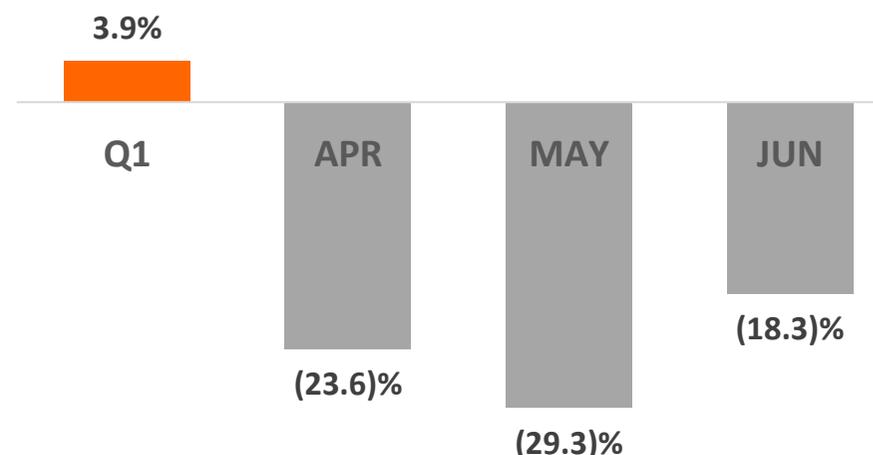


EUR Million

Financial Highlights

	H1			Q2 Change
	2020	2019	Change	
Revenue	456.2	515.2	(11.5)%	(24.9)%
AOP	14.2	38.8	(63.5)%	
Margin	3.1%	7.5%		

Q1 & Monthly Revenue at constant rates⁽¹⁾



- Results impacted by COVID-19 and low oil price, with improvement in June
- Growth retained in Construction, Mining and Renewables with Oil & Gas and Nuclear down. All regions continue to be impacted
- Cost reductions across the division based on activity levels.
- Significant new awards:
 - O&G – LNG Canada Capex and Abu Dhabi Opex inspection on offshore pipelines
 - Power - Canada nuclear refurbishment and global MSA for testing new wind towers
 - Construction – Portugal railway line construction services

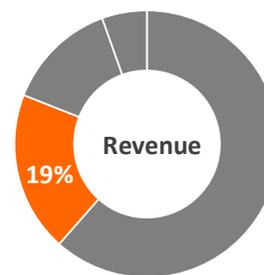
(1) Year on Year change

Automotive Division

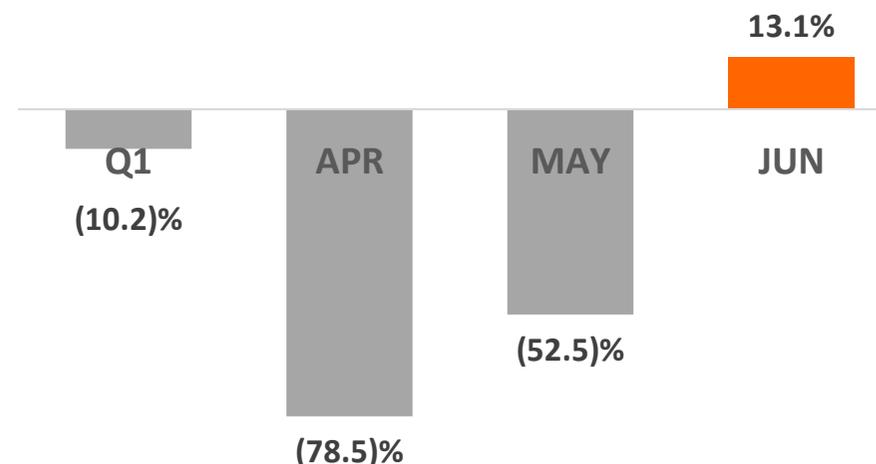
EUR Million

Financial Highlights

	H1			Q2
	2020	2019	Change	
Revenue	144.0	197.5	(27.1)%	(43.2)%
AOP	25.8	51.6	(50.0)%	
Margin	17.9%	26.1%		



Q1 & Monthly Revenue at constant rates ⁽¹⁾



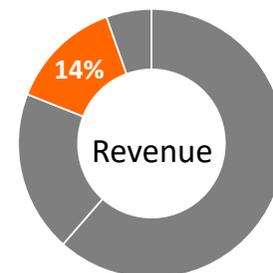
- Q2 heavily impacted by COVID-19 with nearly all stations closed in April. Re-opening started mid-May and by June revenue was up
- New health and safety requirements, compensated by extending opening hours where possible
- Spain, Costa Rica, Uruguay, US, Denmark and Finland recovering well. Argentina, Chile and Ecuador still significantly impacted
- Ireland will be fully open from the end of July and is now under new contract conditions
- Aragon concession (€5M annual revenue) has been extended until 2030 on same terms

(1) Year on Year change

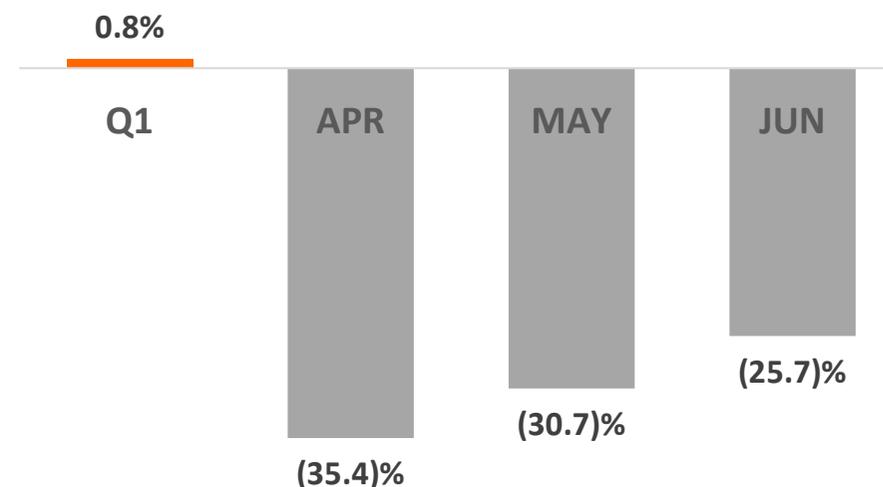
EUR Million

Financial Highlights

	H1			Q2
	2020	2019	Change	
Revenue	100.3	119.1	(15.8)%	(31.3)%
AOP	4.0	15.9	(75.0)%	
Margin	4.0%	13.3%		



Q1 & Monthly Revenue at constant rates ⁽¹⁾



- Q2 impacted by COVID-19 with small improvement in June.
- Proving Ground and crash testing business most impacted by restrictions on international customers mobility to Spain. The transition from combustion to electric vehicles continues with an increasing number of EV crash testing contracts being negotiated
- Government of Catalonia preparing to tender new 20 year concession for IDIADA

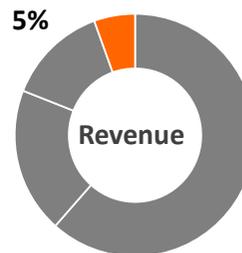
(1) Year on Year change

Laboratories Division

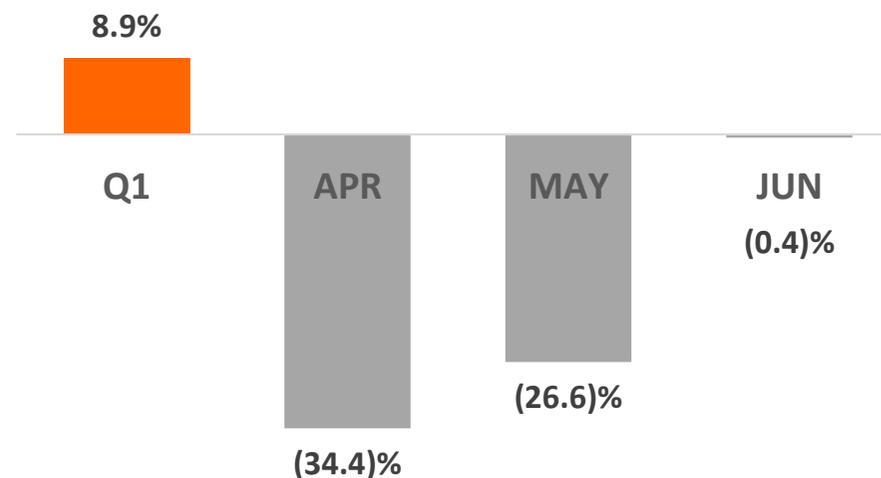
EUR Million

Financial Highlights

	H1			Q2
	2020	2019	Change	
Revenue	40.7	44.0	(7.4)%	(21.8)%
AOP	3.8	5.8	(34.5)%	
Margin	9.4%	13.2%		



Q1 & Monthly Revenue at constant rates⁽¹⁾



- Q2 impacted by COVID-19 with severe lock down in Spain (70% of division revenue).
- Improvement in June supported by the success of remote working
- Most end markets recovering. Aerospace (15%) and Automotive EMC (13%) remain most impacted

Results Presentation H1 2020

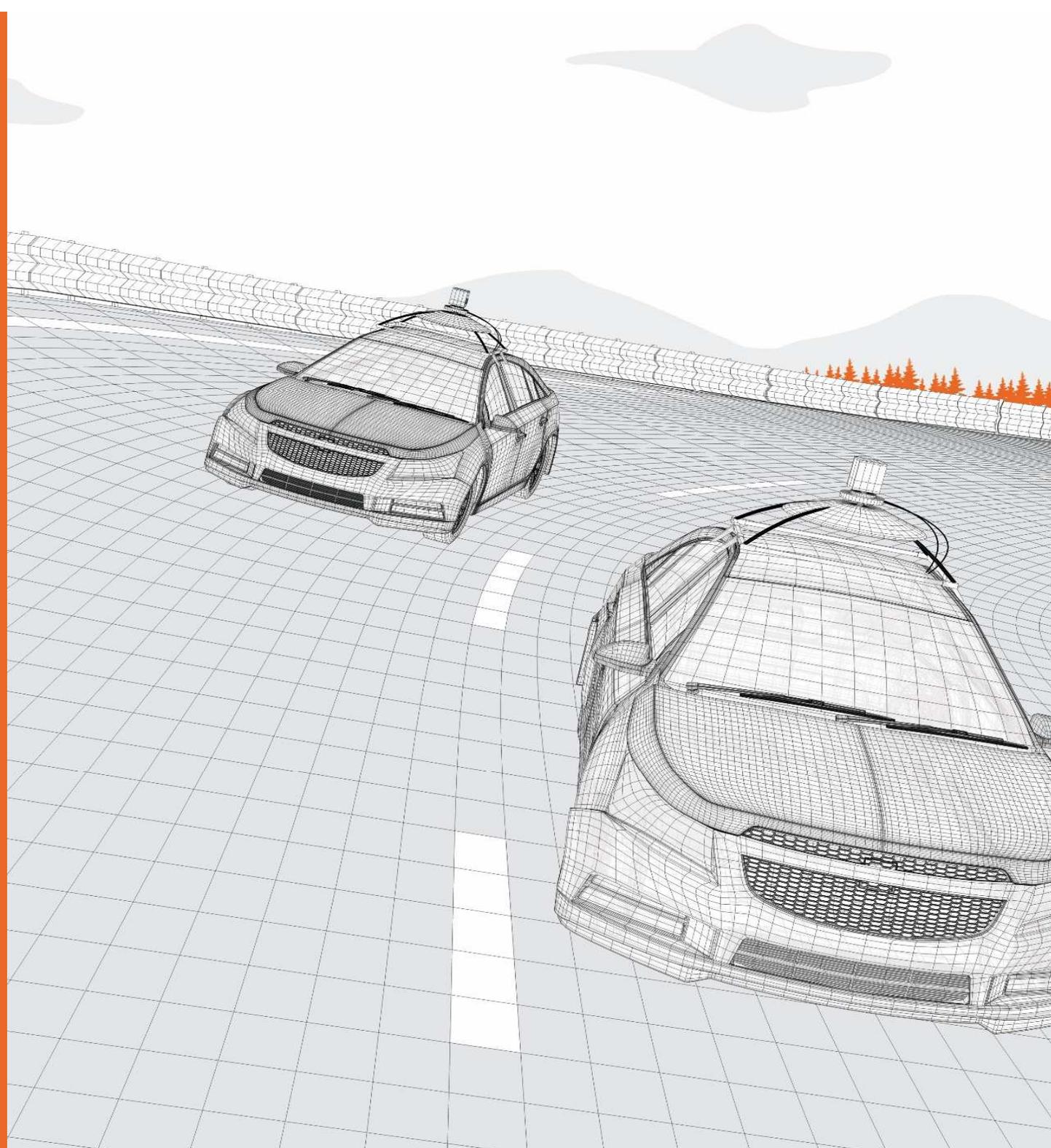
HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

→ **SUMMARY & OUTLOOK**

Fernando Basabe
Chief Executive Officer



Summary of H1 2020

- From the April low, gradual monthly recovery driven by the Automotive division
- Strong cash flow and liquidity with reduction in net debt
- Significant new awards in Energy & Industry, Auto Aragon concession renewed and increasing EV work in IDIADA
- Well positioned to win the expected new 20 year IDIADA tender

Outlook for H2 2020 (assuming no further severe lockdowns)

- Continued gradual recovery expected led by the Automotive division
- H2 margin expected to be higher than H1
- Cash flow expected to be positive in H2
- M&A process resumed

Applus⁺ *Together* beyond standards

www.applus.com

H1 2020. Adjustments to Statutory results

EUR Million

EUR Million	H1 2020			H1 2019			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
Revenue	741.2	0.0	741.2	875.8	0.0	875.8	(15.4)%
Ebitda	85.4	0.0	85.4	146.7	0.0	146.7	(41.8)%
Operating Profit	34.5	(196.4)	(161.9)	98.2	(30.6)	67.7	(64.9)%
Net financial expenses	(11.6)	0.0	(11.6)	(11.5)	0.0	(11.5)	
Profit Before Taxes	22.9	(196.4)	(173.6)	86.7	(30.6)	56.2	(73.6)%
Current Income tax	(13.8)	7.5	(6.3)	(21.5)	6.7	(14.8)	
Extraordinary Income tax	0.0	17.0	17.0			0.0	
Non controlling interests	(7.0)	0.0	(7.0)	(11.1)	0.0	(11.1)	
Net Profit	2.1	(171.9)	(169.9)	54.1	(23.9)	30.3	(96.1)%
Number of Shares	143,018,430		143,018,430	143,018,430		143,018,430	
EPS, in Euros	0.01		(1.19)	0.38		0.21	(96.1)%
<i>Current Income Tax/PBT</i>	<i>(60.3)%</i>		<i>3.6%</i>	<i>(24.8)%</i>		<i>(26.3)%</i>	

- Due to the current challenging Oil & Gas, Auto OEM end markets situation and COVID-19, the company has updated the business plans of the Cash Generating Units

 - Based on that, the following impairment has been registered:
 - E&I : 137.1 M€
 - Idiada: 27.9 M€
 - GROSS IMPAIRMENT 165.0 M€**
 - Tax Liability: (17.0) M€
 - TOTAL Impairment 148.0 M€**
-

H1 2020. Revenue and Ad. Op. Profit by Division

EUR Million

Revenue	Actual 2020	Growth					Actual 2019
		Organic	Acquisitions	Disposals	FX	Total	
Energy & Industry	456.2	(11.6)%	0.8%	(0.1)%	(0.6)%	(11.5)%	515.2
Laboratories	40.7	(10.7)%	3.3%	0.0%	(0.0)%	(7.4)%	44.0
Auto	144.0	(26.6)%	0.6%	0.0%	(1.1)%	(27.1)%	197.5
Idiada	100.3	(15.3)%	0.0%	0.0%	(0.5)%	(15.8)%	119.1
Total Revenue	741.2	(15.5)%	0.8%	(0.0)%	(0.7)%	(15.4)%	875.8

Adj. Op. Profit	Actual 2020	Growth					Actual 2019
		Organic	Acquisitions	Disposals	FX	Total	
Energy & Industry	14.2	(65.8)%	2.5%	(0.1)%	(0.1)%	(63.5)%	38.8
Laboratories	3.8	(36.9)%	2.5%	0.0%	(0.1)%	(34.5)%	5.8
Auto	25.8	(50.5)%	0.3%	0.0%	0.2%	(50.0)%	51.6
Idiada	4.0	(75.1)%	0.0%	0.0%	0.1%	(75.0)%	15.9
Holding	(13.2)	(4.3)%	0.0%	0.0%	0.1%	(4.3)%	(13.9)
Total Adj. OP. Profit	34.5	(66.2)%	1.1%	(0.0)%	0.2%	(64.9)%	98.2

Q1 & Q2 2020. Revenue by Division and Adj. Op. Profit

EUR Million

	Revenue	Actual 2020	Growth				Actual 2019	
			Organic	Acquisitions	Disposals	FX		Total
Q1	Energy & Industry	248.3	3.3%	0.8%	(0.1)%	0.2%	4.2%	238.2
	Laboratories	22.3	2.7%	6.2%	0.0%	0.3%	9.2%	20.4
	Auto	88.1	(10.1)%	0.0%	0.0%	(0.9)%	(11.0)%	99.0
	Idiada	58.2	0.8%	0.0%	0.0%	(0.1)%	0.7%	57.8
	Total Revenue	416.9	(0.3)%	0.8%	(0.1)%	(0.1)%	0.3%	415.4
	Adj. Op. Profit	27.7	(29.7)%	1.3%	0.0%	0.4%	(28.0)%	38.4

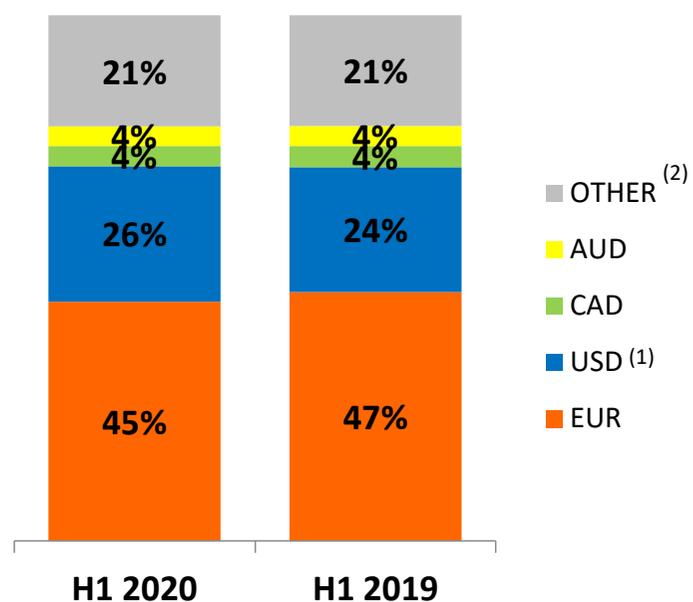
	Revenue	Actual 2020	Growth				Actual 2019	
			Organic	Acquisitions	Disposals	FX		Total
Q2	Energy & Industry	207.9	(24.7)%	0.9%	0.0%	(1.1)%	(24.9)%	277.0
	Laboratories	18.4	(22.4)%	0.8%	0.0%	(0.2)%	(21.8)%	23.5
	Auto	55.9	(43.3)%	1.3%	0.0%	(1.2)%	(43.2)%	98.5
	Idiada	42.1	(30.6)%	0.0%	0.0%	(0.7)%	(31.3)%	61.3
	Total Revenue	324.3	(29.3)%	0.8%	0.0%	(1.0)%	(29.5)%	460.3
	Adj. Op. Profit	6.8	(89.6)%	1.0%	0.0%	0.0%	(88.6)%	59.8

Q1, Q2 & H1 2020. Summary Income Statement

EUR Million

	Q1			Q2			H1		
	2020	2019	Change	2020	2019	Change	2020	2019	Change
Revenue	416.9	415.4	0.3%	324.3	460.3	(29.5)%	741.2	875.8	(15.4)%
Adj. Operating Profit	27.7	38.4	(28.0)%	6.8	59.8	(88.6)%	34.5	98.2	(64.9)%
<i>Adj.Op.Profit margin</i>	<i>6.6%</i>	<i>9.3%</i>		<i>2.1%</i>	<i>13.0%</i>		<i>4.7%</i>	<i>11.2%</i>	
PPA Amortisation	(14.6)	(14.8)		(14.5)	(14.8)		(29.2)	(29.5)	
Impairment	0.0	0.0		(165.0)	0.0		(165.0)	0.0	
Other results	(0.4)	(0.2)		(1.9)	(0.8)		(2.2)	(1.0)	
Operating profit	12.6	23.5	(46.2)%	(174.6)	44.2	(495.2)%	(161.9)	67.7	(339.3)%
Finance result	(6.2)	(5.4)		(5.4)	(6.1)		(11.6)	(11.5)	
Profit before tax	6.5	18.1	(64.4)%	(180.0)	38.0	(573.2)%	(173.6)	56.2	(409.0)%
Income taxes							10.7	(14.8)	
Net Profit							(162.9)	41.4	(493.6)%
Minorities							(7.0)	(11.1)	
Net Profit Group							(169.9)	30.3	(661.1)%
Adjusted Net Profit Group							2.1	54.1	(96.1)%
EPS in €							(1.19)	0.21	(661.1)%
Adjusted EPS in €							0.01	0.38	(96.1)%

% Revenue by Actual Currency



	Average FX Exchange rates vs Euro			JAN - DEC 2019
	JAN - JUN 2020	JAN - JUN 2019	Change	
USD	1.101	1.129	2.5%	1.120
CAD	1.503	1.506	0.2%	1.486
AUD	1.679	1.599	(4.8)%	1.610

(1) Includes currencies pegged to USD

(2) None above 4%

H1 2020. Statutory Cash Flow

EUR Million

	H1	
	2020	2019
Profit Before taxes	(173.6)	56.2
Non cash items	254.6	90.9
Increase in working capital	19.8	(30.6)
Taxes Paid	(0.3)	(19.6)
Operating Cash Flow	100.5	96.8
Capex	(17.3)	(25.3)
Asset sales	4.7	0.0
Business combination	1.5	1.0
Acquisitions/Disposals of subsidiaries	(4.5)	(13.3)
Cash Flow from Investing activities	(15.6)	(37.6)
Dividends to Minorities	(3.4)	(6.0)
Interest paid	(5.2)	(5.2)
Changes in financing	110.5	(51.2)
Capital increase	0.0	0.0
Cash Flow from Financing activities	102.0	(62.5)
Currency translations	(3.8)	0.2
Cash Increase / (Decrease)	183.1	(3.1)

H1 2020. Balance Sheet

EUR Million

EUR Million

	H1 2020	FY 2019		H1 2020	FY 2019
Goodwill	529.9	609.3	Equity	642.4	824.5
Other intangible assets	373.1	474.3	Long Term Provisions	28.4	26.9
<i>PPA</i>	309.5	406.3	Bank borrowings	721.6	545.9
<i>Other intangible assets</i>	63.6	68.0	Leasing Liabilities	136.0	124.5
Rights of use	164.8	152.9	Other financial liabilities	24.5	26.0
Tangible assets	217.4	226.7	Deferred Tax Liabilities	115.7	137.4
Investments accounted for using the equity method	0.6	0.7	<i>Deferred Tax Liabilities PPA</i>	75.3	100.0
Non current Financial Assets	16.0	30.0	<i>Deferred Tax Liabilities Others</i>	40.4	37.4
Deferred Tax Assets	70.5	65.5	Other non current liabilities	32.6	29.5
Total Non-Current Assets	1,372.3	1,559.4	Total Non-Current Liabilities	1,058.8	890.2
Inventories	9.2	8.5	Short term provisions	2.8	2.5
Trade & Other receivables	368.7	424.1	Bank borrowings	19.2	59.2
Corporate Income Tax assets	13.8	23.4	Leasing Liabilities	45.2	45.7
Current financial assets	3.3	11.9	Trade & Other payables	300.8	330.0
Cash & Cash equivalents	328.3	145.2	Income Tax Liabilities	19.0	13.8
Total Current Assets	723.3	613.1	Other current liabilities	7.4	6.6
Total Assets	2,095.6	2,172.5	Total Current Liabilities	394.4	457.8
			Total Equity & Liabilities	2,095.6	2,172.5

Alternative Performance Metrics

Applus' financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others based on the Group's disclosure model referred to as Alternative Performance Metrics

- **EBITDA**, measure of earnings before interest, taxes, depreciation and amortisation
- **Operating Profit**, measure of earnings before interest and taxes
- **Adjusted** measures are stated before other results
- **Other results** are those impacts corrected from the relevant measures to provide a better understanding of the underlying results of the Group, for example: amortisation of acquisition intangibles, restructuring, impairment and transaction & integration costs
- **PPA** correspond to the Purchase Price Allocation referred to acquisitions, allocated to intangible assets and amortised
- **Capex**, realized investments in property, plant & equipment or intangible assets
- **Operating Cash Flow**, operating cash generated after capex investment and working capital variation

Alternative Performance Metrics

- **Free Cash Flow**, operating cash generated after capex investment, working capital variation and tax & interest payments
- **Net Debt**, current and non current financial debt, other institutional debt less cash. As per bank covenant definition, calculated at annual average exchange rates
- **Leverage**, calculated as Net Debt/LTM Ebitda as per bank covenant definition
- **AOP**, Adjusted Operating Profit
- **EPS**, Earnings per share
- **NDT**, Non destructive testing
- **P.A.**, per annum
- **FX**, Foreign exchange
- **LTM**, Last twelve months