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.

Applus+ does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

This document contains summarised information or information that has not been audited. In this sense this information is subject to, and must be read in conjunction with other publicly available information including if necessary any fuller disclosure document published by Applus+.

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

→ Introduction

STRATEGY AND TARGETS
2018 AND 2019 OUTCOMES
Applus+ at a glance

A Leading Global Provider of Testing, Inspection and Certification Services

- One of the world’s leading Testing, Inspection & Certification companies
- Providing solutions for customers in all types of industries to ensure that their assets and products meet quality, health & safety and environmental standards and regulations
- 23,000+ people in 2019
- Accredited by major international organisations
- 70 countries across all continents

Financial Performance (FY19)

- Revenue of €1,778 million
  Up 6% on 2018
- Adj. Op. Profit of €197 m
  Up 10% from 2018
- Margin 11.1%
  Up 42 bps from 2018
- EPS up 11.5%
- Dividend per share €0.22
- Net debt/EBITDA at 2.2x

Shareholders

- Market cap: €1.5bn
- 5% River and Mercantile
- 5% Threadneedle
- 5% Norges
- 1% Melqart
- 1% Fidelity
- 1% Others

Strategic Focus on Attractive End-markets (% FY19 Revenues)

- O&G Opex 25%
- O&G Capex 9%
- Automotive OEM 13%
- Statutory Vehicle Inspection 22%
- Others 14%
- Aerospace 3%
- Construction 5%
- Power 9%

Diversified Geographic Footprint (% FY19 Revenues)

- Spain 23%
- Rest of Europe 26%
- Middle East & Africa 10%
- Asia Pacific 11%
- LatAm 11%
- North America 19%
### The Divisions (I)

<table>
<thead>
<tr>
<th><strong>Energy &amp; Industry Division</strong></th>
<th><strong>Automotive Division (Statutory Vehicle Inspection)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Non destructive testing, industrial and environmental inspection, quality assurance/control, engineering/consultancy, vendor surveillance, technical staffing and assistance, certification and asset integrity services.</td>
<td>Statutory vehicle inspection services for Safety and/or Emissions.</td>
</tr>
<tr>
<td>In 2015 integrated 3 separate divisions realising cost savings and optimising growth opportunities through complementary geographic footprint and cross selling.</td>
<td>20 million inspections across 30 programmes in 12 countries plus a further 6 million programme managed inspections.</td>
</tr>
<tr>
<td>c. <strong>14,600</strong> employees</td>
<td>83% Regulated and 17% Liberalised.</td>
</tr>
<tr>
<td>60% of Revenue €1,059m</td>
<td>c. <strong>4,600</strong> employees</td>
</tr>
<tr>
<td>40% Adj. Op. Profit €86.4m Margin 8.4%</td>
<td>22% of Revenue €385m</td>
</tr>
<tr>
<td>60 countries</td>
<td>41% Adj. Op. Profit €89.0m Margin 23.9%.</td>
</tr>
<tr>
<td>Oil &amp; Gas Opex (43% division revenue)</td>
<td>Spain</td>
</tr>
<tr>
<td>Oil &amp; Gas Capex (15% division revenue)</td>
<td>Ireland</td>
</tr>
<tr>
<td>Power Generation and Distribution</td>
<td>USA</td>
</tr>
<tr>
<td>Construction</td>
<td>Denmark</td>
</tr>
<tr>
<td>Mining</td>
<td>Finland</td>
</tr>
<tr>
<td>Aerospace</td>
<td>Finland</td>
</tr>
<tr>
<td>Telecom</td>
<td>Andorra</td>
</tr>
<tr>
<td></td>
<td>Costa Rica</td>
</tr>
<tr>
<td></td>
<td>Argentina</td>
</tr>
<tr>
<td></td>
<td>Chile</td>
</tr>
<tr>
<td></td>
<td>Ecuador</td>
</tr>
<tr>
<td></td>
<td>Uruguay</td>
</tr>
</tbody>
</table>
### IDIADA Division (Auto OEM)
- Testing, engineering, homologation and R&D services provider to the leading vehicle manufacturers (OEMs)
- Specialised facilities, people and proving ground with knowledge of global technical requirements
- Owned 80% by Applus+ and 20% Government of Catalonia. Since 1999 operates the business and assets owned by the Government of Catalonia under a long term contract under 5 year renewals with current renewal/expiry of 2024

<table>
<thead>
<tr>
<th>C. 2,800 employees</th>
<th>13% of Revenue</th>
<th>€240m</th>
<th>13% Adj. Op. Profit</th>
<th>€29.1m</th>
<th>Margin 12.7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>23 countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Passive Safety
- Chassis & Power Train
- Proving Ground
- Homologation (Type Approval)

### Laboratories Division
- Product testing, certification and engineering services to improve product competitiveness and promote innovation
- Multi-technology state-of-the-art laboratories serving the Aerospace, Auto, Construction, Energy, IT industries
- Main facilities in Spain with further laboratories in North America, Asia and the rest of Europe

<table>
<thead>
<tr>
<th>C. 1,100 employees</th>
<th>5% of Revenue</th>
<th>€93m</th>
<th>6% Adj. Op. Profit</th>
<th>€12.9m</th>
<th>Margin 14.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Industry (incl Aerospace, Auto)
- Construction (Fire and structural testing)
- System certification
- Information Technology
- Metrology

- Spain
- Rest of Europe
- North America
- Asia Pacific
## History of the Group and Investment Case

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investors</strong></td>
<td></td>
<td>Grupo Agbar 100%</td>
<td>Grupo Agbar 53%</td>
<td>The Carlyle Group 70%</td>
<td>The Carlyle Group 15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>UNION FENOSA 25%</td>
<td>Financial Institutions and other shareholders 30%</td>
<td>Financial Institutions and other shareholders 10%</td>
<td>100% Free Float</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CAJA MADRID 22%</td>
<td></td>
<td>Free Float 75%</td>
<td></td>
</tr>
<tr>
<td><strong>Milestones</strong></td>
<td>Automotive established in 1996</td>
<td>Acquisition of RTD (est 1937)</td>
<td>Acquisition of VELOSI (est 1982)</td>
<td>The IPO of Aplus®</td>
<td>Acqn of Inversiones Finisterre</td>
</tr>
<tr>
<td></td>
<td>IDIADA contract awarded (est 1971)</td>
<td>Acquisition of Norcontrol (est 1981)</td>
<td>20 more companies acquired</td>
<td>Energy &amp; Industry division Formed</td>
<td>Eleven more companies acquired</td>
</tr>
<tr>
<td></td>
<td>Labs contract awarded (est 1907)</td>
<td></td>
<td>20 more companies acquired</td>
<td>Four more companies acquired</td>
<td>ABO of 10% at €10.55 in September 2017</td>
</tr>
</tbody>
</table>

- A “TIC” company benefiting from Quality, Safety & Environmental structural growth drivers:
  - Regulations, Risk, Outsourcing, Product Variety, Complexity, Ageing
- Leading market positions in key markets
- Good balance of developed (2/3) and emerging market (1/3) exposure
- High entry barriers: accreditations, reputation, relationships, network, innovation
- Cyclical recovery in Oil & Gas end market, continued growth in other markets and margin potential
- Strong cash flow, strong balance sheet, low capital intensity
- Fragmented industry
Environmental, Social and Governance

First CSR Report in 2015 following the Global Reporting Initiative (GRI)
UN Global Compact Member since 2017 and Advanced Level from 2018. Follow the 10 Principles
UN Sustainable Development Goals Adopted 9 since 2017 as a framework for CSR goals

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**Environmental**

- CDP (B score) and FTSE4Good IBEX in 2019
- €200 million revenue (11% Group) from services to reduce environmental impact

**Social**

- Development and inclusion programmes in place
- Low voluntary turnover rate (12%)
- 10% fall in accident rate

**Governance**

- High adherence to CNMV recommendations (89%)
- Strong culture of compliance
- Annual Corp. Governance road show by Non Executive Director
Contents

INTRODUCTION

→ STRATEGY AND TARGETS

2018 and 2019 OUTCOMES
Strategy Update presented in Feb 2018 for the period 2018 - 2020

Focus on the operational strategy

- Leadership
- Innovation & Technology
- Trusted Partner

Financial targets over 2018 – 2020 (*)

- Annual revenue growth of mid single digits organic
- Margin improvement of 70-100** bps in 2018 and 20-30 bps in 2019 and 2020
- Strong cash generation to continue with a cash conversion above 70%

Leading to

- Organic revenue growth
- Margin improvement
- Cash generation

Capital Allocation Priorities

- Maintain dividend at 20% of Adjusted Net Profit
- Leverage below 3x
- Acquisition capacity in the range of €150 million per annum

** On 24 July 2018 upgraded to 100 – 120 bps in 2018 and on 14 May 2019 upgraded to “by at least” 30 bps in 2019

(*) Financial targets @ constant rates and current perimeter
# Energy & Industry Division: Strategic Targets 2018 - 2020

## Key Initiatives

### Organic Revenue

- **Focused Growth Plan** for each country
- **Increase market share** in key markets
- **Expansion of service offering** into all geographies

### Operational Excellence

- **Best practice** implementation across division
- **Operational efficiency** driving economies of scale
- **Digitally focused** on efficiency and new operating models
- **Back office optimisation** (SAP roll out in 2019 and Expanding Financial Shared Services)

### Inorganic

- Expand presence in **Non Oil & Gas End Markets** (Power, Construction, Aerospace)
- **Enhance our position in all end markets for Key Geographies** (South America, Asia Pacific, USA)
- Focus on Technologically advanced companies

### Target

- **Average Annual Mid Single Digit growth**
- **Recover 100 bps in the period 2018-2020**
IDIADA Division: Strategic Targets 2018 - 2020

Drivers

- Quality and Safety
- Regulations
- Increasing car models
- Technology

- Electric and Autonomous vehicles
- Emerging markets
- Changing supply chains
- Outsourcing

Strategy

- Maintain world class testing facilities
- Retain and attract specialist knowledge
- Continue to invest in R&D and participate in EU innovation projects
- Maintain and expand geographic network to serve clients globally

Targets

- Annual organic revenue growth of high single digits
- Margin to remain in 12% range
Laboratories Division: Strategic Targets 2018 - 2020

Drivers

- Quality and Safety
- Regulations
- Technology and increasing product variety
- Outsourcing

Strategy

- Geographic expansion
- Develop and invest in core growth business lines
- Retain and attract specialist knowledge

Targets

- Annual organic revenue growth of mid single digits
- Margin to increase by 20-30bps per annum
- Acquisitions to expand footprint and service portfolio
Strategy

- Current operations: efficiency, service, continuous innovation
- Tenders: compete only if meet profit targets
- Emerging markets: build relations and market intelligence; support authorities in designing and implementing legislation
- Inorganic: opportunistic

Targets

- Continue strong renewal track record and new programme wins
- Organic revenue from existing contracts to increase at low single digits
- Margin to increase > 200bps in 2018, then maintain
## Update on Strategic Plan targets

<table>
<thead>
<tr>
<th>Division</th>
<th>Target (2018-2020)</th>
<th>Actual 2018-2019 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy &amp; Industry</strong></td>
<td><strong>Organic Revenue</strong></td>
<td>Average Annual Mid Single Digit growth</td>
</tr>
<tr>
<td></td>
<td><strong>Adjusted Op. Profit</strong></td>
<td>Recover 100 bps in the period 2018-2020</td>
</tr>
<tr>
<td><strong>Labs</strong></td>
<td><strong>Organic Revenue</strong></td>
<td>Annual organic revenue growth of Mid Single Digit</td>
</tr>
<tr>
<td></td>
<td><strong>Adjusted Op. Profit</strong></td>
<td>Margin to increase by 20-30 bps per annum</td>
</tr>
<tr>
<td></td>
<td><strong>M&amp;A</strong></td>
<td>Acquisitions to expand footprint and service portfolio</td>
</tr>
<tr>
<td><strong>AUTO</strong></td>
<td><strong>Organic Revenue</strong></td>
<td>Organic revenue from existing contracts to increase at low single digit</td>
</tr>
<tr>
<td></td>
<td><strong>Adjusted Op. Profit</strong></td>
<td>Margin to increase &gt; 200 bps in 2018, then maintain</td>
</tr>
<tr>
<td></td>
<td><strong>Tenders</strong></td>
<td>Continue strong renewal track record and new programmes</td>
</tr>
<tr>
<td><strong>Idiada</strong></td>
<td><strong>Organic Revenue</strong></td>
<td>Annual organic growth of high single digits</td>
</tr>
<tr>
<td></td>
<td><strong>Adjusted Op. Profit</strong></td>
<td>Margin to remain in 12% range</td>
</tr>
</tbody>
</table>

(1) Revenue is average annual growth over 2 years and margins exclude IFRS 16 impact
## Update on Strategic Plan targets

### Target (2018-2020)

<table>
<thead>
<tr>
<th>Group</th>
<th>Target</th>
<th>Actual 2018-2019 (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Applus</strong></td>
<td><strong>Organic Revenue</strong></td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td>Annual growth of mid single digit</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Adjusted operating Profit</strong></td>
<td>Up 160 bps</td>
</tr>
<tr>
<td></td>
<td>Margin improvement of 70-100 bps in 2018 and 20-30 in 2019 and 2020</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Operating Cash Flow</strong></td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td>Cash conversion rate above 70%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Leverage</strong></td>
<td>2.0x</td>
</tr>
<tr>
<td></td>
<td>Below 3x</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Dividends</strong></td>
<td>29% (2)</td>
</tr>
<tr>
<td></td>
<td>Maintain dividend at 20% of Adjusted Net profit</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>M&amp;A</strong></td>
<td>80M€</td>
</tr>
<tr>
<td></td>
<td>Acquisition capacity in the range of €150 million per annum</td>
<td></td>
</tr>
</tbody>
</table>

### Outlook for 2020

- Mid single digit organic revenue growth at constant FX
- Margin to improve 10-30 bps
- Additional growth through acquisitions

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(1) Revenue is average annual growth over 2 years and margins exclude IFRS 16 impact
(2) Dividend to be proposed to shareholders
2020 Q1 Results Announcement  5 May 2020

*Start of Close Period*  14 April 2020

2020 H1 Results Announcement  28 July 2020

*Start of Close Period*  7 July 2020

Ticker: APPS-MC

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