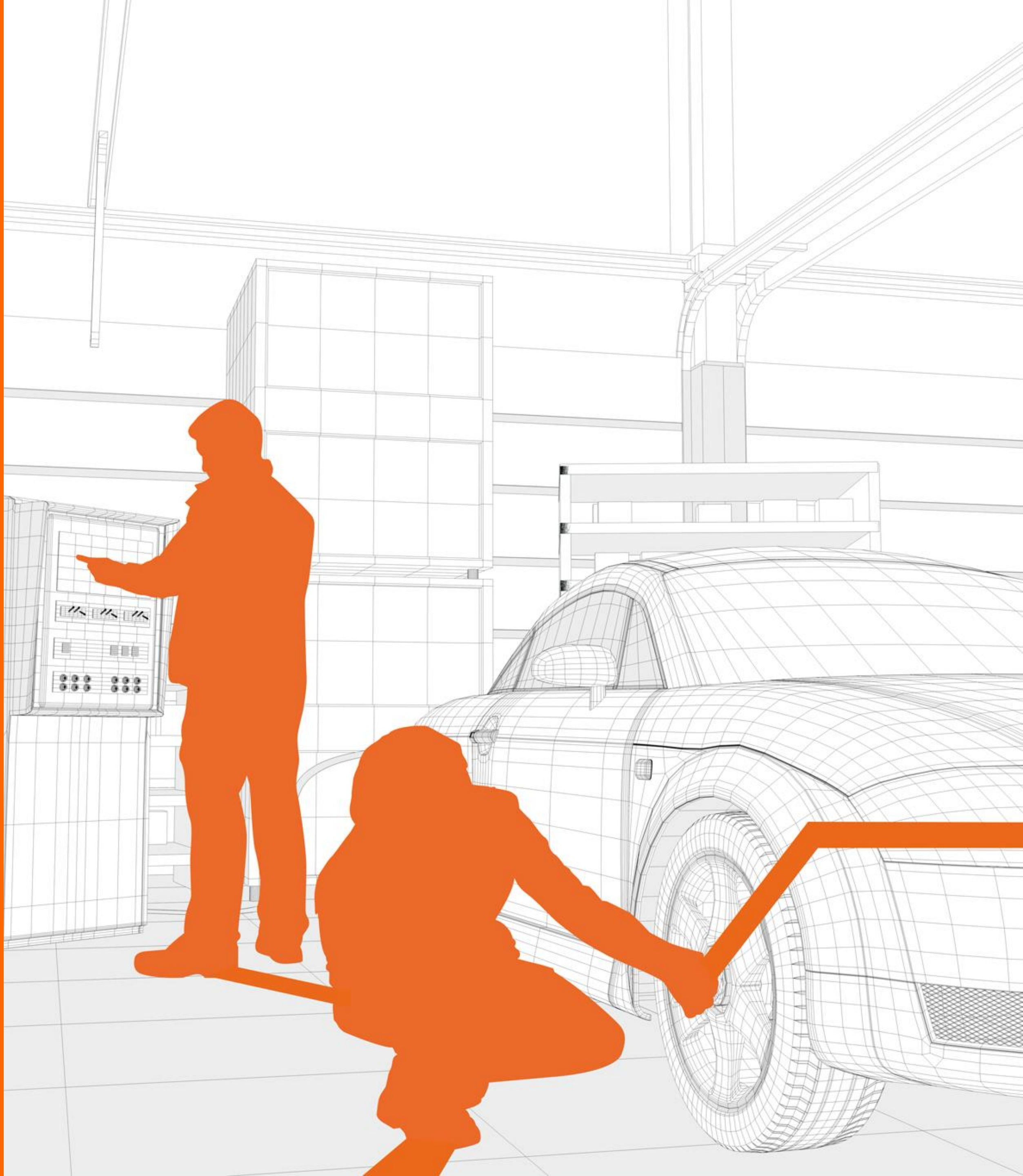
Applus+ Together beyond standards

Introduction to Applus+ for Investors



Aston Swift, IR

September 2023

Applus+ at a glance

A Leading Global Provider of Testing, Inspection and Certification Services

- A world leading Testing, Inspection & Certification company
- Solutions for customers in all industries to ensure that their assets and products meet quality, health & safety and environmental standards and regulations

26,000+ people in 2022

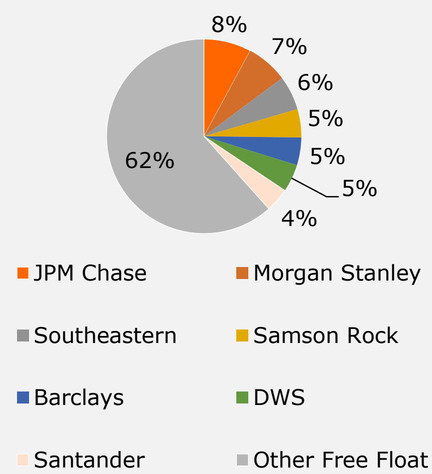
70 countries across all continents

accredited by major international organisations

Financial Performance in 2022

- Revenue of €2,050 million
  Up 15% on 2021
- Adj. Op. Profit of €202m
  Up 15% from 2021
- Margin 9.9%
- EPS €0.81 up 24% on 2021
- Net debt/EBITDA at 2.6x

Shareholders > 3%



Investment case

- Quality, Safety & Environmental drivers:
  - Increasing regulations
  - Risk reduction and sustainability
  - Brand protection
  - Increased product variety and complexity
  - Ageing assets
  - Outsourcing of in-house testing
- Environmental drivers: Energy Transition, Electric vehicles, energy efficiency and lighter materials
- High ESG scoring
- Leading market positions in key markets with high recurrent revenue streams
- High entry barriers: accreditations, reputation, relationships, network, innovation
- Fragmented industry / good acquisition synergies
- 3-Year Strategic Plan to unlock shareholder value

H1 2023. Financial Results Summary

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Revenue

€1,001 million up 9% (+8.8% organic[1])

Operating profit / margin[2]

€111 million up 10.2% (+6.5% organic[1])

11.0% margin (H1 2022 10.1% reported; 10.9% Proforma)

Free cash flow[3]

€71 million, down 1%

Net debt/EBITDA ratio[4]

2.6x and liquidity of €425 million

Earnings per share[3]

€0.46 up 19%

Return to Shareholders

2nd SBB completed

Dividend Paid at €0.16

1 Organic is at constant exchange rates and on a 2022 Proforma excluding Auto US & Finland and US O&G
2 Adjusted for Other Results, IDIADA Accelerated Depreciation and amortisation of acquisition intangibles
3 Adjusted for other results
4 Excluding IFRS 16

2022-2024 Roadmap: Strategic Objectives

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Portfolio evolution towards higher growth end markets and to mitigate business risks

Accelerate growth in structurally attractive segments aligning to global megatrends

+

Active Portfolio Management

Higher Revenue growth	Significant margin improvement	Strong cash flow generation
Revenue growth CAGR above 10%*	AOP margin to improve to 12%**	Average cash conversion rate above 70%

Superior shareholders returns

ROCE 2024: >12%	Dividend distribution >20% Adjusted Net Profit (minimum 15 cts per share)	Target 5% share buyback in 2022

(*) Continuing operations / (**) Excluding IDIADA Accelerated Depreciation (AD)

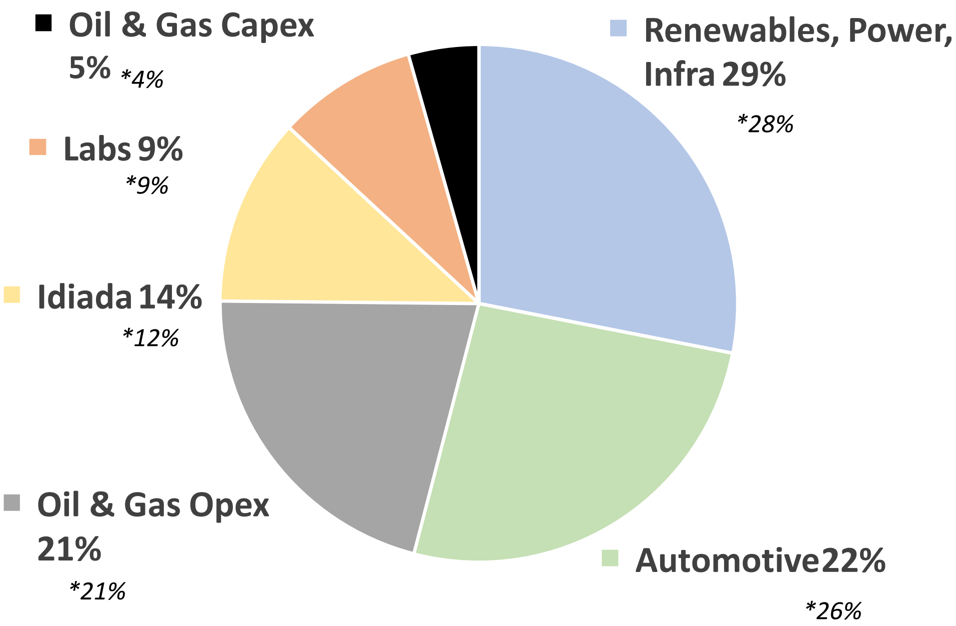
History of the Group

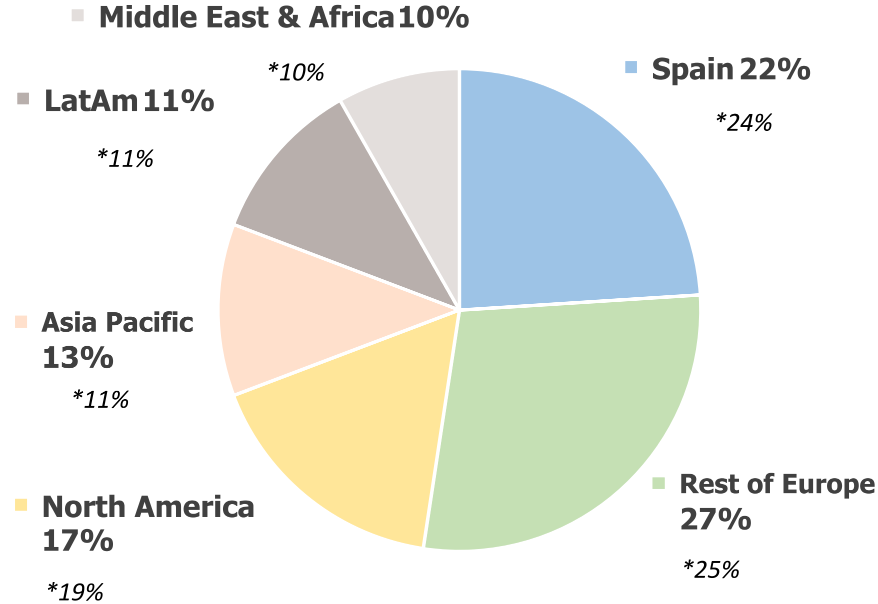
Period	1996 - 2003	2004 - 2007	2008 - 2013	2014 - 2019	2020 - Present
Ownership	Grupo Agbar	Grupo Agbar 53% Union Fenosa 25% Caja Madrid 22%	The Carlyle Group 70% Financial Institutions and other shareholders 30%	100% Free Float ABO of 10% in Sep 2017 at €10.55	2022: First 5% Share buyback 2023: Second 5% Share buyback
Milestones	**Automotive** established in 1996 **IDIADA** contract awarded in 1999 (est 1971) **Labs** contract awarded 2003 (est 1907)	Acquisition of **RTD** (est 1937) Acquisition of **Norcontrol** (est 1981)	Acquisition of **VELOSI** (est 1982) **20** more companies acquired	**IPO May 2014** at €14.5 per share (Market cap €1.9bn) **Energy & Industry** division formed Acqn of **Inversiones Finisterre** plus **15** companies for total revenue of €150m	**20** more acquisitions adding > €250m sales **Strategy Update** with value creation plan over three years **Disposals** of low growth and margin businesses with €150m revenue **ESG** Targets and strong ESG ratings





FY 2022. Splits by End Market and Geography





- **Rebalanced portfolio with higher quality business mix, enhancing the Group's growth and margin profile**
- **Portfolio evolution to accelerate in 2023 and 2024**

* *FY 2021*

Energy & Industry Division

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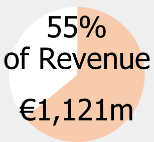
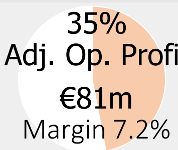
In 2022 55% Revenue and 35% of Adj Op Profit

- Non-destructive testing, industrial and environmental inspection, quality assurance/control, engineering/consultancy, vendor surveillance, technical assistance, certification and asset integrity services
- Global network of operations and facilities

c.**16,000** employees

60 countries





- Oil & Gas Opex infrastructure (37% division revenue)
- Oil & Gas Capex infrastructure (10% division revenue)
- Power Generation and Distribution (15% division revenue)
- Renewables (7% division revenue)
- Infrastructure and Construction
- Mining, Telecoms, Chemical, Manufacturing

Growth Drivers and Performance

- Energy Transition: Oil & Gas to Renewables, Hydrogen, Nuclear
- Capex and Opex in Construction and other infrastructure
- Long term O&G Opex growth
- Cyclical upturn in O&G Capex
- Advance technology and exclusive proprietary solutions
- Geographical Footprint

- 2023 H1: Revenue up 11% and AOP up 14%. Margin 8.1%
- 2022: Revenue up 19% and AOP up 37%. Margin 7.2%
- 2021: Revenue up 4% and AOP up 44%. Margin 6.3%

- Acquisitions and Disposals in last 3 years
  - 2023: Disposed of O&G USA with €150m revenue
  - 2023: Riportico in Portugal. Infra inspection, €8m revenue
  - 2022: K2 in Colombia. Environmental consult, €13m revenue
  - 2021: Enertis in Spain. Renewables, €20 million revenue
  - 2021: SAFCO in KSA. Construction, €29 million revenue
- Sustainability Services (25% of division revenue)
  - Renewables (On/Offshore; Wind/Solar), Soil, Water, Energy Efficiency, Environmental Inspection, Waste Mngt, H&S

Automotive Division (Statutory Vehicle Inspection)

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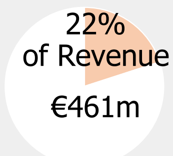
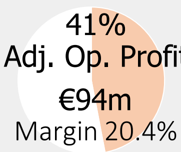
In 2022 22% Revenue and 41% of Adj Op Profit

- Statutory vehicle inspection services for Safety and/or Emissions
- 13 million inspections in > 20 programmes in 14 countries
- 68% Regulated and 32% Liberalised

c.**5,000** employees

14 countries





- Spain (Catalonia, Galicia, Basque Region, Aragon, Castilla la Mancha, Canary Islands, Madrid)

- Ireland
- Denmark
- Sweden
- Andorra
- Saudi Arabia

- Mexico
- Uruguay
- Argentina (3 contracts)
- Chile (3 contracts)
- Ecuador (4 contracts)

Growth Drivers and Performance

- Regulations (emissions, safety)
- Increasing car inspection frequency (volume, age, compliance rates)
- Emerging markets implementing legislation
- Outsourcing

- 2023 H1: Revenue down 6% and AOP down 12%. Margin 21.3%
- 2022: Revenue up 1% and AOP down 6%. Margin 20.4%
- 2021: Revenue up 28% and AOP up 21%. Margin 21.9%

- Inorganic in last 3 years
  - 2023: Sold USA regulated market, €37m revenue
  - 2022: Sold Finland. Liberalised market, €14m revenue
  - 2022: Acquired IDV Madrid. Liberalised market, €6m rev
  - 2020: Acquired in Sweden. Liberalised market, €62m rev
  - 2020: Acquired ITV Canarias. Liberalised market, €4m rev
- ESG Services (98% of division revenue)
  - Auto emissions inspection to reduce air pollution

IDIADA Division (Auto Industry OEM Testing)

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In 2022 14% Revenue and 13% of Adj Op Profit

- 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
- IDIADA A.T. (80% owned by Applus+ and 20% by the Government of Catalonia) has been operating under an exclusive contract since 1999. The contract to operate the business and use the assets runs until September 2024 for which there will be a tender for a new 20 or 25 year concession.

c. **3,000** employees

22 countries

14% of Revenue

€278m

13% Adj. Op. Profit

€30m

Margin 12.8%

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

- Spain
- UK, Germany, Czechia
- France, Italy, Belgium
- China, India, Korea
- USA, Brazil

Growth Drivers and Performance

- Quality & Safety (Regulations and own brand requirements)
- Increasing car models (Electric and Autonomous Vehicles)
- Technology (eg Advanced Driver Assistance Systems)
- Emerging Markets
- Outsourcing

- 2023 H1: Revenue up 20% and AOP up 41%. Margin 12.3%
- 2022: Revenue up 24% and AOP up 54%. Margin 10.8%
- 2021: Revenue up 11% and AOP up 69%. Margin 8.7%

- Acquisitions in last 5 years

  2018: Karco in USA. Crash testing, €4 million revenue
- ESG Services (81% of division revenue)

  Electric and Hybrid vehicles testing and homologation, Tyre labelling, Emissions inspection (WLTP), Car safety tests

Audi Mercedes-Benz BMW GEELY TOYOTA HYUNDAI Mahindra SEAT NISSAN FAW CHERY KIA TATA Continental

Laboratories Division

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In 2022 9% Revenue and 11% of Adj Op Profit

- Multi-technology state-of-the-art testing laboratories for product development serving the Aerospace, Auto, Construction, Energy, IT & Cybersecurity industries
- Testing, evaluation and certification services
- Main facilities in Europe, USA and China

c. **2,000** employees

13 countries

9% of Revenue

€190m

11% Adj. Op. Profit

€27m

Margin 14.0%

- Industry (incl Aerospace, Auto)
- Construction (Fire and structural materials testing)
- Electrical & Electronic
- Cybersecurity
- Metrology
- System certification

- Spain
- Rest of Europe
- North America
- China
- Asia Pacific

- ESG Services (47% division revenue): Electric/Hybrid vehicles electrical components and battery testing, lighter materials for aerospace, energy efficient building products, fire testing, medical devices, cybersecurity, metrology

Growth Drivers and Performance

- Quality, Safety and Security
- Regulations
- Technology development and increasing product complexity

- 2023 H1: Revenue up 19% and AOP up 36%. Margin 15.0%
- 2022: Revenue up 24% and AOP up 4%. Margin 14.0%
- 2021: Revenue up 65% and AOP up 16%%. Margin 16.7%

- Acquisitions in last 3 years

  2023: Rescoll in France, Materials, €21 million revenue

  2023: CFI in China. Auto parts, €7 million revenue

  2023: CLM in Spain. Metrology, €2 million revenue

  2022: Lightship in Canada and JTSEC in Spain. Cybersecurity, c. €10 million revenue combined

  2022: Alpe in Spain. Metrology, €2 million revenue

  2021: Mipelsa in Spain. Metrology, €2 million revenue

  2021: IMA in Dresden. Materials testing, €25 million revenue

Environmental, Social and Governance Vision and Targets

	Vision	2024 Targets
Environment	Help the environment by improving both ours and our client's industries and mitigate the negative impact of climate change on our business	▪ **30% reduction** of Scope 1 & 2 emissions vs 2019 ▪ Be scope 1 and 2 **carbon neutral by 2023** ▪ Plan for **net zero by 2050** under SBTi
Social	To attract diverse, talented and committed people enabling them to reach full potential in a safe and contented workplace	▪ **≥ 40% appointments** to top management and Group corporate services to be filled by **women** ▪ **10% reduction** in Lost Time Injury Frequency
Governance	To uphold our principles of good governance and to operate ethically, responsibly and with highest integrity which our stakeholders expect and deserve	▪ **≥ 90% Compliance** with applicable CNMV (Spanish regulator) recommendations ▪ **≥ 98% professionals** complete the training and sign up to the Code of Ethics

ESG Targets included 2022 to 2024 within the Management Long Term Incentive Plan (LTIP) at 10%
Plus
Annual progress Bonus Targets from 2022 at 15%

ESG: Strong progress in 2022 reinforcing our ESG credentials

- Ongoing annual improvements including **good progress on all ESG targets**
- **Applus+ was rated as "Sustainable" by Standard Ethics** - "very strong" rating who subsequently placed us first in their list of Spanish mid-cap companies
- **Applus+ joined Klima energy transition fund** - network opening partnership opportunities with innovative companies with technologies to support the energy transition and decarbonization
- **The SBTi validated Applus+ 2030 science-based emissions reduction targets** – commitment to be net zero by 2050

At the forefront of ESG best practices and supported by ratings agencies

S&P Global	SUSTAINALYTICS	Gaïa RATING	CDP	standard ethics	MSCI ESG RATINGS	FTSE4Good
54/100	**13.3**	**70/100**	**B** Rating	**EE+**	**AA**	**Included**
Top 19%	Low Risk	Above average	Above average	Very Strong	Leader	

Calendar and Contact

2023 Reporting Timetable

Q3 Results	30 October 2023
Q4/FY Results	27 February 2024

Ticker: APPS-MC

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