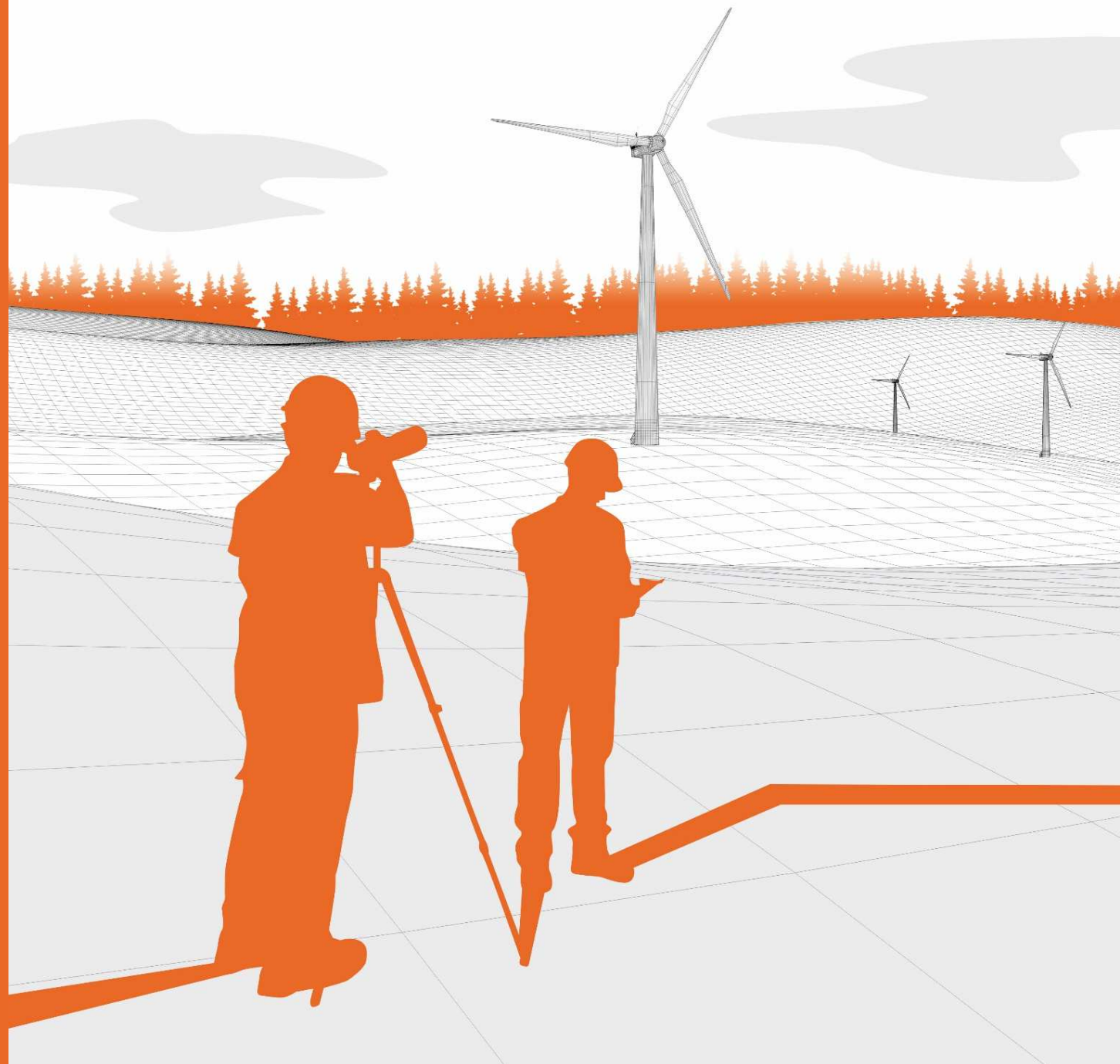


Applus+ Group YTD Q3 2020 Results Presentation

27 OCTOBER 2020



This document has been prepared by APPLUS SERVICES, S.A. (“Applus” or the “Company”) exclusively for its use during a presentation of financial results; therefore it cannot be disclosed or made public by any person or entity with an aim other than the one expressed above, without the prior written consent of the Company. The information and any opinions or statements made in this document have not been verified by independent third parties, nor audited and no express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions or statements expressed herein. The information contained in this document on the price at which securities issued by Applus have been bought or sold, or on the performance of those securities, cannot be used to predict the future performance of securities issued by Applus.

This document may contain statements that constitute forward looking statements about Applus. These statements are based on financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations, which refer to estimates on, 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. Although Applus believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Applus shares are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Applus, that could cause actual results and developments to differ materially from those expressed in or implied or projected by the forward-looking information and statements. 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 Spanish Market Regulator, the *Comisión Nacional del Mercado de Valores*. Except as required under applicable law, 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 summarized 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. Results Report includes the list and definition of the Alternative Performance Measures (APMs) used both in this presentation and the Results Report, according to the guidelines published by the European Securities and Markets Authority (ESMA).

Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement. This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with applicable laws and regulations, nor a request for any vote or approval in any other jurisdiction, nor an invitation or inducement to engage in investment activity. No offering of securities shall be made in the United States except pursuant to registration under the U.S. Securities Act of 1933, as amended, or an exemption therefrom. Nothing contained in this presentation is intended to constitute an invitation or inducement to engage in investment activity for the purposes of the prohibition on financial promotion in the U.K. Financial Services and Markets Act 2000.

Results Presentation YTD Q3 2020

→ HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

SUMMARY & OUTLOOK

ESG

Fernando Basabe
Chief Executive Officer



- All divisions saw continued recovery in trading activity
- Return to a double-digit margin in Q3
- Strong cash generation with available liquidity remaining high
- Two significant acquisitions fully funded from cash generated in current year
 - Besikta, €101 million – Statutory Vehicle Inspection in Sweden
 - Reliable Analysis, €67 million – Labs in China and the US mainly for EV testing

- YTD Q3 2020 Results:
 - **Revenue** of €1,147.4 million down 13.7% (-8% organic in Q3)
 - Operating **profit**¹ of €75.4 million down 49.2% (-16% organic in Q3)
 - Operating profit¹ **margin** of
 - 6.6% YTD (11.2% YTD Q3 2019)
 - 10.1% in Q3 (11.1% Q3 2019)
 - Adjusted¹ **free cash flow** of €168.9 million (€117.4m YTD Q3 2019)
 - **Net debt/EBITDA** ratio of 2.5x and **liquidity** of €653 million

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

Results Presentation YTD Q3 2020

HIGHLIGHTS

→ **FINANCIAL REVIEW**

BUSINESS REVIEW

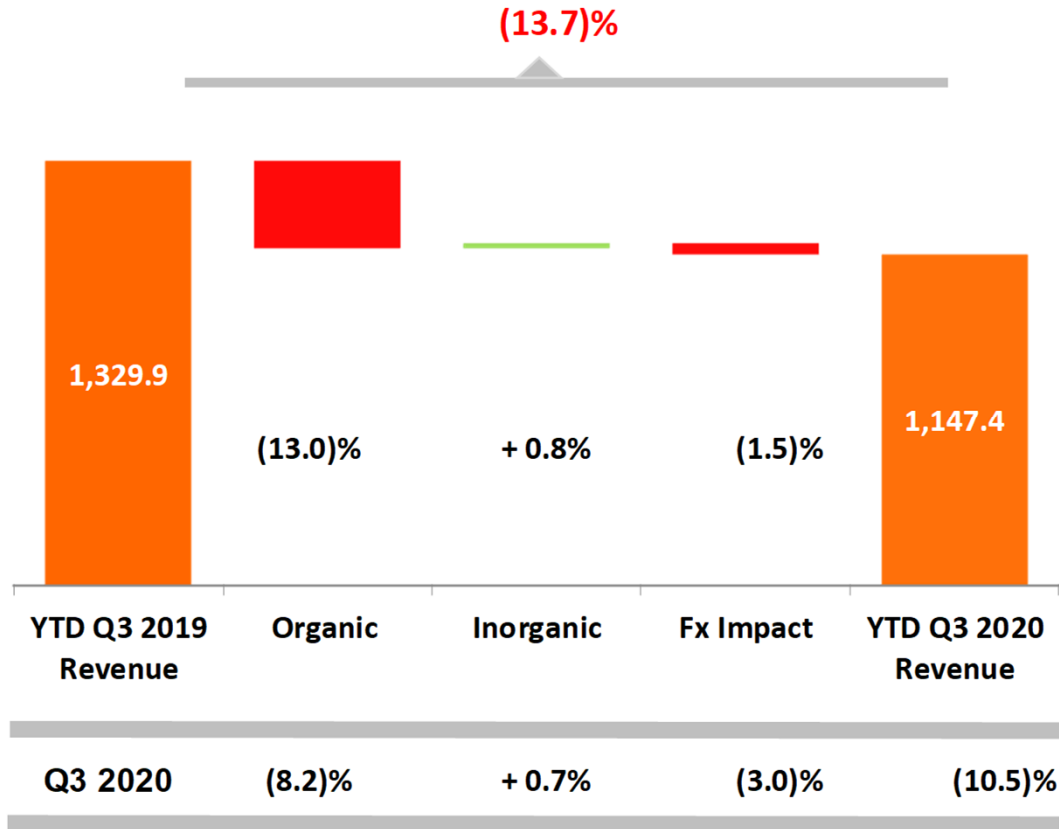
SUMMARY & OUTLOOK

ESG

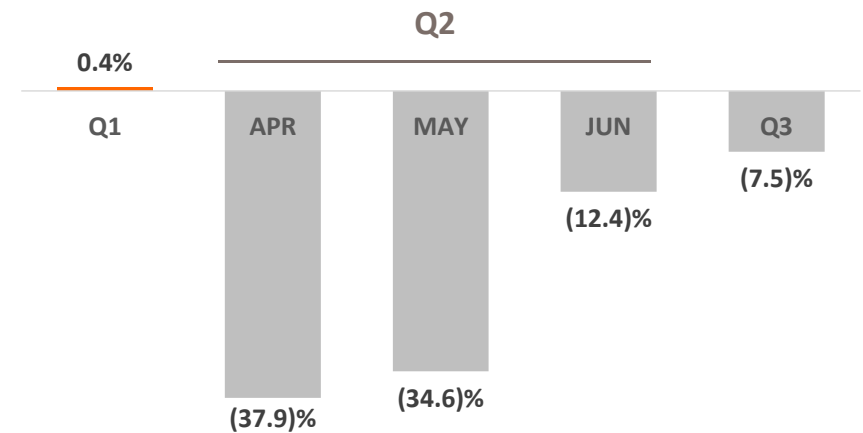
Joan Amigó
Chief Financial Officer



EUR Million

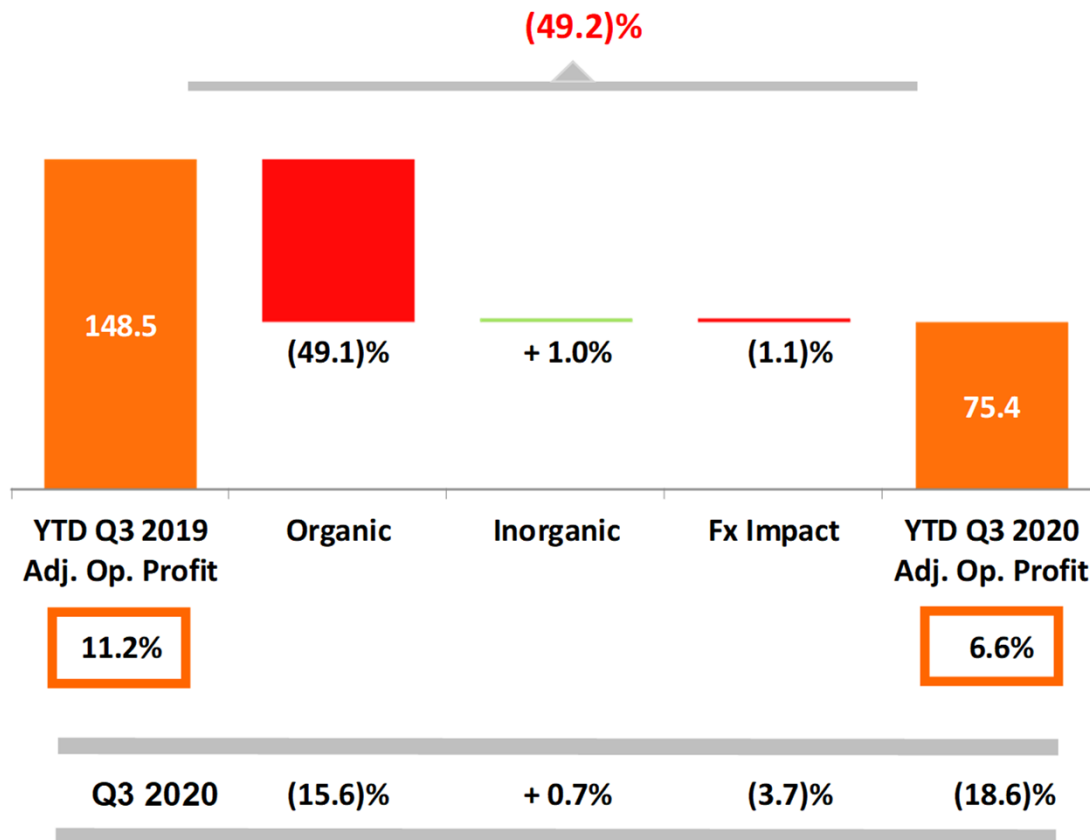


Year on Year Revenue Change at constant rates



Continued recovery

EUR Million

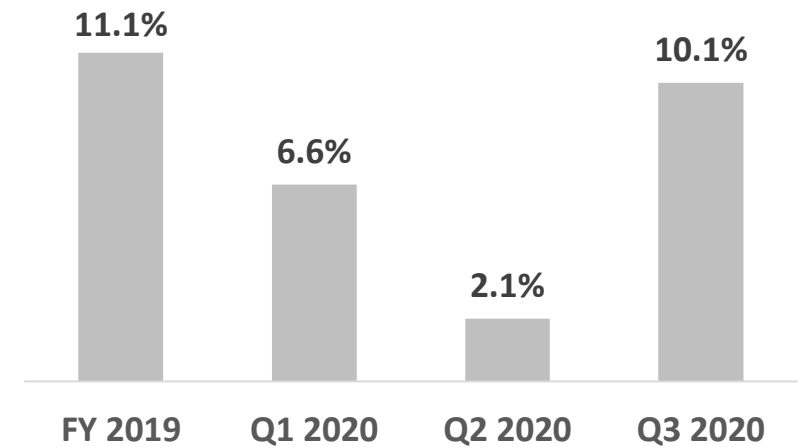


% AOP Margin

11.2%

6.6%

AOP Margin Evolution



Significant margin recovery in Q3

EUR Million

	Q3			YTD Q3		
	2020	2019	Change	2020	2019	Change
Revenue	406.2	454.1	(10.5)%	1,147.4	1,329.9	(13.7)%
Adj. Operating Profit	40.9	50.3	(18.6)%	75.4	148.5	(49.2)%
<i>Adj.Op.Profit margin</i>	<i>10.1%</i>	<i>11.1%</i>		<i>6.6%</i>	<i>11.2%</i>	
PPA Amortisation	(13.9)	(14.8)		(43.1)	(44.3)	
Impairment	0.0	0.0		(164.8)	0.0	
Other results	(3.0)	(1.4)		(5.3)	(2.4)	
Operating profit	24.0	34.0	(29.4)%	(137.8)	101.7	n/a
Finance result	(6.8)	(5.3)		(18.5)	(16.8)	
Profit before tax	17.2	28.8	(40.2)%	(156.2)	84.9	n/a

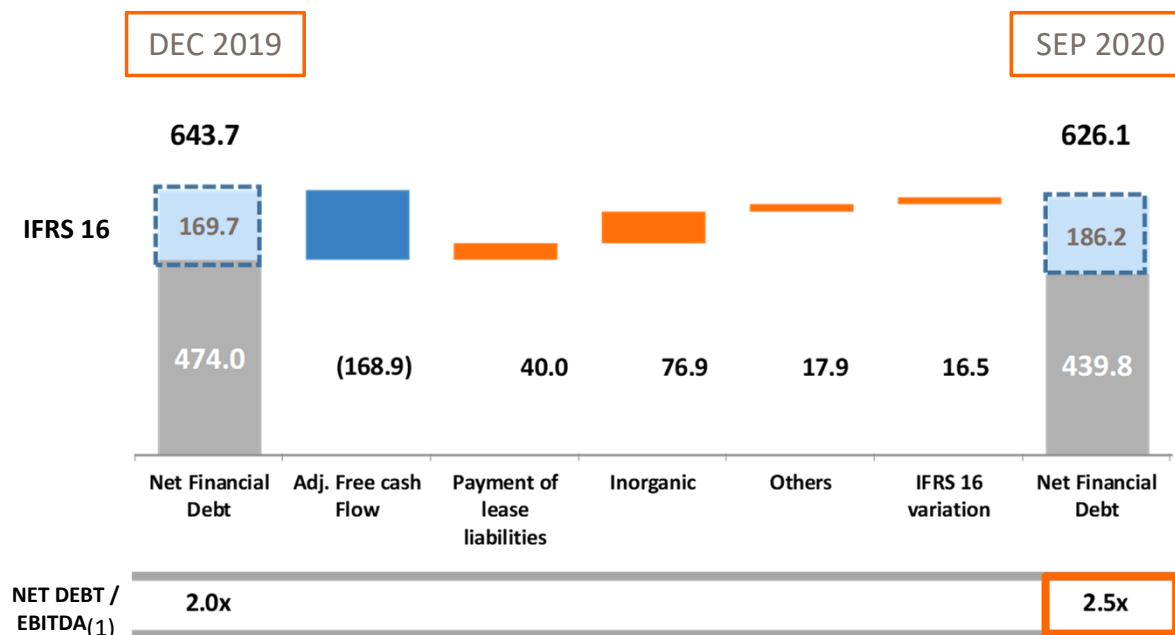
EUR Million

	YTD Q3			
	2020	2019	Change	
Adjusted EBITDA ⁽¹⁾	151.4	221.9	(70.5)	(31.8)%
Change in Working Capital	53.8	(36.5)		
Capex	(22.9)	(34.0)		
Adjusted Operating Cash Flow	182.2	151.4	30.8	20.3%
Taxes Paid	(4.6)	(25.0)		
Interest Paid	(8.7)	(8.9)		
Adjusted Free Cash Flow	168.9	117.4	51.5	43.9%
Extraordinaries & Others	(5.2)	(0.5)		
Applus+ Dividend	-	(21.5)		
Dividends to Minorities	(9.0)	(16.0)		
Operating Cash Generated	154.7	79.4	75.3	94.7%
Acquisitions	(76.9)	(15.2)		
Cash b/Changes in Financing & FX	77.8	64.3		
Payments of lease liabilities (IFRS 16)	(40.0)	(41.0)		
Other Changes in financing	134.2	(37.9)		
Treasury Shares	(0.8)	(2.0)		
Currency translations	(7.7)	1.7		
Cash increase	163.5	(15.1)		

- Strong cash flow due to working capital inflow and reduced controllable outflows
- Acquisitions includes €67 million for Reliable Analysis and €10 million for a Spanish Metrology company, a statutory vehicle inspection in the Canary Islands and other deferred consideration
- All acquisitions funded from operating cash generated in the period

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

EUR Million



Liquidity

Cash at 30 September 2020	314.1
Undrawn facilities	338.7
Available liquidity	652.7

- Net debt excluding IFRS16 reduced by €34 million
- Available liquidity above €650 million
- Retained comfortable debt headroom with leverage covenant temporarily relaxed
- Estimated proforma leverage after Besikta acquisition 3.0x

(1) Stated at annual average rates and excluding IFRS 16 as defined by bank covenant.
Leverage including IFRS 16 2.7x

Results Presentation YTD Q3 2020

HIGHLIGHTS

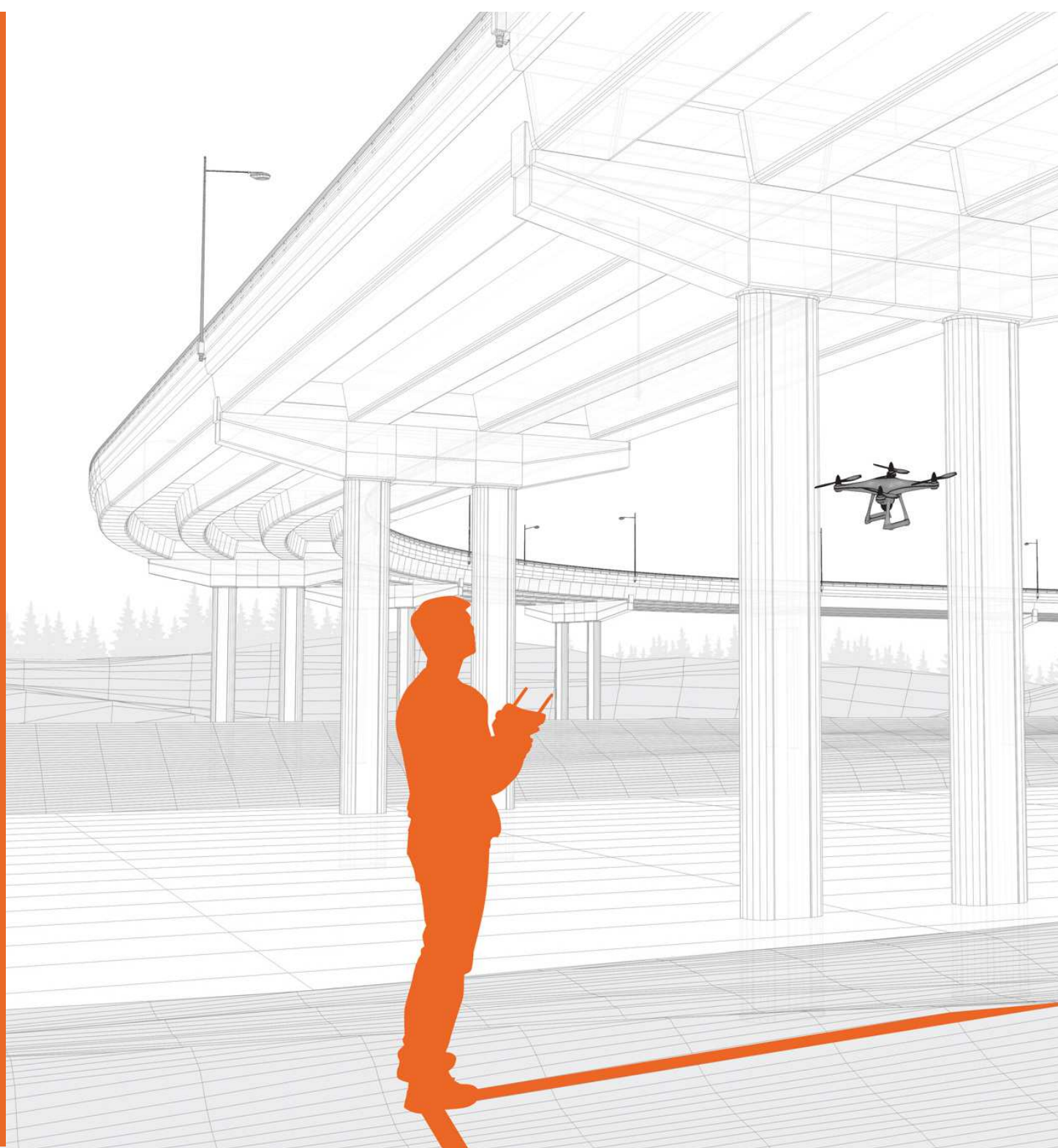
FINANCIAL REVIEW

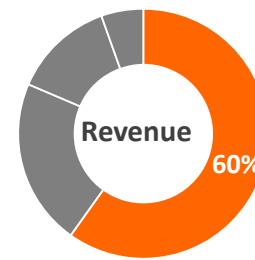
→ **BUSINESS REVIEW**

SUMMARY & OUTLOOK

ESG

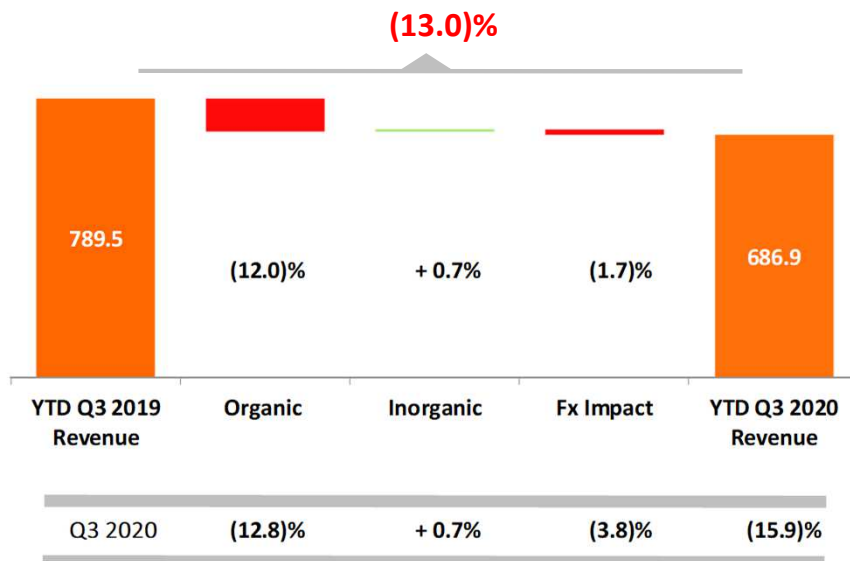
Fernando Basabe
Chief Executive Officer



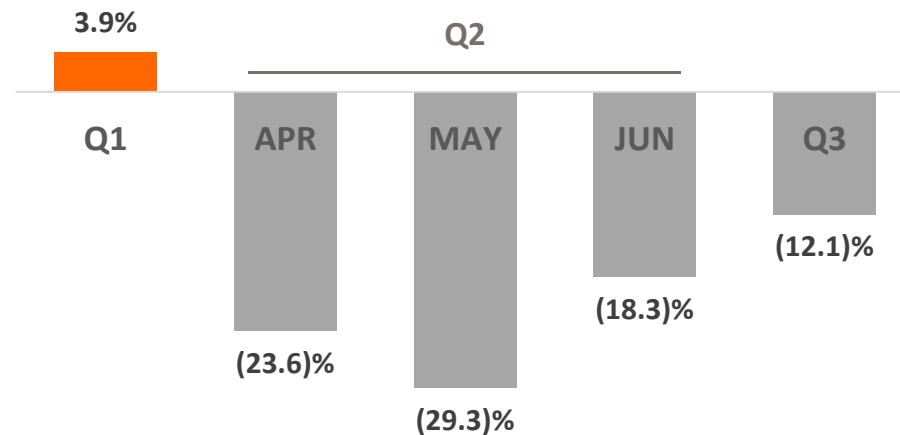


EUR Million

YTD Q3 Revenue Bridge



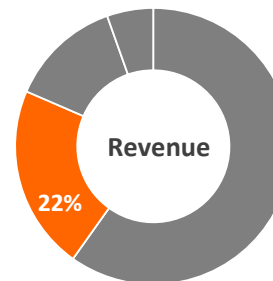
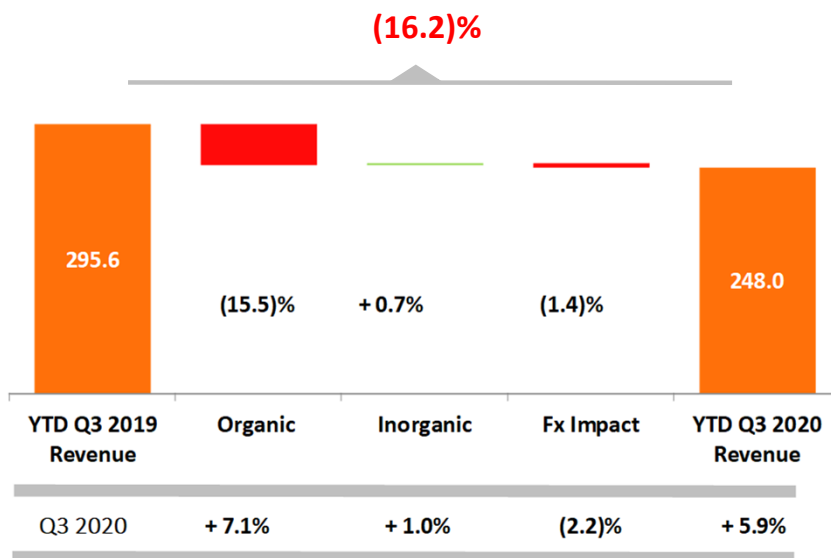
Year on Year Revenue Change at constant rates



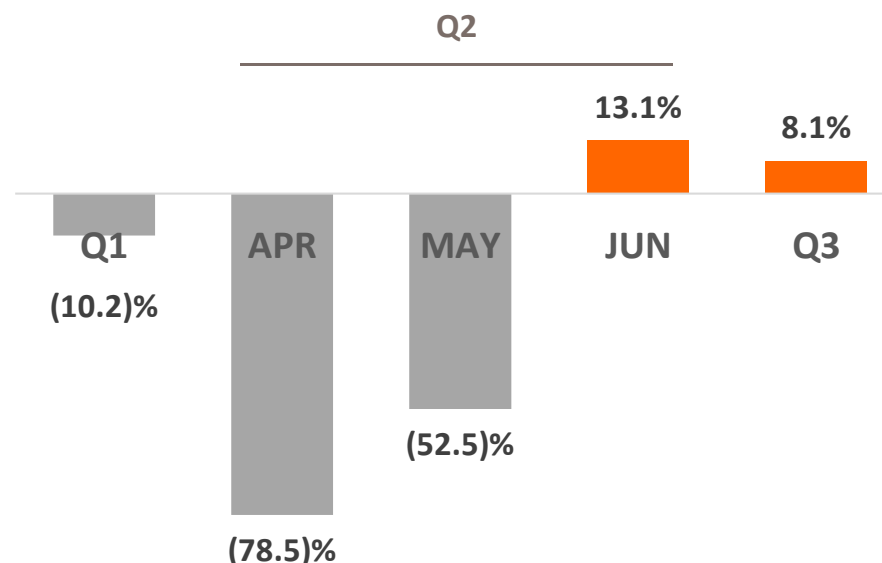
- Month by month recovery following the tough Q2 due to COVID-19
- O&G down, mainly Capex exposure, with recovery in other end markets to flat in Q3
- Spain, LatAm, Middle East and Africa are the better performing regions
- The cost base is being addressed in some countries through the continued use of temporary lay off programmes and restructuring

EUR Million

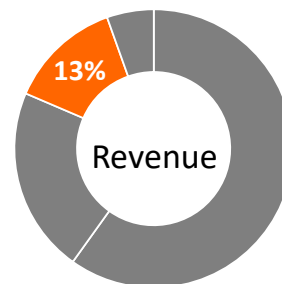
YTD Q3 Revenue Bridge



Year on Year Revenue Change at constant rates

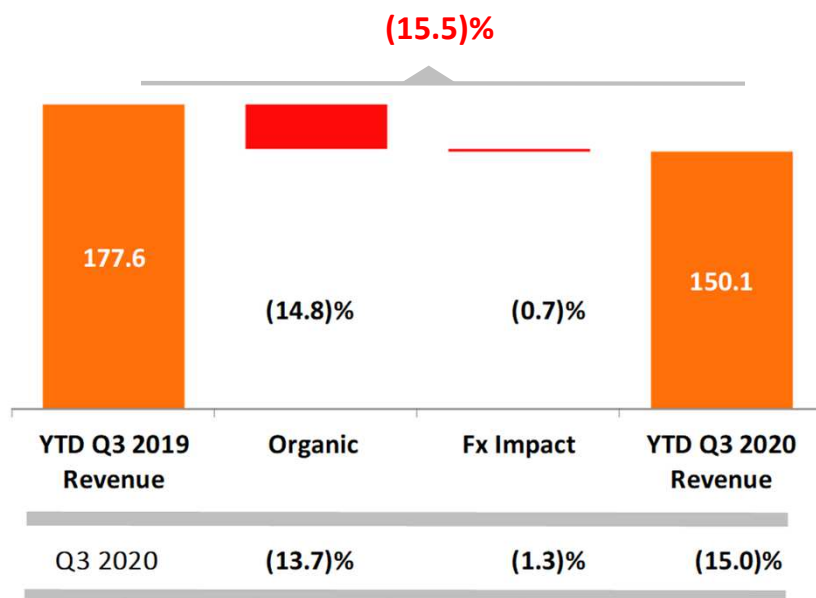


- Recovering well after the forced station closures from March to May with only Argentina, Chile and Ireland partially closed in Q3 due to COVID-19
- Rapid improvements in efficiency to comply with new health and safety measures and good operating leverage has protected the margin
- Acquisition of Besikta with €62m revenue improves the portfolio quality and market leadership in the Nordics

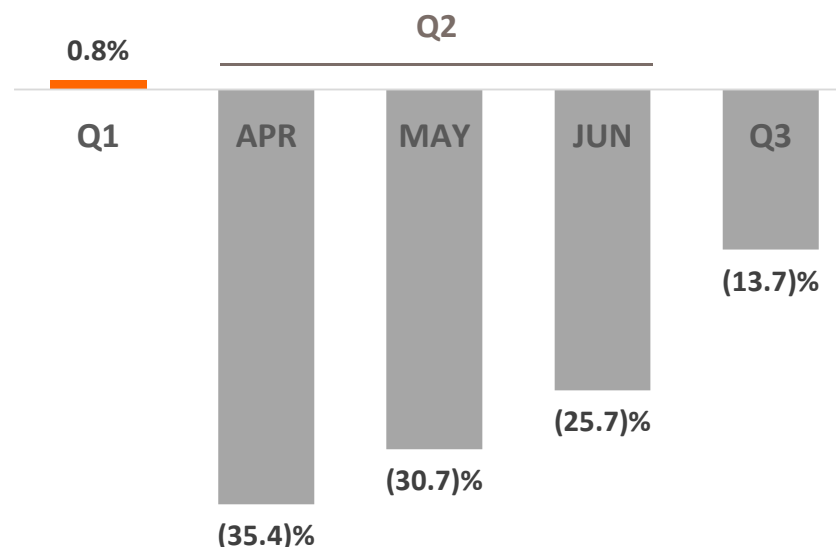


EUR Million

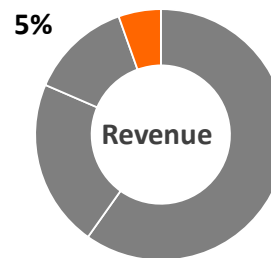
YTD Q3 Revenue Bridge



Year on Year Revenue Change at constant rates

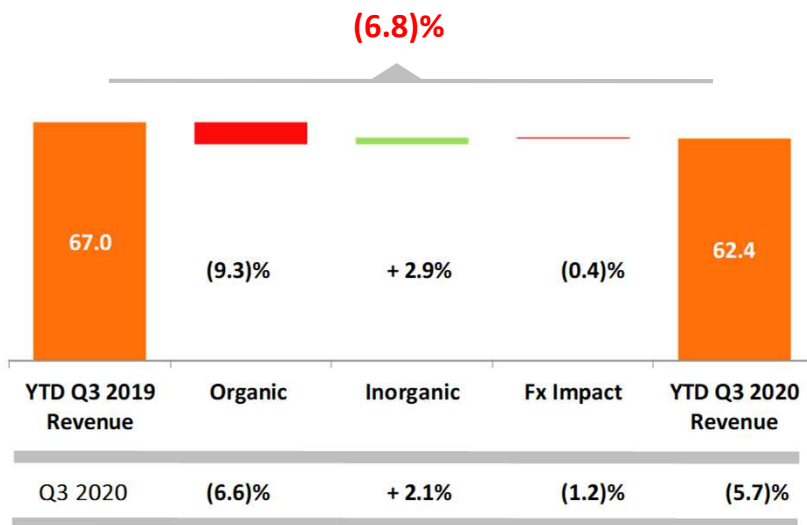


- The improving trend is mainly from increasing ADAS work for EV in Powertrain and Homologation as well as a good performance in China
- Proving Ground and other services in Spain continue to be impacted by the mobility restrictions of international customers
- The cost base in Spain is being addressed through the continued use of the temporary lay off programme and restructuring
- The tender for the renewal of the concession is at the preparatory stage

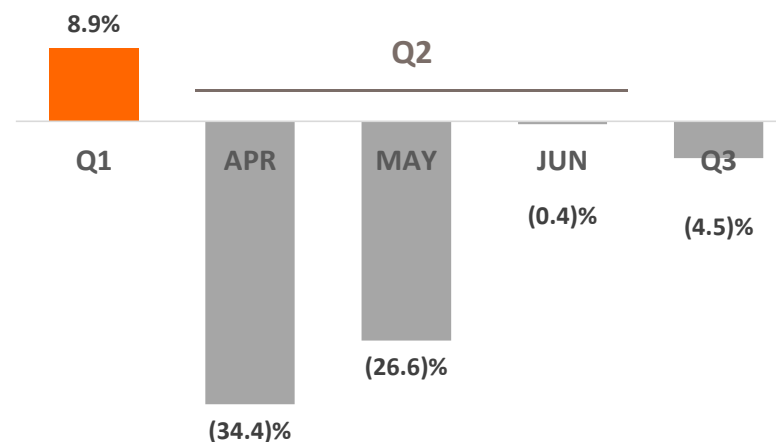


EUR Million

YTD Q3 Revenue Bridge



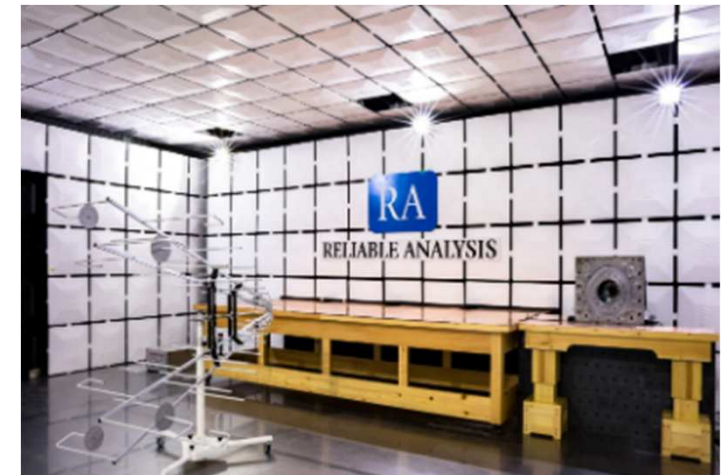
Year on Year Revenue Change at constant rates



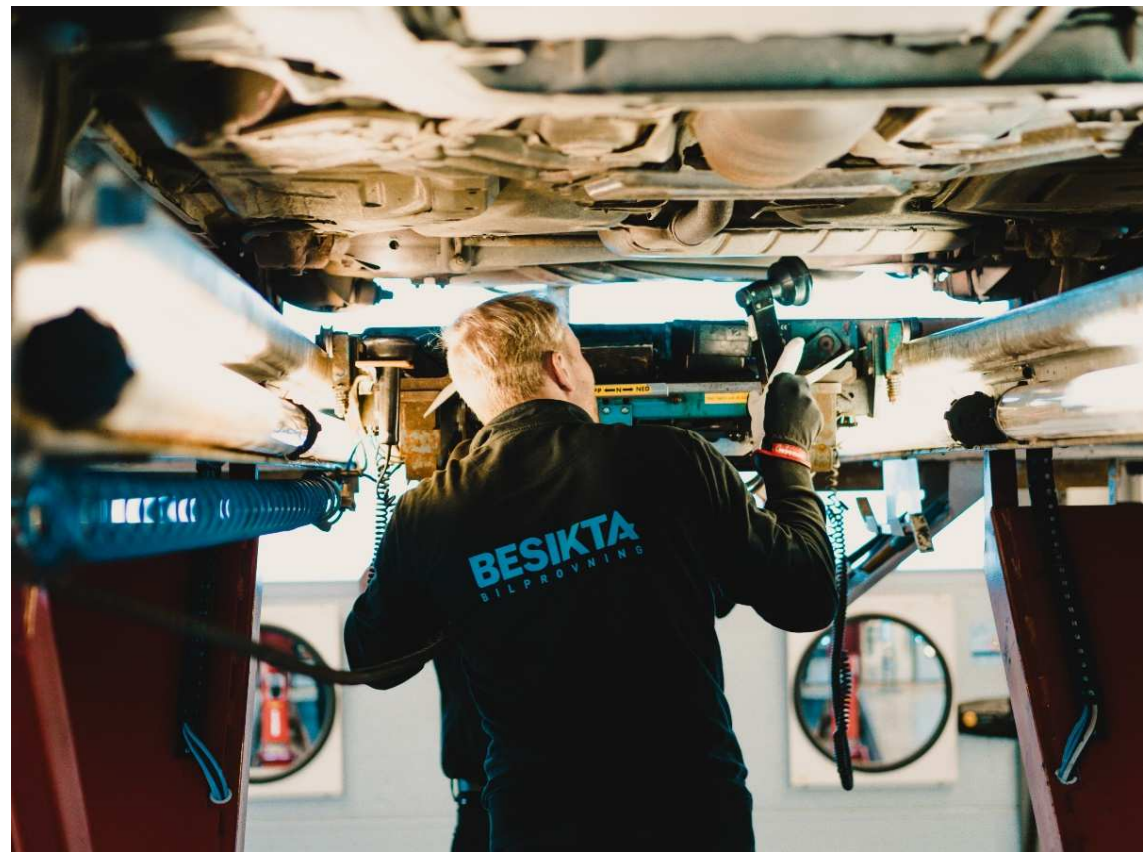
- Most end markets are on an improvement trend with the exception of Aerospace and EMC testing in Spain
- Restrictions on mobility affecting the business in Spain and the UK
- Acquisition of Reliable Analysis with €24 million revenue in China and the US that will benefit from the high growth segment of EV testing

Reliable Analysis - €67 million initial consideration

- Strategic and transformational deal for Applus+ Laboratories adding 25% to division revenue
- €24 million revenue with an EBITDA above 20% (pre-IFRS16)
- Entry into the fast-growing Electric Vehicle testing market in China and the US
 - The combination with the existing leading market position for EMC testing in Europe will make the division a significant global provider of high value EMC and electrical component testing for the automotive industry
 - China is a key market and promoter of EV development
 - Diversified list of the major Chinese and international customers as well as EV start-ups
 - Strong platform for growth and further investment opportunities identified
- Strengthens the footprint in China and the US, two key regions for Applus+
- Immediately accretive to margins and earnings per share.
- Expect the business to return to double digit revenue growth from 2021
- Integration plan in place to reduce execution risk



- One of the leading statutory vehicle inspection companies in Sweden with 25% market share
- LTM ended 30 June 2020, revenue of €62 million, at an adjusted EBITDA margin in the high teens (pre IFRS16) Reinforces Applus+` global leadership position in Auto inspection now becoming the leading operator in the Nordics
- Liberalised market without renewals risk and a high level of recurrent and growing revenue and cash flows
- Low risk integration into Applus+ network
- Benefit through sharing best practices and marketing expertise in the region
- Immediately accretive to Group margins and earnings per share
- Expected to generate low single digit organic revenue growth and high stable returns



Results Presentation YTD Q3 2020

HIGHLIGHTS

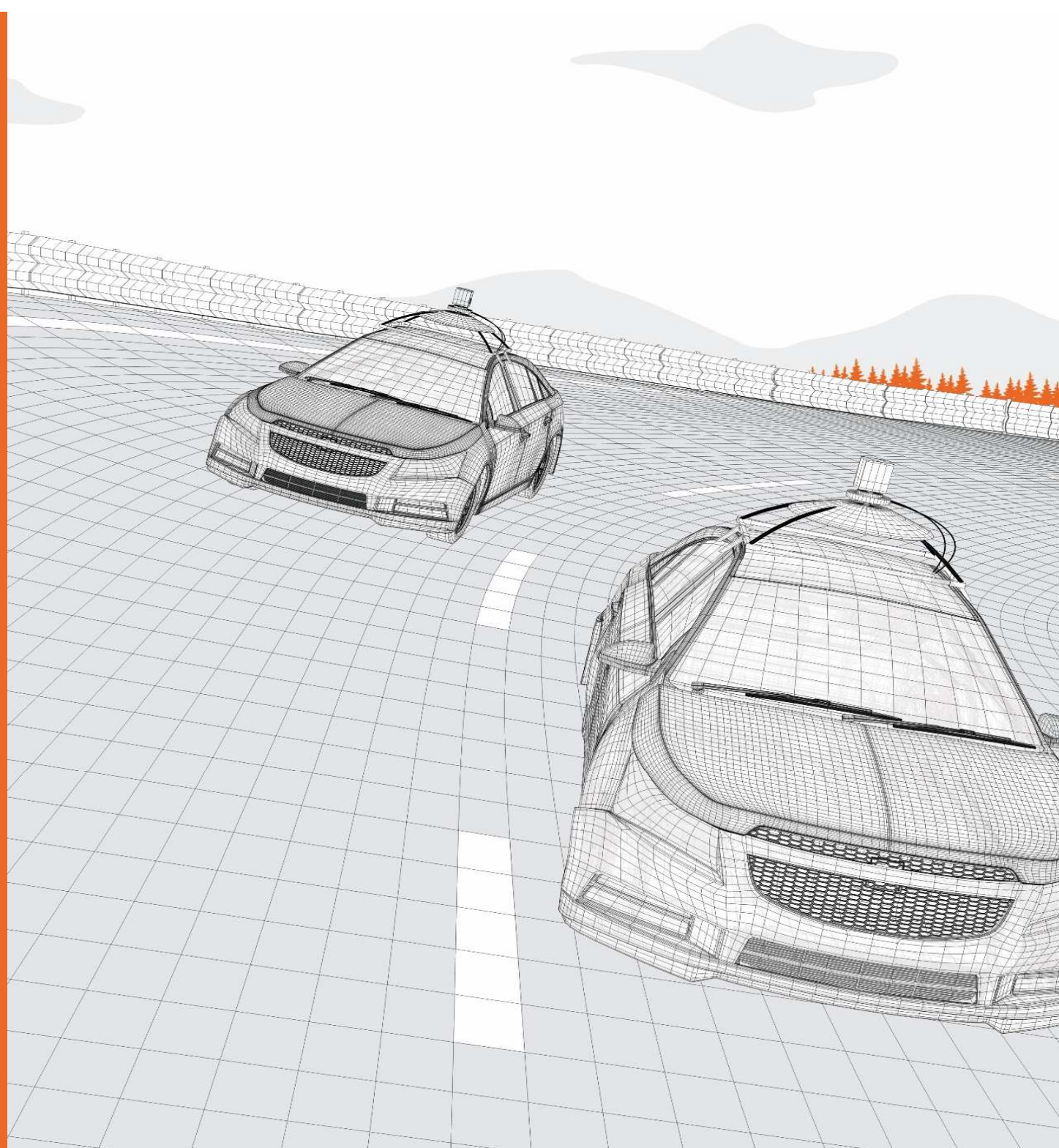
FINANCIAL REVIEW

BUSINESS REVIEW

→ **SUMMARY & OUTLOOK**

ESG

Fernando Basabe
Chief Executive Officer



Summary of YTD Q3 2020

- Gradual recovery led by the Automotive division
- Renewed focus on using the strong cash flow and high liquidity to grow and diversify the business through acquisitions

Outlook for 2020 (assuming there are no material changes in our key markets)

- Continued gradual revenue recovery
- Margin in Q4 in line with Q3
- Strong cash flow generation

Results Presentation YTD Q3 2020

HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

SUMMARY AND OUTLOOK

→ **ESG**

Fernando Basabe
Chief Executive Officer



First CSR Report in 2015 following the Global Reporting Initiative (GRI)

Dedicated ESG Board Committee to supervise progressive work

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 ESG goals

AA rating from MSCI ESG Ratings which is categorised as "Leader" in its industry

Included within FTSE4Good IBEX since 2019

Environmental

Group wide focus on reducing impact with improvements in key parameters in 2019

CDP – B rating which is above average and in the in "Management" category

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 Chair of A&C Committee



- Significant positive environmental impact resulting from the services provided by Applus+. These are services which help customers to reduce environmental impact.
- Circa €200 million (**11% total revenue**) from services to protect reduce/mitigate environmental impacts:
 - Renewables
 - Automotive Emissions
 - Environmental Surveys
 - Energy Audits
 - Waste Management Surveys
 - Innovation projects for Automotive eco-engines and lightweight Aerospace materials
- Green Services: Those which make a substantial contribution to one environmental objective and do not cause significant harm to the other environmental objectives.

Applus⁺ *Together* beyond standards

www.applus.com

YTD Q3 2020. Adjustments to Statutory results

EUR Million

EUR Million	YTD Q3 2020			YTD Q3 2019			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
Revenue	1,147.4	0.0	1,147.4	1,329.9	0.0	1,329.9	(13.7)%
Ebitda	151.4	0.0	151.4	221.9	0.0	221.9	(31.8)%
Operating Profit	75.4	(213.2)	(137.8)	148.5	(46.8)	101.7	(49.2)%
Net financial expenses	(18.5)	0.0	(18.5)	(16.8)	0.0	(16.8)	
Profit Before Taxes	57.0	(213.2)	(156.2)	131.7	(46.8)	84.9	(56.7)%

Other results breakdown

- Impairment €165 million
- PPA amortisation €43 million
- Restructuring €4 million
- Transaction costs & others €1 million

- 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€**

YTD Q3 & Q3 2020. Revenue by Division and Adj. Op. Profit

EUR Million

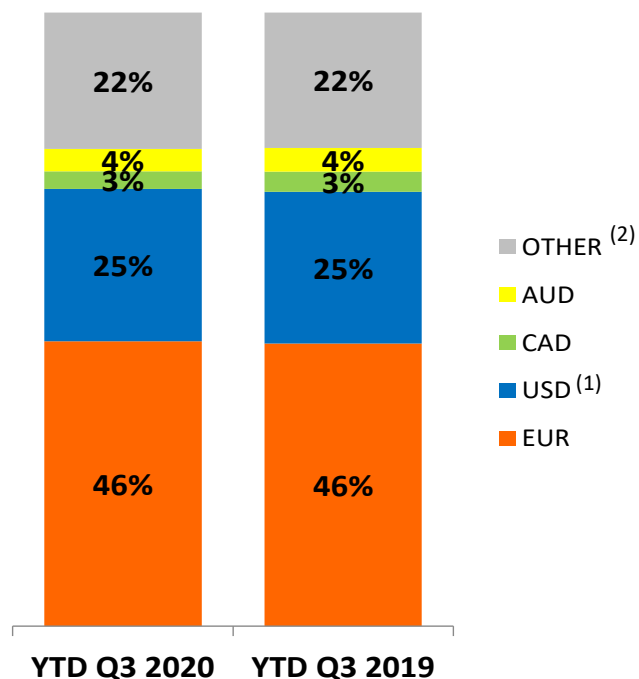
YTD Q3

REVENUE	Actual 2020	Growth				Actual 2019
		Organic	Inorganic	FX	Total	
Energy & Industry	686.9	(12.0)%	0.7%	(1.7)%	(13.0)%	789.5
Laboratories	62.4	(9.3)%	2.9%	(0.4)%	(6.8)%	67.0
Auto	248.0	(15.5)%	0.7%	(1.4)%	(16.2)%	295.6
Idiada	150.1	(14.8)%	0.0%	(0.7)%	(15.5)%	177.6
Total Revenue	1,147.4	(13.0)%	0.8%	(1.5)%	(13.7)%	1,329.9
Adj. Op. Profit	75.4	(49.1)%	1.0%	(1.1)%	(49.2)%	148.5

Q3

REVENUE	Actual 2020	Growth				Actual 2019
		Organic	Inorganic	FX	Total	
Energy & Industry	230.7	(12.8)%	0.7%	(3.8)%	(15.9)%	274.4
Laboratories	21.7	(6.6)%	2.1%	(1.2)%	(5.7)%	23.0
Auto	103.9	7.1%	1.0%	(2.2)%	5.9%	98.1
Idiada	49.8	(13.7)%	0.0%	(1.3)%	(15.0)%	58.5
Total Revenue	406.2	(8.2)%	0.7%	(3.0)%	(10.5)%	454.1
Adj. Op. Profit	40.9	(15.6)%	0.7%	(3.7)%	(18.6)%	50.3

% Revenue by Actual Currency



	Average FX Exchange rates vs Euro			
	JAN - SEP 2020	JAN - SEP 2019	Change	FY 2019
USD	1.124	1.124	0.0%	1.120
CAD	1.521	1.494	(1.8)%	1.486
AUD	1.663	1.607	(3.4)%	1.610

(1) Includes currencies pegged to USD

(2) None above 3%

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**, realised 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 and pre-IFRS16
- **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