2020 First Quarter Results Announcement
5 May 2020

Applus Services, S.A. ("Applus+" or "the Group"), one of the world's leading and most innovative companies in Testing, Inspection and Certification, today announces the results for the first quarter ("quarter") ended 31 March 2020.

Highlights
- Good start to the year with every division growing well until mid-March when COVID-19 materially impacted Applus
- Sudden business disruption resulted in rapid and high revenue drop through to profit, especially for Auto division at the beginning of the facility closures
- Focus is on COVID-19 management: people´s health, customer´s requirements, liquidity & adapting costs
- Q1 financial results
    - Revenue of €416.9 million, up 0.3% (organic[1] -0.3%)
    - Operating profit[2] of €27.7 million down 28% (organic[1] -30%)
    - Operating profit[2] margin of 6.6%, down from 9.3%
    - Adjusted free cash flow[2] of €29.6 million, down 37%
    - Net debt/EBITDA ratio 2.0x and liquidity[3] of €622 million

1. Organic is at constant exchange rates
2. Operating profit, margin and cash flow are stated before Other results and amortisation of acquisition intangibles (see page 4)
3. Liquidity includes €150m signed in April 2020

Fernando Basabe, Chief Executive Officer of Applus+, said:

"The Group had a good start to the year up until the middle of March when the financial effect of the statutory measures to contain the spread of the coronavirus started to severely impact our operations. All four divisions are affected to varying degrees, but the sudden closure of all our Automotive division stations in Spain, rapidly followed by many other countries was the most significant. While our revenue fell immediately and despite utilising all the Governmental temporary lay-off schemes available, we continued to bear the majority of the costs, resulting in a material impact on the margin.

Our response, including that recently announced on two separate occasions, has been wide ranging with due consideration for the social and human consequences and for the long term benefit of the company. It has been to prioritise the well-being of our people and their families including protecting jobs as far as possible, supporting our customers meet their operational challenges where in many cases our services continue to be essential, reducing costs and managing the cash inflows and outflows and financial resources to ensure we effectively manage through this period. As announced, we regretfully decided to cancel the dividend previously declared on the 2019 results. We are a prudently managed business *and we entered the crisis with a strong balance sheet, long debt maturities and a high level of liquidity. We nevertheless remain vigilant and will continue to take all the precautionary measures that are at our disposal in order to protect the company and its stakeholders and emerge from this crisis with the capacity and strength to return to our proven growth strategy that has been successful.*

For the second quarter of the year, our current expectation is that the Group revenue will be materially impacted to the extent of being down around 35% compared to the same period last year mainly as a result of the effect of the coronavirus and already including some weakness coming from the oil and gas markets. If this is the case, we then expect to report a small adjusted operating loss for the quarter. In this scenario with most of this second quarter revenue and profit reduction coming from the Automotive division and with our people fully prepared with protective measures to resume activities as soon as we are permitted, we expect a material improvement in adjusted operating profit in the second half as the Automotive stations re-open and the missed statutory vehicle inspections catch up.

I take this opportunity to thank our people who continue to work on essential services during this period of heightened contagion risk, and all, for their understanding, making sacrifices and taking losses that unfortunately so many are suffering. We hope this situation improves as soon as possible."

Presentation and Webcast

There will be a webcast and audio presentation on these results today at 10.00 am Central European Summer Time. To follow the presentation by webcast, use the link: https://edge.media-server.com/mmc/p/3gs3uwoo or via the company website at www.applus.com under Investor Relations/Financial Reports. To listen by telephone dial one of the numbers below quoting the access code. Due to current high demand on conference calls, please dial in five to ten minutes early.

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Access code

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Questions at the end of the call must be submitted by email to Aston Swift on aston.swift@applus.com . These will be read out including the name of the person asking the question and the organisation they are representing.

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About Applus+ Group

Applus+ is one of the world's leading and most innovative companies in the Testing, Inspection and Certification sector. It provides solutions for customers in all types of industries to ensure that their assets and products meet quality, health & safety and environmental standards and regulations.

Headquartered in Spain, Applus+ operates in more than 70 countries and employs over 23,000 people. Applus+ operates through four global divisions, all of which operate under the Applus+ brand name. For the full year of 2019, Applus+ recorded revenue of €1,778 million and adjusted operating profit of €197 million.

Applus+ is listed on the Spanish stock exchanges (Mercado Continuo). The total number of shares is 143,018,430.

ISIN: ES0105022000
Symbol: APPS-MC
For more information go to www.applus.com/en

Applus⊕

FIRST QUARTER REPORT 2020

Overview of performance

The financial performance of the Group is presented in an "adjusted" format alongside the statutory ("reported") results. The adjustments are made in order that the underlying financial performance of the business can be viewed and compared to prior periods by removing the financial effects of other results.

Where stated, organic revenue and profit is adjusted for acquisitions or disposals in the prior twelve month period and is stated at constant exchange rates, taking the current year average rates used for the income statements and applying them to the results in the prior period.

In the table below the adjusted results are presented alongside the statutory results.

	Q1 2020			Q1 2019			
EUR Million	**Adj. Results**	**Other results**	**Statutory results**	**Adj. Results**	**Other results**	**Statutory results**	**+/- % Adj. Results**
Revenue	**416.9**	**0.0**	**416.9**	**415.4**	**0.0**	**415.4**	**0.3%**
Ebitda	**53.5**	**0.0**	**53.5**	**63.0**	**0.0**	**63.0**	**(15.1)%**
Operating Profit	**27.7**	**(15.0)**	**12.6**	**38.4**	**(14.9)**	**23.5**	**(28.0)%**
Net financial expenses	(6.2)	0.0	(6.2)	(5.4)	0.0	(5.4)	
Profit Before Taxes	**21.5**	**(15.0)**	**6.5**	**33.1**	**(14.9)**	**18.1**	**(35.0)%**

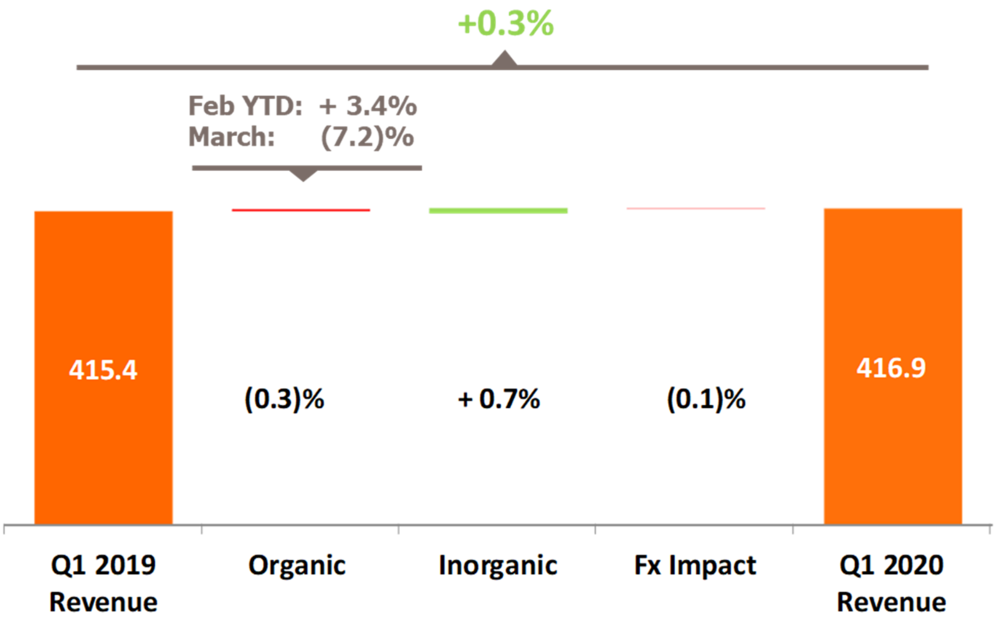
The figures shown in the table above are rounded to the nearest €0.1 million.

Adjustments of €15.0 million (Q1 2019: €14.9m) in the Operating Profit represent the amortisation of acquisition intangibles of €14.6 million (Q1 2019: €14.8m) and a charge for other items of €0.4 million (Q1 2019: €0.2m).

Revenue

Revenue for the three month period ended 31 March 2020 of €416.9 million was higher by 0.3% compared to the previous year.

The revenue bridge for the quarter in € million is shown below.



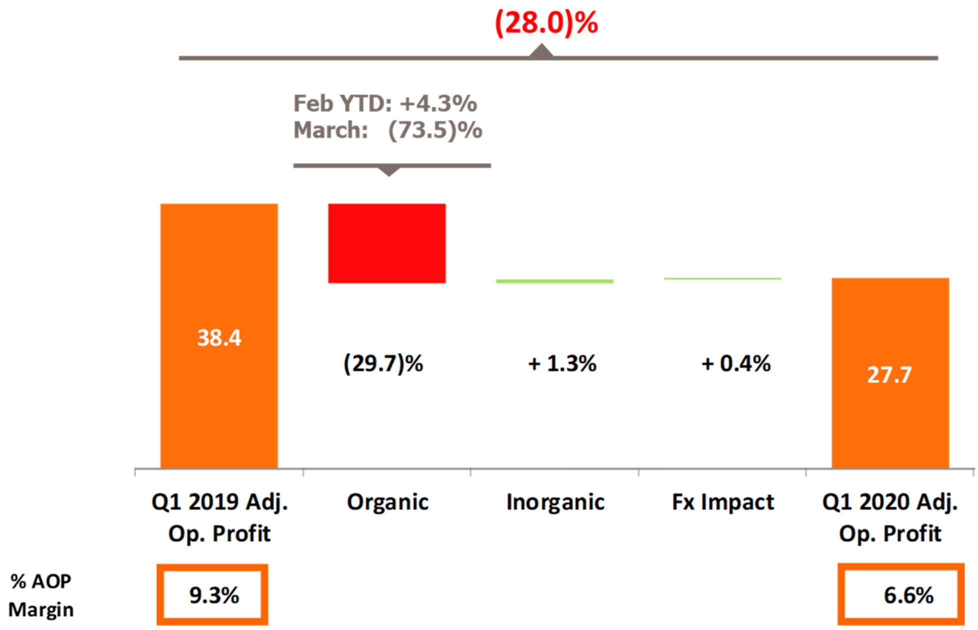
The total revenue increase of 0.3% for the quarter was made up of a decrease in organic revenue at constant exchange rates of 0.3%, revenue from acquisitions made after the first quarter of 2019 and those made so far in 2020 of 0.7%, less a currency translation impact of 0.1%.

The business had a good start to the year with every division growing well until mid-March when COVID-19 materially impacted the Group. For the first two months of the year, revenue grew by 3.4% but in March it fell 7.2% after the sudden closure of many of the Group´s facilities and a sharp reduction in activity at others.

Adjusted Operating Profit

Adjusted operating profit for the three month period ended 31 March 2020 of €27.7 million was 28.0% lower than the first quarter in the previous year.

The operating profit bridge for the quarter in € million is shown below.



Organic adjusted operating profit was down 29.7%, incremental profit from acquisitions was 1.3% and there was a favourable currency translation impact of 0.4%.

The adjusted operating profit margin was 6.6%, down from 9.3% due to the sudden fall in revenue that took place in the middle of March.

The adjusted operating profit increased in the first two months of the year by 4.3% but fell 73.5% in March due to the sudden business disruption that resulted in a rapid and high revenue drop through to profit especially in the Automotive Division at the beginning of the facility closures.

Other Financial Indicators

The net financial expense of €6.2 million in the quarter was higher than the Q1 2019 financial expense of €5.4 million mainly due to foreign exchange losses on the monetary assets and liabilities plus an increase in the interest charges as a result of drawing down into cash all the available commitments from the revolving credit facility which took place in mid-March.

The resulting adjusted profit before tax decreased by €11.6 million, or 35.0% to €21.5 million mainly as a result of the lower adjusted operating profit. The statutory profit before tax decreased by €11.7 million, or 64.4% to €6.5 million.

Cash Flow, Liquidity and Debt

The business normally generates strong cash flow, but in the first quarter of 2020 the cash flow was materially impacted from mid-March after the revenue and profit fell due to the facility closures and the reduction in activity in operations that remained open, that took place due to COVID-19.

The rapid fall in profit that took place in March reducing the Adjusted EBITDA by €9.5 million coupled with the swing of €25.5 million in working capital was the main reason for the lower cash flow in the quarter compared to the same period last year.

Working capital remains under tight control and the Group is taking considerable cash conservation measures, although as is usual in the first quarter due to seasonality, the working capital ended the quarter at a higher level than the prior year end. The prior period first quarter had a working capital cash inflow due to the significant cash collection from the increase in receivables at year end following the high revenue growth in the final quarter of 2018 in the largest division of Energy & Industry.

Adjusted operating cash flow (after capital expenditure) of €28.8 million was about half the level of the corresponding period. After tax and interest paid, the adjusted free cash flow was €29.6 million which was €17.4 million lower than the corresponding period. Tax was a cash inflow of €4.2 million whereas in the first quarter of 2019 there was a Tax cash outflow of €7.9 million, because under the tax regime of many countries, tax must be paid in advance on estimated profits and without taking into account tax allowances and therefore there can be overpayments with the timing of the refunds often in a subsequent accounting period.

The net cash in the Group increased by €243.2 million in the quarter due to the net operating cash increase of €30.1 million after dividends to Minorities of €0.8 million, considerably reduced from Q1 2019 of €5.0m, reduced outflow for acquisitions of €4.5 million (Q1 2019: €9.0m) and the drawdown into cash in March of a net of €234.3 million being the €300 million of the total available commitments from the revolving credit facility less the repayment of shorter term loans.

In the table below, a summary of the cash flow is presented.

	Q1			
	2020	2019	Change	
Adjusted EBITDA	**53.5**	**63.0**	**(9.5)**	**(15.1)%**
Increase in working capital	(19.8)	5.7		
Capex	(4.9)	(10.3)		
Adjusted Operating Cash Flow	**28.8**	**58.4**	**(29.6)**	**(50.7)%**
Taxes	4.2	(7.9)		
Interest	(3.4)	(3.5)		
Adjusted Free Cash Flow	**29.6**	**47.0**	**(17.4)**	**(37.0)%**
Extraordinaries & Others	1.3	1.0		
Dividends to Minorities	(0.8)	(5.0)		
Operating Cash Generated	**30.1**	**42.9**	**(12.8)**	**(29.9)%**
Acquisitions	(4.5)	(9.0)		
Cash b/Changes in Financing & FX	**25.6**	**33.9**		
Payments of lease liabilities (IFRS 16)	(14.2)	(13.9)		
Other Changes in financing	234.3	(19.1)		
Currency translations	(2.5)	0.9		
Cash increase	**243.2**	**1.8**		

At the end of the first quarter, the amount of cash in the Group was €390 million and this alongside undrawn committed facilities at the end of March amounted to €472 million of cash and undrawn facilities at the end of March. In addition, during the month of April, the Group signed bank borrowing facilities for a further €150 million resulting in the available liquidity of €622 million.

Liquidity	
Cash and Undrawn facilities at 31 March	472
New facilities signed in April	150
Available liquidity	**622**

The main borrowings of the Group consist of a bank facility (Term Loan and a revolving credit facility or RCF) that was entered into in June 2018 of €600 million and US private placement (USPP) facility of €230 million, also entered into in June 2018. The bank facility is from a syndicate of eleven banks and has a maturity date of June 2024 that is potentially extendable by one year to June 2025. The USPP is from two lenders and are for a term of seven and ten years, maturing in June 2025 and June 2028. The amount borrowed under these facilities with their respective maturity dates are shown in the table below alongside the cash available at the end of March and the subsequent Net Debt position as calculated by the bank covenants.

Net Debt at 31 March	Due Date	Drawn (€ Million)
Term Loan	27/06/2024	200.0
RCF	27/06/2024	400.0
USPP- 7 Years	27/06/2025	150.0
USPP- 10 Years	27/06/2028	80.0
Other Debt		22.5
TOTAL GROSS DEBT		**852.5**
Cash		(390.2)
TOTAL NET DEBT b/ IFRS 16		**462.3**
IFRS 16		164.3
TOTAL NET DEBT		**626.6**

The financial leverage of the Group at the quarter end, measured as Net Debt to last twelve months Adjusted EBITDA was 2.0x (as defined by the bank covenant for the syndicated debt facilities), at the same level to the position at 31 December 2019. Although the leverage is expected to increase in the second quarter as a result of the fall in Adjusted EBITDA, it is nevertheless expected that it will remain within the covenant set by the lenders of 4.0x at the next six monthly test as at 30 June 2020.

Response to COVID-19 outbreak

The response by the Company to the COVID-19 outbreak has been wide ranging with due consideration for the social and human consequences and for the long term benefit of the company. It has been to prioritise the well-being of the people and their families including protecting jobs as far as possible, supporting customers meet their operational challenges where in many cases the services provided by the people of Applus+ continue to be essential. It has been to reduce costs and manage the cash inflows and outflows and financial resources to ensure the Company can get through this period of high uncertainty.

On the 19th March, the Company announced that it was taking all the necessary actions to protect employees, help clients and minimise disruption to the operations. It was expected that due to the COVID-19 situation alongside the low-oil price environment the operations would be impacted over the coming weeks and months and that most of these end markets would recover in time. The guidance previously given to the market on the 25th February was withdrawn.

On the 8th April, the Company announced that the Board had cancelled the proposal it had made on the 25th February to recommend a dividend of 22 cents per share based on 2019 results. The Board remains committed to a regular dividend payment to shareholders, but in the highly uncertain circumstances and in line with the action to conserve cash and limit cash outflows had taken this step as a matter of prudence. The Board intends to recommend the re-statement of the dividend as soon as it is appropriate to do so. The Company also announced reductions in fixed remuneration for the Board and the Executive Committee, during the period of high uncertainty, of 30% for the Chief Executive Officer, the Chief Financial Officer and the eight Non-Executive Directors and by 25% for the members of the Executive Committee.

Applus+ is a prudently managed business and entered the crisis with a strong balance sheet, long debt maturities and a high level of liquidity. The Company nevertheless remains vigilant and will continue to take all the precautionary measures that are at its disposal in order to protect itself and its stakeholders and emerge from this crisis with the capacity and strength to return to its proven growth strategy that has been successful.

Outlook

For the second quarter of the year, the current expectation is that the Group revenue will be materially impacted to the extent of being down around 35% compared to the same period last year mainly as a result of the effect of the coronavirus and already including some weakness coming from the oil and gas markets. If this is the case, then it is expected that the Group will report a small adjusted operating loss for the quarter. In this scenario with most of this second quarter revenue and profit reduction coming from the Automotive division and with the people fully prepared with protective measures to resume activities as soon as they are permitted, a significant improvement in adjusted operating profit is expected in the second half as the Automotive stations re-open and the missed statutory vehicle inspections catch up.

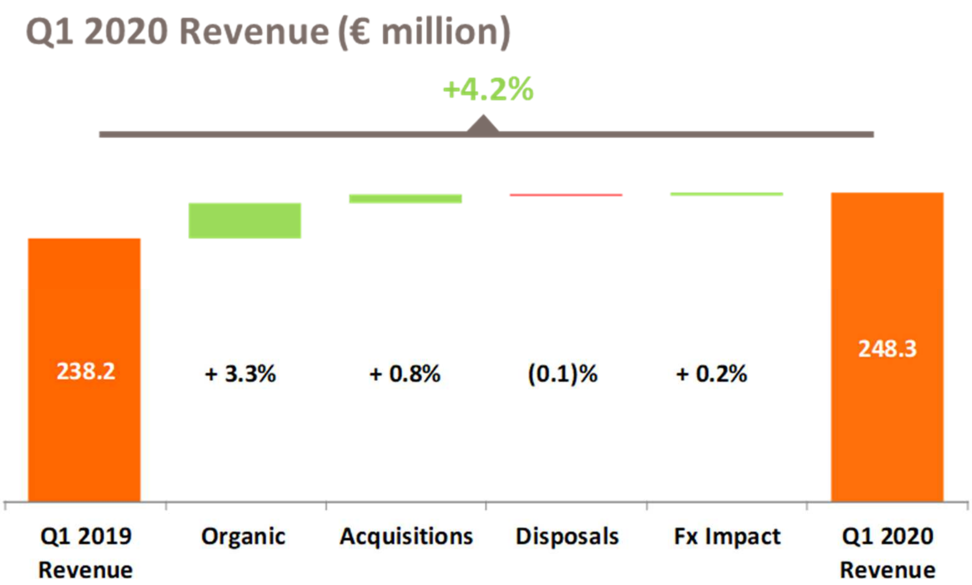
Operating review by division

Energy & Industry

The Energy & Industry Division is a world leader in non-destructive testing, industrial and environmental inspection, quality assurance and quality control, engineering and consultancy, vendor surveillance, certification and asset-integrity services.

The Division designs and deploys proprietary technology and industry know-how across diverse sectors, helping clients to develop and control industry processes, protect assets and increase operational and environmental safety. The services are provided for a wide range of industries including oil and gas, power, construction, mining, aerospace and telecommunications.

Revenue for the Energy & Industry division for the first quarter was €248.3 million, which was 4.2% higher than the first quarter last year. Revenue bridge:



At constant exchange rates, organic revenue was up by 3.3%. Revenue from acquisitions of 0.8% comes from the purchase last year of LEM in the north of Chile which is a testing and inspection company to support civil engineering projects in mining, construction and the industrial sector.

The division had a good start to the year before it was impacted by COVID-19. For the first quarter, the Asia Pacific, Latin America and the Middle East regions had the higher growth in the division compared to Africa, Mediterranean, North Europe and North America.

Oil and gas grew at a rate in line with the division with the opex exposed part growing faster and the capex exposed part declining and the rest of the division that included Power, Construction, Aerospace, Mining and Telecom in aggregate also grew at a similar rate to the division.

The impact from COVID-19 was severe in April with revenue estimated to be down circa 25% compared to April last year. The division is making cost reductions across the business based on the level of activity in each region.

The very low current oil price in the market has not yet had a material impact but it is expected that this will further reduce mainly the oil and gas capex exposed work which in 2019 was €158 million or 15% of the division revenue and 9% of the total Group revenue.

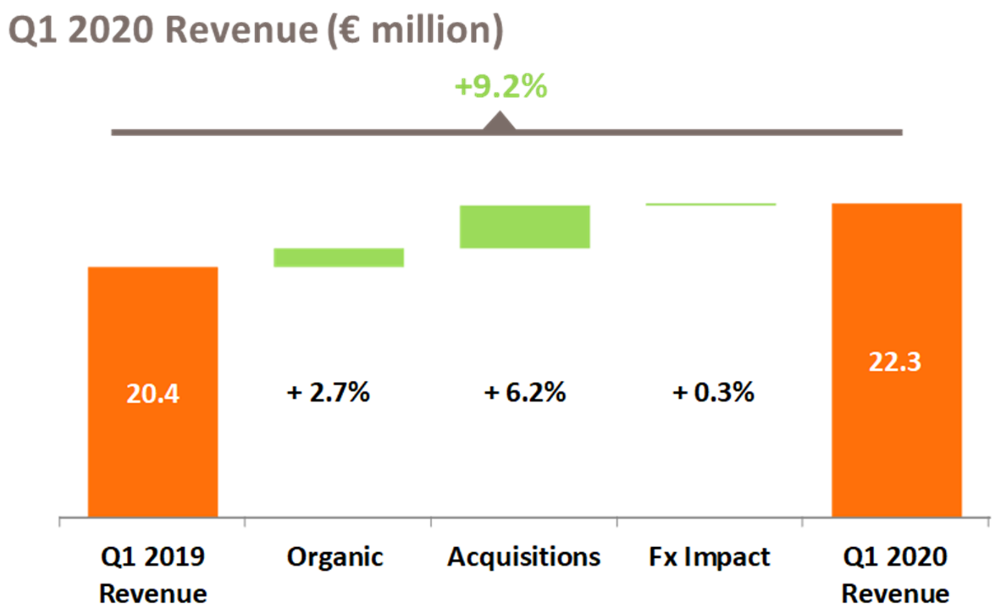
Laboratories

The Laboratories Division provides testing, certification and engineering services to improve product competitiveness and promote innovation. The Division operates a network of multidisciplinary laboratories in Europe, Asia and North America.

With cutting-edge facilities and technical expertise, the Division's services add high value to a wide range of industries, including aerospace, automotive, electronics, information technology and construction.

In 2017, 2018, 2019 and up to the present time in 2020, the Laboratories Division acquired eight companies and expanded its testing facilities in order to reinforce its position in the automotive components, fire protection, aerospace parts and calibration sectors.

Revenue for the Laboratories division for the first quarter was €22.3 million, which was 9.2% higher than the first quarter last year. Revenue bridge:



The Laboratories Division at constant exchange rates had organic revenue growth of 2.7% for the quarter plus revenue from the last three acquisitions made this year and last year of a further 6.2%. There was in addition a small currency benefit of 0.3%.

The division had a good start to the year with all business units performing well until COVID-19 impacted materially in Spain. For the first two months of the year, the total reported revenue was growing at double digits, but March was significantly impacted reducing the revenue to be flat on the prior year.

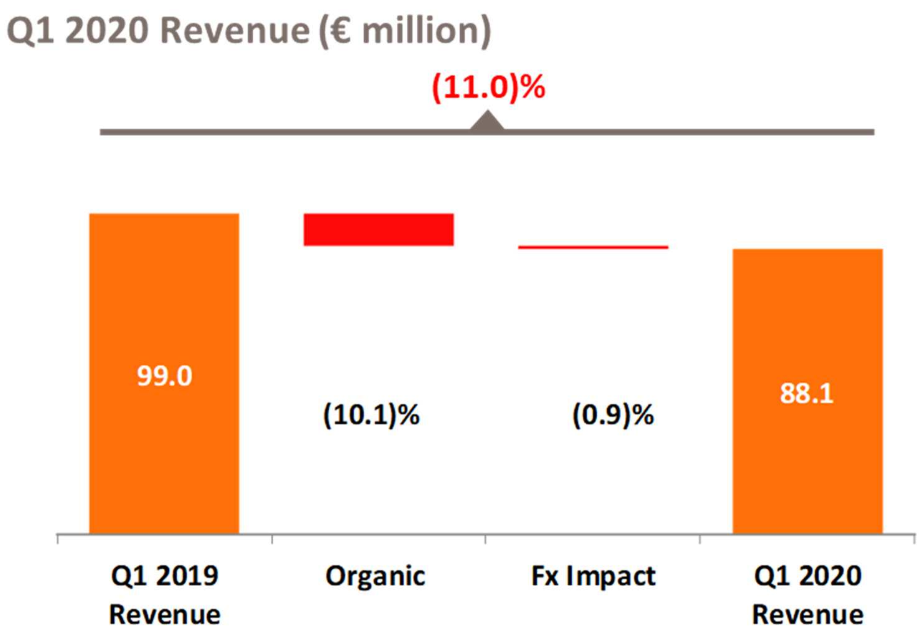
The impact from COVID-19 continued into April with revenue for the division estimated to be down circa 35% compared to April last year. This is mainly due to the significant impact in Spain which in 2019 accounted for around 70% of the division revenue whilst the laboratories in other countries mostly remained open, but were operating at lower volume. The division has taken cost reduction measures including participating in the governmental temporary lay-off schemes where possible and especially in Spain (ERTE).

Automotive

The Automotive Division delivers statutory-vehicle-inspection services globally. The Division's programmes inspect vehicles in jurisdictions where transport and systems must comply with statutory technical-safety and environmental regulations.

The Division operates 30-plus programmes, carrying out over 20 million vehicle inspections across Spain, Ireland, Denmark, Finland, Andorra, the United States, Argentina, Georgia, Chile, Costa Rica, Ecuador and Uruguay in 2019. In the programme-managed services, a further 6 million inspections were delivered by third parties.

Revenue for the Automotive Division for the first quarter was €88.1 million, which was 11.0% lower than the first quarter last year. Revenue bridge:



The division had a good performance to the end of February, with organic revenue growth of 2.4% when excluding the Washington contract that finished at the end of last year. March was severely impacted by COVID-19 and was down 30% following the beginning of the closure of the stations from the middle of the month. Up until now, all the stations have had a period of closure and most remain closed except a handful in the US and in the Nordics which have remained open throughout although at reduced volumes.

The revenue in April for this division is estimated to be down circa 80% compared to April last year, with only the Nordics, some in the US continued to be open and

Costa Rica and Uruguay in Latin America re-opened, albeit at less than half the revenue, from the middle of the month.

The division has participated in the Government temporary lay-off scheme in Spain (ERTE) affecting the majority of the division employees in Spain. Each of the countries that the division operates in has different support schemes and where available the division has participated in them.

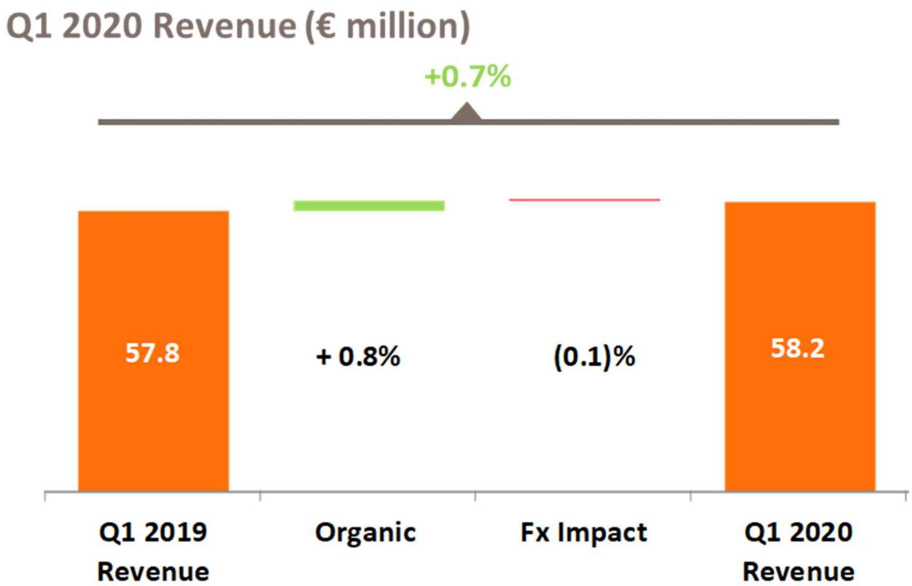
It is expected that there will be a gradual re-opening of the stations and the inspection volume should increase from around the middle of May. The loss of inspection volumes in the first half of the year are then expected to be partially recovered in the second half.

IDIADA

IDIADA A.T. (80% owned by Applus+ and 20% by the Government of Catalonia) has been operating under an exclusive contract from the 351-hectare technology centre near Barcelona (owned by the Government of Catalonia) since 1999. The contract to operate the business runs until 2024 and is renewable in five year periods until 2049.

IDIADA A.T. provides services to the world's leading vehicle manufacturers for new product development activities in design, engineering, testing and homologation.

Revenue for the IDIADA division for the first quarter was €58.2 million, which was 0.7% higher than the first quarter last year. Revenue bridge:



The IDIADA Division started the quarter well, with revenue growth of 8% by the end of February compared to the first two months of last year, until the impact from COVID-19 which reduced the revenue for the month of March by 12% compared to March last year. The facilities in Spain were severely impacted and closed for a period with revenue from the proving ground being the most affected.

The impact from COVID-19 continued into April with revenue for the division estimated to be down circa 40% compared to April last year due to the main facilities in Spain remaining closed for the first two weeks of the month and significantly reduced activity for the remainder of the month. Operations in other countries are open but have also been heavily impacted, although the business in China is back to normal.

The division has taken cost reduction measures including participating in the Government temporary lay-off scheme (ERTE) in Spain.

End of announcement

This announcement is a translation of the first quarter 2020 financial results announcement as filed with the Spanish regulator, Comisión Nacional del Mercado de Valores (CNMV). In cases of discrepancy, the Spanish version filed with the CNMV will prevail.

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 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
- **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
- **EPS**, Earnings per share
- **NDT**, Non destructive testing
- **P.A.,** per annum
- **FX**, Foreign exchange
- **LTM**, Last twelve months