

# Applus+ Group FY 2022 Results Presentation



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27 February 2023

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# STRONG FINANCIAL PERFORMANCE AND WELL POSITIONED FOR FUTURE GROWTH



## FY 2022: Highlights

**1** Strong financial performance in a challenging year and well positioned for future growth

**2** Increasing demand for services driven by global megatrends supported by pricing power

**3** Strong EBITDA growth and cash flow generation reducing leverage to 2.6x

**4** Portfolio evolution underway with 6 acquisitions and 2 disposals recently made

**5** First share buyback completed and second programme of a further 5% in progress

**6** Broad portfolio of sustainable services supporting environmental and social objectives

**Fully committed to deliver on our Strategic Plan to unlock value, continuing to increase the return on capital and enhance returns to shareholders**

## FY 2022: Financial Highlights

### Revenue

€2,050 million up 15% (+8.0% organic<sup>1</sup>)

### Free cash flow<sup>2</sup>

€181 million up 41%

### Earnings per share<sup>2</sup>

€0.81 up 24%

### Operating profit / margin<sup>2</sup>

€202 million up 15% (+4.5% organic<sup>1</sup>)  
9.9% margin (9.9% in FY 2021)

### Net debt/EBITDA ratio<sup>3</sup>

2.6x and liquidity of €493 million

### Dividend per share

€0.16 up from €0.15 last year



<sup>1</sup> Organic is at constant exchange rates

<sup>2</sup> Adjusted for Other Results and amortisation of acquisition intangibles

<sup>3</sup> Excluding IFRS 16



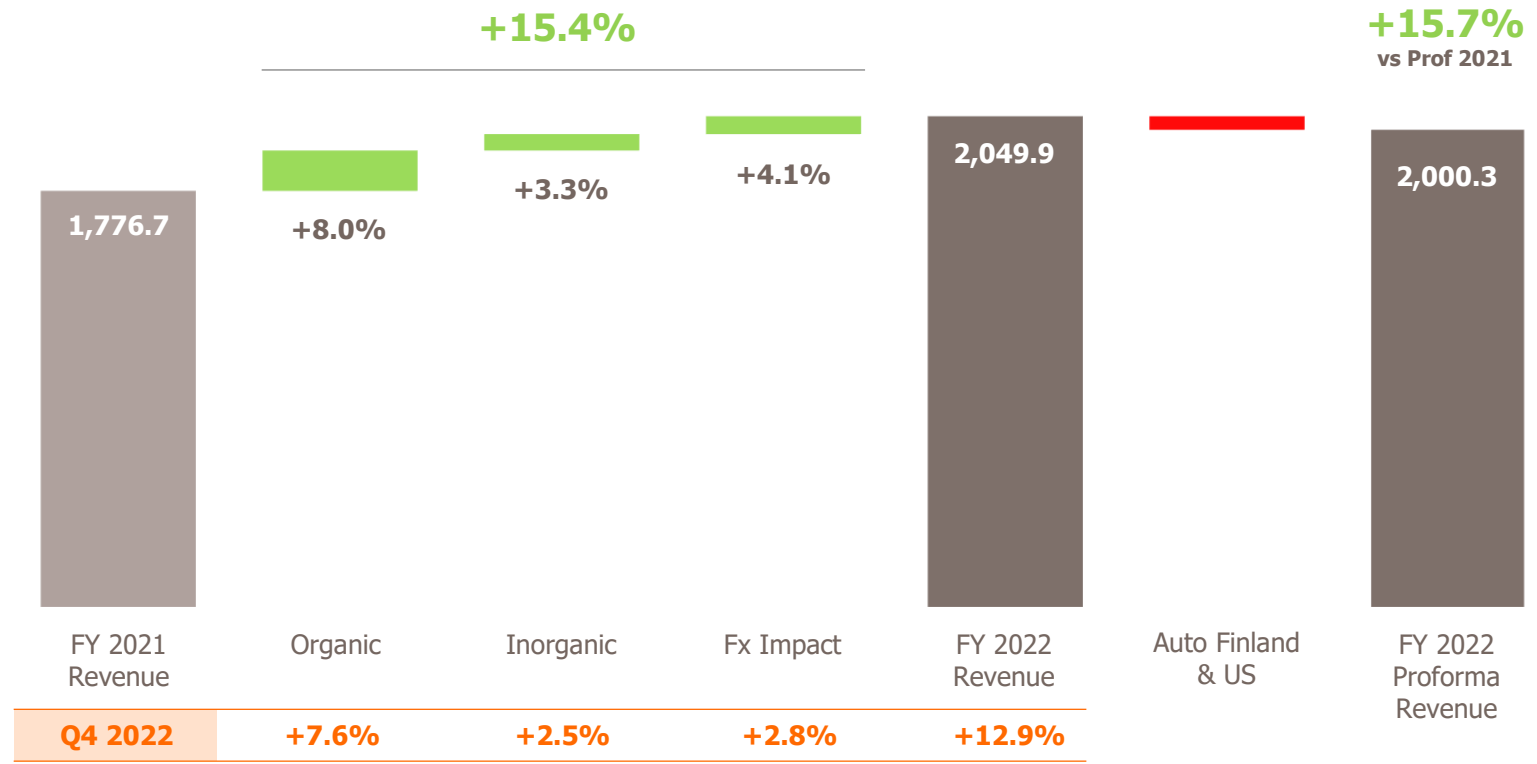


# **STRONG REVENUE, PROFIT AND CASH FLOW GROWTH**

# FY 2022: Revenue Bridge

EUR Million

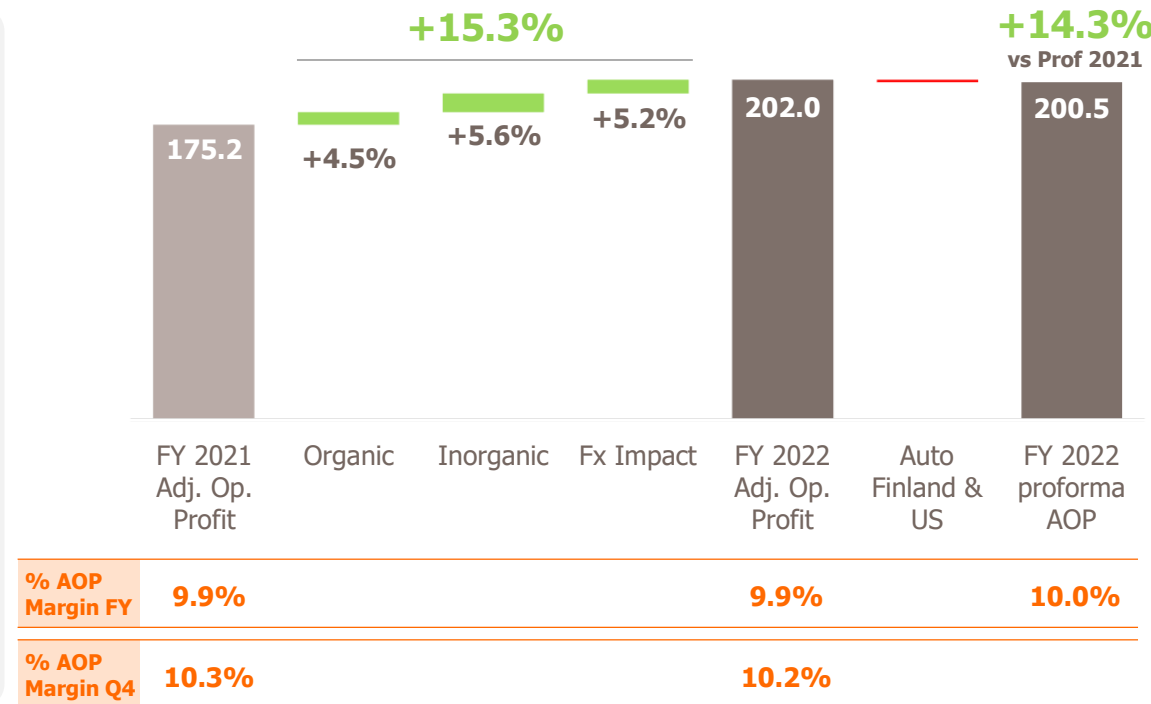
- Strong revenue growth from volumes and price increases
- Positive organic performance in all four businesses
- Strong performance of companies acquired
- Portfolio repositioning aligned with global megatrends



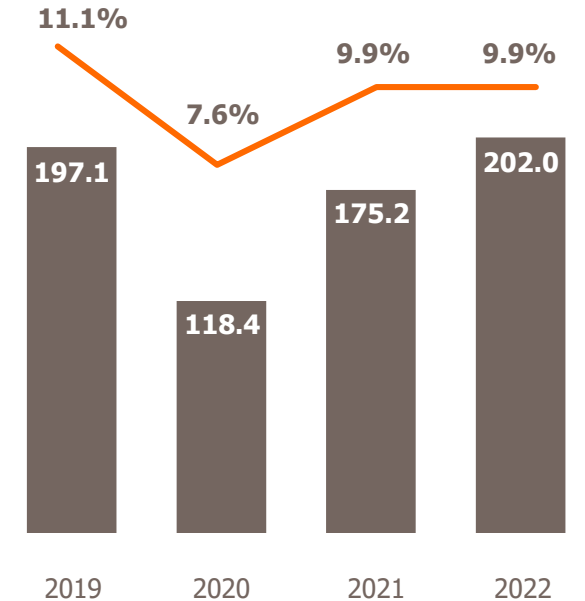
## FY 2022: Adjusted Operating Profit Bridge

EUR Million

- Solid operating performance with profit growth in line with top line evolution in inflationary environment
- Margin accretion from divestments of non-strategic operations
- Excluding IDIADA Accelerated Depreciation margin is 10.1%



### AOP Evolution





## FY 2022: Income Statement

EUR Million

- **Strong top line profit growth leading to higher net profit and EPS growth**
- **Finance results increased due to higher interest rates in the second half of the year**
- **Income taxes on adjusted profit before tax remained stable at 26%**
- **Minorities reduced following the acquisition of 20% of Auto Galicia and ending of Auto Costa Rica**

	FY		
	2022	2021	Change
<b>Revenue</b>	<b>2,049.9</b>	<b>1,776.7</b>	<b>15.4%</b>
<b>Adj. Op. Profit b/AD<sup>1</sup></b>	<b>207.8</b>	<b>179.5</b>	<b>15.8%</b>
<b>Adj. Op. Profit margin b/AD<sup>1</sup></b>	<b>10.1%</b>	<b>10.1%</b>	
Accelerated depreciation	(5.8)	(4.2)	
<b>Adj. Operating Profit</b>	<b>202.0</b>	<b>175.2</b>	<b>15.3%</b>
<b>Adj. Op. Profit margin</b>	<b>9.9%</b>	<b>9.9%</b>	
PPA Amortisation	(67.2)	(65.6)	
Other results	(9.6)	(8.2)	
<b>Operating Profit</b>	<b>125.2</b>	<b>101.5</b>	<b>23.3%</b>
Finance Results	(28.9)	(25.9)	
Other Financial Results <sup>2</sup>	(4.8)	0.0	
<b>Profit before tax</b>	<b>91.5</b>	<b>75.6</b>	<b>21.0%</b>
Income taxes	(29.5)	(25.6)	
<b>Net Profit</b>	<b>61.9</b>	<b>50.0</b>	<b>23.8%</b>
Minorities	(13.3)	(17.8)	
<b>Net Profit Group</b>	<b>48.6</b>	<b>32.2</b>	<b>50.8%</b>
<b>Adjusted Net Profit Group</b>	<b>111.0</b>	<b>93.3</b>	<b>18.9%</b>
<b>EPS in €</b>	<b>0.36</b>	<b>0.23</b>	<b>57.5%</b>
<b>Adjusted EPS in €<sup>3</sup></b>	<b>0.81</b>	<b>0.65</b>	<b>24.3%</b>

<sup>1</sup> AD is IDIADA accelerated depreciation to adapt assets useful life to contract/concession duration

<sup>2</sup> Other Financial Results includes Put option impact related to the final price of the acquisition of Galicia minority stake

<sup>3</sup> Share buyback programs have reduced the average share count for EPS calculations to give an average period share count of 136.9m for 2022 versus 143.0m in 2021

## FY 2022: Cash Flow

EUR Million

- **Strong Adjusted Free Cash Flow generation with higher operating profit and lower working capital outflow**
- **Working capital to sales remained stable around 4%**
- **Interest paid increase due to higher interest rates in the second half of the year**
- **Share buybacks outflow was comprised of €54m from the first program and €11m for the second program which is still ongoing**

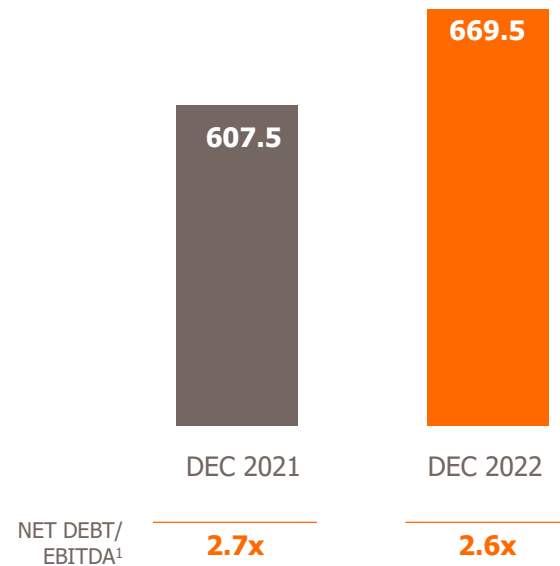
	FY		
	2022	2021	Change
<b>Adjusted Ebitda</b>	<b>326.5</b>	<b>286.0</b>	<b>14.2%</b>
Change in Working Capital	(22.3)	(48.2)	
Capex	(66.1)	(60.3)	
<b>Adjusted Operating Cash Flow</b>	<b>238.1</b>	<b>177.5</b>	<b>34.2%</b>
<i>Cash Conversion rate</i>	<i>73%</i>	<i>62%</i>	
Taxes paid	(40.1)	(36.1)	
Interest paid	(17.0)	(12.9)	
<b>Adjusted Free Cash Flow</b>	<b>181.0</b>	<b>128.5</b>	<b>40.8%</b>
Extraordinaries & Others	(11.3)	(8.5)	
Applus+ Dividend	(20.3)	(21.5)	
Dividends to Minorities	(9.2)	(18.5)	
<b>Operating Cash Generated</b>	<b>140.2</b>	<b>80.0</b>	<b>75.3%</b>
Acquisitions	(66.2)	(82.0)	
<b>Cash b/Changes in Financing &amp; FX</b>	<b>74.0</b>	<b>(2.0)</b>	
Payments of lease liabilities (IFRS 16)	(66.9)	(60.3)	
Other changes in financing	61.6	46.6	
Share buybacks	(64.8)	0.0	
Treasury Shares for LTIP	(1.4)	(2.1)	
Currency translations	4.5	4.9	
<b>Cash Increase/ (Decrease)</b>	<b>7.0</b>	<b>(12.9)</b>	

## Leverage and Liquidity at 31<sup>st</sup> December

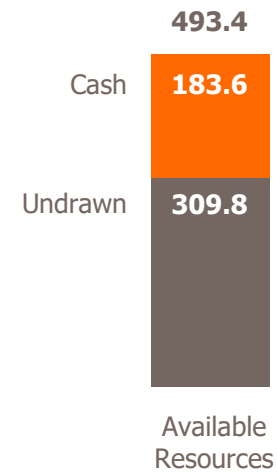
EUR Million

- Decrease in leverage ratio to 2.6x
- Total available liquidity of €493M
- Cash interest paid to total net debt is 2.4%
- No significant debt maturity until 2025

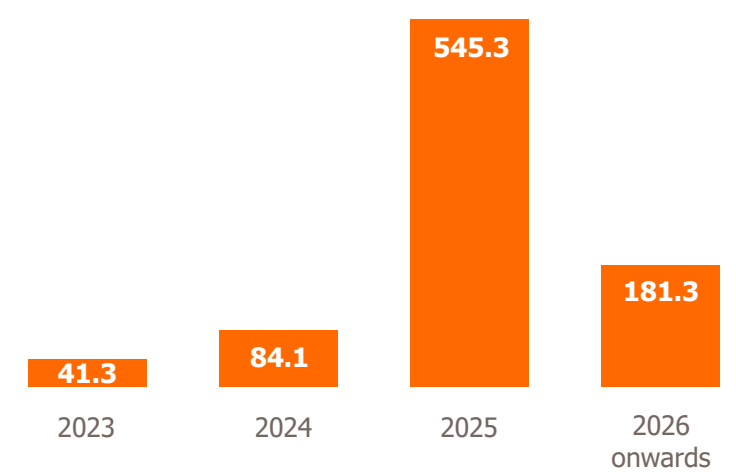
### Net Financial Debt & Leverage



### Liquidity



### Debt by Due date



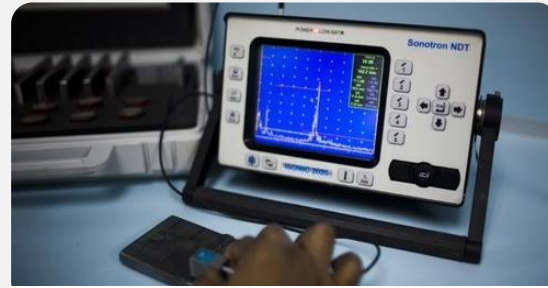
<sup>1</sup> Stated at annual average rates and excluding IFRS 16 as defined by bank covenant. Net debt including IFRS 16 is €860.9m



## Operational Excellence: 50 – 70 bps margin improvement by 2024



**Optimising support processes  
in overheads and regions**



**Accelerating integration  
of acquired companies**



**Digitalising processes**



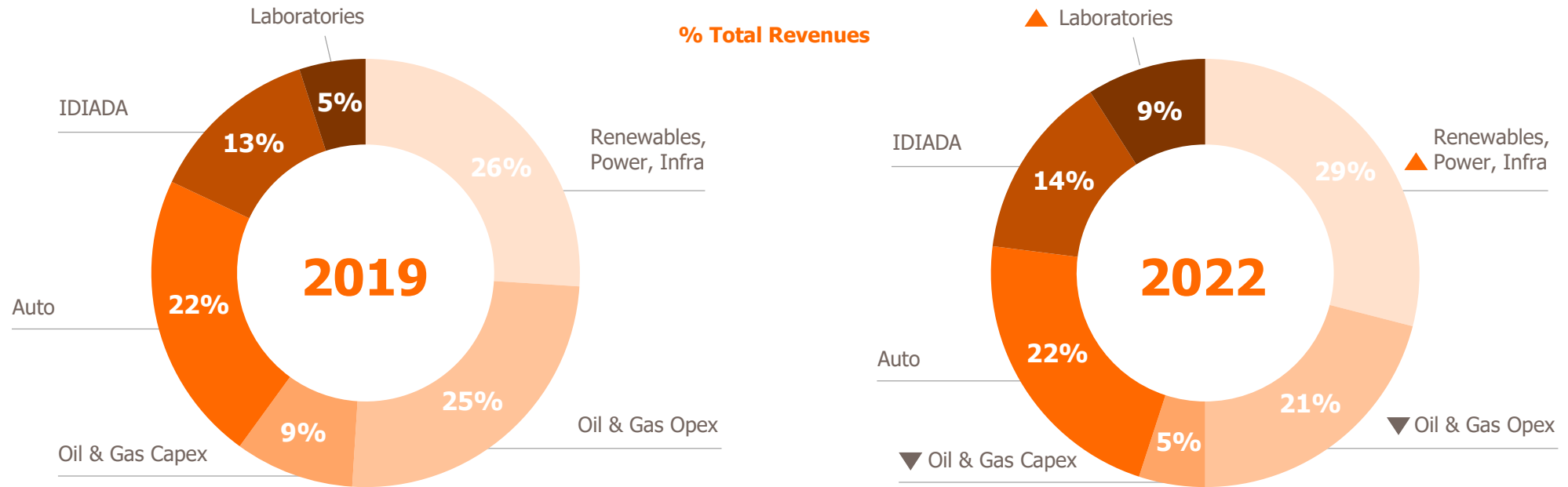
**Optimising IT costs,  
Procurement, Travel, Leases  
and General expenses**

**Margin benefit to accrue: one third in 2023, full benefit in 2024**



# SUSTAINABLE GROWTH ACROSS ALL FOUR BUSINESSES

## Portfolio Evolution | Applus+ accelerating shift towards higher value businesses



**Increase Laboratories Contribution**



**Promote Renewables, Power and Infrastructure growth**



**Focus on higher value added and resilient O&G activities**



## Portfolio Evolution | Asset rotation strategy: a proven track record



Accelerate portfolio evolution to improve growth and margins

### M&A Recurrent growth accelerator

**+255 M€ revenues since 2020**

12% of current Revenue

**34%**  
E&I

**32%**  
Auto

**34%**  
Labs

**15**

Companies acquired

**366 M€**

Total upfront Investment

**17%**

Average proforma 2022 AOP for acquired companies

**+50 bps**

Impact on Group's 2022 AOP

**9.0%, +30bps**

Average ROCE<sup>1</sup>

### Divestments Continuous portfolio assessment to identify non-strategic businesses

**38 M€ proceeds**



**Applus+**  
Technologies

**Country**

Finland

US

**2022 Revenues**

c.€14m

c.€37M

**2022 AOP margin**

Breakeven

Mid single digits

**Closed**

DEC 2022

FEB 2023

<sup>1</sup> ROCE calculated as proforma AOP in 2022 post tax / total payment for the acquisition

## 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



**Fully on track to meet our 2024 targets**

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



54/100  
Top 19%



15.6  
Low Risk



70/100  
Above average



B  
Above average



EE+  
Very Strong



AA  
Leader

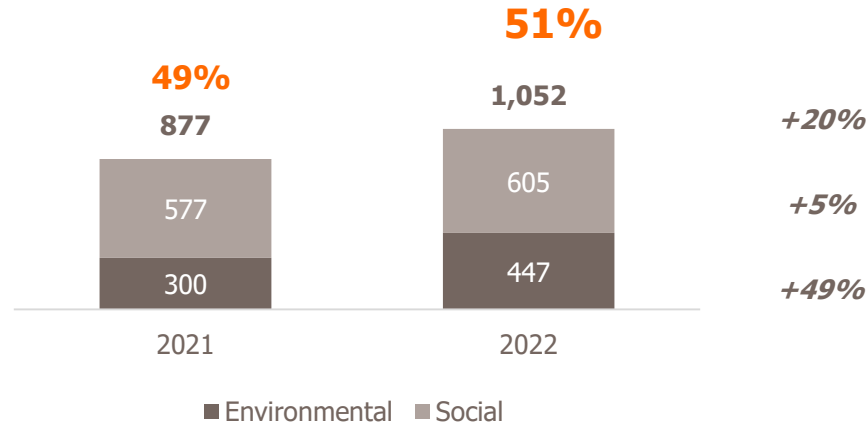


FTSE4Good  
Included


# ESG | Sustainability Services fueling our growth

## Applus+ Group Sustainability Services €m

% Total Revenues




- 2022 first year measuring the full sustainability linked services by adding in revenue from services that provide a positive social impact to those previously measured having a positive environmental impact
- Strong growth in sustainability services of 20%
- Global megatrends of Energy Transition, Electrification and Connectivity are aligned with our Sustainability Services ambitions



### Energy & Industry

- Renewables, Soil testing
- Energy efficiency
- Environmental monitoring
- Water infrastructure
- Safety audits, H&S training, Road management, Telecom networks


FY2022: **25%**



### Auto

- Emissions inspection
- Vehicle safety inspection


FY2022: **98%**



### IDIADA

- Transition to EV and Hybrid vehicles
- Passive and Active Safety tests
- Homologation (regulatory tests)
- Road safety

FY2022: **81%**



### Labs

- EVs and battery testing
- Fire, building product certifications
- Electrical safety, Rolling stock
- Medical devices
- Cybersecurity and IoT
- Systems certification, metrology

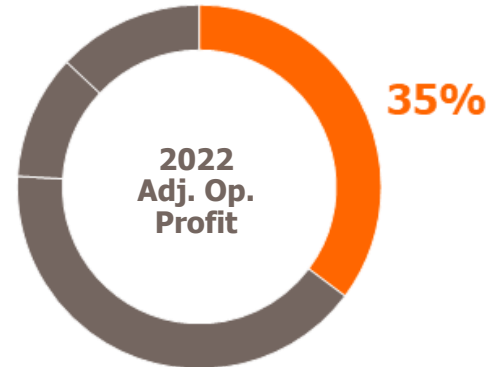
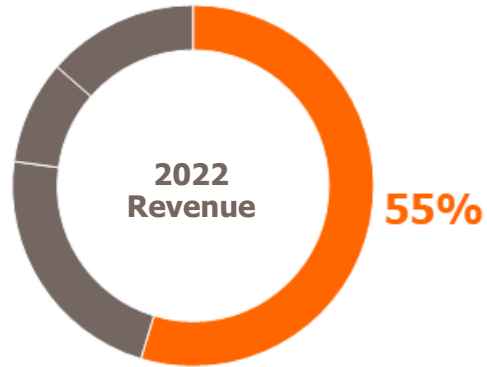
FY2022: **47%**





## Energy & Industry

Leading global provider in infrastructure testing and inspection in multiple end markets with long term stable growth and increasing margins



**~16K**  
Employees



**+60**  
Countries





## Energy & Industry

- Strong end to the year with 8.0% Q4 organic revenue growth
- Strong full year organic revenue growth and mid-teens organic AOP growth delivering good margin improvement
- All end-markets and regions contributing, with Renewables, Power and Infra growing high single digits benefiting from energy transition and post-pandemic infrastructure investments. Margin > 8%
- O&G (47% division revenue) growing double digits. Margin ~ 6%
- Recovery of Aerospace industry<sup>1</sup>
- Latin America and Middle East are the regions with higher growth driven by strong demand across all core markets (Power & Renewables, Infrastructure & Building and O&G)
- Successful acquisition and integration of K2 in Colombia in July - environmental services for infrastructure with €13 million revenue. In 2023, Riportico, a Portuguese infrastructure company acquired with €8 million revenue

<sup>1</sup> Moved to Labs as of 1st January 2023, see appendix

EUR Million

### Financial Highlights

	FY			Organic	Inorganic	FX
	2022	2021	Change			
Revenue	1,120.7	942.5	18.9%	8.7%	3.8%	6.4%
Adj. Op. Profit	81.2	59.4	36.7%	14.5%	11.1%	11.1%
% AOP Margin	7.2%	6.3%	+94bps			

### Key Targets 22-24

Key Targets 22-24		Progress to date
Organic Revenue Growth Average 22-24	→ Mid to high single digit	<input checked="" type="checkbox"/>
AOP Margin 2024	→ RPI > 10% O&G > 7%	<input checked="" type="checkbox"/>
M&A	→ Renewables, Power and Infrastructure	<input checked="" type="checkbox"/>



## Strengths to highlight for **Energy & Industry**



**Strategic positioning  
to benefit from  
megatrends**



**Resilient to economic  
cycles through significant  
Opex exposure**



**Culture of innovation and  
strong reputation amongst  
long-standing blue-chip  
clients**



**25%  
of Sustainability  
Services growing strongly**

### Key Priorities

- Accelerate **portfolio evolution** towards end markets with higher growth and margins, through organic investments, acquisitions and disposals
- Invest in **technology and digital tools** to generate sustainable revenue streams at higher margins
- Grow services related to the **Energy Transition and Electrification** megatrends especially in power generation and networks, but also in energy efficient buildings and low carbon transport infrastructure
- Capture the cyclical upturn in **Oil & Gas** investment
- **Increase margins** by pricing, cost reductions, efficiencies and disposals

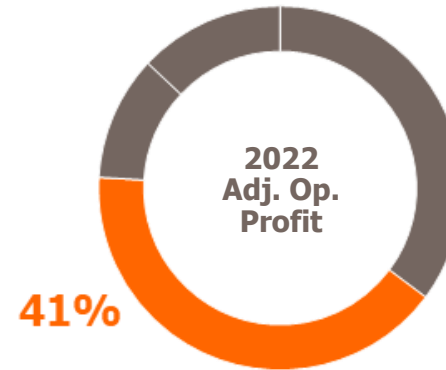
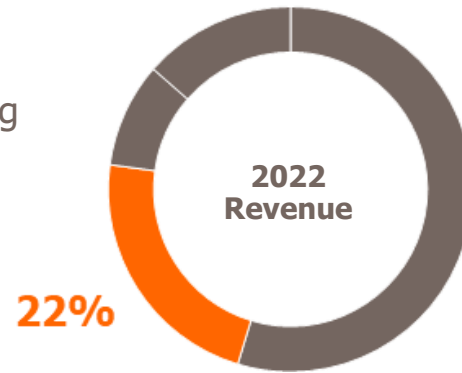






## Automotive

Leader in a highly regulated and stable industry for vehicle safety with emerging market growth opportunities



**~5K**  
Employees



**14**  
Countries







## Automotive

- Strong second half and full year result with overall increase in car inspections and pricing offsetting end of Costa Rica. Margin maintained above 20% in H2 due to efficiencies and technology, but will be under pressure in 2023
- Q4 organic revenue was lower by 0.4%
- Successful divestment of low margin/growth US and Finnish operations (€50m combined revenue), in line with the Strategic Plan to accelerate the portfolio evolution
- Acquisition of 20% minority stake of Inversiones Finisterre (Galicia Auto contract)
- Alicante concession ended in February 2023. Lower renewal risks now that all the large concession renewals have passed with successful wins in Ireland (€82m) and Galicia (€54m) whilst Costa Rica (€34m annual revenue) and Alicante (€17m) ended
- Strong visibility as next significant contract to be renewed is Galicia that ends in December 2027 and despite potential change in Catalonia law that could slightly reduce our market share
- Medium term opportunities in emerging markets

EUR Million

### Financial Highlights

	FY			Organic	Inorganic	FX
	2022	2021	Change			
Revenue	460.9	456.8	0.9%	0.2%	0.7%	(0.0)%
Adj. Op. Profit	93.9	99.9	(6.1)%	(7.4)%	0.6%	0.7%
% AOP Margin	20.4%	21.9%	-151bps			

### Key Targets 22-24

		Progress to date
Organic Revenue Growth Average 22-24	→ Low single digit	
AOP Margin 2024	→ >20%	
M&A	→ Strategic opportunities with high IRR	



## Strengths to highlight for **Automotive**



**High defensible margins and resilient cash flow**



**Good visibility through strong renewal track record in a regulated market**



**Good platform to benefit from emerging market opportunities**



**98% of Sustainability Services**

### Key Priorities

- **Expand use of digital tools and technology** to improve efficiencies, reduce costs and maintain high cash flow generation
- Maintain our strong **renewal track record**<sup>1</sup>. Revenue **visibility** >90% through to 2027
- Capture emerging markets growth
- **Benefit from medium term trend** from EV and car sharing

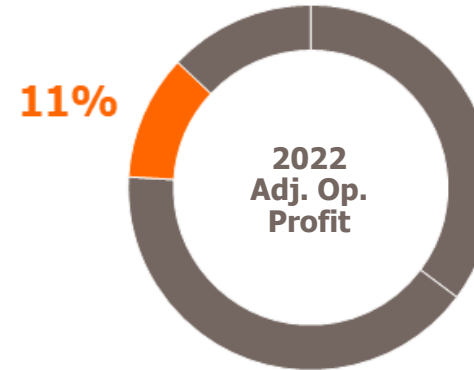
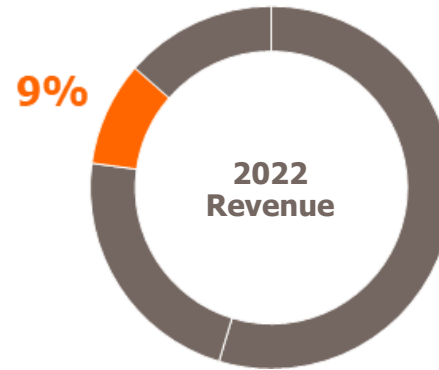


<sup>1</sup> Last six years 12 out of 13 tenders entered were successful



## Laboratories

Highly technological and routine regulatory testing services focused on product development and global market access



~2K  
Employees



13  
Countries





## Laboratories

- Strong revenue growth in all Business Units with organic at high single digits and significant inorganic contribution. Electrification and connectivity megatrends driving the growth
- Q4 organic revenue growth of 6.2% against tough comparables
- Margin impacted by Shanghai covid lockdown and increase in energy costs. Recovery expected in 2023
- Good acquisition pipeline with solid contribution from the three made in the first half:
  - Cybersecurity, 2 acquisitions: Lightship in North America adding further accreditations to the global cybersecurity offering and jtsec in Spain, adding new methods for cybersecurity assurance
  - Alpe Metrology in Spain consolidating the regional metrology and calibration market position
- Transfer of Aerospace business from E&I division to realise commercial synergies
- New internally promoted divisional head with strong business background and international experience

EUR Million

### Financial Highlights

	FY			Organic	Inorganic	FX
	2022	2021	Change			
Revenue	190.4	153.2	24.2%	7.5%	12.2%	4.5%
Adj. Op. Profit	26.7	25.6	4.4%	(13.4)%	12.5%	5.3%
% AOP Margin	14.0%	16.7%	-266 bps			

### Key Targets 22-24

		Progress to date
Organic Revenue Growth Average 22-24	→ High single digit	<input checked="" type="checkbox"/>
AOP Margin 2024	→ >16%	<input checked="" type="checkbox"/>
M&A	→ Focus on accretive acquisitions	<input checked="" type="checkbox"/>





## Strengths to highlight for **Laboratories**



**Value added services with high barriers to entry**



**Growth platform with track-record of company integration**



**Opportunities to expand digital services**



**47% of Sustainability Services**

### Key Priorities

- **Leverage key global megatrends** of Electrification and Connectivity to accelerate growth and returns
- **Maintain competitive advantage** through network, skills and accreditation expansion
- **Accelerate portfolio evolution via acquisitions** of high performing companies and ongoing organic capex to generate revenue and increase its contribution to the Group
- **Margin expansion** through efficiencies, cost synergies, use of technology and more digital services

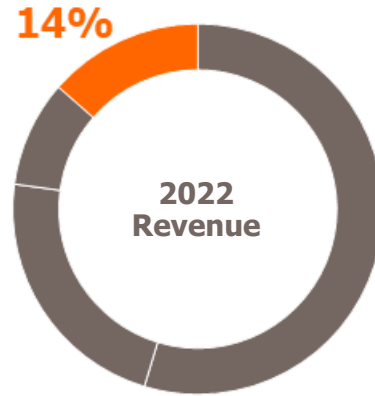






## IDIADA

Road, track and laboratory based testing, certification and full vehicle development support on a global basis



~3K  
Employees



22  
Countries





## IDIADA

- Very strong performance all year driven by increasing outsourcing from new Auto manufacturers in electrification and connectivity
- Significant size one-off project from Asian manufacturer
- Demand for testing for EV/hybrid continues to drive growth and now is >60% of the division revenue
- Very strong 20.5% organic revenue growth in Q4
- Significant margin improvement, from the use of higher margin digital services to support physical testing and good operating leverage especially at the Catalonia Proving Ground that is back to full capacity
- Proving ground in China continues to perform well whilst two new proving ground contracts commenced in Czech Republic and Germany
- Awaiting news of the tender for the contract that ends in September 2024

### EUR Million

#### Financial Highlights

	FY			Organic	FX
	2022	2021	Change		
Revenue	278.0	224.3	23.9%	21.0%	2.9%
Adj. Op. Profit	29.9	19.5	53.8%	48.7%	5.1%
% AOP Margin	10.8%	8.7%	+209 bps		
Adj. Op. Profit excl. AD <sup>1</sup>	35.7	23.7			
% AOP Margin	12.8%	10.6%	+227 bps		

#### Key Targets 22-24

		Progress to date
Organic Revenue Growth Average 22-24	→ High single digit	<input checked="" type="checkbox"/>
AOP Margin 2024	→ >12% <sup>2</sup>	<input checked="" type="checkbox"/>
M&A	→ Investment is mostly organic	<input checked="" type="checkbox"/>

<sup>1</sup> AD is IDIADA accelerated depreciation to adapt assets' useful life to contract/concession duration

<sup>2</sup> Before accelerated depreciation





## Strengths to highlight for **IDIADA**



**Value added services with high barriers to entry**



**State-of-the-art facilities with strong R&D**



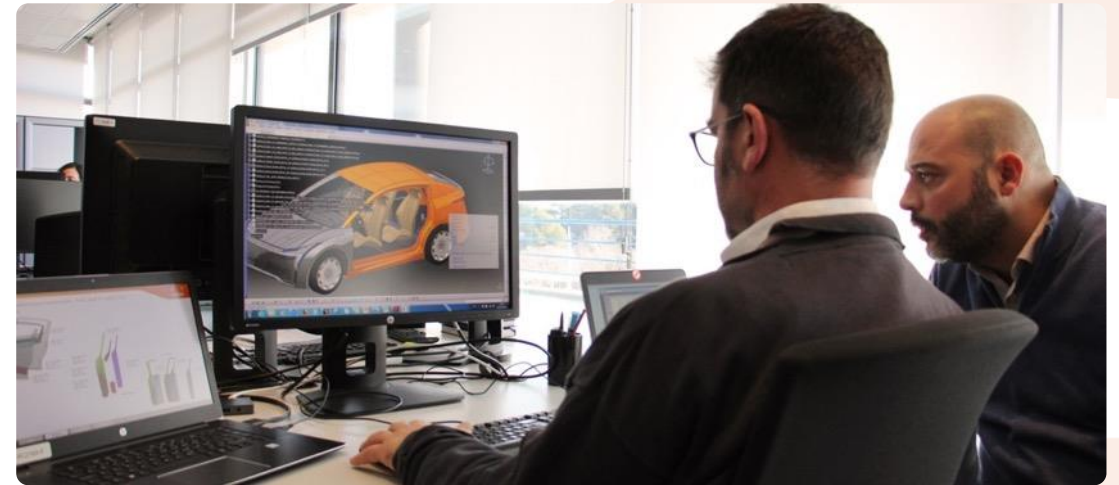
**Global recognition and international presence with capacity to grow**



**81% of Sustainability Services**

### Key Priorities

- **Maintain leadership position with the traditional OEMs** through investing in the global network, people, skills and equipment
- **Capture the increase in outsourcing** of activities especially amongst new players with less vehicle development knowledge and capabilities
- Accelerate transition from traditional engineering activities to higher value and margins **AI / advanced simulation** services

















**ON TRACK  
TO DELIVER  
2022-2024  
TARGETS**

## Unlocking value | On track to meet our Strategic Plan Objectives

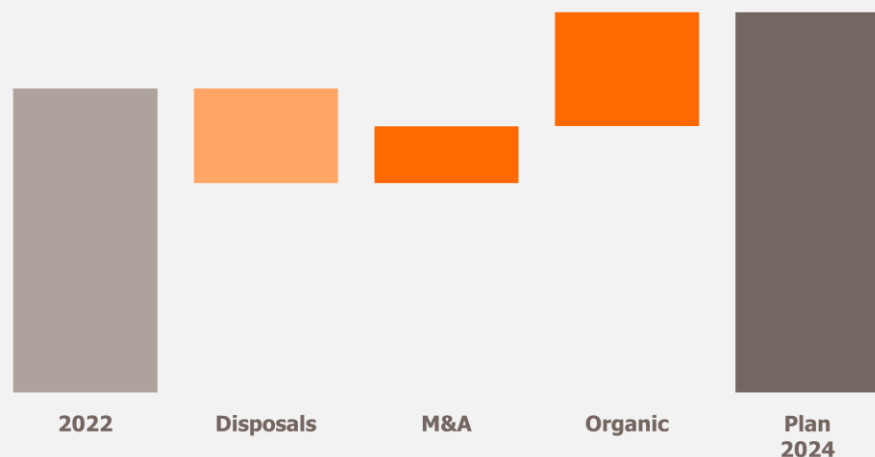
	Metric	Target 2024		FY 2022	Progress to date
 <b>Higher Revenue Growth</b>	Organic Revenue Growth	Mid to high	→	<b>8.0%</b>	
 <b>Significant Margin Improvement</b>	AOP Margin <sup>1,2</sup>	12%	→	<b>10.1%</b>	
 <b>Strong cash-flow generation</b>	Average cash conversion rate	>70%	→	<b>73%</b>	
 <b>Accretive Investments for the company</b>	ROCE	>12%	→	<b>10.5% up 30bps</b>	
 <b>Enhance Shareholders' value</b>	EPS Growth (CAGR) <sup>1</sup>	>13%	→	<b>24.3%</b>	

<sup>1</sup> Adjusted for Other Results and amortisation of acquisition intangibles

<sup>2</sup> Excluding IDIADA Accelerated Depreciation (AD)

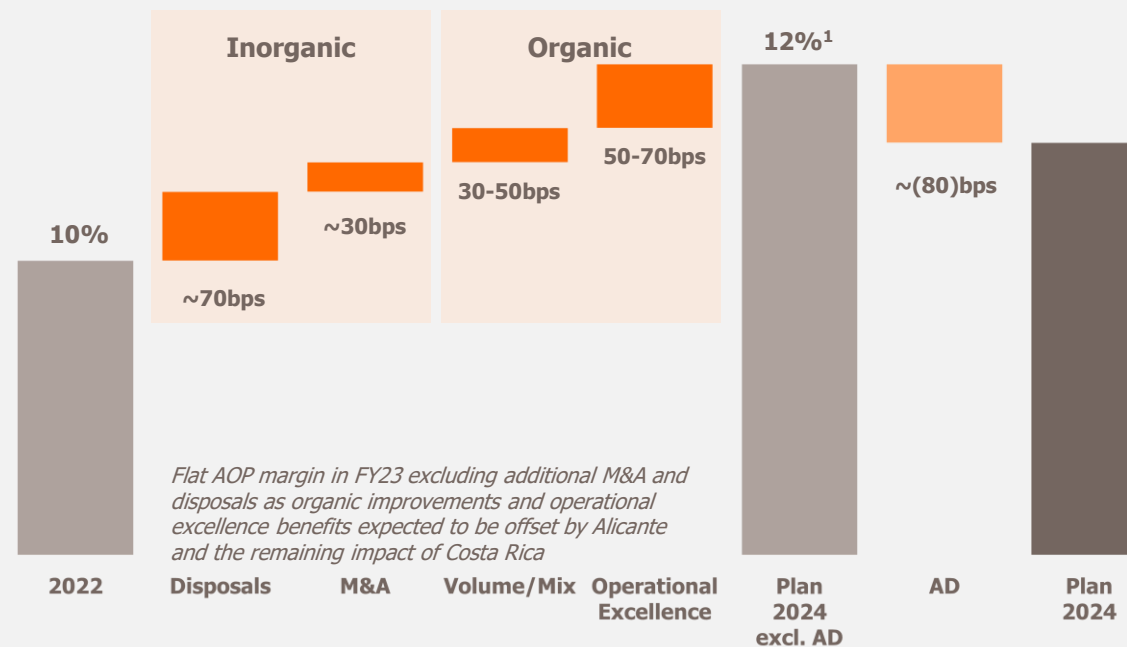
## Revenue & AOP: Roadmap to Financial Targets

Group revenue bridge



Organic revenue growth to continue at mid to high single digit

Group AOP margin bridge



Benefits of organic growth to be visible in the margin by 2024

<sup>1</sup> Excluding IDIADA Accelerated Depreciation (AD)

## Summary of 2022

- Strong financial performance in a challenging year and well positioned for future growth
- Good margin progression in Energy & Industry, IDIADA, offset by Auto and Labs
- Progress on portfolio evolution with 6 acquisitions and 2 divestments recently made
- Focus on optimising returns to shareholders with share buybacks and higher dividend per share

## Outlook for 2023

- Mid to high single digit organic revenue growth
- Stable AOP Margin<sup>1</sup>
- Continued focus on portfolio mix quality improvement through further acquisitions and selected divestments

<sup>1</sup> Current portfolio and excluding IDIADA Accelerated depreciation








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## Unlocking value | On track to meet our ESG Objectives

	Metric	Target 2024	Progress to date 2022
 <b>Environment</b>	Reduction of Scope 1 & 2 emissions vs 2019	30% →	32% <input checked="" type="checkbox"/>
	Be Scope 1 & 2 carbon neutral by 2023	→	On Track <input checked="" type="checkbox"/>
	Plan for net zero by 2050 under SBTi	Validated by SBTi →	Done <input checked="" type="checkbox"/>
 <b>Social</b>	Management and Corporate Services vacancies covered by women	>40% →	81% <input checked="" type="checkbox"/>
	Reduction in Lost Time Injury Frequency (LTIF)	10% →	28% <input checked="" type="checkbox"/>
 <b>Governance</b>	Compliance with applicable CNMV (Spanish regulator) recommendations	>90% →	98% <input checked="" type="checkbox"/>
	Professionals complete the training and sign up to the Code of Ethics	>98% →	99% <input checked="" type="checkbox"/>

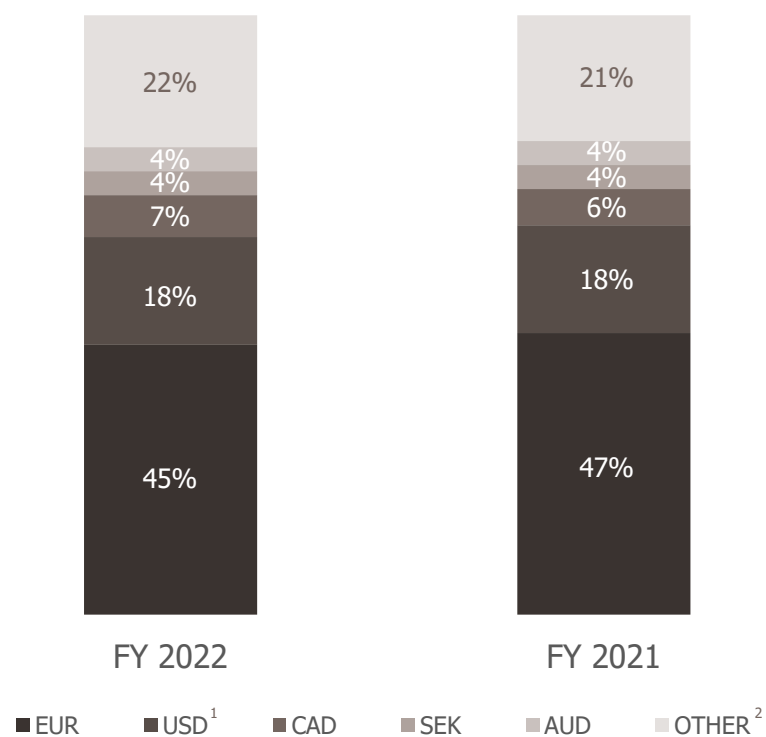
## Adjustments to Statutory Results

EUR Million

EUR Million	FY 2022			FY 2021			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
<b>Revenue</b>	<b>2,049.9</b>	<b>0.0</b>	<b>2,049.9</b>	<b>1,776.7</b>	<b>0.0</b>	<b>1,776.7</b>	<b>15.4%</b>
<b>Ebitda</b>	<b>326.5</b>	<b>0.0</b>	<b>326.5</b>	<b>286.0</b>	<b>0.0</b>	<b>286.0</b>	<b>14.2%</b>
<b>Operating Profit</b>	<b>202.0</b>	<b>(76.8)</b>	<b>125.2</b>	<b>175.2</b>	<b>(73.7)</b>	<b>101.5</b>	<b>15.3%</b>
Net Financial expenses	(28.9)	0.0	(28.9)	(25.9)	0.0	(25.9)	
Other Financial Results	(4.8)	0.0	(4.8)	0.0	0.0	0.0	
<b>Profit Before Taxes</b>	<b>168.3</b>	<b>(76.8)</b>	<b>91.5</b>	<b>149.4</b>	<b>(73.7)</b>	<b>75.6</b>	<b>12.7%</b>
Current Income tax	(44.0)	14.5	(29.5)	(38.3)	12.7	(25.6)	
Non controlling interests	(13.3)	0.0	(13.3)	(17.8)	0.0	(17.8)	
<b>Net Profit</b>	<b>111.0</b>	<b>(62.4)</b>	<b>48.6</b>	<b>93.3</b>	<b>(61.1)</b>	<b>32.2</b>	<b>18.9%</b>
Number of Shares	136,888,259		136,888,259	143,018,430		143,018,430	
<b>EPS, in Euros</b>	<b>0.81</b>		<b>0.36</b>	<b>0.65</b>		<b>0.23</b>	<b>24.3%</b>
<i>Income tax/PBT</i>	<i>(26.2)%</i>		<i>(32.3)%</i>	<i>(25.6)%</i>		<i>(33.9)%</i>	

## Currency Exposure

% Revenue by Actual Currency



<sup>1</sup> Includes currencies pegged to USD

<sup>2</sup> None above 3%

Average FX Exchange rates vs Euro			
	JAN – DEC 2022	JAN – DEC 2021	Change
USD	1.053	1.184	12.4%
CAD	1.368	1.483	8.4%
SEK	10.616	10.140	(4.5)%
AUD	1.515	1.575	3.9%



## FY 2022. Revenue and Adj. Op. Profit by Division

EUR Million

Revenue	Actual 2022	Growths				Actual 2021
		Organic	Inorganic	FX	Total	
Energy & Industry	1,120.7	8.7%	3.8%	6.4%	18.9%	942.5
Laboratories	190.4	7.5%	12.2%	4.5%	24.2%	153.2
Auto	460.9	0.2%	0.7%	(0.0)%	0.9%	456.8
Idiada	278.0	21.0%	0.0%	2.9%	23.9%	224.3
<b>Total Revenue</b>	<b>2,049.9</b>	<b>8.0%</b>	<b>3.3%</b>	<b>4.1%</b>	<b>15.4%</b>	<b>1,776.7</b>

Adj. Op. Profit	Actual 2022	Growths				Actual 2021	% AOP Margin 2022	% AOP Margin 2021
		Organic	Inorganic	FX	Total			
Energy & Industry	81.2	14.5%	11.1%	11.1%	36.7%	59.4	7.2%	6.3%
Laboratories	26.7	(13.4)%	12.5%	5.3%	4.4%	25.6	14.0%	16.7%
Auto	93.9	(7.4)%	0.6%	0.7%	(6.1)%	99.9	20.4%	21.9%
Idiada	29.9	48.7%	0.0%	5.1%	53.8%	19.5	10.8%	8.7%
Holding	(29.7)					(29.1)		
<b>Adj. Op. Profit</b>	<b>202.0</b>	<b>4.5%</b>	<b>5.6%</b>	<b>5.2%</b>	<b>15.3%</b>	<b>175.2</b>	<b>9.9%</b>	<b>9.9%</b>

## Q4 2022. Revenue and Adj. Op. Profit by Division

EUR Million

Revenue	Actual 2022	Growths				Actual 2021
		Organic	Inorganic	FX	Total	
Energy & Industry	294.9	8.0%	3.0%	5.5%	16.5%	253.1
Laboratories	54.8	6.2%	6.7%	2.9%	15.8%	47.3
Auto	104.6	(0.4)%	1.1%	(3.4)%	(2.7)%	107.5
Idiada	76.6	20.5%	0.0%	1.9%	22.4%	62.6
<b>Total Revenue</b>	<b>531.0</b>	<b>7.6%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>12.9%</b>	<b>470.5</b>
<b>Adj. Op. Profit</b>	<b>54.2</b>	<b>1.6%</b>	<b>5.6%</b>	<b>4.5%</b>	<b>11.7%</b>	<b>48.5</b>
<b>% AOP Margin</b>	<b>10.2%</b>					<b>10.3%</b>



## FY 2022. Financial Results

EUR Million

	FY		
	2022	2021	Change
Financial Result	(18.9)	(15.9)	(18.7)%
IFRS16 impact	(6.9)	(7.5)	9.1%
Exchange rate differences & others	(3.2)	(2.4)	(31.6)%
<b>Financial Results</b>	<b>(28.9)</b>	<b>(25.9)</b>	<b>(11.8)%</b>
PUT option <sup>1</sup>	(4.8)	0.0	
<b>Total Net Financial Results</b>	<b>(33.7)</b>	<b>(25.9)</b>	<b>(30.3)%</b>



<sup>1</sup> PUT option related to the acquisition of Galicia minority stake

## Organic Revenue Growth by quarter and division

EUR Million

	Q1	Q2	Q3	Q4	FY
Revenue	vs LY	vs LY	vs LY	vs LY	vs LY
Energy & Industry	10.1%	10.1%	7.0%	8.0%	8.7%
Laboratories	6.3%	11.6%	6.5%	6.2%	7.5%
AUTO	(1.3)%	4.1%	(1.6)%	(0.4)%	0.2%
IDIADA	15.4%	19.8%	28.1%	20.5%	21.0%
<b>Total Applus Organic @ constant rates</b>	<b>7.2%</b>	<b>9.9%</b>	<b>7.3%</b>	<b>7.6%</b>	<b>8.0%</b>
Inorganic	5.3%	4.3%	1.3%	2.5%	3.3%
<b>Total Applus @ constant rates</b>	<b>12.5%</b>	<b>14.2%</b>	<b>8.7%</b>	<b>10.2%</b>	<b>11.3%</b>
FX	2.5%	4.7%	6.2%	2.7%	4.1%
<b>Total Applus</b>	<b>15.0%</b>	<b>18.9%</b>	<b>14.9%</b>	<b>12.9%</b>	<b>15.4%</b>

## FY 2022 E&I and LABS PROFORMA adjusted for Aerospace

EUR Million

REVENUE	FY 2022		
	ACTUAL	Aerospace	PROFORMA
Energy & Industry	1,120.7	(25.5)	1,095.2
Labs	190.4	25.5	215.8

AOP	FY 2022		
	ACTUAL	Aerospace	PROFORMA
Energy & Industry	81.2	(4.3)	76.9
<i>% AOP Margin</i>	<i>7.2%</i>		<i>7.0%</i>
Labs	26.7	4.3	31.0
<i>% AOP Margin</i>	<i>14.0%</i>		<i>14.4%</i>





## Q4 & FY 2022. Summary Income Statement

EUR Million



	Q4			FY		
	2022	2021	Change	2022	2021	Change
Revenue	531.0	470.5	12.9%	2,049.9	1,776.7	15.4%
Adj. Op. Profit b / AD <sup>1</sup>	55.9	49.7	12.5%	207.8	179.5	15.8%
Adj. Op. Profit margin b / AD <sup>1</sup>	10.5%	10.6%		10.1%	10.1%	
Accelerated depreciation	(1.7)	(1.1)		(5.8)	(4.2)	
Adj. Operating Profit	54.2	48.5	11.7%	202.0	175.2	15.3%
Adj. Op. Profit margin	10.2%	10.3%		9.9%	9.9%	
PPA Amortisation	(15.0)	(18.8)		(67.2)	(65.6)	
Other results	(3.6)	(4.1)		(9.6)	(8.2)	
Operating profit	35.6	25.6	38.8%	125.2	101.5	23.3%
Finance Results	(7.4)	(7.9)		(28.9)	(25.9)	
Other Financial Results <sup>2</sup>	(4.8)	0.0		(4.8)	0.0	
Profit before tax	23.4	17.8	31.5%	91.5	75.6	21.0%
Income taxes				(29.5)	(25.6)	
Net Profit				61.9	50.0	23.8%
Minorities				(13.3)	(17.8)	
Net Profit Group				48.6	32.2	50.8%
Adjusted Net Profit Group				111.0	93.3	18.9%
EPS in €				0.36	0.23	57.5%
Adjusted EPS in € <sup>3</sup>				0.81	0.65	24.3%

<sup>1</sup> AD is IDIADA accelerated depreciation to adapt assets useful life to contract/concession duration

<sup>2</sup> Other Financial Results includes Put option impact related to the final price of the acquisition of Galicia minority stake

<sup>3</sup> Share buyback programs have reduced the average share count for EPS calculations to give an average period share count of 136.9m for 2022 versus 143.0m in 2021

## FY 2022. Statutory Cash Flow

EUR Million



	FY	
	2022	2021
<b>Profit Before taxes</b>	<b>91.5</b>	<b>75.6</b>
Non cash items	207.1	195.5
Change in working capital	(9.5)	(45.7)
Taxes Paid	(40.0)	(37.8)
<b>Operating Cash Flow</b>	<b>249.0</b>	<b>187.6</b>
Capex	(66.1)	(60.3)
Business combination	3.4	5.6
Acquisitions of subsidiaries	(66.2)	(82.0)
<b>Cash Flow from Investing activities</b>	<b>(128.9)</b>	<b>(136.7)</b>
Dividends to Minorities	(9.2)	(18.5)
Applus+ Dividend	(20.3)	(21.5)
Interest paid	(17.0)	(12.9)
Changes in financing	(6.7)	(15.8)
Share buy back	(64.8)	0.0
<b>Cash Flow from Financing activities</b>	<b>(118.1)</b>	<b>(68.7)</b>
Currency translations	4.4	4.9
<b>Cash Increase/ (Decrease)</b>	<b>6.5</b>	<b>(12.9)</b>

## FY 2022. Balance Sheet

EUR Million

	FY	
	2022	2021
Goodwill	792.9	725.8
Other intangible assets	374.1	420.0
PPA	310.0	350.8
Other intangible assets	64.1	69.2
Rights of use	177.4	180.7
Tangible assets	253.1	253.8
Investments accounted for using the equity method	3.4	0.5
Non current Financial Assets	17.1	17.7
Deferred Tax Assets	58.1	61.0
<b>Total Non-Current Assets</b>	<b>1,676.1</b>	<b>1,659.5</b>
Assets classified as held for sale	37.5	-
Inventories	9.8	11.2
Trade & Other receivables	498.5	435.2
Corporate Income Tax assets	20.3	17.7
Current financial assets	7.4	6.4
Cash & Cash equivalents	183.0	176.5
<b>Total Current Assets</b>	<b>756.5</b>	<b>647.0</b>
<b>Total Assets</b>	<b>2,432.6</b>	<b>2,306.5</b>

	FY	
	2022	2021
<b>Equity</b>	<b>642.9</b>	<b>666.3</b>
Long Term Provisions	37.0	34.3
Bank borrowings	808.6	724.8
Leasing Liabilities	136.1	142.0
Other financial liabilities	22.2	25.8
Deferred Tax Liabilities	109.1	122.5
Deferred Tax Liabilities PPA	77.5	86.9
Deferred Tax Liabilities Others	31.6	35.6
Other non current liabilities	90.8	75.3
<b>Total Non-Current Liabilities</b>	<b>1,203.8</b>	<b>1,124.7</b>
Liabilities classified as held for sale	16.5	-
Short term provisions	8.0	7.5
Bank borrowings	27.3	47.1
Leasing Liabilities	55.2	54.5
Trade & Other payables	425.8	379.0
Income Tax Liabilities	19.4	18.6
Other current liabilities	33.7	8.8
<b>Total Current Liabilities</b>	<b>585.9</b>	<b>515.5</b>
<b>Total Equity &amp; Liabilities</b>	<b>2,432.6</b>	<b>2,306.5</b>

## 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

- **AD - IDIADA accelerated depreciation**, to adapt assets useful life to contract/concession duration
- **Adjusted measures** are stated before other results
- **AOP**, Adjusted Operating Profit
- **CAGR**, Compounded Annual Growth Rate
- **Capex**, realized investments in property, plant & equipment or intangible assets
- **Cash conversion**, calculated as the ratio of EBITDA minus capex & change in working capital over EBITDA
- **EBITDA**, measure of earnings before interest, taxes, depreciation and amortisation
- **EPS**, Earnings per share
- **EV**, Electrical Vehicle
- **FX**, Foreign exchange
- **Free Cash Flow**, operating cash generated after capex investment, working capital variation and tax & interest payments and before leases



## Alternative Performance Metrics

- **Leverage**, calculated as Net Debt/LTM Ebitda as per bank covenant definition
- **LTM**, Last twelve months
- **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
- **Net Profit**, measure of earnings operating profit after interest, taxes and minorities
- **Operating Profit**, measure of earnings before interest and taxes
- **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
- **P.A.**, per annum
- **PPA Amortisation** corresponds to the amortisation of the Purchase Price Allocation related to acquisitions, allocated to intangible assets and Goodwill reduction for finite life concessions
- **ROCE**, Net Adjusted Operating Profit After Tax/Capital Employed excluding IFRS 16 lease adjustment. Net adjusted operating profit is proforma acquisitions and disposals, excluding IDIADA Accelerated Depreciation and at 25% tax rate
- **WC**, Working Capital

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