2024 First Half Results Announcement
24 July 2024

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 half year ended 30 June 2024 ("the period").

Highlights

- Performance remains strong on all metrics
- Continued margin[1] improvement
- Solid cash flow generation
- Progress on Sustainability including retained AA by MSCI ESG
- IDIADA contract awarded to Applus
- Delisting process has started

H1 2024 Results

- Revenue of €1,094 million up 9.3% (organic[2] up 8.8%)
- Operating profit[1] of €125 million up 13.2% (organic[1] up 12.1%)
- Operating profit[1] margin of 11.4% (11.0% H1 2023)
- Free cash flow[1] of €65 million up 10%
- Net debt/EBITDA[3] ratio of 2.4x

Outlook maintained

- Mid to high single digit organic revenue growth
- AOP Margin[1] to increase to around 11.5%
- Continued focus on portfolio mix quality improvement

1. Adjusted for Other results, amortisation of acquisition intangibles, impairments and IDIADA Accelerated Depreciation (page 16)
2. Organic is stated at constant exchange rates
3. Excluding IFRS 16

Joan Amigó, Chief Executive Officer of Applus+:

"Our business continues to perform strongly, with high overall organic revenue growth continuing, contributed by growth in all four divisions and supported by low single digits price increases.

We are pleased to have been notified that the IDIADA contract has been awarded to us for a further 25 years, which we are confident will bring good value to all our stakeholders. We are also progressing well with the build-out for the new Auto contracts in Saudi Arabia, India and China.

Our operating profit margin reached 11.4%, 40 basis points higher than the first half margin of last year. This margin improvement came in three of the four divisions and from a combination of organic and higher margin acquisitions.

The adjusted operating profit increase, coupled with a similar level of working capital outflow as for the comparative period resulted in solid cash flow generation with adjusted operating and adjusted free cash flow above the levels of last year.

For the full year, we expect the Group to deliver another strong result with organic revenue growth at constant exchange rates to increase at mid to high single digits and the margin to increase to around 11.5%. Furthermore, we will maintain our focus on portfolio mix quality improvements.

The delisting process of Applus has started and we expect that within the current year, we will be a private company. I am confident that in this new phase we will continue adding value to our customers, employees and shareholders."

For further information

Applus+ Investor Relations:
Aston Swift +34 93 5533 111 aston.swift@applus.com

Applus+ Media:
Maria de Sancha Rojo +34 691 250 977 maria.sancha@applus.com

About Applus+ Group

One of the world's leading and most innovative companies in the Testing, Inspection and Certification (TIC) sector. It has a broad portfolio of services for customers in all types of industries to ensure that their assets and products meet quality, health & safety and environmental standards and regulations.

The company drives increasingly profitable revenue generation through its sustainability services supported by innovation and digitalisation at all levels and invests in the development of proprietary solutions. The Group strategy aligns with the global megatrends of Energy Transition, Electrification and Connectivity.

Headquartered in Spain and listed on the Spanish stock markets, Applus+ operates in more than 70 countries and employs over 26,000 people. For the full year of 2023, Applus+ reported revenue of €2,058 million, and an adjusted operating profit of €222 million. The total number of shares is 129,074,133.

At the forefront of ESG best practice, recognised by external ratings agencies.

S&P Global 54/100 Top 19%

CDP A LIST 2023 CLIMATE

MSCI ESG RATINGS AA

BME a SIX company

SUSTAINALYTICS 11.6 Low Risk

Gaïa Rating 70/100 Above average

standard ethics EE+ Very Strong

FTSE4Good

Included in IBEX ESG and IBEX Gender Equality

ISIN: ES0105022000
Symbol: APPS-MC

For more information go to www.applus.com/en

Profit and Loss Overview

	H1		
	2024	2023	Change vs LY
Revenue	**1,094.3**	**1,000.8**	**9.3%**
Adj. Op. Profit	**125.2**	**110.6**	**13.2%**
Adj. Op. Profit margin	***11.4%***	***11.0%***	
Accelerated depreciation	(10.2)	(4.3)	
Adj. Operating Profit incl. AD[1]	**115.0**	**106.3**	**8.2%**
Adj. Op. Profit margin incl. AD[1]	***10.5%***	***10.6%***	
PPA Amortisation	(27.5)	(31.4)	
Other results	(39.4)	(4.6)	
Operating profit	**48.1**	**70.4**	**(31.6)%**
Finance Results	(23.6)	(18.3)	
Profit before tax	**24.5**	**52.1**	**(52.9)%**
Income taxes	(17.6)	(16.0)	
Net Profit	**7.0**	**36.1**	**(80.6)%**
Minorities	(8.1)	(5.7)	
Net Profit Group	**(1.1)**	**30.4**	**(103.6)%**
Discontinued operations	-	(4.0)	
Net Profit after Disc. Op.	**(1.1)**	**26.4**	**(104.2)%**
Adjusted Net Profit Group incl. AD	**61.0**	**60.0**	**1.6%**
EPS in €[2]	**(0.01)**	**0.23**	**(103.7)%**
Adjusted EPS in € incl. AD[2]	**0.47**	**0.46**	**3.0%**
# Shares (M)	**129.1**	**130.8**	

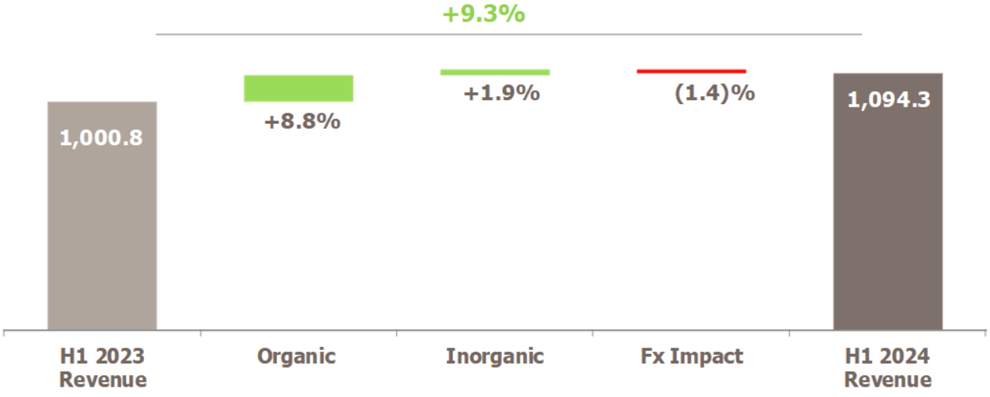
The figures shown in the table above are rounded to the nearest €0.1 million

1. AD is IDIADA accelerated depreciation to adapt assets useful life to contract/concession duration
2. EPS calculation based on Net Profit from Continuing Operations

Revenue

Revenue for the six-month period ending 30 June 2024 was €1,094.3 million which was 9.3% higher than the revenue of €1,000.8 million reported in the first half of last year.

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



Q2 2024	10.1%	1.6%	(1.2)%	10.5%

The total revenue increase of 9.3% for the half year was made up of an increase in organic revenue at constant exchange rates of 8.8%, a contribution in revenue from acquisitions made in the previous 12 months of 1.9% and a negative currency translation impact of 1.4%.

In the second quarter, the total revenue was up 10.5% with the organic component of 10.1% plus the contribution from acquisitions of 1.6% and a negative currency translation impact of 1.2%.

It was a strong first half year with demand for services remaining robust across the board supplemented by price increases. There was good organic revenue growth in all four divisions in both the first and second quarters, with only Automotive having low single digits organic revenue growth in the first quarter due to the tough comparable following the ending of the contract in Alicante in February last year.

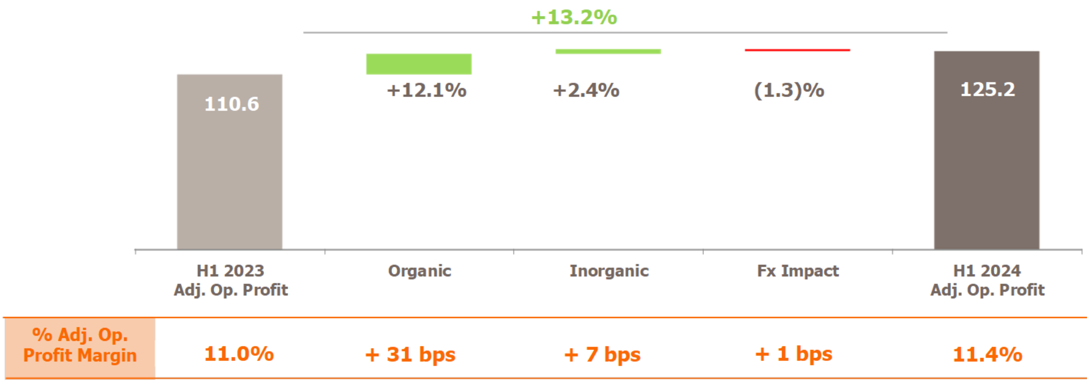
The 1.9% inorganic revenue growth in the first half relates to the acquisitions made in 2023 with the most relevant coming from Rescoll that closed in June of last year and Barlovento, purchased in December last year. No acquisitions have been made so far this year.

Of the revenue in the first half of 2024, half was generated in the reporting currency of the Group (euro) and the other half in other currencies of which the US dollar and other currencies linked to the US dollar are the largest at 16%. The average exchange rate of the US dollar to the euro was almost the same in the first half of this year compared to the first half of last year resulting in no material impact on Group Fx. Nevertheless, there were other currency movements including from those material ones that accounted for more than 4% of Group revenue, being the Colombian peso that strengthened significantly, offset by the Canadian and Australian dollars which weakened. There were many other currency movements including the Argentinian peso, which despite being far less material in weight at the Group level, depreciated materially giving an overall negative currency impact on revenue of 1.4% in the first half.

Adjusted Operating Profit

Adjusted operating profit for the six-month period ending 30 June 2024 was €125.2 million which was 13.2% higher than the adjusted operating profit of €110.6 million reported in the first half of last year.

The adjusted operating profit bridge for the first half in € million is below.



Organic adjusted operating profit was up 12.1%, incremental profit from acquisitions was 2.4% and currency translation had a negative impact of 1.3%.

The adjusted operating profit margin was 11.4%, 40 basis points above the equivalent first half margin of 2023.

The margin increase of 40 basis points compared to the equivalent first half margin in 2023 was due to the strong margin performance in three of the four divisions offset by the Automotive division which reported a lower margin due to the ending of the contract in Alicante in February 2023, one-off investments into new Auto contracts in build out phase and a change in the phasing of revenue in Spain.

The margin for the second quarter of this year was 12.3% which was 30 basis points higher than the second quarter of last year.

Other Financial Indicators

The reported operating profit was €48.1 million in the half year compared to a reported operating profit of €70.4 million in the previous period. The reported operating profit is after deducting IDIADA Accelerated Depreciation of €10.2 million (H1 2023: €4.3m), PPA Amortisation of €27.5 million (H1 2023: €31.4m) and Other results of €39.4 million that in 2024 include the takeover bid related costs (H1 2023: €4.6m).

The net financial expense in the profit and loss for the period was €23.6 million (H1 2023: €18.3m), higher than the prior half year due to the higher cost of debt in 2024 compared to 2023 from rising interest rates.

The statutory profit before tax was €24.5 million (H1 2023: €52.1m). The statutory profit before tax was lower than for the corresponding period last year due to the lower statutory operating profit and higher financial expense in 2024.

The reported tax on a statutory basis was a charge of €17.6 million versus €16.0 million (actual reported) in the first half of last year. The effective tax charge, being the tax on the adjusted profit before tax, for the first half at €22.4 million was in line with the prior year first half of €22.3 million. This gave an effective tax rate of 24.4%, being lower than the rate of 25.3% in the prior period.

Non-controlling interests increased in the half year from €5.7 million in the first half of last year to €8.1 million in the first half of 2024. The increase of €2.4 million is mainly due to the strong performance of the IDIADA business that has a 20% minority.

The adjusted net profit was €61.0 million, being 1.6% higher than the adjusted net profit in the comparable period. The adjusted earnings per share was 0.47 cents for the first half, being 3.0% higher than the adjusted earnings per share in the comparable period with the difference of 1.4% between these growth rates being due to the reduced share count following the two recently executed share buybacks. The adjusted earnings per share excluding the impact of the IDIADA Accelerated Depreciation was 0.55 cents and this was 12.2% higher than the equivalent adjusted earnings per share excluding IDIADA Accelerated Depreciation in 2023.

The statutory net profit of €26.4 million in the first half of 2023 was after the charge of €4.0 million from the disposals of the businesses.

Cash Flow and Debt

Cash flow generation is strong at Applus+ with the first half of 2024 having solid operating and free cash flow generation and above the previous year´s performance. The increase in working capital of €55.5 million was a similar increase to that in the equivalent comparable period of €52.1 million which, alongside the higher adjusted earnings before interest, tax, depreciation and amortisation (Adjusted Ebitda) and after capex spending of €32.3 million, generated €99.1 million of adjusted operating cash flow this first half.

The table below shows the key line items of the cash flow for the first half of 2024 compared to the equivalent first half of last year (2023 Proforma) and also shows the reported cash flow in the prior year that includes the cash movements relating to the disposed businesses in 2023. In € million.

	H1				
	2024	**2023 Proforma**	**Change vs LY Proforma**	**2023 Reported**	**Change vs LY Reported**
Adjusted Ebitda	**186.9**	**166.0**	**12.6%**	**164.9**	**13.3%**
Change in Working Capital	(55.5)	(52.1)		(38.6)	
Capex	(32.3)	(24.8)		(25.2)	
Adjusted Operating Cash Flow	**99.1**	**89.0**	**11.3%**	**101.1**	**(2.0)%**
Cash Conversion rate	*53.0%*	*53.6%*		*61.3%*	
Taxes paid	(18.5)	(16.4)		(16.4)	
Interest paid	(16.0)	(14.0)		(14.0)	
Adjusted Free Cash Flow	**64.6**	**58.6**	**10.1%**	**70.7**	**(8.6)%**
Extraordinaries & Others	(16.1)	(1.5)		(12.6)	
Dividends to Minorities	(8.9)	(13.1)		(13.1)	
Operating Cash Generated	**39.6**	**44.1**	**(10.1)%**	**45.0**	**n/a**
Acquisitions	(22.6)	(60.7)		(60.7)	
Divestments	0.0	30.0		30.0	
Cash b/Changes in Financing & FX	**17.1**	**13.4**		**14.3**	
Payments of lease liabilities (IFRS 16)	(35.5)	(30.9)		(32.4)	
Other changes in financing	(31.8)	48.2		48.2	
Share buybacks	-	(36.1)		(36.1)	
Currency translations	0.2	(3.0)		(3.0)	
Discontinued operations	-	(0.7)		-	
Cash Increase/(Decrease)	**(50.0)**	**(9.0)**		**(9.0)**	

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

The net capital expenditure on expansion of existing and into new facilities was €32.3 million (H1 2023: €24.8m) which represented 3.0% (H1 2023: 2.5%) of Group revenue. The increase in capex spend in 2024 was due to the increased number of opportunities to invest in growing the business.

Adjusted operating cash flow (after capital expenditure) of €99.1 million was 11.3% higher than for the same period last year when it was €89.0 million. After tax and interest paid, the adjusted free cash flow was €64.6 million, which was 10.1% higher than the first half last year when it was €58.6 million.

Extraordinaries and Others includes the cash outflow relating to the takeover bid costs.

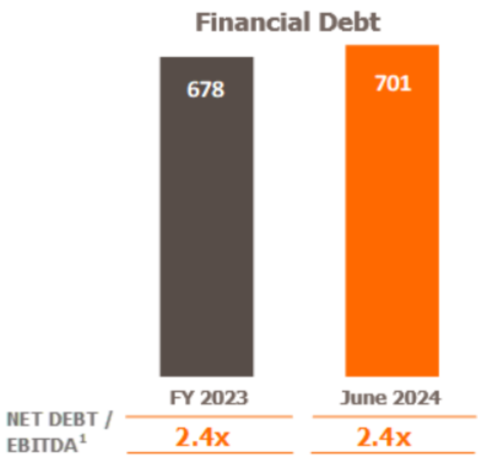
The cash outflow of €22.6 million for Acquisitions in the first half relates to deferred consideration and earn-outs on previously made acquisitions that have successfully met their target financial criteria. In the first half of 2023, the Acquisitions spend of €60.7 million related mainly to payments made to acquire Riportico in Portugal, CLM in Spain, CFI in China and Rescoll in France and also includes the amount paid for the 20% minority interest in Inversiones Finisterre

(Auto Galicia) not already owned. Furthermore, in the first half of 2023, the Group received €30 million in cash from divestments.

The final net cash decrease in the period was €50.0 million. This is after the payment or lease liabilities of €35.5 million (from the accounting standard of IFRS16) plus a net repayment in borrowings of €31.8 million. In the first half of 2023, there was also a net cash outflow of €36.1 million for the share buyback.

The Net Debt, as defined by the bank covenant for the syndicated debt facilities and the US Private Placement notes, was €701 million at the end of the first half period which was €23 million higher than at the end of 2023 and it was €29 million lower than at the end of the first half of 2023 when it stood at €730 million.

The financial leverage of the Group has reduced each year over the last few years since 2020 reflecting the strong increase in EBITDA more than offsetting the investments made to fulfil the inorganic strategy and share buyback programmes. At the period end, the leverage measured as Net Debt to last twelve months Adjusted EBITDA, was 2.4x (as defined by the bank covenant for the syndicated debt facilities), at the same level as the position on 31 December 2023 and lower than the position at the same time last year when it was 2.6x. This is considerably lower than the leverage covenant of 4.0x which is tested twice per year.



	FY 2023	H1 2024
Gross Debt	886	857
Cash	(208)	(156)
Net Debt	678	701

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

The net debt position as calculated under the IFRS16 accounting standard was €892 million at the end of the first half. This is a decrease of €18 million compared to the same time last year and €21 million higher than the year-end position.

Sustainability Services

In 2023, the total revenue measured that has a positive effect on either the environment or on society was €1,138 million or 55% of the Group revenue, having increased by 8% in total revenue over the prior year. In the first half of 2024, the sustainability services revenue continued to grow with the full period inclusion of the recent significant acquisitions of Barlovento in Spain that is focused on renewable energy services that benefit the environment and Rescoll in France that has a strong business line in testing medical devices that supports society.

Environmental, Social and Governance

Applus is increasing the awareness of the importance of ESG within the Group through communications and financial incentives at senior management level and important ESG matters are becoming increasingly embedded within the day to day operations of the business. The Group is on track to meet environmental targets, such as emissions reduction and decarbonization as well as targets relating to health and safety and equality and ethical behaviour.

The ratings agencies, that perform their independent analysis on the Group, taking different perspectives and approaches, have all recognised and confirmed the Group´s resilience and commitment to sustainability validating the progress made and alignment to the strategic objectives. There have been no ratings downgrades and in February of this year MSCI ESG reaffirmed their very strong AA rating. Other ratings are from Sustainalytics "low risk" score of 11.6, Standard & Poor´s Global Corporate Sustainability Assessment with a high score of 54, Gaïa at 70/100, Standard Ethics EE+ or "Very Strong", the CDP the highest level which is an "A" and being included in the FTSE4GoodIBEX and IBEX Gender Equality. Furthermore, the Financial Times and Statista included Applus+ for the third year running amongst 400 companies within its list of Europe Climate Leaders 2023 that have achieved the greatest reduction in the intensity of their Scope 1 and 2 greenhouse gas emissions over a 5-year period.

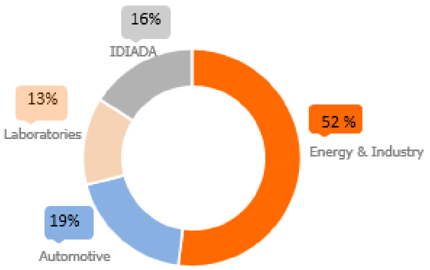
Outlook

The outlook for the full year remains as announced in February 2024. It is for organic revenue growth of mid to high single digits and an adjusted operating profit margin of around 11.5% (including adjusted to be before IDIADA accelerated depreciation). The focus on portfolio mix quality improvement through further acquisitions continues.

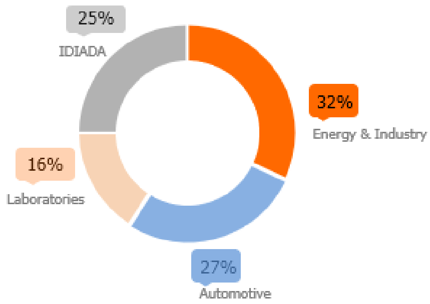
Operating review by division

The Group operates through four global business divisions: Energy & Industry Division, Automotive Division, Laboratories Division and IDIADA Division, and the respective shares of the revenue and adjusted operating profit for the first half of 2024 are shown below.

H1 2024 revenue split



H1 2024 adjusted operating profit split



Energy & Industry Division

Energy & Industry 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 employs approximately 16,000 people and is active in over 60 countries.

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 revenue in the division was €564.2 million and the adjusted operating profit was €46.2 million in the six-month period giving an adjusted operating profit margin of 8.2%.

EUR Million	H1					
	2024	2023	Change	Organic	Inorganic	FX
Revenue	564.2	524.5	7.6%	*7.1%*	*1.0%*	*(0.5)%*
Adj. Op. Profit	46.2	42.3	9.3%	*9.9%*	*1.0%*	*(1.6)%*
% AOP Margin	*8.2%*	*8.1%*	*+ 13 bps*			

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

Revenue for the six-month period ended 30 June 2024 was 7.6% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 7.1% in organic revenue at constant exchange rates, 1.0% from acquisitions (Inorganic) and a decrease of 0.5% due to unfavourable exchange rates (FX).

The revenue in the second quarter of €296.3 million was significantly higher than the first quarter revenue of €267.9 million due to seasonality and the full period benefit of the recently made acquisitions, with the organic revenue growth in the first and second quarters at similar rates, at 7.2% in the first quarter and 7.1% in the second.

Inorganic revenue of 1.0% from acquisitions relates to the revenue from Barlovento that was purchased in December 2023.

Adjusted operating profit was 9.3% higher than the reported adjusted operating profit last year. The adjusted operating profit increase was made up of an increase of 9.9% in organic revenue at constant exchange rates, 1.0% from acquisitions (Inorganic) and a decrease of 1.6% due to unfavourable exchange rates (FX).

The adjusted operating profit margin of 8.2% was 13 basis points higher than the equivalent margin last year. The margin increase came from a 20 basis points increase in the organic margin, with the inorganic margin impact being neutral and FX having a negative impact on the margin.

The division is performing well, with the increase in revenue coming from an increased volume of services, especially in the faster growing developing regions of the world and in the more sustainable services, such as Renewables and civil infrastructure projects, with some price inflation benefit.

Renewables, Power, Infrastructure and Diversified Industries now represent 58% of the division´s revenue and is growing strongly and at a faster pace than the Oil & Gas segment that now represents 42% of the division by revenue.

Automotive

Automotive is one of the global leaders for statutory-vehicle-inspection services for safety and emissions. The programmes inspect vehicles in jurisdictions where vehicles must comply with statutory technical-safety and environmental regulations.

The division employs approximately 4,000 people managing more than 20 programmes across Spain, Ireland, Sweden, Denmark, Andorra, Argentina, Georgia, Chile, Ecuador, Mexico and Uruguay. New contracts in Saudi Arabia, China and India are expected to be fully operational soon. The market for statutory vehicle inspection for safety and emissions is expected to continue growing well in existing and new markets.

The revenue in the division was €207.0 million and the adjusted operating profit was €38.0 million in the six-month period giving an adjusted operating profit margin of 18.4%.

EUR Million	H1				
	2024	2023	Change	Organic	FX
Revenue	**207.0**	**203.8**	**1.6%**	***5.7%***	***(4.1)%***
Adj. Op. Profit	**38.0**	**43.3**	**(12.3)%**	***(11.3)%***	***(1.0)%***
% AOP Margin	*18.4%*	*21.3%*	*-290 bps*		

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

Revenue for the six-month period ended 30 June 2024 was 1.6% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 5.7% in organic revenue at constant exchange rates and a decrease of 4.1% due to unfavourable exchange rates (FX). There was no inorganic revenue impact.

The revenue in the second quarter of €107.0 million was higher than the first quarter revenue of €100.0 million with an acceleration in the organic revenue in the second quarter to 7.8% after growing at 3.6% in the first quarter.

Adjusted operating profit was 12.3% lower than the equivalent adjusted operating profit last year. The adjusted operating profit decrease was made up of a decrease of 11.3% in organic at constant exchange rates and a decrease of 1.0% due to exchange rates.

The adjusted operating profit margin of 18.4% was 290 basis points lower than the margin in the first half of last year. The margin decrease of 290 basis points was mainly due to the start up costs of investing in the three new contracts in Saudi Arabia, China and India as well as the ending of the high margin Alicante contract in February of last year and was also temporarily impacted due to lower revenue in the first half in Spain following a change in phasing after COVID with some inspections previously performed in the first half moving to the second half of the year.

Overall, the concessions and programmes are performing well.

Laboratories

Laboratories 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, employs approximately 3,000 people and is active in 13 countries.

The division comprises six key business units: Mechanical (includes aerospace and materials testing); Electrical & Electronic (includes electrical and electromagnetic compatibility testing and product certification for the electronics and automotive sector); Cybersecurity (includes electronic payment system protocol testing and approval); Construction (includes fire and structural testing of building materials); Metrology (includes calibration and measuring instruments) and Systems Certification.

The revenue in the division was €141.8 million and the adjusted operating profit was €22.6 million in the six-month period, giving an adjusted operating profit margin of 16.0%.

EUR Million	H1					
	2024	2023	Change	Organic	Inorganic	FX
Revenue	141.8	117.8	20.4%	*9.5%*	*11.7%*	*(0.8)%*
Adj. Op. Profit	22.6	17.7	27.9%	*14.6%*	*14.6%*	*(1.3)%*
% AOP Margin	*16.0%*	*15.0%*	*+ 94 bps*			

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

Revenue for the six-month period ended 30 June 2024 was 20.4% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 9.5% in organic revenue at constant exchange rates, 11.7% from acquisitions (Inorganic) and a decrease of 0.8% due to unfavourable exchange rates (FX).

The revenue in the second quarter of €74.6 million was higher than the first quarter revenue of €67.2 million due to acquisitions with some acceleration in organic revenue growth in the second quarter at 10.7% over the first quarter of 8.1%.

Inorganic revenue of 11.7% from acquisitions relates to four made in the last 12 months including the largest of these being Rescoll which is a materials testing laboratory in France that specialises in medical products and aerospace that was purchased in June last year.

Adjusted operating profit was 27.9% higher than the adjusted operating profit last year. The adjusted operating profit increase was made up of an increase of 14.6% in organic, 14.6% from acquisitions (Inorganic) and a decrease of 1.3% due to unfavourable exchange rates (FX).

The adjusted operating profit margin of 16.0% was 94 basis points higher than the margin last year. The significant margin improvement was a mixture of organic and inorganic with a better profitability mix in the organic business and higher margins from the acquisitions.

The division is becoming increasingly diversified by business line and in the period all the main segments grew well benefiting from the increased demand for structural, mechanical and electrical testing of materials for Auto, Aerospace, transportation and other industrial products as well as new business and services for the rapidly growing cybersecurity assurance.

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 September 2024 following which Applus will continue to operate the business for a further 25 years.

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

The division employs approximately 3,000 people and is active in 22 countries.

The revenue in the division was €181.1 million and the adjusted operating profit, before taking account of Accelerated Depreciation was €35.9 million in the six-month period giving an adjusted operating profit margin of 19.8%. After taking account of Accelerated Depreciation, that is required to adapt assets useful life to contract or concession duration, the margin was 14.2%.

EUR Million	H1				
	2024	2023	Change	Organic	FX
Revenue	181.1	154.8	17.0%	*17.8%*	*(0.8)%*
Adj. Op. Profit	35.9	23.4	53.6%	*54.1%*	*(0.5)%*
% AOP Margin	*19.8%*	*15.1%*	*+472 bps*		
Adj. Op. Profit incl. AD[1]	25.7	19.1	34.6%		
% AOP Margin	*14.2%*	*12.3%*	*+185 bps*		

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

(1) AD is IDIADA Accelerated Depreciation to adapt assets useful life to contract/concession duration

Revenue for the six-month period ended 30 June 2024 was 17.0% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 17.8% in organic revenue at constant exchange rates less 0.8% due to unfavourable exchange rates.

The revenue in the second quarter of €101.3 million was considerably higher than the first quarter revenue of €79.9 million due to seasonality and strong sequential growth with year on year organic revenue growth in the second quarter at 22.6% being considerably higher than the first quarter organic revenue growth of 12.3%.

Adjusted operating profit was 53.6% higher than the adjusted operating profit in the first half of last year, before taking account of Accelerated Depreciation in both periods. After Accelerated Depreciation it was 34.6% higher. The adjusted operating profit increase was all organic.

The adjusted operating profit margin of 19.8% before Accelerated Depreciation was 472 basis points higher than the equivalent margin in H1 last year and even after Accelerated Depreciation it was 185 basis points higher. This margin increase was entirely organic due to the benefit of operational gearing and product service mix.

This strong growth is supported by some significant sized one-off projects alongside the continued demand for testing and homologation of vehicles, batteries and parts. Revenue generated from services to electric and hybrid vehicles continue to be the strongest contribution to the growth, although combustion engines were also higher in this first half compared to the first half of last year with current new emission regulations supporting this.

The Group was pleased to find it was the only company that presented a bid for the new 25-year contract with the Government of Catalonia for the IDIADA business and following the notification of the award of the contract is expecting to sign this prior to the ending of the current contract in September of this year. The formal bid process commenced in March of this year with one other company qualifying to bid. In the meantime, the assets of the business must continue to undergo accelerated depreciation to nil value by the end of the current concession. The accelerated depreciation in the first half of 2024 was €10.2 million compared to €4.3 million in the prior year first half.

Appendix 1

Reconciliation of Adjusted to Statutory results

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 are adjusted for acquisitions or disposals (unless classified as discontinued operations), in the prior twelve-month period and are stated at constant exchange rates, taking the current year average rates used for the income statement and applying them to the results in the prior period.

In the table below, adjusted results are presented alongside the statutory results (proforma for the divestments).

	H1 2024			H1 2023			
EUR Million	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	+/- % Adj. Results
Revenue	**1,094.3**	**0.0**	**1,094.3**	**1,000.8**	**0.0**	**1,000.8**	**9.3%**
Ebitda	**186.9**	**0.0**	**186.9**	**166.0**	**0.0**	**166.0**	**12.6%**
Operating Profit	**115.0**	**(66.9)**	**48.1**	**106.3**	**(35.9)**	**70.4**	**8.2%**
Net financial expenses	(23.6)	0.0	(23.6)	(18.3)	0.0	(18.3)	
Profit Before Taxes	**91.4**	**(66.9)**	**24.5**	**88.0**	**(35.9)**	**52.1**	**3.9%**
Current Income tax	(22.4)	4.8	(17.6)	(22.3)	6.3	(16.0)	
Extraordinary Income tax	0.0	0.0	0.0	0.0	0.0	0.0	
Non controlling interests	(8.1)	0.0	(8.1)	(5.7)	0.0	(5.7)	
Net Profit	**61.0**	**(62.1)**	**(1.1)**	**60.0**	**(29.6)**	**30.4**	**1.6%**
Discontinued Operations	0.0	0.0	0.0	0.0	(4.0)	(4.0)	
Net Profit after Disc. Op.	**61.0**	**(62.1)**	**(1.1)**	**60.0**	**(33.6)**	**26.4**	
Number of Shares	129,074,133		129,074,133	130,761,150		130,761,150	
EPS, in Euros	**0.47**		**(0.01)**	**0.46**		**0.23**	**3.0%**
Income Tax/PBT	*(24.4)%*		*(71.5)%*	*(25.3)%*		*(30.7)%*	

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

Other results of €66.9 million (H1 2023: €35.9m) in the Operating Profit represent amortisation of acquisition intangibles of €27.5 million (H1 2023: €31.4m) and transaction costs and other items of €39.4 million (H1 2023: €4.6m). In 2024, these other items included one-off charges relating to the change of control and takeover bid costs. A tax income of €4.8 million (H1 2023: €6.3m) relates to the tax impact on these Other results. The Other results in H1 2023 also include the overall net cost of €4.0 million for the discontinued operations.

Appendix 2

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**, realised 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, other results and depreciation and amortisation
- **EPS**, Earnings per share
- **EV**, Electrical Vehicle
- **FX**, Foreign exchange
- **FX impact**, The impact on the prior period revenue and adjusted operating profit from the restatement to current foreign exchange rates
- **Free Cash Flow**, operating cash generated after capex investment, working capital variation and tax & interest payments and before leases
- **Inorganic**, The revenue or adjusted operating profit relating to acquisitions and disposals (unless classified as discontinued operations) made in the previous twelve months
- **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
▪ **Statutory results,** consolidated results of the Group under IFRS regulation, as shown in the Consolidated Financial Statements
▪ **WC**, Working Capital

End of announcement

End of 2024 Half Year Results Announcement. This announcement is a translation of the Spanish version which is extracted from the Interim Condensed Consolidated Financial Statements at 30 June 2024 and 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.