2023 First Half Results Announcement
25 July 2023

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 2023 ("the period").

Highlights

- Strong financial performance continues
- Active portfolio strategy drives 90 basis points margin[2] improvement
- New statutory vehicle inspection contract awarded in Saudi Arabia
- Progress on ESG including an improved score from Sustainalytics
- Solid cash flow generation supports acquisition strategy
- Second 5% share buyback programme completed
- Outlook raised following strong performance

H1 2023 Results

- Revenue of €1,001 million up 9.0% (organic[1] up 8.8%)
- Operating profit[2] of €111 million up 10.2% (organic[1] up 6.5%)
- Operating profit[2] margin of 11.0% (10.1% H1 2022)
- Earnings per share[2] of €0.46, up 19%
- Reported net profit €26.4 million (€21.8m H1 2022)
- Free cash flow[2] of €70.7 million (€71.5m H1 2022)
- Net debt/EBITDA[3] ratio of 2.6x and liquidity of €425 million

Outlook

- High single digit organic revenue growth (raised from mid to high)
- Operating profit margin[2] to increase in excess of 60 basis points compared to the reported margin last year (10.1%) as recently upgraded in June

1. Organic is at constant exchange rates
2. Adjusted for Other results, amortisation of acquisition intangibles and IDIADA Accelerated Depreciation (page 23)
3. Excluding IFRS 16

Joan Amigó, Chief Executive Officer of Applus+:

"I am pleased to report today good results for the second quarter and first half of the year with all four divisions performing well. Disciplined execution of our successful portfolio evolution has resulted in a more robust business mix that is closer aligned towards key global megatrends of energy transition, electrification and connectivity supporting demand for our services.

We were recently awarded a prestigious ten-year statutory vehicle inspection contract in Saudi Arabia that is testament to our ability to win international tenders *and demonstrates the continued drive for sustainability linked services which continue to account for more than half of our revenue.*

Our operating profit margin reached 11.0% in the first half, 90 basis points higher than last year. This margin improvement was mainly driven by our portfolio evolution whilst our good underlying margin progression on a proforma basis was partly offset by the ending of the Auto contracts in Costa Rica in July of last year and Alicante in February this year.

Our adjusted net profit increase of nearly 13%, along with the fewer number of shares following the two 5% share buyback programmes that recently completed, has resulted in an adjusted earnings per share increase of over 19%.

The profit increase, coupled with a similar level of working capital outflow as for the comparative period was entirely offset by the increase in the cash interest paid resulting in a free cash flow in-line with last year. Solid cash generation has supported our ability to make investments in acquisitions and the second share buyback whilst financial leverage remained stable.

In the light of this strong performance and our visibility for the rest of the year, we expect to deliver good revenue and profit growth giving us the confidence to raise our guidance to high single digit organic revenue growth from the previous guidance of mid to high. Following the recent margin upgrade we announced in June, we expect the operating profit margin to increase in excess of 60 basis points compared to the reported margin last year.

We remain totally focused on continued strong execution and delivering on the strategic plan."

Presentation and Webcast

There will be a webcast and audio presentation on these results today at 10.00 am Central European Summer Time. To access the webcast, use the link: https://edge.media-server.com/mmc/p/uuktv4e4

To listen by telephone please first register in advance to receive an email with registration number, passcode and the telephone number to dial: Conference Registration (vevent.com)

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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 (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 2022, Applus+ reported revenue of €2,050 million, and an adjusted operating profit of €202 million. The total number of shares is 129,074,133.

The Group is at the forefront of ESG best practices which is recognised by external ratings agencies.

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

ISIN: ES0105022000
Symbol: APPS-MC

For more information go to https://www.applus.com/global/en/

Discontinued operations and Proforma numbers

Revenue, adjusted operating profit, margin and other financial indicators, in 2023 are reported as required by the applicable accounting standards on a continuing basis, removing the amounts in the current year and in the comparable year for the three disposals recently made. To allow for a cleaner comparison between the periods and to reflect the business performance on a continuing basis, the comparable financial indicators in 2022 are referred to as "proforma", and where appropriate the actual reported figures in 2022 may also be shown.

Within the Automotive division, the business and operations in Finland were sold in December 2022 which had revenue of €13.0 million in 2022 of which €6.7 million was in the first half.

The sale of the business of the Automotive division in the USA, with revenue in 2022 of €36.6 million of which €16.3 million was in the first half, was announced in December last year and the sale completed in February.

The disposal of the Oil & Gas business in the USA that is held within the Energy & Industry division was announced on the 30th March this year and the completion was in June. The revenue from this business was €101.8 million in 2022 of which €45.3 million was generated in the first half of 2022.

Appendix 2 has a table with the revenue by quarter of these discontinued operations.

Profit and Loss Overview

	H1				
	2023	2022 Proforma	Change vs Proforma	2022 Reported	Change vs Reported
Revenue	**1,000.8**	**918.4**	**9.0%**	**986.7**	**1.4%**
Adj. Op. Profit b/AD [1]	**110.6**	**100.3**	**10.2%**	**99.7**	**10.9%**
Adj. Op. Profit margin b/AD [1]	***11.0%***	***10.9%***	**+ 12 bps**	***10.1%***	**+ 94 bps**
Accelerated depreciation	(4.3)	(2.6)		(2.6)	
Adj. Operating Profit	**106.3**	**97.8**	**8.7%**	**97.1**	**9.4%**
Adj. Op. Profit margin	***10.6%***	***10.6%***	**-2 bps**	***9.8%***	**+ 78 bps**
PPA Amortisation	(31.4)	(34.0)		(34.3)	
Other results	(4.6)	(1.7)		(3.8)	
Operating profit	**70.4**	**62.1**	**13.3%**	**59.1**	**19.1%**
Finance Results	(18.3)	(12.6)		(12.8)	
Profit before tax	**52.1**	**49.6**	**5.0%**	**46.3**	**12.5%**
Income taxes	(16.0)	(15.5)		(15.8)	
Net Profit	**36.1**	**34.1**	**6.0%**	**30.5**	**18.4%**
Minorities	(5.7)	(8.7)		(8.7)	
Net Profit Group	**30.4**	**25.4**	**19.8%**	**21.8**	**39.5%**
Discontinued operations	(4.0)	(3.6)		-	
Net Profit after Disc. Op.	**26.4**	**21.8**	**21.4%**	**21.8**	**21.4%**
Adjusted Net Profit Group	**60.0**	**54.5**	**10.0%**	**53.3**	**12.6%**
EPS in € [2]	**0.23**	**0.18**	**27.0%**	**0.16**	**48.0%**
Adjusted EPS in €	**0.46**	**0.39**	**16.7%**	**0.38**	**19.4%**
# Shares (M)	**130.8**	**138.7**		**138.7**	

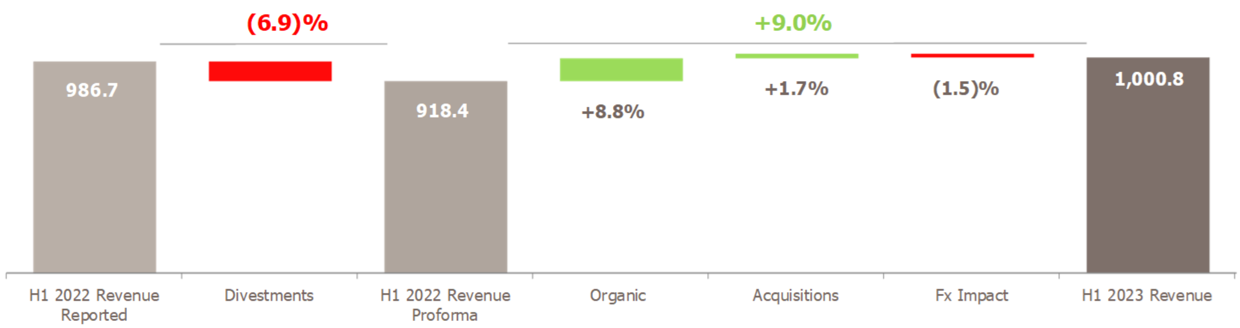
The figures shown in the table above are rounded to the nearest €0.1 million

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 2023 was €1,000.8 million which was 1.4% higher than the revenue of €986.7 million reported in the first half of last year and 9.0% higher compared to €918.4 million of proforma revenue, in the first half of last year.

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



Q2 2023	+ 8.8%	+ 1.9%	(2.9)%	+ 7.8%

The H1 2022 Revenue Proforma was €68.3 million lower than the H1 2022 Revenue Reported due to the discontinuation through disposal of three businesses.

The total revenue increase of 9.0% for the half 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 1.7% and a negative currency translation impact of 1.5%.

In the second quarter, the total revenue was up 7.8% with the organic component of 8.8% plus the contribution from acquisitions of 1.9% and a negative currency translation impact of 2.9%.

Demand for services continues to be strong across the board supplemented by price increases. There was strong double digit organic revenue growth in three of the four divisions with only Automotive having lower organic revenue due to the ending of the contract in Costa Rica in July last year and the contract in Alicante in February of this year.

The 1.7% acquisition revenue growth relates to nine acquisitions that closed in the previous 12 months with the most contribution coming from Riportico that closed in January of this year and K2 Ingeniería, purchased last year. The acquisition of Rescoll in France with €21 million of annual revenue, closed at the beginning of June and so only contributed one month to the first half results.

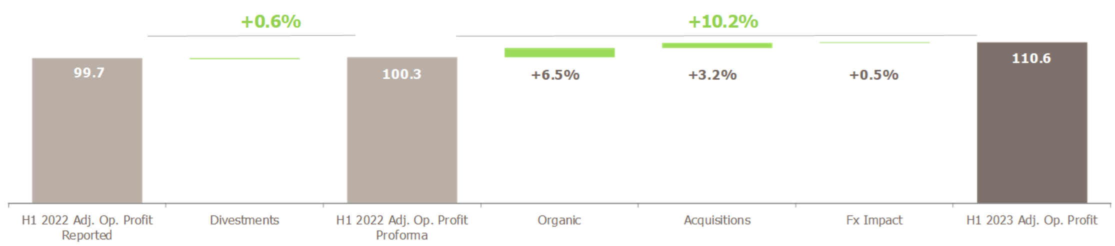
Of the revenue in the first half of 2023, half was generated in the reporting currency of the Group (euro) and the other half in other currencies of which the US dollar and other currencies linked to the US dollar are the largest at 14%. The average exchange rate of the US dollar to euro was stronger in the first half of this year compared to the first half of last year giving a positive currency benefit, but this was more than offset by the revenue generated in other currencies in the

Group which were on average weaker, with the net result of a negative currency impact of 1.5% on revenue.

Adjusted Operating Profit

Adjusted operating profit for the six-month period ending 30 June 2023 was €110.6 million which was 10.9% higher than the adjusted operating profit of €99.7 million reported in the first half of last year and 10.2% higher compared to €100.3 million of proforma adjusted operating profit, in the first half of last year.

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



% Adj. Op. Profit Margin H1 excl. AD	10.1%	+ 80 bps	10.9%	-24 bps	+ 18 bps	+ 18 bps	11.0%
% Adj. Op. Profit Margin	9.8%	+ 82 bps	10.6%	-39 bps	+ 19 bps	+ 18 bps	10.6%

AD is IDIADA accelerated depreciation to adapt assets useful life to contract/concession duration

The H1 2022 Adjusted Operating Profit Proforma was €0.6 million higher than the H1 2022 Adjusted Operating Profit Reported due to the discontinuation by disposal of three businesses which in aggregate were loss making in H1 of last year.

Organic adjusted operating profit was up 6.5%, incremental profit from acquisitions was 3.2% and currency translation had a positive impact of 0.5%.

The adjusted operating profit margin was 11.0%, 90 basis points above the reported first half margin of 2022 and is 10 basis points higher than the equivalent proforma margin of 10.9% in H1 2022.

The margin increase of 90 basis points compared to the reported first half margin in 2022 is primarily due to the disposals of the three businesses as described above. In aggregate these businesses had revenue in the first half of 2022 of €68.3 million and an adjusted operating loss of €0.6 million. The margin increase of 10 basis points compared to the proforma result in 2022 was due to the strong margin performance of three of the four divisions offset by the Automotive division which reported a lower margin due to the ending of the contract in Costa Rica in July 2022 alongside the ending of the Automotive contract in Alicante in February 2023.

The margin for the second quarter of this year was 12.0% which was 110 basis points higher than the second quarter of last year. On a proforma basis, the second quarter margin was 60 basis points higher than the second quarter of last year with three of the four divisions contributing to this increase and the impact from the lower margin in Automotive division due to the ending of the Costa Rica and Alicante contracts being less than they were in the first quarter due to stronger performance in the remainder of the division.

Other Financial Indicators

The reported operating profit was €70.4 million in the half year compared to a reported operating profit of €59.1 million in the previous period. The reported operating profit is after deducting IDIADA Accelerated Depreciation of €4.3 million (H1 2022: €2.6m), PPA Amortisation of €31.4 million (H1 2022: €34.3m) and Other results of €4.6 million (H1 2022: €3.8m) from the adjusted operating profit as detailed in Appendix 1.

The net financial expense in the profit and loss for the period was €18.3 million (H1 2022: €12.8m), higher than the prior half year due to the higher cost of debt in 2023 compared to 2022 from rising interest rates.

The statutory profit before tax was €52.1 million (H1 2022: €46.3m). The statutory profit before tax was higher than for the corresponding period last year due to the higher operating profit.

The reported tax on a statutory basis was a charge of €16.0 million versus €15.8 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 €22.3 million was in line with the prior year first half of €22.0 million (proforma) and €22.3 million (actual reported). This gave an effective tax rate of 25.3%, being lower than the rates in the prior period.

Non-controlling interests decreased in the half year from €8.7 million in the first half of last year to €5.7 million in the first half of 2023. The decrease of €3.0 million is mainly due to the ending of the statutory vehicle inspection contract in Costa Rica and the purchase in December of last year of the 20% minority interest not already owned in the vehicle inspection contract in Galicia.

The adjusted net profit was €60.0 million, being 12.6% higher than the Reported adjusted net profit in the comparable period. The adjusted earnings per share was 0.46 cents for the first half, being 19.4% higher than the Reported adjusted earnings per share in the comparable period with the difference of 6.8% between these growth rates being due to the reduced share count following the two recently executed share buybacks.

The statutory net profit of €26.4 million was after the charge of €4.0 million from the disposals of the businesses and this was 21.4% higher than the comparable period net profit and the statutory earnings per share of 0.23 cents was 48.0% higher than the comparable period statutory earnings per share of 0.16 cents.

Second Share Buyback Programme

Following the successful conclusion of the first 5% share buyback programme fully executed in 2022, the Group commenced a second 5% share buyback programme in November 2022 and completed in May.

In the second share buyback, a total of 6,793,375 shares were bought for a total cash outflow of €47.2 million resulting in an average cost per share of €6.95.

At the Annual General Meeting of shareholders that took place on 8 June 2023, the Board proposed a resolution to cancel the entire 5.0% of share capital purchased in this second buyback and this was approved by shareholders.

Following these two share buybacks, the total number of shares is 129,074,133.

Cash Flow and Debt

Cash flow generation remains very solid at Applus+ and alongside a comfortable level of leverage and high liquidity, supports the investment required to fulfil the Strategic Plan.

	H1		
	2023	2022 Reported	Change vs LY
Adjusted Ebitda	**164.9**	**156.4**	**5.4%**
Change in Working Capital	(38.6)	(35.3)	
Capex	(25.2)	(24.0)	
Adjusted Operating Cash Flow	**101.1**	**97.2**	**4.0%**
Taxes paid	(16.4)	(18.4)	
Interest paid	(14.0)	(7.2)	
Adjusted Free Cash Flow	**70.7**	**71.5**	**(1.2)%**
Extraordinaries & Others	(12.6)	(4.5)	
Dividends to Minorities	(13.1)	(1.9)	
Operating Cash Generated	**45.0**	**65.1**	**(30.9)%**
Acquisitions	(60.7)	(42.8)	
Divestments	30.0	-	
Cash b/Changes in Financing & FX	**14.3**	**22.3**	
Payments of lease liabilities (IFRS 16)	(32.4)	(31.8)	
Other changes in financing	48.2	46.9	
Share buybacks	(36.1)	(53.6)	
Treasury Shares for LTIP	-	(1.4)	
Currency translations	(3.0)	6.1	
Cash Increase/(Decrease)	**(9.0)**	**(11.5)**	

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

The increase in working capital of €38.6 million is a similar change to that in the comparable period which alongside the higher adjusted earnings before interest, tax, depreciation and amortisation (Adjusted Ebitda) drove an increase in the adjusted operating cash flow this first half compared to last year.

Net capital expenditure on expansion of existing and into new facilities was €25.2 million (H1 2022: €24.0m) which represented 2.5% (H1 2022: 2.4%) of Group revenue.

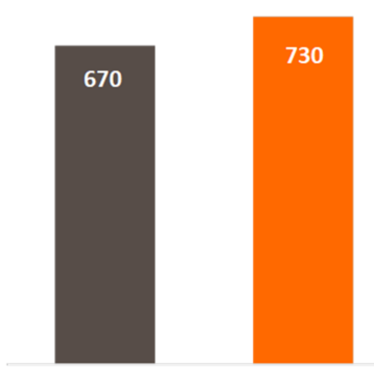
Adjusted operating cash flow (after capital expenditure) of €101.1 million was 4.0% higher than for the same period last year when it was €97.2 million. After tax and interest paid, the adjusted free cash flow was €70.7 million, which was 1.2% lower than the first half last year when it was €71.5 million.

The cash outflow of €60.7 million for Acquisitions in the first half relates to the payments made to acquire Riportico in Portugal, CLM in Spain and Rescoll in France and also includes the amount paid for the 20% minority interest in Inversiones Finisterre (Auto Galicia) not already owned.

The final net cash decrease in the period was €9.0 million. This is after the payment or lease liabilities of €32.4 million (from the accounting standard of IFRS16), the cash outflow relating to a part of the second 5.0% share buyback of the equity of the company for €36.1 million, plus a net increase in the drawdown of borrowings of €48.2 million and a negative currency translation difference of €3.0 million.

The Net Debt, as defined by the bank covenant for the syndicated debt facilities and the US Private Placement notes, was €730 million at the end of the first half period which was €60 million higher than at the end of 2022. This increase of €60 million was after returning €36 million in share buybacks and investing a net amount of €30 million in acquisitions, net of disposal proceeds.

The financial leverage of the Group has been maintained at the same level as for the previous key period end dates reflecting the strong increase in the last twelve months EBITDA offsetting the increased investments made to fulfil the inorganic strategy and share buyback programme. At the period end, measured as Net Debt to last twelve months Adjusted EBITDA, was 2.6x (as defined by the bank covenant for the syndicated debt facilities), at the same level as the position on 31 March 2023 and on 31 December 2022 and slightly lower than the position at the same time last year when it was 2.7x. This is considerably lower than the leverage covenant of 4.0x which is tested twice per year.



NET DEBT / EBITDA[1]	2.6x	2.6x

	FY 2022	H1 2023
Gross Debt	856	909
Cash	(186)	(180)
Net Debt	670	730

(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 €910 million at the end of the first half. This is an increase of €49 million compared to the year-end position.

At the end of the first half, the amount of cash in the Group was €180 million and the undrawn committed facilities at the end of June was €245 million giving a total liquidity position of €425 million.

The main borrowings of the Group consist of a bank facility (Term Loan and a revolving credit facility or RCF) that were placed in June 2018 of €600 million and US private placement (USPP) facilities amounting to €330 million in total placed in 2018 and 2021. The bank facility is from a syndicate of twelve banks and had an original maturity date of five years to June 2023 that has been extended by one year on two occasions as permitted under the loan agreement and so now has a maturity date of June 2025. The USPP is from two lenders and are for original terms of seven, ten and fifteen years, maturing in July 2025, July 2028, June 2031 and June 2036.

Sustainability Services

The revenue and profit generated from providing services that have a positive impact on either the environment or on society is increasing. The acquisition last year of K2 Ingeniería in Colombia is exclusively focused on services that benefit the environment and the recent acquisition of Rescoll in France that has a strong business line in testing medical devices supports society. The Laboratories and IDIADA divisions are increasing the amount of work they are performing for more energy efficient products and vehicles. The Auto division recently commenced a new vehicle emissions inspection programme in Mexico and has recently been awarded a new statutory vehicle inspection contract in Saudi Arabia that will periodically inspect the safety of vehicles as well as their contaminant emissions. One of the strongest growth areas in the Energy & Industry division is inspection and other services for the Renewable energy generation and distribution industry.

In 2022, the total revenue measured that has a positive effect on either the environment or on society was €1,052 million or 51% of the Group revenue having increased by 20%. In the first half of 2023, the sustainability services revenue is approximately half of that for the full year of 2022, giving a slightly higher proportion of the Group revenue.

Environmental, Social and Governance

The Group continues to make good progress in the ambit of environmental, social and governance (ESG).

2022 was the first year to have specific targets to be achieved relating to environmental, social and governance that are linked to the executive directors and senior management team´s variable remuneration accounting for 15% of the annual bonus plus 10% of the long-term incentive plan and targets have also been set for 2023 and 2024. These targets relate to the reduction of emissions, safety and diversity of the workforce and ethics.

The Group has furthermore committed to be neutral in 2023 for scope 1 and 2 carbon emissions and net zero by 2050 and was recently validated for its near-term targets by the Science Based Targets Initiative (SBTi).

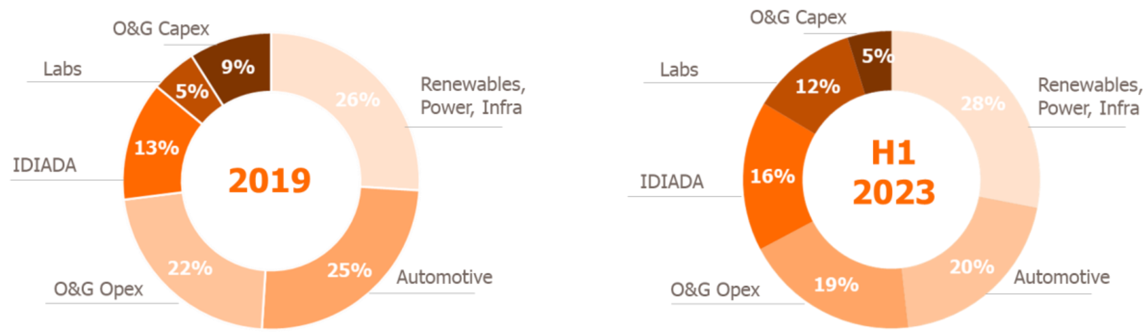
The external ESG ratings´ agencies that perform their independent analysis on the Group, taking different perspectives and approaches, have all recognised and confirmed the Group´s resilience and commitment to sustainability validating the progress made and alignment to the strategic objectives. During the first half period, no new ratings were awarded and the existing ratings were either left unchanged or re-affirmed with equally strong scores as they previously held. In particular, in April, Sustainalytics revised their "low risk" score on Applus+, improving it from 15.6 to 13.3 which recognises the improvements made in managing product and governance risks since their first rating. The other ratings are from MSCI ESG Ratings (AA), Standard & Poor´s Global Corporate Sustainability Assessment with a high score of 54, Gaïa (70/100), Standard Ethics (EE+ or "Very Strong"), the CDP (B) and being included in the FTSE4GoodIBEX. Furthermore, the Financial Times and Statista included Applus+ for the second 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.

Active Portfolio Management

As part of the 2022-2024 strategic objectives of portfolio evolution towards higher growth end markets and to mitigate business risks, the Group is undertaking active portfolio management to accelerate the portfolio evolution. This entails continuing to make strategic acquisitions given high market fragmentation and room for further geographic expansion and divestments of underperforming operations.

In this respect the Group has been successful in transforming the business through its active portfolio strategy as shown in the splits of revenue by the key business segments in the first half of 2023 compared to the position prior to covid, in 2019. The Laboratories division, that has higher overall growth and margins has increased from 5% of the Group revenue to 12%; likewise, Renewables, Power and Infrastructure has increased from 26% to 28%. The decreases in weight from Oil & Gas and Automotive are due to lower organic growth for these businesses and the disposals.

% Total Revenues by End Market



Divestments

Certain non-strategic businesses were identified for disposal and a process has been underway to accomplish this with the best possible outcome. Three disposals have been made of two separate businesses within the Automotive division and one in the Energy & Industry division. The first was the disposal in December 2022 of the Automotive division business and operations in Finland which generated €13 million of annual revenue in 2022. The second disposal was agreed in January 2023 and closed in February, of the Automotive division business and operations in the United States which had €36.6 million of annual revenue in 2022. The proceeds from these two disposals was €38 million. The third was the disposal from the Energy & Industry division of a non-destructive asset testing and inspection business in the USA that served the Oil & Gas industry. This last disposal was announced in March and completed in June. The business generated revenue of €101.8 million in 2022 at an operating loss trading under challenging competitive local market conditions over the last few years and the net proceeds were non-material.

Acquisitions

Applus+ has always been active in investing in companies that add complementary services and end-markets and this has continued under the 2022-2024 strategic objectives with the acquisition of nine companies in 2022 and this year to date, for upfront cash investments of €126 million and a total of €144 million when including the purchase of the 20% minority interest in the statutory vehicle inspection contract in Galicia that was not previously owned. These bring to the Group an additional €60 million in annual revenue at an average adjusted operating profit margin of over 20%. These high-quality businesses are already delivering material synergies whilst accelerating the mix in the portfolio of businesses towards markets with higher growth and margins.

In 2023 so far, the Group has made four acquisitions of the entire share capital of complementary companies of which three of them joined the Laboratories division and one the Energy & Industry division.

Laboratories Acquisitions:
February 2023, CLM was purchased. This is a metrology and calibration laboratory in Spain with close to €3 million in annual revenue.

June 2023, CFI was purchased, which is an automotive component testing company, based in China with annual revenue of approximately €7 million.

June 2023, Rescoll was purchased, which is a leading laboratory in France with a strong reputation and market presence in medical devices and aerospace. Annual revenue is currently €21 million.

Energy & Industry Acquisition:
January 2023, Riportico Engenharia, a provider of supervision and engineering design services for civil infrastructure based in Portugal with approximately €8 million revenue in 2022.

Segmental reporting changes

The aerospace testing business in the US that was in the Energy & Industry division in 2022 has been transferred to Laboratories as of the start of this year. The revenue related to this business was €25.5 million in 2022 of which €11.6 million was generated in the first half of 2022. The adjusted operating profit was €4.3 million of which €1.7 million was in the first half. The table below shows the revenue and adjusted operating profit relating to this business in 2022 by quarter and the results reported in 2023, including in this first half, are amended to reflect this change and to allow for a truer comparison from period to period.

Aerospace	2022					
	Q1	Q2	H1	Q3	Q4	FY
Revenue	5.4	6.2	11.6	6.9	7.0	25.5
Adj. Op. Profit			1.7			4.3
% Adj. Op. Profit Margin			*14.3%*			*16.8%*

Outlook

In the light of the strong performance in the first half of 2023 and the visibility for the rest of the year, it is expected that good revenue and profit growth will be delivered giving the Company the confidence to raise the guidance to high single digit organic revenue growth from the previous guidance of mid to high. Following the recent margin upgrade announced in June, the operating profit margin, before

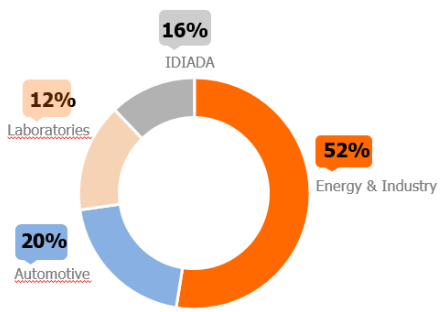
IDIADA accelerated depreciation, is expected to increase in excess of 60 basis points compared to the reported margin last year which was 10.1%.

Further out, the Group remains totally focused on continued strong execution and delivering on the strategic plan.

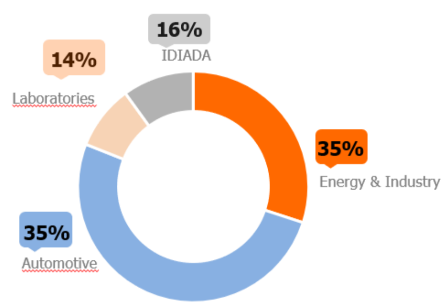
Operating review by division

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 2023 are shown below.

H1 2023 revenue split



H1 2023 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 €524.5 million and the adjusted operating profit was €42.3 million in the six-month period giving an adjusted operating profit margin of 8.1%.

EUR Million	H1							
	2023	2022 Proforma *	Change	Organic	Inorganic	FX	2022 Reported *	Change
Revenue	**524.5**	**472.6**	**11.0%**	***10.9%***	***1.9%***	***(1.8)%***	**517.9**	**1.3%**
Adj. Op. Profit	**42.3**	**37.2**	**13.7%**	***9.5%***	***5.2%***	***(1.0)%***	**35.8**	**18.0%**
% AOP Margin	*8.1%*	*7.9%*	*+ 19 bps*				*6.9%*	*+ 115 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 2023 was 1.3% higher than the reported revenue in the first half of last year (restated for the transfer of the Aerospace business to Laboratories) and was 11.0% higher on a Proforma basis. The Proforma revenue increase was made up of an increase of 10.9% in organic revenue at constant exchange rates, 1.9% from acquisitions (Inorganic) and a decrease of 1.8% due to unfavourable exchange rates.

The revenue in the second quarter of €274.7 million was significantly higher than the first quarter revenue of €249.8 million due to seasonality and acquisitions with the organic revenue growth in the first and second quarters at similar rates at 11.2% in the first quarter and 10.6% in the second.

Inorganic revenue of 1.9% from acquisitions relates to two previously made acquisitions. Six months of revenue is included in inorganic from K2 Ingeniería in Colombia that was purchased in July last year and provides environmental consulting & monitoring services for the infrastructure industry and six months of revenue from Riportico Engenharia, that was purchased in January and is a provider of supervision and engineering design services for civil infrastructure and is based in Portugal.

Negative currency translation of 1.8% in the period was mainly due to the Canadian and Australian dollars that were weaker against the Euro.
Adjusted operating profit was 18.0% higher than the reported adjusted operating profit last year (restated for the transfer of the Aerospace business to Laboratories) and was 13.7% higher on a Proforma basis. The Proforma adjusted operating profit increase was made up of an increase of 9.5% in organic revenue at constant exchange rates, 5.2% from acquisitions (Inorganic) and a decrease of 1.0% due to unfavourable exchange rates.

The adjusted operating profit margin of 8.1% was 115 basis points higher than the reported margin last year (restated for the transfer of the Aerospace business to Laboratories). On a Proforma basis, the margin increased by 19 basis points from 7.9% to 8.1%. The margin increase of 115 basis points was mainly due to the disposal of the US Oil & Gas business that was loss making in the previous year and these results have now been taken out of the current year figures. They are included in the prior year Reported figures and they are excluded from the prior year Proforma figures.

The division is performing well with strong double-digit organic revenue growth and positive growth in all regions from higher demand for services and higher pricing.

Renewables, Power, Infrastructure and Diversified Industries now represents 54% of the division revenue and is growing at high single digits with Latin America, Iberia and the Middle East leading the growth. The margin for this segment is increasing and for the first half period was close to 9%.

Oil & Gas grew at a double-digit rate coming from continued strong demand in Opex exposed services, in the main regions and this more than offset the decrease in Capex exposed services which has considerably less weight now, being 20% of Oil & Gas (or 9% of the division and 5% of the Group) and are more cyclical. The margin for the whole Oil & Gas segment is now around 7%.

Recent acquisitions are performing well. Riportico, the Portuguese infrastructure company acquired in the first quarter with €8 million of annual revenue and K2 Ingeniería, an environmental consulting and monitoring business in Colombia and acquired in the second half of 2022 with €13 million annual 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. A new contract in Saudi Arabia has recently been awarded and is expected to be 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 €203.8 million and the adjusted operating profit was €43.3 million in the six-month period giving an adjusted operating profit margin of 21.3%.

EUR Million	H1							
	2023	2022 * Proforma	Change	Organic	Inorganic	FX	2022 Reported	Change
Revenue	**203.8**	**217.4**	**(6.2)%**	***(5.3)%***	***0.8%***	***(1.7)%***	**240.3**	**(15.2)%**
Adj. Op. Profit	**43.3**	**49.0**	**(11.6)%**	***(14.7)%***	***1.1%***	***2.0%***	**49.8**	**(12.9)%**
% AOP Margin	*21.3%*	*22.6%*	*-130 bps*				*20.7%*	*+ 55 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 2023 was 15.2% lower than the reported revenue in the first half of last year and was 6.2% lower on a Proforma basis. The Proforma revenue decrease was made up of a decrease of 5.3% in organic revenue at constant exchange rates, 0.8% from an acquisition (Inorganic) and a decrease of 1.7% due to unfavourable exchange rates.

The revenue in the second quarter of €103.6 million was slightly higher than the first quarter revenue of €100.3 million with organic revenue decrease in the first and second quarters at exactly the same rate of 5.3%.

Inorganic revenue of 0.8% from acquisitions relates to IDV Madrid that performs statutory vehicle inspection services and was purchased in April of last year.

Negative currency translation of 1.7% on revenue in the period was mainly due to Swedish and Latin American currencies that were weaker against the Euro.

Adjusted operating profit was 12.9% lower than the reported adjusted operating profit last year and was 11.6% lower on a Proforma basis. The Proforma adjusted operating profit decrease was made up of a decrease of 14.7% in organic at constant exchange rates, an increase of 1.1% from acquisitions (Inorganic) and an increase of 2.0% due to exchange rates.

The adjusted operating profit margin of 21.3% was a strong result, being 55 basis points higher than the reported margin last year. On a Proforma basis, the margin decreased by only 130 basis points from 22.6% to 21.3% considering the high margin contracts of Costa Rica and Alicante had ended. The margin increase of 55 basis points included the benefit following the disposals of the Auto Finland and Auto USA businesses that in aggregate had a low profit margin in the previous year and these results have now been taken out of the current year figures. The strong underlying margin performance of the division, excluding the ending of the Costa Rica and Alicante contracts, was due to the full effect of price increases being put through in some countries and contracts part way through last year and this year, and an improvement in the profitability of the Irish contract being the largest by revenue in the division following capacity issues in the first half of last year.

Revenue decrease of 6.2% was mainly due to the ending of the contracts in Costa Rica in July last year and Alicante that ended in February of this year. The underlying revenue growth excluding Costa Rica and Alicante would have been in the mid-single digits driven by higher inspection volumes and price inflation.

The decrease in margin on a proforma basis is mainly due to the Costa Rica and Alicante contracts that ended having a higher margin than the division average.

All concessions and programmes are performing well with those in Spain and Ireland contributing the highest profit growth.

A new ten-year statutory vehicle inspection contract has been awarded in Saudi Arabia that is expected to generate revenue in the mid-teens millions of euros on an annual basis once the contract is fully ramped up. Applus+ was one of four companies awarded a share of this programme in the country and was won in a competitive tender on the basis of superior technology and project management skills.

There are further opportunities for contracts in emerging markets which Applus+ is expected to benefit from and in the meantime, there are no material contracts that end until December 2027.

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 2,000 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 €117.8 million and the adjusted operating profit was €17.7 million in the six-month period, giving an adjusted operating profit margin of 15.0%.

EUR Million	H1					
	2023	2022 Proforma *	Change	Organic	Inorganic	FX
Revenue	**117.8**	**99.1**	**18.8%**	*14.5%*	*5.5%*	*(1.2)%*
Adj. Op. Profit	**17.7**	**13.0**	**35.9%**	*30.7%*	*8.1%*	*(2.9)%*
% AOP Margin	*15.0%*	*13.1%*	*+ 189 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 2023 was 18.8% higher than the Proforma revenue in the first half of last year (restated for the transfer of the Aerospace business from Energy & Industry). The revenue increase was made up of an increase of 14.5% in organic revenue at constant exchange rates, 5.5% from acquisitions (Inorganic) and a decrease of 1.2% due to unfavourable exchange rates.

The revenue in the second quarter of €62.7 million was higher than the first quarter revenue of €55.1 million due to acquisitions with the organic revenue growth in the first and second quarters at similar rates at 15.0% in the first quarter and 14.2% in the second.

Inorganic revenue of 5.5% from acquisitions relates to six 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 this year.

Negative currency translation of 1.2% on revenue in the period was mainly due to the the Chinese and Canadian currencies that were weaker against the Euro.

Adjusted operating profit was 35.9% higher than the Proforma adjusted operating profit last year (restated for the transfer of the Aerospace business from Energy & Industry). The adjusted operating profit increase was made up of an increase of 30.7% in organic, 8.1% from acquisitions (Inorganic) and a decrease of 2.9% due to unfavourable exchange rates.

The adjusted operating profit margin of 15.0% was 189 basis points higher than the margin last year (restated for the transfer of the Aerospace business from Energy & Industry). The significant margin improvement was due to the business in China being back to normal levels after the lockdowns last year where the costs in China remained the same and the revenue fell and was also due to good operational gearing, a better profitability mix and higher margins from the acquisitions.

By business line, the strongest growth came from Electrical & Electronic and Cybersecurity services driven by the electrification and connectivity global

Applus+

megatrends and also good growth in non-destructive testing for the Aerospace industry.

The three acquisitions made so far this year in Spain (metrology), France (medical devices and aerospace) and China (automotive components) are performing well and being rapidly integrated with revenue synergies being generated.

Following several years of organic revenue growth and targeted investment through acquisitions, the Laboratories division is now a significant contributor to the Group at 14% of Group Adjusted Operating Profit.

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 and it has been decided that there will be a tender for a new 20 or 25 year concession.

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 €154.8 million and the adjusted operating profit was €19.1 million in the six-month period giving an adjusted operating profit margin of 12.3%. Before taking account of Accelerated Depreciation, that is required to adapt assets useful life to contract or concession duration, the margin was 15.1%.

EUR Million	H1				
	2023	2022	Change	Organic	FX
Revenue	**154.8**	**129.3**	**19.7%**	***20.2%***	***(0.5)%***
Adj. Op. Profit	**19.1**	**13.5**	**41.4%**	***43.4%***	***(2.0)%***
% AOP Margin	*12.3%*	*10.4%*	*+ 190 bps*		
Adj. Op. Profit excl. AD [1]	**23.4**	**16.1**	**45.4%**		
% AOP Margin	*15.1%*	*12.4%*	*+ 267 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 2023 was 19.7% higher than the revenue in the first half of last year. The revenue increase was made up of an increase of 20.2% in organic revenue at constant exchange rates less 0.5% due to unfavourable exchange rates.

The revenue in the second quarter of €83.1 million was considerably higher than the first quarter revenue of €71.7 million due to seasonality and good continued sequential growth with organic revenue growth in the first and second quarters at similar rates at 19.8% in the first quarter and 20.6% in the second.

Adjusted operating profit was 41.4% higher than the adjusted operating profit last year and before Accelerated Depreciation was 45.4% higher. The adjusted operating profit increase was all organic.

The adjusted operating profit margin of 12.3% was 190 basis points higher than the margin last year and before Accelerated Depreciation was 15.1% and 267 basis points higher. This margin increase was entirely organic due to the benefit of operational gearing with the strong revenue growth as well as a positive mix with the higher margin proving ground in Catalonia back to full capacity.

The outstanding performance from this division continues, with growth across the board and especially testing and support for the development of fully electric and hybrid vehicles, but also batteries and components for these vehicles. Testing full vehicles and components for autonomous driving and advanced driver assistance systems is also providing much of the growth.

The organic revenue growth rate of 20% for the last few quarters has been exceptional, with this being materially boosted by a large one-off project from an Asian vehicle manufacturer. This project that has lasted over a year is now expected to slowdown in the revenue in the second half, despite which a positive level of organic revenue growth is still expected in the second half.

The Group continues to await news on the tender to renew the whole IDIADA concession for a further 20- or 25-years that otherwise ends in September 2024. In the meantime, the assets of the business must undergo accelerated depreciation to nil value by the end of the concession. The accelerated depreciation in the first half of 2023 was €4.3 million compared to €2.6 million in the prior year first half. The full year accelerated depreciation is expected to be around €10 million compared to €5.8 million in 2022.

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 2023			H1 2022 Proforma		
EUR Million	**Adj. Results**	**Other results**	**Statutory results**	**Adj. Results**	**Other results**	**Statutory results**
Revenue	**1,000.8**	**0.0**	**1,000.8**	**918.4**	**0.0**	**918.4**
Ebitda	**166.0**	**0.0**	**166.0**	**151.7**	**0.0**	**151.7**
Operating Profit	**106.3**	**(35.9)**	**70.4**	**97.8**	**(35.6)**	**62.1**
Net financial expenses	(18.3)	0.0	(18.3)	(12.6)	0.0	(12.6)
Profit Before Taxes	**88.0**	**(35.9)**	**52.1**	**85.2**	**(35.6)**	**49.6**
Current Income tax	(22.3)	6.3	(16.0)	(22.0)	6.5	(15.5)
Non controlling interests	(5.7)	0.0	(5.7)	(8.7)	0.0	(8.7)
Net Profit	**60.0**	**(29.6)**	**30.4**	**54.5**	**(29.2)**	**25.4**
Discontinued Operations	0.0	(4.0)	(4.0)	0.0	(3.6)	(3.6)
Net Profit after Disc. Op.	**60.0**	**(33.6)**	**26.4**	**54.5**	**(32.8)**	**21.8**
Number of Shares	130,761,150		130,761,150	138,689,284		138,689,284
EPS, in Euros	**0.46**		**0.23**	**0.39**		**0.18**
Income Tax/PBT	*(25.3)%*		*(30.7)%*	*(25.8)%*		*(31.3)%*

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

Other results of €35.9 million (H1 2022: €35.6m) in the Operating Profit represent amortisation of acquisition intangibles of €31.4 million (H1 2022: €34.0m) plus €4.6 million of transaction costs and other items (H1 2022: €1.7m). Tax of €6.3 million (H1 2022: €6.5m) relates to the tax impact on these Other results. The Other results also include the overall net cost for the discontinued operations.

Appendix 2

Revenue by quarter of the three discontinued operations

	2022					
	Q1	Q2	H1	Q3	Q4	FY
Revenue Reported	**462.4**	**524.3**	**986.7**	**532.2**	**531.0**	**2,049.9**
Auto USA	(7.5)	(8.8)	(16.3)	(11.3)	(9.1)	(36.6)
Auto Finland	(3.0)	(3.7)	(6.7)	(3.6)	(2.7)	(13.0)
US Oil & Gas	(19.5)	(25.8)	(45.3)	(31.1)	(25.4)	(101.8)
Revenue Proforma	**432.5**	**485.9**	**918.4**	**486.3**	**493.9**	**1,898.5**

Appendix 3

Alternative Performance Metrics

Applus' financial disclosures contain magnitudes and metrics drafted in accordance with International Financial Reporting Standards (IFRS) and others based on the Group's disclosure model referred to as Alternative Performance Metrics.

- **Acquisition**, the benefit from acquisitions made in the previous twelve months
- **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
- **Proforma**, removing the impact of discontinued operations. For the avoidance of doubt, in these first half results this relates to the Automotive division business in Finland and the USA and the Energy & Industry division Oil & Gas business in the USA
- **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 2023 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 2023 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.