Applus+ Group
Q1 2021 Results Presentation

10 May 2021

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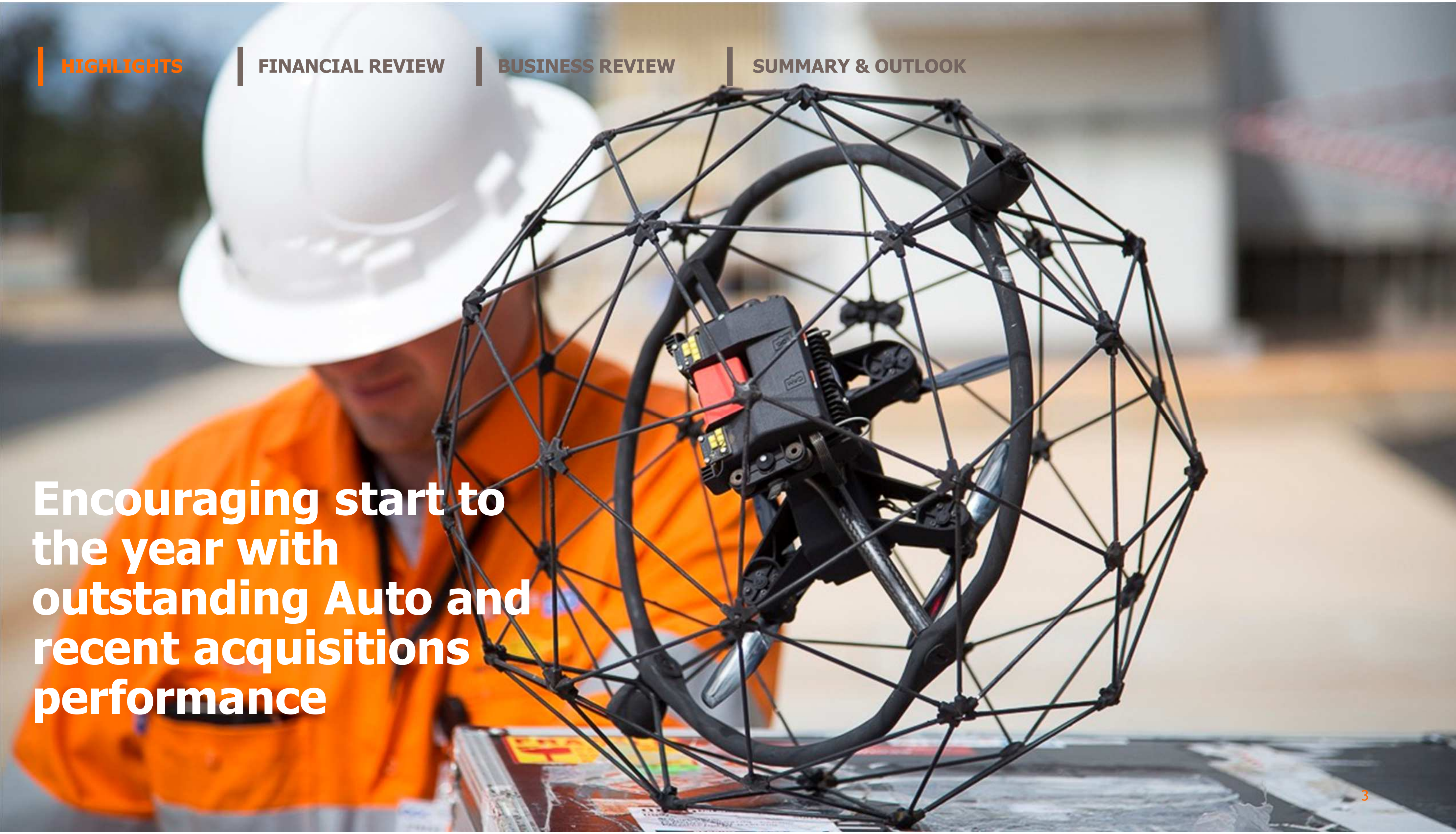


Encouraging start to the year with outstanding Auto and recent acquisitions performance

Highlights

1 Encouraging start to the year with Auto and Labs recovered to pre-COVID-19 levels

2 Some business lines within E&I and IDIADA performing well, partly offsetting the continued impact from COVID-19

3 Margin on good recovery path

4 Acquisitions in 2020 significantly accretive to financial performance and portfolio evolution

5 Leverage and liquidity are comfortably supporting the growth strategy

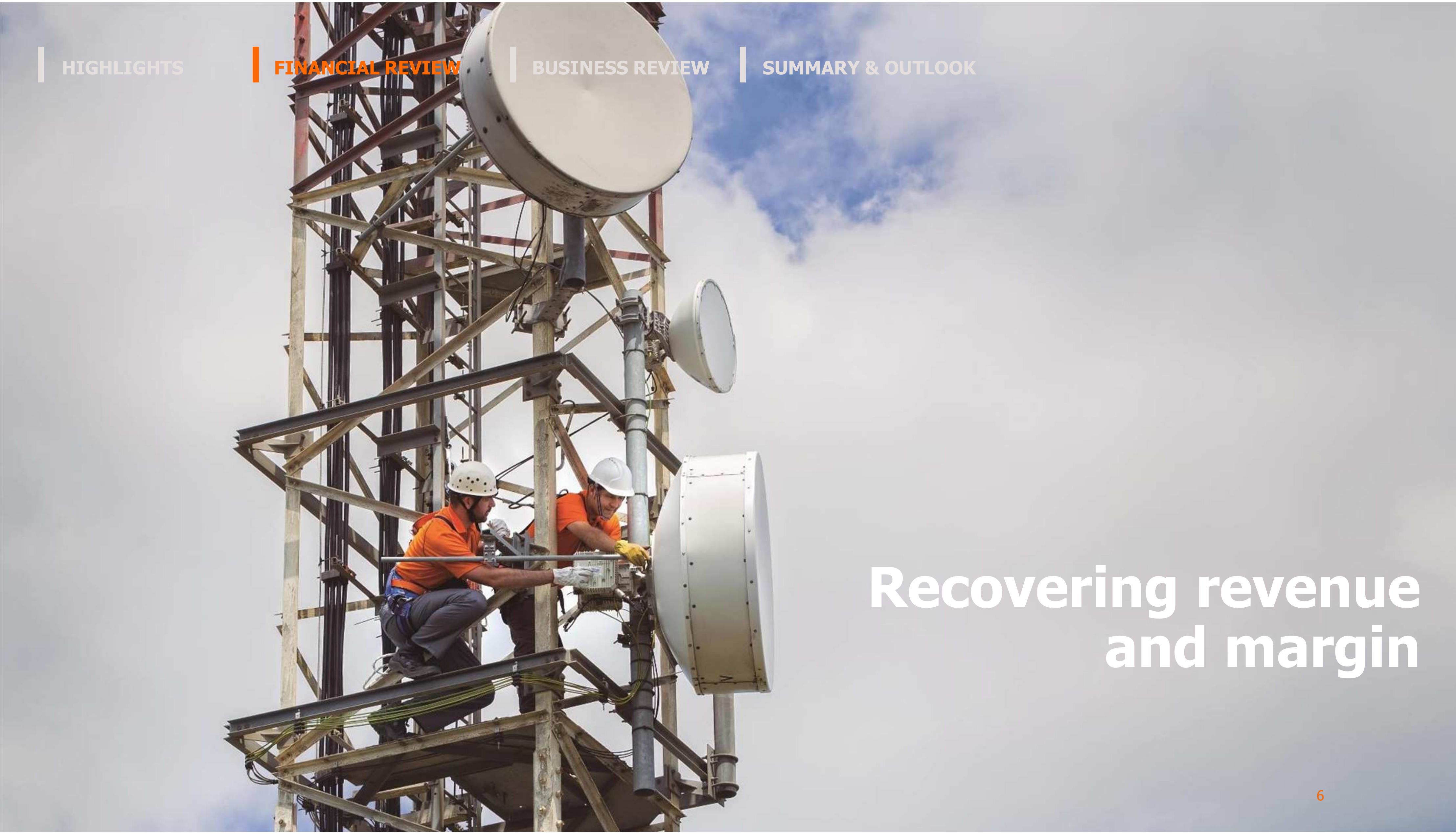
6 Reiterate the outlook

Highlights

Revenue	Operating profit [2]	Operating profit margin [2]
€402.1 million down 3.5% (-6.8% organic[1])	€35.1 million up 26.7% (+20.5% organic[1])	8.7% (6.6% in Q1 2020)

Free cash flow [2]	Net debt/EBITDA ratio [3]
€13.1 million down 55.6%	2.9x and liquidity of €530 million

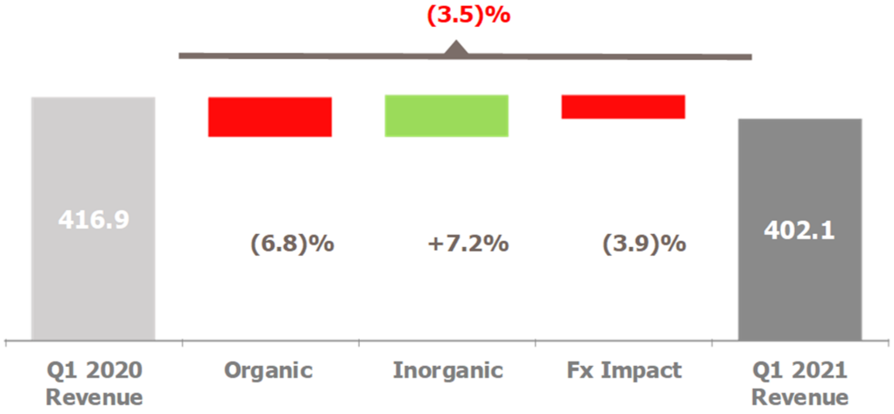
[1] Organic is at constant exchange rates
[2] Adjusted for Other Results and amortisation of acquisition intangibles
[3] Excluding IFRS 16



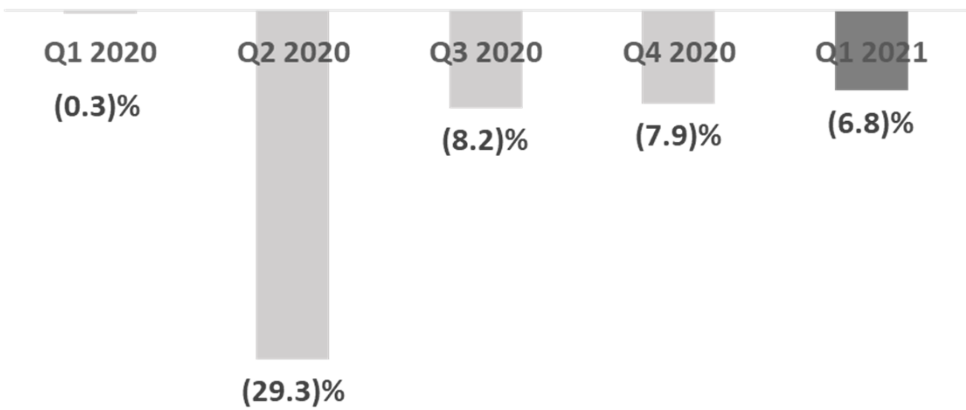
Recovering revenue and margin

Q1 2021: Revenue Bridge

EUR Million



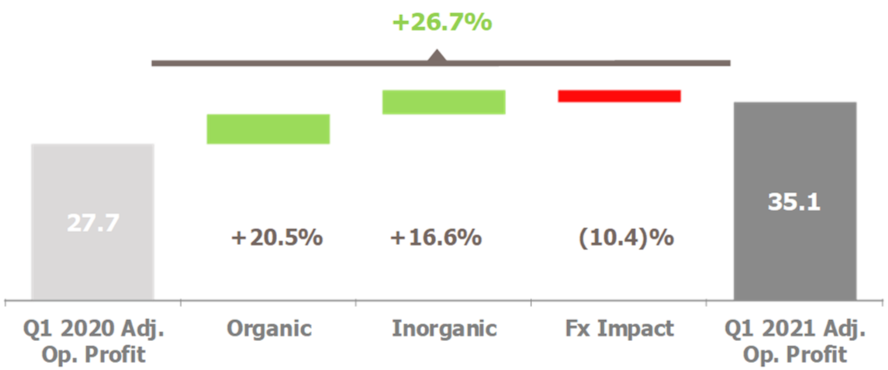
Year on Year Organic Revenue change at constant rates



- **Sequential improvement in organic revenue trend**
- **Significant positive impact from acquisitions made in 2020**

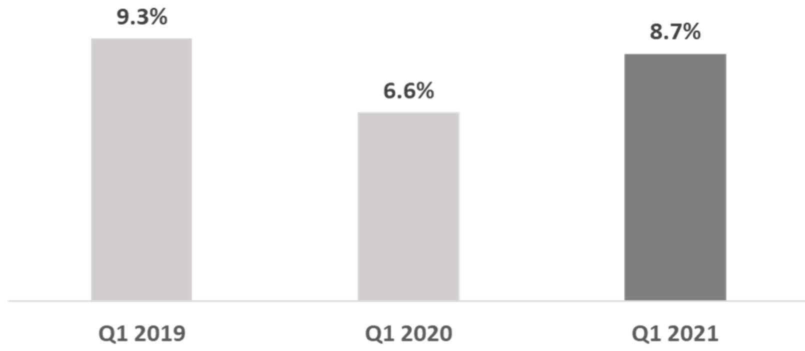
Q1 2021: Adjusted Operating Profit Bridge

EUR Million



% AOP Margin	6.6%	8.7%

AOP Margin Evolution



- Margin on good recovery path
- Strong accretive impact from acquisitions
- Fx impact is expected to lessen in the rest of the year

Q1 2021: Income Statement

EUR Million

	Q1		
	2021	2020	Change
Revenue	**402.1**	**416.9**	**(3.5)%**
Adj. EBITDA	**61.6**	**53.5**	**15.3%**
Ebitda margin	***15.3%***	***12.8%***	
Adj. Operating Profit	**35.1**	**27.7**	**26.7%**
Adj.Op.Profit margin	***8.7%***	***6.6%***	
PPA Amortisation	(15.6)	(14.6)	
Other results	(0.1)	(0.4)	
Operating profit	**19.4**	**12.6**	
Finance result	(6.1)	(6.2)	
Profit before tax	**13.3**	**6.5**	

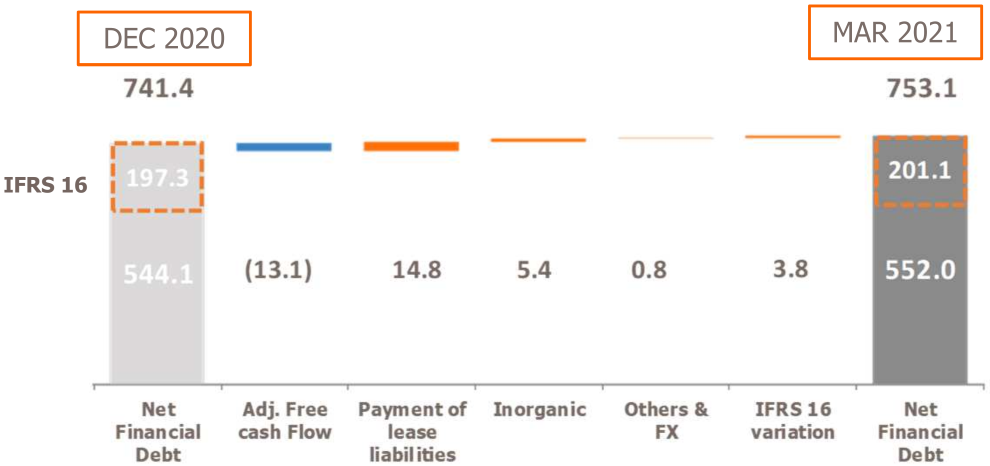
Q1 2021: Cash Flow

EUR Million

	Q1			
	2021	2020	Change	
Adjusted Ebitda	**61.6**	**53.5**	**8.2**	**15.3%**
Change in Working Capital	(34.3)	(19.8)		
Capex	(8.6)	(4.9)		
Adjusted Operating Cash Flow	**18.7**	**28.8**	**(10.1)**	**(35.0)%**
Taxes paid	(2.0)	4.2		
Interest paid	(3.6)	(3.4)		
Adjusted Free Cash Flow	**13.1**	**29.6**	**(16.5)**	**(55.6)%**
Extraordinaries & Others	(2.5)	1.3		
Dividends to Minorities	(3.9)	(0.8)		
Operating Cash Generated	**6.7**	**30.1**	**(23.4)**	**(77.6)%**
Acquisitions	(5.4)	(4.5)		
Cash b/Changes in Financing & FX	**1.3**	**25.6**		
Payments of lease liabilities (IFRS 16)	(14.8)	(14.2)		
Other changes in financing	24.7	234.3		
Currency translations	3.1	(2.5)		
Cash Increase	**14.3**	**243.2**		

Leverage and Liquidity at 31 March

EUR Million



	DEC 2020	MAR 2021
NET DEBT / EBITDA (Including IFRS 16)	3.1x	3.1x
NET DEBT / EBITDA[1]	3.0x	2.9x

Liquidity	
Cash at 31 March 2021	203.4
Undrawn facilities	326.7
Available liquidity	**530.2**

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

- **Leverage at March 2021 2.9x**
- **Strong liquidity to support growth strategy**

Continued recovery from COVID-19 and portfolio evolution

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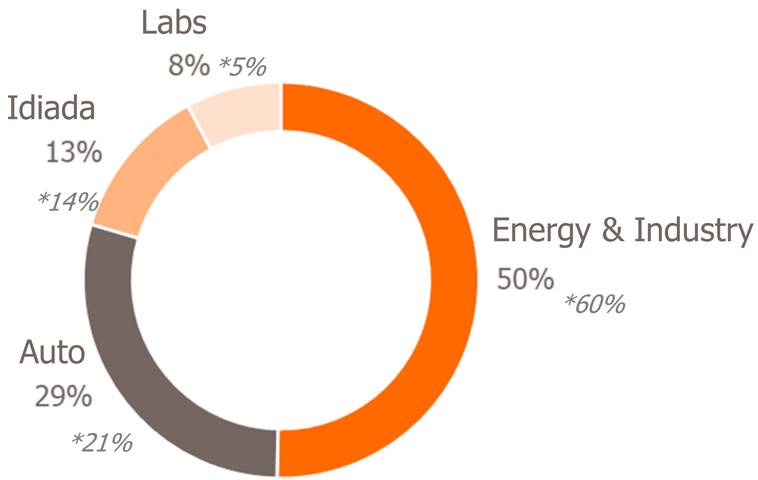
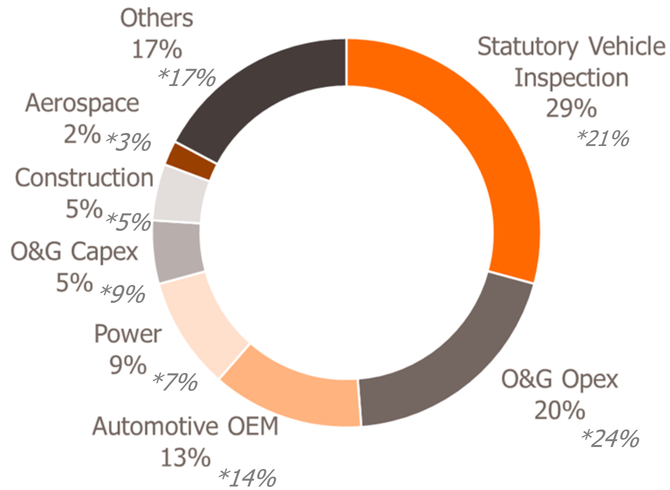
Q1 2021: Revenue by Division



Q1 2021: Revenue by End Market



- Significant change in Division and End Market exposures due to organic revenue growth differences and acquisitions in Auto and Labs
- Statutory Vehicle Inspection in Q1 is the largest End Market surpassing O&G (Opex + Capex) benefiting the Group's growth profile and margin mix

** Q1 2020*

Energy & Industry Division

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

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

13,848[1]
Employees

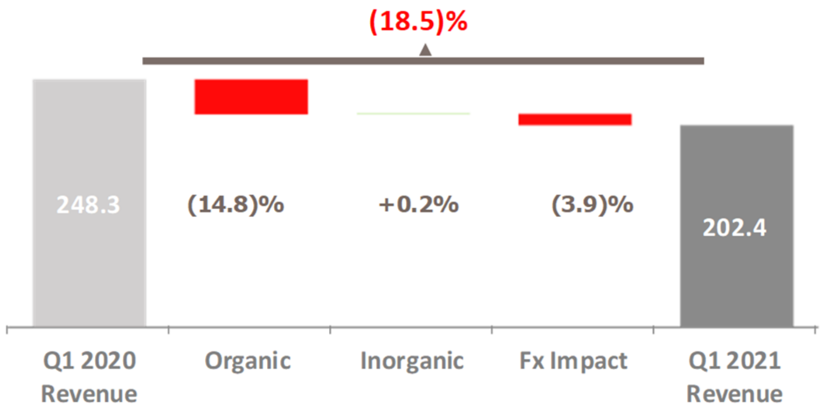
+60
Countries

[1] *FY20 number of employees*

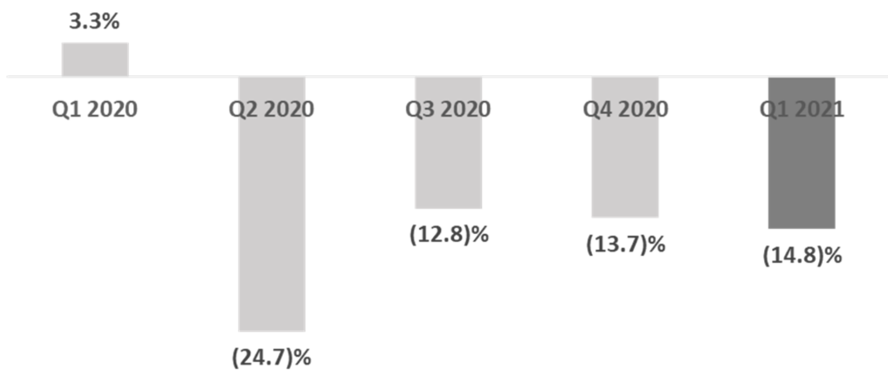
Energy & Industry Division

EUR Million

Revenue Bridge



Year on Year Organic Revenue change at constant rates



- Continued COVID-19 impact with projects facing delays
- Further portfolio mix shift towards growing Power activities (including Nuclear and Renewables) while share of Oil & Gas decreasing
- Mediterranean, LatAm and Northern Europe performing better due to higher exposure to Power
- Remote inspection tools and digital services continue increasing
- SAFCO acquisition to close in Q2 (€29 million annual revenue)

Automotive Division

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

The Division operates 30-plus programmes, expected to carry out over 16 million vehicle inspections across Spain, Ireland, Denmark, Finland, Sweden, Andorra, the United States, Argentina, Georgia, Chile, Costa Rica, Ecuador and Uruguay in 2021. In the programme-managed services, a further 10 million inspections are delivered annually by third parties.

5,599[1]
Employees

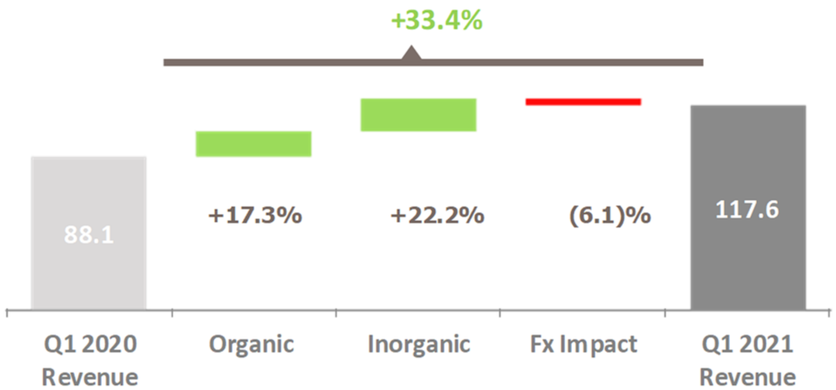
13
Countries

[1] *FY20 number of employees*

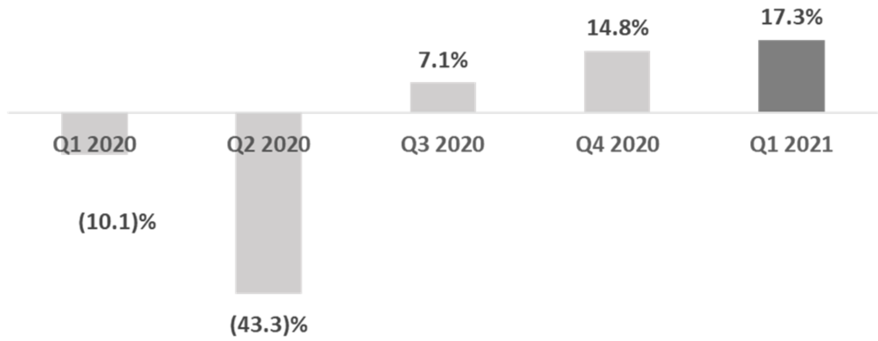
Automotive Division

EUR Million

Revenue Bridge



Year on Year Organic Revenue change at constant rates



- Significant organic revenue growth led by continued strong post lockdown recovery
- Strong contribution from Besikta acquisition
- Restoration of the Auto US business following the cyber-attack and operations have resumed in the affected states
- Negative FX impact expected to reduce by the end of the year
- Andorra contract extended for another five years in the same terms and conditions. €1.4 million annual revenue

IDIADA Division

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 and use the assets runs until September 2024 and although it is renewable in five-year periods until 2049, it has been decided that there will be no further extensions but a tender for a new 20 or 25 year concession.

IDIADA A.T. provides design, testing, engineering and homologation services to the world's leading vehicle manufacturers.

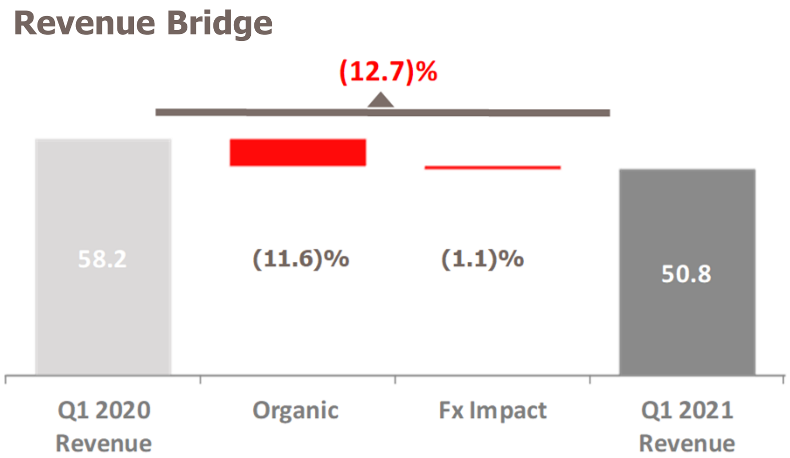
2,446[1]
Employees

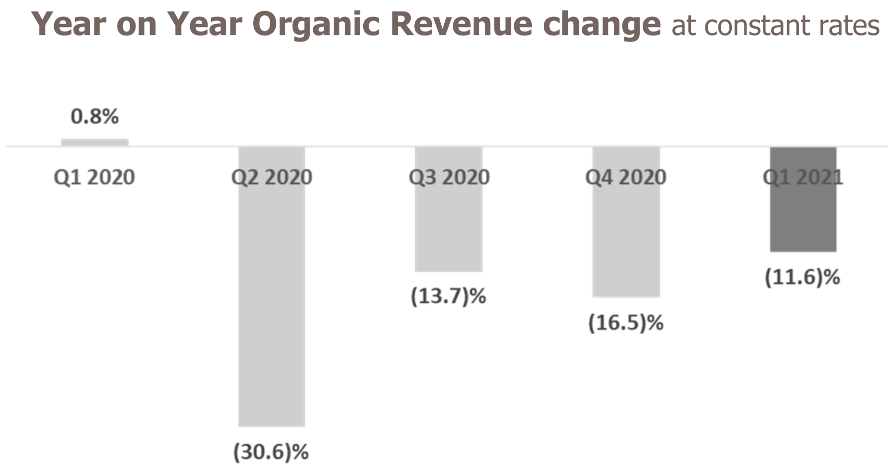
22
Countries

[1] *FY20 number of employees*

IDIADA Division

EUR Million



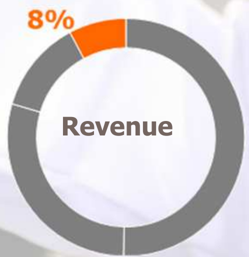


- Continued impact from COVID-19 mobility restrictions though with encouraging growth in services for Electric/Hybrid and ADAS
- High margin Proving Ground in Catalonia (19% of Division revenue in 2019) is at c. 60% capacity and improving
- New tender for the concession expected in 2021

Laboratories Division

The Laboratories Division provides testing, certification and development engineering services to improve the competitiveness of its clients' products and encourage innovation. The Division has a network of multidisciplinary laboratories in Europe, Asia and North America.

Our state-of-the-art facilities and the technical knowledge of our experts allow us to offer high added-value services to a wide range of industries such as aerospace, automotive, electronics, IT and construction.



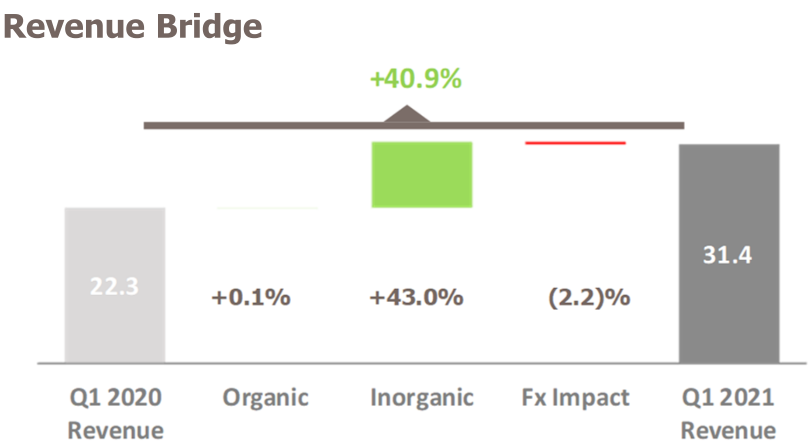
1,494[1] Employees

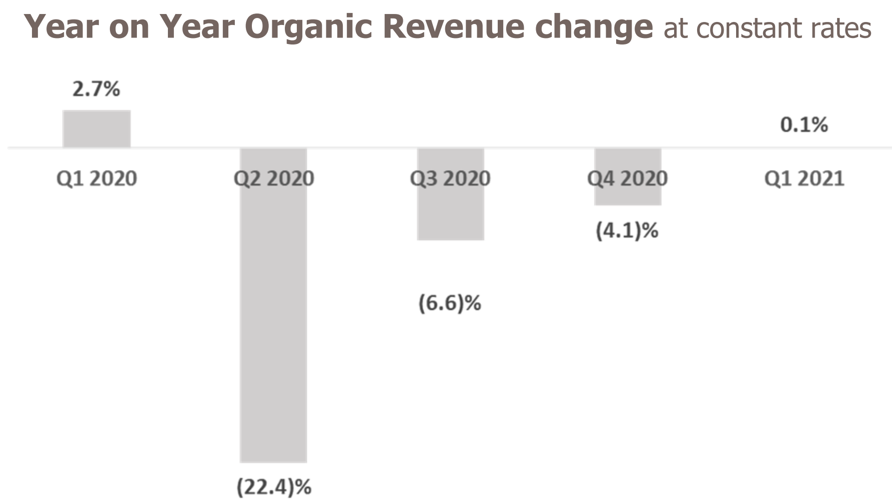
12 Countries

[1] *FY20 number of employees*

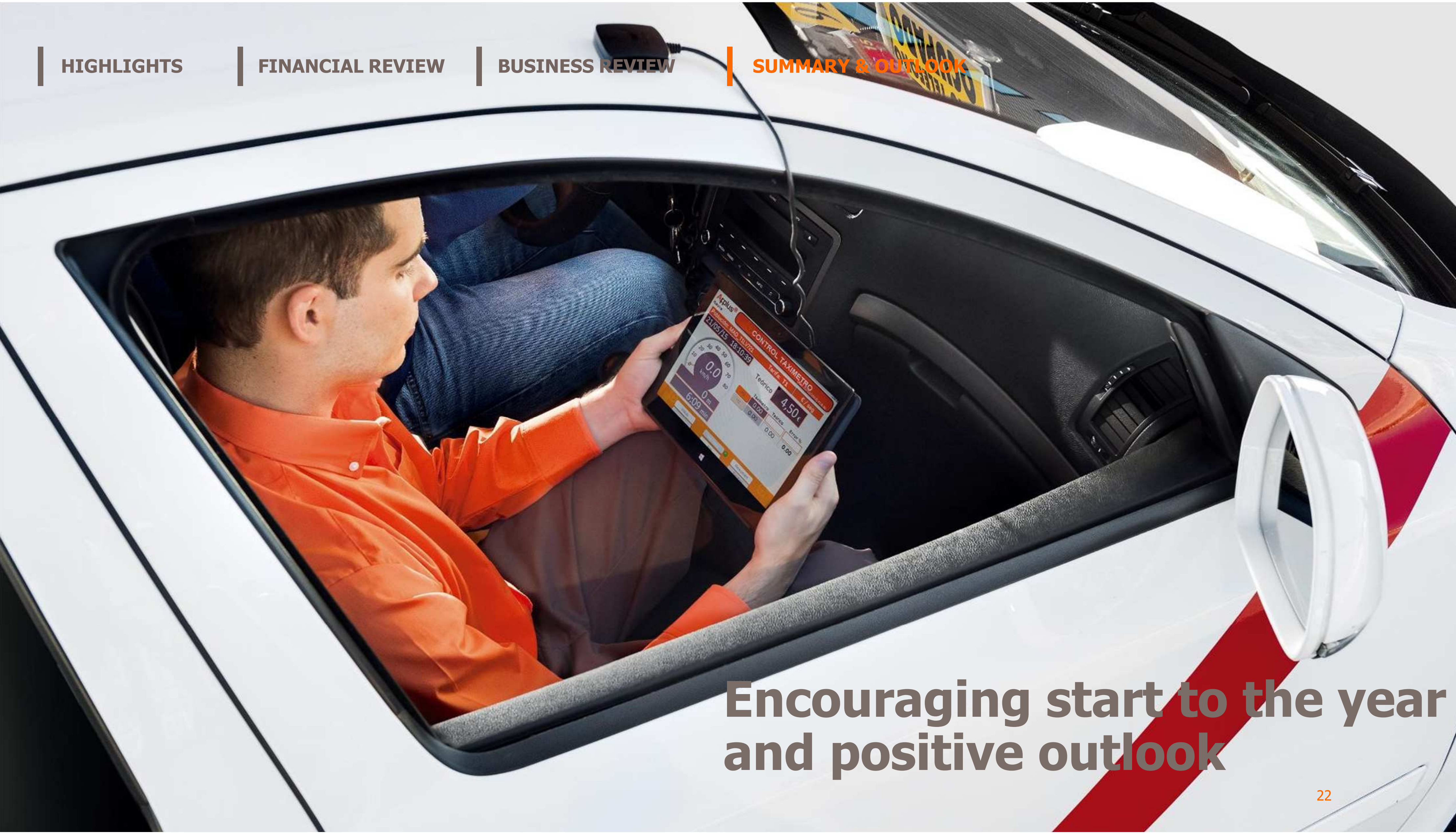
Laboratories Division

EUR Million





- Good recovery to pre-COVID-19 levels across business lines
- Reliable Analysis and QPS acquisitions are performing strongly with a good pipeline of further opportunities as continue to prioritise investment in the Division



Encouraging start to the year and positive outlook

Summary of Q1 2021

- Auto and Labs recovered to pre-COVID-19 levels. E&I and IDIADA expected to improve in the second half
- Significant contribution from the acquisitions to financial performance with improving the portfolio mix to higher growth and margin businesses
- Focus on the margin and favourable mix resulting in good recovery in profitability

Outlook for 2021[1]

- Reiterate the outlook provided at the FY results on 23 February 2021
- Double digit revenue growth at constant fx rates from both organic and acquisitions made to date[2] and margin improving to close to 10%
- Liquidity and leverage headroom continues to support inorganic growth strategy

(1) Assuming conditions improve in the second half of the year
(2) At 23 February 2021

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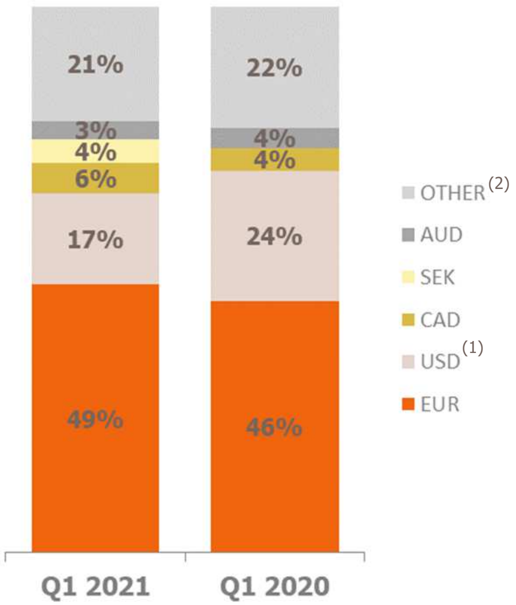
Adjustments to Statutory results

EUR Million	Q1 2021			Q1 2020			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
Revenue	402.1	0.0	402.1	416.9	0.0	416.9	(3.5)%
Ebitda	61.6	0.0	61.6	53.5	0.0	53.5	15.3%
Operating Profit	35.1	(15.6)	19.4	27.7	(15.0)	12.6	26.7%
Net financial expenses	(6.1)	0.0	(6.1)	(6.2)	0.0	(6.2)	
Profit Before Taxes	28.9	(15.6)	13.3	21.5	(15.0)	6.5	34.7%

Currency Exposure

% Revenue by Actual Currency



	Average FX Exchange rates vs Euro				
	JAN - MAR 2021	JAN - MAR 2020	Change	JAN - JUN 2020	JAN - DEC 2020
USD	1.207	1.103	(8.6)%	1.101	1.140
CAD	1.528	1.477	(3.4)%	1.503	1.529
SEK	10.105	10.640	5.3%	10.664	10.495
AUD	1.561	1.671	7.1%	1.679	1.656

(1) Includes currencies pegged to USD
(2) None above 3%

Alternative Performance Metrics

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

- **EBITDA,** measure of earnings before interest, taxes, depreciation and amortisation
- **Operating Profit,** measure of earnings before interest and taxes
- **Adjusted** measures are stated before other results
- **Other results** are those impacts corrected from the relevant measures to provide a better understanding of the underlying results of the Group, for example: amortisation of acquisition intangibles, restructuring, impairment and transaction & integration costs
- **PPA** correspond to the Purchase Price Allocation referred to acquisitions, allocated to intangible assets and amortised
- **Capex,** realized investments in property, plant & equipment or intangible assets
- **Operating Cash Flow**, operating cash generated after capex investment and working capital variation

Alternative Performance Metrics

- **Free Cash Flow**, operating cash generated after capex investment, working capital variation and tax & interest payments
- **Net Debt**, current and non current financial debt, other institutional debt less cash. As per bank covenant definition, calculated at annual average exchange rates and pre-IFRS16
- **Leverage**, calculated as Net Debt/LTM Ebitda as per bank covenant definition
- **AOP**, Adjusted Operating Profit
- **EPS**, Earnings per share
- **NDT**, Non destructive testing
- **P.A.,** per annum
- **FX**, Foreign exchange
- **LTM**, Last twelve months