

Applus+ agrees to acquire a majority stake in Inversiones Finisterre, a specialist in statutory vehicle inspections with operations in Spain and Costa Rica

- **Revenue of c. €74 million in 2017**
- **Inversiones Finisterre has 30 years of experience managing vehicle inspection concessions**
- **Four million annual inspections in Spain and Costa Rica**
- **Accretive for margin and earnings per share**
- **Price agreed of c. €89 million**
- **Funded through an equity accelerated book build offering**

27 September, 2017 – Applus+, a global testing, inspection and certification company, has agreed the terms for the purchase, through Applus+ ITEUVE Galicia SLU, of 80% of the shares in Inversiones Finisterre (part of the Grupo Fomento de Iniciativas), a private company based in Galicia, North West Spain (“the Company”) that specialises in statutory vehicle inspection services in Spain and Latin America.

Applus+ is purchasing the operations in Galicia and in Costa Rica that in 2017 are expected to generate €74 million of consolidated revenue.

- In Galicia, through Supervisión y Control S.A., established in 1987 which provides services on an exclusive basis in the region through 25 stations, 10 mobile inspection centres and over 500 people. The concession currently runs to December 2023 and can be extended in four year periods up to 2037 in accordance with the concession agreement.
- In Costa Rica, through the Company’s 55% ownership and control of Riteve S.A. established in 2002 as the exclusive service provider in the country with 13 stations, 4 mobile inspection centres and over 400 people. The concession currently runs to July 2022. The net beneficial ownership of the Costa Rican business will be 44%.

The current owners, including the Costa Rican minority shareholder, will remain with the business, supporting its transition, continuity and expansion. There is an agreement in place to potentially purchase the remaining 20% holding in the Company after July 2022 subject to certain events taking place.

Applus+ and the Company previously worked together from 1996 to 2004 to develop their statutory vehicle inspection markets so are well known to each other.

Inversiones Finisterre also manages concessions in Argentina which are in the final stages of being sold to a third party.

This transaction increases the Group's presence in Spain and opens up a new market in Costa Rica. Applus+ currently operates 25 statutory vehicle inspection programmes in 9 countries with 16 million¹ vehicle inspections carried out in 2016. Three new programmes are due to start and together with this acquisition, Applus+ will have a total of 30 programmes in 11 countries.

The acquisition is expected to be funded with a 10% equity increase through an accelerated book build offering and will be strongly earnings per share accretive from the first full year. Furthermore, with proforma leverage falling by between 40 and 60 basis points by the end of 2017 and another 40 basis points more by the end of 2018, the Group will be well positioned to make further attractive acquisitions.

Completion of the transaction is subject to the usual clearances and is expected to take place before the end of the year.

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

"This is an important and strategic move for us. The statutory vehicle inspection business is the origin of Applus+ and with this acquisition it increases our annual inspection volume to 20 million¹ vehicles, reinforcing our global leadership position.

Its highly visible and stable revenue and cash flow also balances our portfolio of businesses and increases our overall margin. We are buying operations that we know well and our good relationship with Inversiones Finisterre will help significantly during the integration and operation of these concessions.

We are choosing to finance this acquisition using equity as this will also provide us with the financial flexibility to pursue further attractive acquisitions. I am confident the acquisition and equity raise will generate good value for our shareholders."

1. Vehicle inspections performed or managed by Applus+

Conference Call

There will be a conference call with a presentation on this announcement today at 18.00 Central European Summer Time. To view the slides, please download these from the website at www.applus.com under Investors/Investor Communications. To join the conference call dial one of the numbers below quoting the access code **7238655**.

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About Applus+ Group

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

Applus+ is a global business in more than 70 countries and employs 19,000 people. Applus+ operates through four divisions, all of which provide services under the Applus+ brand name. In 2016, Applus+ recorded a total revenue of €1,587 million and adjusted operating profit of €141 million.

Applus+ Automotive

Applus+ Automotive is a leading provider of statutory vehicle inspections globally, with more than 16 million vehicle inspections in 2016. It provides vehicle inspection and certification services across a number of jurisdictions where periodic vehicle inspections for compliance with technical safety and environmental specifications are mandatory.

Applus+ is listed on the Spanish stock exchanges (mercado continuo) with a total of 130,016,755 shares.

ISIN: ES0105022000

Symbol: APPS-MC

For further information:

www.applus.com/en