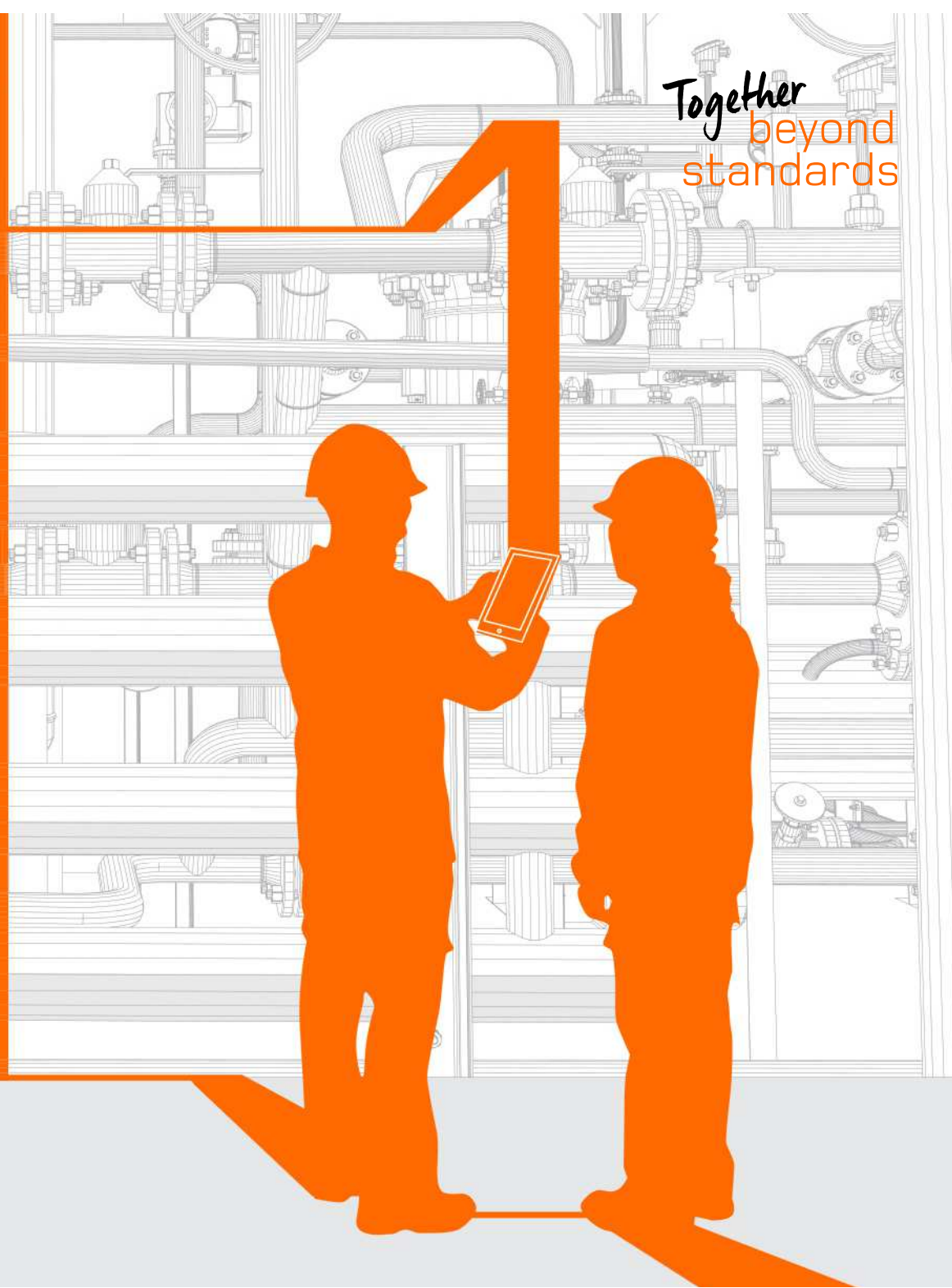


Applus⁺

Applus+ Group Results Presentation Q1 2018

9 May 2018

Together
beyond
standards



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Nothing in this presentation should be construed as a profit forecast.

Results Presentation Q1 2018

→ **HIGHLIGHTS**

FINANCIAL REVIEW

BUSINESS REVIEW

SUMMARY & OUTLOOK

Fernando Basabe
Chief Executive Officer



-
- Good results with growth and margin improvement despite FX headwinds
 - Auto, IDIADA and Labs remain strong and Energy & Industry now flat at constant rates
 - Inversiones Finisterre and other acquisitions performing well
 - Acquisition of 3C in Labs and Karco in IDIADA
 - Q1 Results:
 - Revenue of €381.2 million up 1.0% actual and 7.5% constant FX of which organic was 2.3%
 - Operating profit¹ of €30.3 up 17.2% actual rates and 22.5% constant FX of which organic was flat
 - Operating profit¹ margin of 8.0%, up 110 bps
 - Operating cash flow¹ of €20.3 million, up €15.8 million
 - Net Profit¹ up 18.3%. EPS¹ +7.6%
 - Net debt/EBITDA ratio 2.3x
-

(1) All adjusted for other results and amortisation of acquisition intangibles

Results Presentation Q1 2018

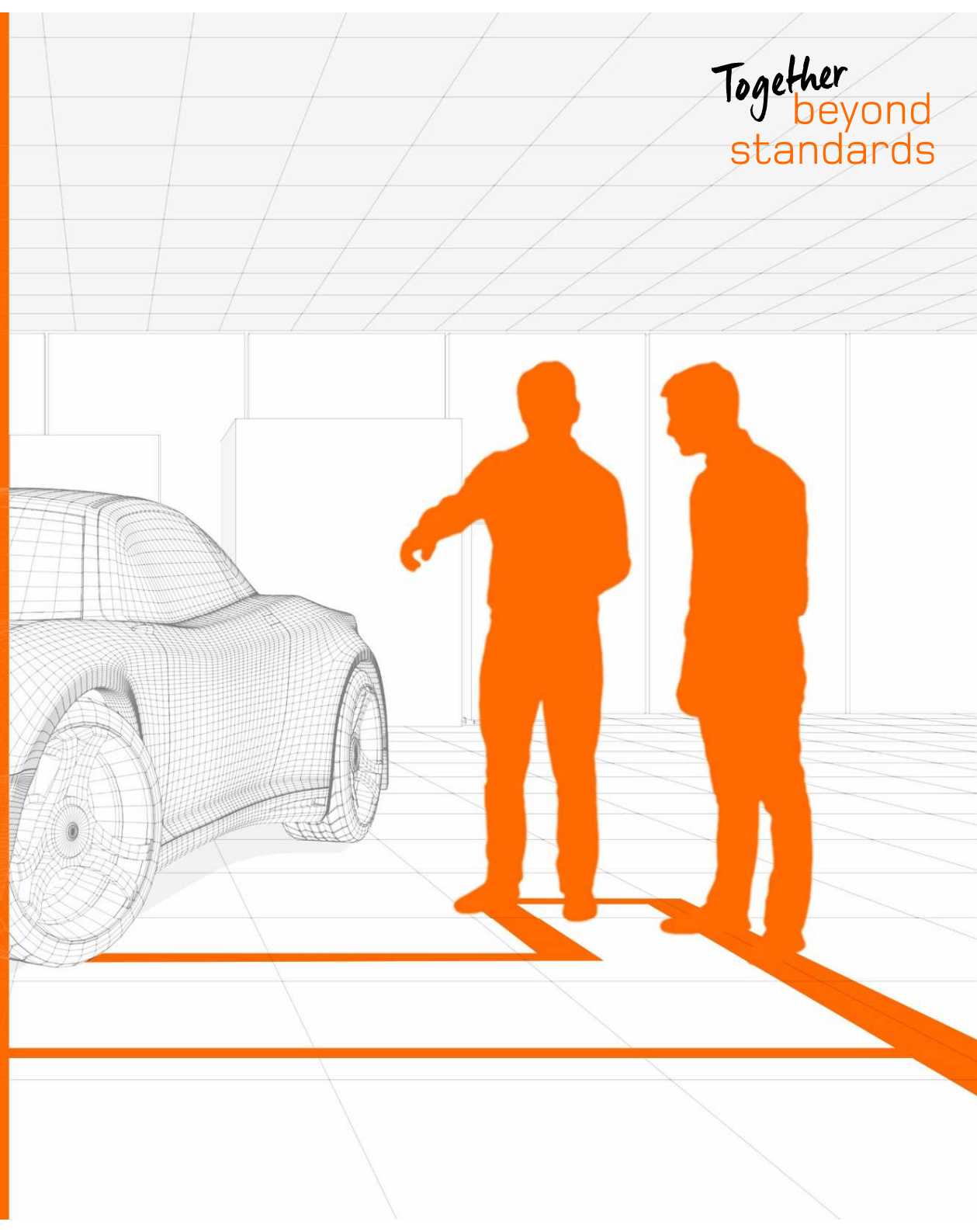
HIGHLIGHTS

→ **FINANCIAL REVIEW**

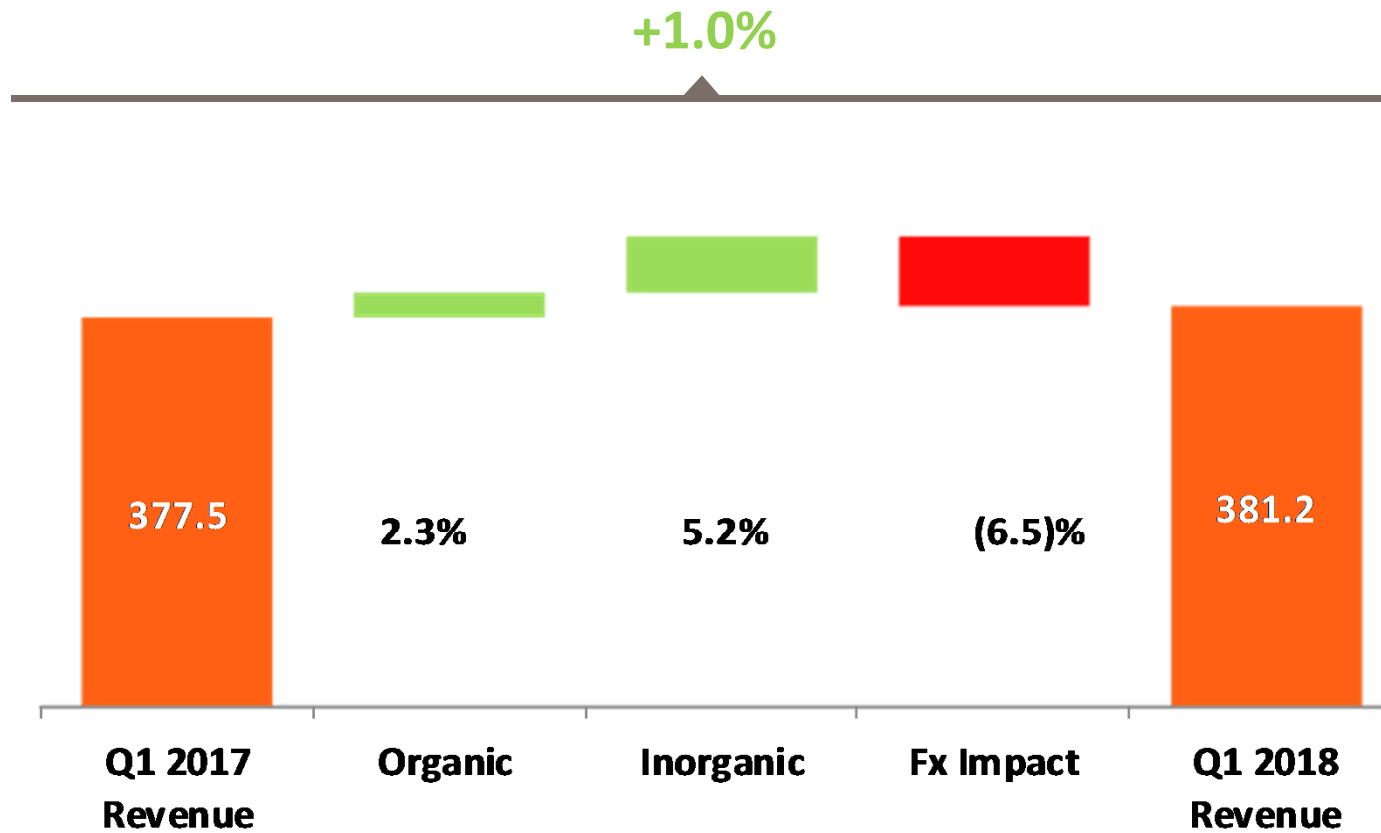
BUSINESS REVIEW

SUMMARY & OUTLOOK

Joan Amigó
Chief Financial Officer



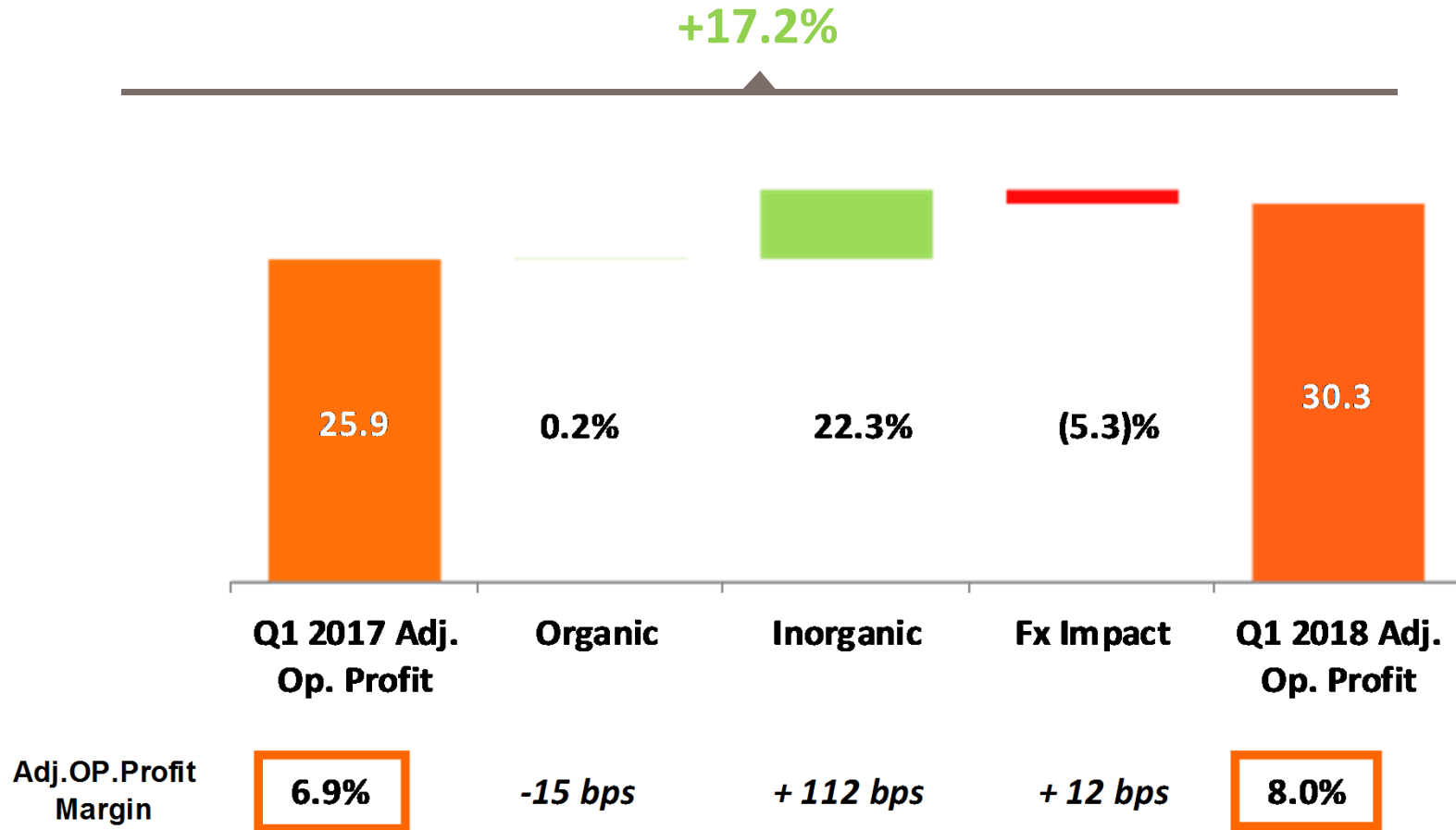
EUR Million



Good revenue performance negatively impacted by FX

Q1 2018. Adjusted Operating Profit Bridge

EUR Million



Significant margin improvement due to acquisitions

EUR Million

	Q1		
	2018	2017	Change
Revenue	381.2	377.5	1.0%
Adj. Operating Profit ⁽¹⁾	30.3	25.9	17.2%
<i>Adj.Op.Profit margin</i>	<i>8.0%</i>	<i>6.9%</i>	
PPA Amortisation	(14.8)	(11.9)	
Other results	(0.3)	(2.5)	
Operating profit	15.3	11.5	33.2%
Finance result	(5.5)	(6.3)	
Associates	0.0	0.3	
Profit before tax	9.7	5.4	79.0%
Income taxes	(2.7)	(2.5)	
Net Profit	7.0	2.9	
Minorities	(4.0)	(2.3)	
Net Profit Group	3.0	0.6	
Adjusted Net Profit Group	14.5	12.3	18.3%
EPS in €	0.021	0.005	
Adjusted EPS in € ⁽²⁾	0.102	0.095	7.6%

(1) Adjusted Op. Profit is stated before amortisation of acquisition intangibles, Historical Management Incentive Plan, restructuring, impairment and transaction & integration costs

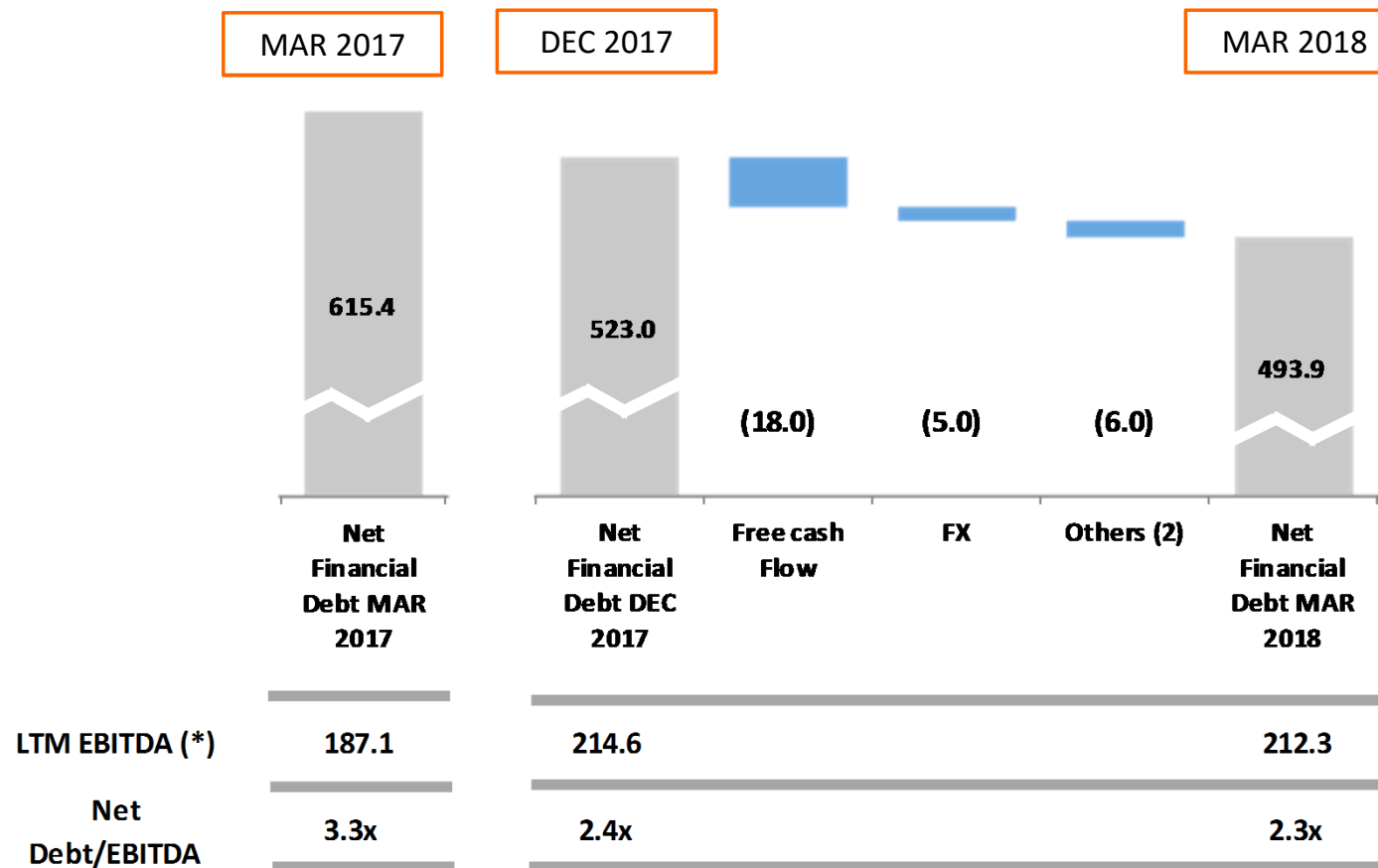
(2) EPS is adjusted for other results and its related tax impact

EUR Million

	Q1		
	2018	2017	Change
Adjusted EBITDA ⁽¹⁾	42.4	37.4	13.3%
(Increase) / decrease in working capital	(14.4)	(25.2)	
Capex - operational	(7.1)	(7.0)	
Capex - Net new vehicle stations	(0.7)	(0.7)	
Adjusted Operating Cash Flow	20.3	4.5	
Taxes Paid	0.7	(1.6)	
Interest Paid	(2.9)	(3.9)	
Adjusted Free Cash Flow	18.0	(1.0)	
Tax litigations	0.0	(2.0)	
Historical Management Incentive Plan	0.0	(3.9)	
Minorities	(0.5)	(0.3)	
Others	1.7	0.0	
Operating Cash Generated	19.1	(7.2)	
Acquisitions	0.0	(4.6)	
Cash b/Changes in Financing & FX	19.1	(11.9)	

(1) Adjusted EBITDA is stated as Operating Profit before depreciation, amortisation and Other results

EUR Million



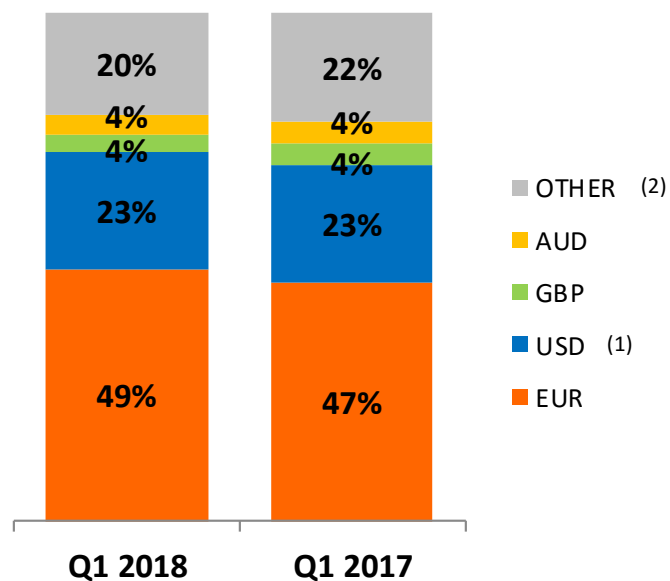
Good cash flow generation in the quarter, leverage 2.3x

(*) LTM EBITDA includes proforma annual results from acquisitions

(1) Stated at annual average rates

(2) Others includes dividends to minorities, purchase of Restricted Stock Units, restructuring costs and short term investments

% Revenue by Actual Currency



- Significant foreign currency impact in Q1
- At current rates, expect rest of year currency impact to be lower

	Average FX Exchange rates vs Euro			FY 2017
	Q1 - 2018	Q1 - 2017	Change	
USD	1.228	1.064	(13.3)%	1.128
GBP	0.884	0.859	(2.7)%	0.876
CAD	1.551	1.408	(9.2)%	1.464
AUD	1.560	1.405	(9.9)%	1.471

(1) Includes currencies pegged to USD
 (2) None above 4%

Results Presentation Q1 2018

HIGHLIGHTS

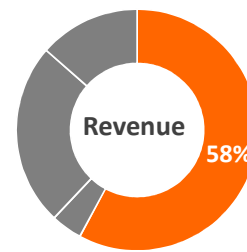
FINANCIAL REVIEW

→ **BUSINESS REVIEW**

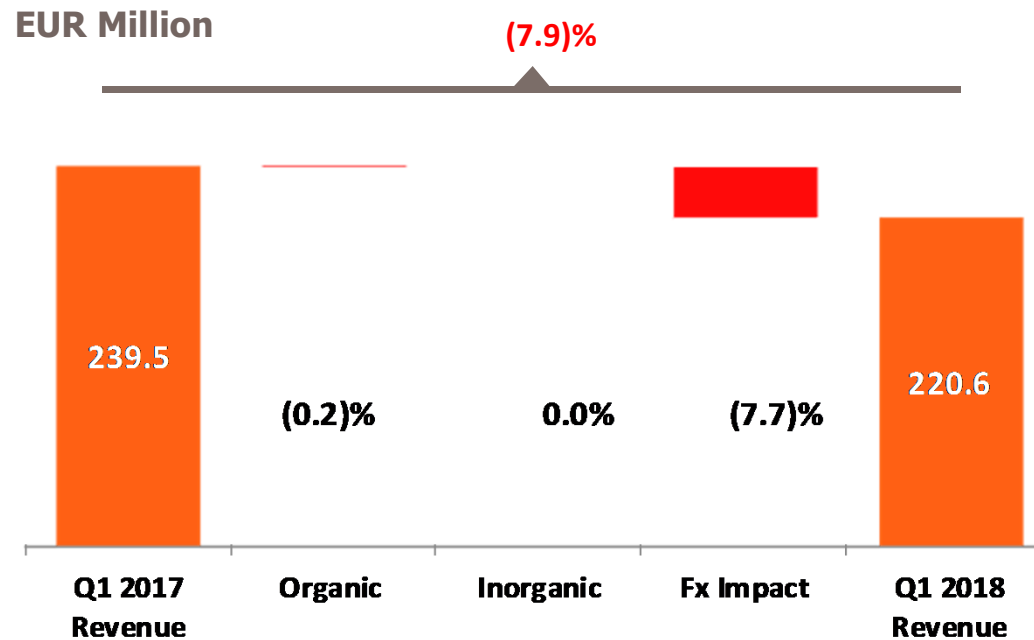
SUMMARY & OUTLOOK

Fernando Basabe
Chief Executive Officer



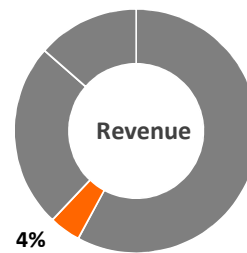


Revenue



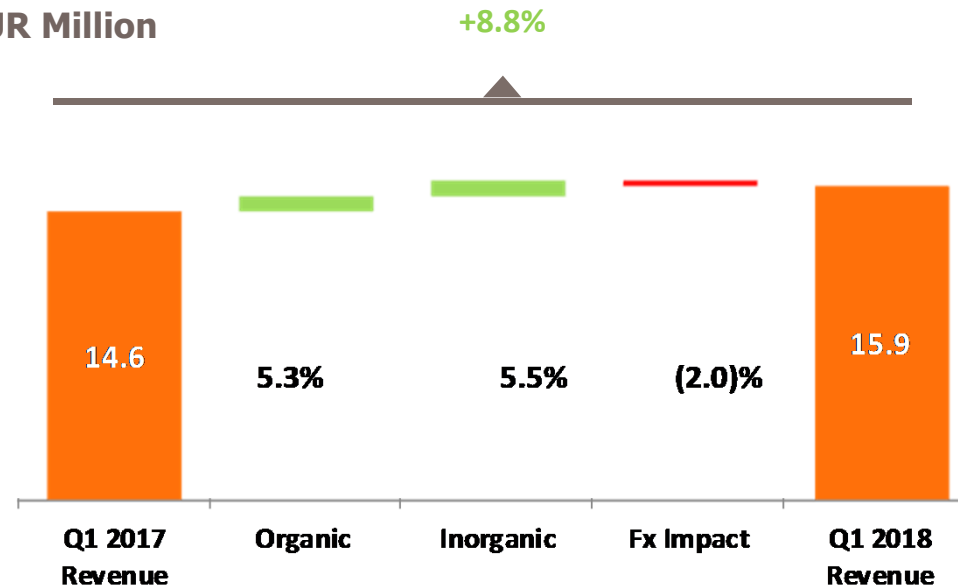
- Revenue stabilised at constant rates
- Significant negative FX impact mainly due to US Dollar, Canadian dollar and Australian Dollar

-
- North America (23% of division revenue), recovery continues especially for new construction pipelines
 - LatAm (10%), flat revenue after last year's decrease with growth expected for the year from improving markets
 - Northern Europe (19%), is down due to tough market conditions and fewer international new construction projects managed out of the region. Signs of improvement in the North Sea market
 - Southern Europe, Africa, Middle East, Asia & Pacific (48%):
 - No changes in the region. Good performance in Spain, Middle East and Oceania offset the decline in Africa and South East Asia
-

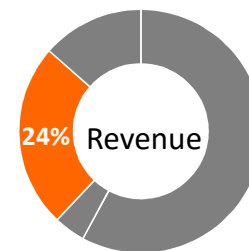


Revenue

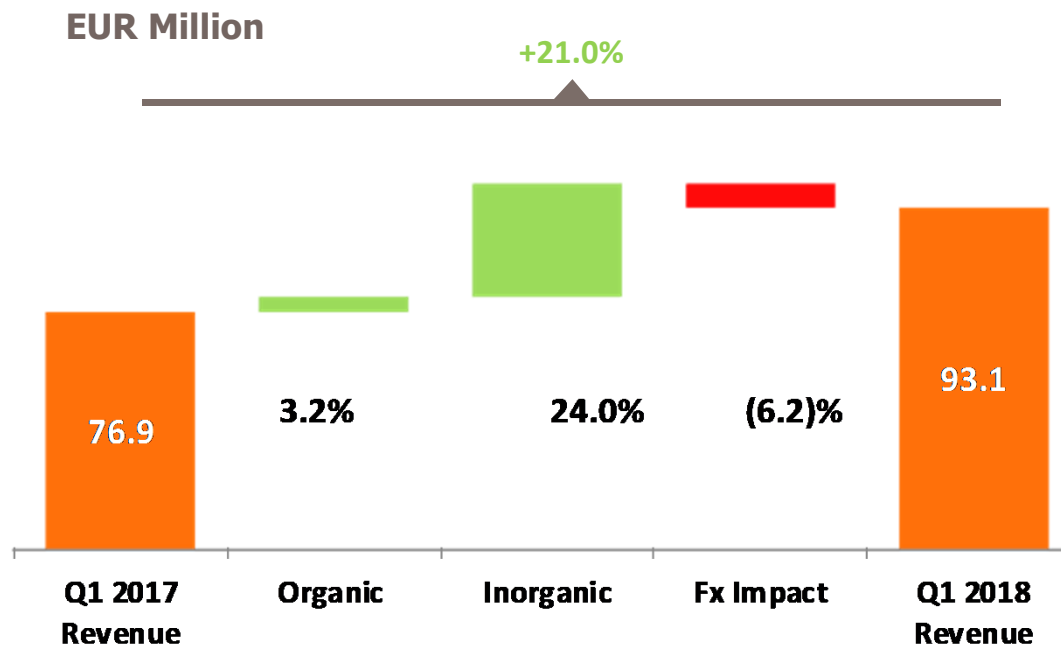
EUR Million



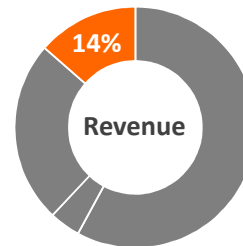
- Good organic growth in the quarter
- Main business units, Industry, Construction, IT and Metrology leading the growth
- Acquisitions made in 2017 performing well
- Acquisition of 3C in the UK providing Electrical and EMC testing in April with 3.4m€ annual revenue



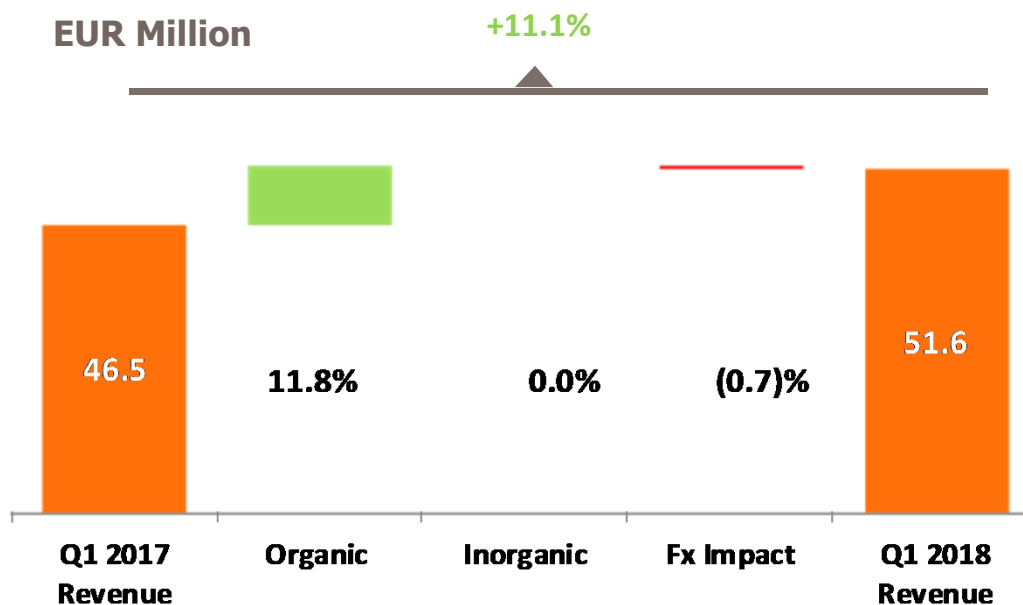
Revenue



- Good underlying growth from Spain, USA and LatAm with Ireland down due to fewer days
- Inversiones Finisterre performing well
- Uruguay and Ecuador to start in H2. Several new tenders in process
- Menorca (€1.8m Revenue) ending in June and decided not to re-bid
- Negative FX impact due to Latin American currencies



Revenue



- Double digit revenue growth continues
- All business units performing well with Chassis and Powertrain leading the growth mainly due to ADAS (Advance Driver Assistance System) and electric vehicles
- Acquisition in May of 67% of Karco Engineering in the US providing crash test services with €4.2m annual revenue

Results Presentation Q1 2018

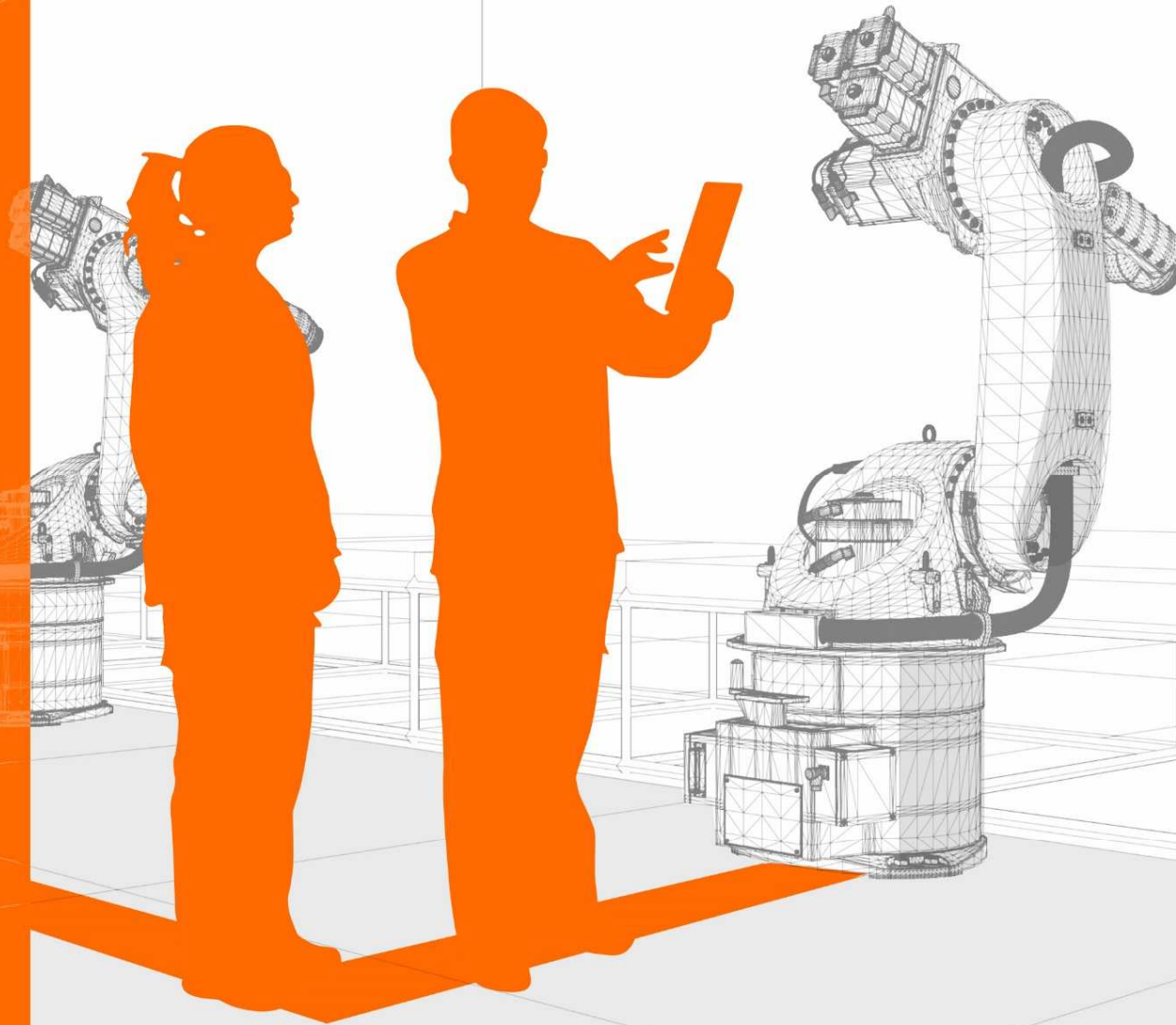
HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

→ **SUMMARY & OUTLOOK**

Fernando Basabe
Chief Executive Officer



Summary of Q1 2018

- Energy and Industry revenue stabilised. Auto, Idiada and Labs continue to grow well
- Revenue and Adjusted Operating Profit growth at constant FX of 7.5% and 22.5%
- Negative FX impact on both revenue and profit
- Adjusted operating profit margin increased 110 bps mainly due to acquisitions
- Strong cash flow generation, leverage down to 2.3x

Outlook for 2018

- Oil and gas to continue improving and no change in the positive trend of all other business lines
 - High single digit revenue growth at constant FX from the current perimeter. Mid-single organic
 - Margin to improve 70-100 bps
-

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EUR Million

EUR Million	Q1 2018			Q1 2017			+/- % Adj. Results
	Adj. Results	Adjustments	Statutory results	Adj. Results	Adjustments	Statutory results	
Revenue	381.2	-	381.2	377.5	-	377.5	1.0%
Ebitda	42.4	-	42.4	37.4	(2.8)	34.7	13.3%
Operating Profit	30.3	(15.1)	15.3	25.9	(14.4)	11.5	17.2%
Net financial expenses	(5.5)	0.0	(5.5)	(6.3)	0.0	(6.3)	
Share of profit of associates	0.0	0.0	0.0	0.3	0.0	0.3	
Profit Before Taxes	24.8	(15.1)	9.7	19.9	(14.4)	5.4	24.9%
Income tax ⁽¹⁾	(6.2)	3.5	(2.7)	(5.3)	2.8	(2.5)	
Non controlling interests	(4.0)	0.0	(4.0)	(2.3)	0.0	(2.3)	
Net Profit	14.5	(11.6)	3.0	12.3	(11.7)	0.6	18.3%
Number of Shares	143,018,430		143,018,430	130,016,755		130,016,755	
EPS, in Euros	0.102		0.021	0.095		0.005	7.6%
<i>Income Tax ⁽¹⁾ /PBT</i>	<i>(25.1)%</i>		<i>(28.0)%</i>	<i>(26.5)%</i>		<i>(46.0)%</i>	

EUR Million

Revenue	Actual 2018	Growth				Actual 2017
		Organic	Inorganic	FX	Total	
Energy & Industry	220.6	(0.2)%	0.0%	(7.7)%	(7.9)%	239.5
Laboratories	15.9	5.3%	5.5%	(2.0)%	8.8%	14.6
Auto	93.1	3.2%	24.0%	(6.2)%	21.0%	76.9
Idiada	51.6	11.8%	0.0%	(0.7)%	11.1%	46.5
Total Revenue	381.2	2.3%	5.2%	(6.5)%	1.0%	377.5
Adj. Op. Profit	30.3	0.2%	22.3%	(5.3)%	17.2%	25.9

EUR Million

	Q1	
	2018	2017
Other Results	(0.3)	(2.5)
Severances	0.0	0.0
Transaction costs	0.0	0.0
Other gains and losses	(0.3)	0.3
Historical Management Incentive Plan	0.0	(2.8)

EUR Million

Financial Expenses	Q1 2018	Q1 2017
Interest on Term Loan	(2.9)	(3.8)
Amortisation	(0.5)	(0.5)
Foreign exchange	(1.7)	(1.4)
Other	(0.5)	(0.6)
Total	(5.5)	(6.3)
