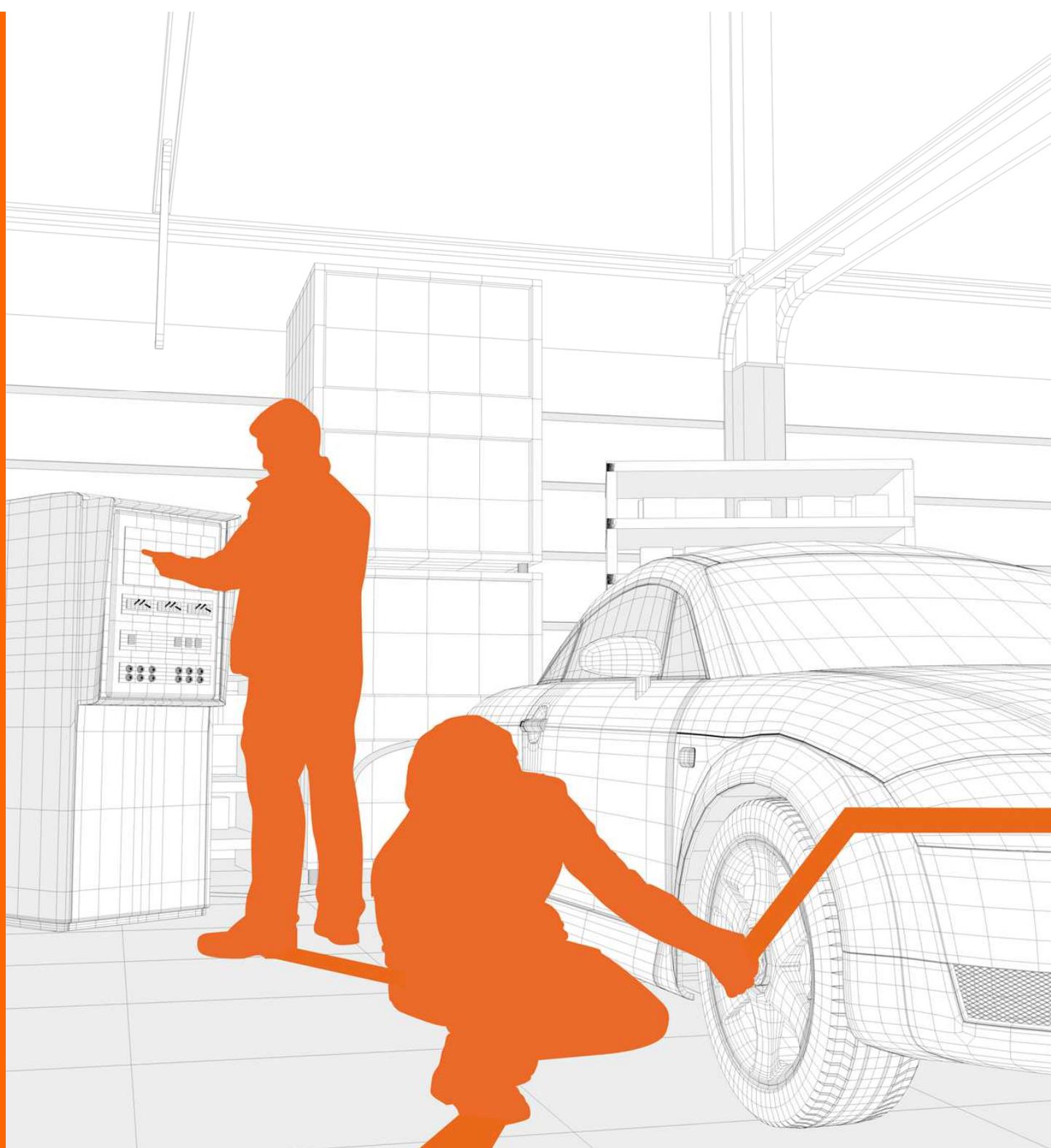


Applus+ Group Q1 2019 Results Presentation

14 May 2019



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

Results Presentation Q1 2019

→ HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

SUMMARY & OUTLOOK

Fernando Basabe
Chief Executive Officer



-
- A strong start to 2019
 - Revenue, profit and cash flow all performed well
 - All four divisions delivered revenue growth and margin improvement
 - Two small acquisitions in Labs division with accretive margins
 - Q1 Results:
 - **Revenue** of €415.4 million up 9.0% (organic¹ +7.6%)
 - Operating **profit**² of €38.4 million up 19.3% (organic¹ +17.5%)
 - Operating profit² **margin** of 9.3%, up 80 bps (organic¹ +76 bps)
 - Operating **cash flow**² of €58.4 million up €25.9 million

(1) Organic is at constant exchange rates and based on prior year proforma figures including IFRS16

(2) Adjusted for Other Results and amortisation of acquisition intangibles

Results Presentation Q1 2019

HIGHLIGHTS

→ **FINANCIAL REVIEW**

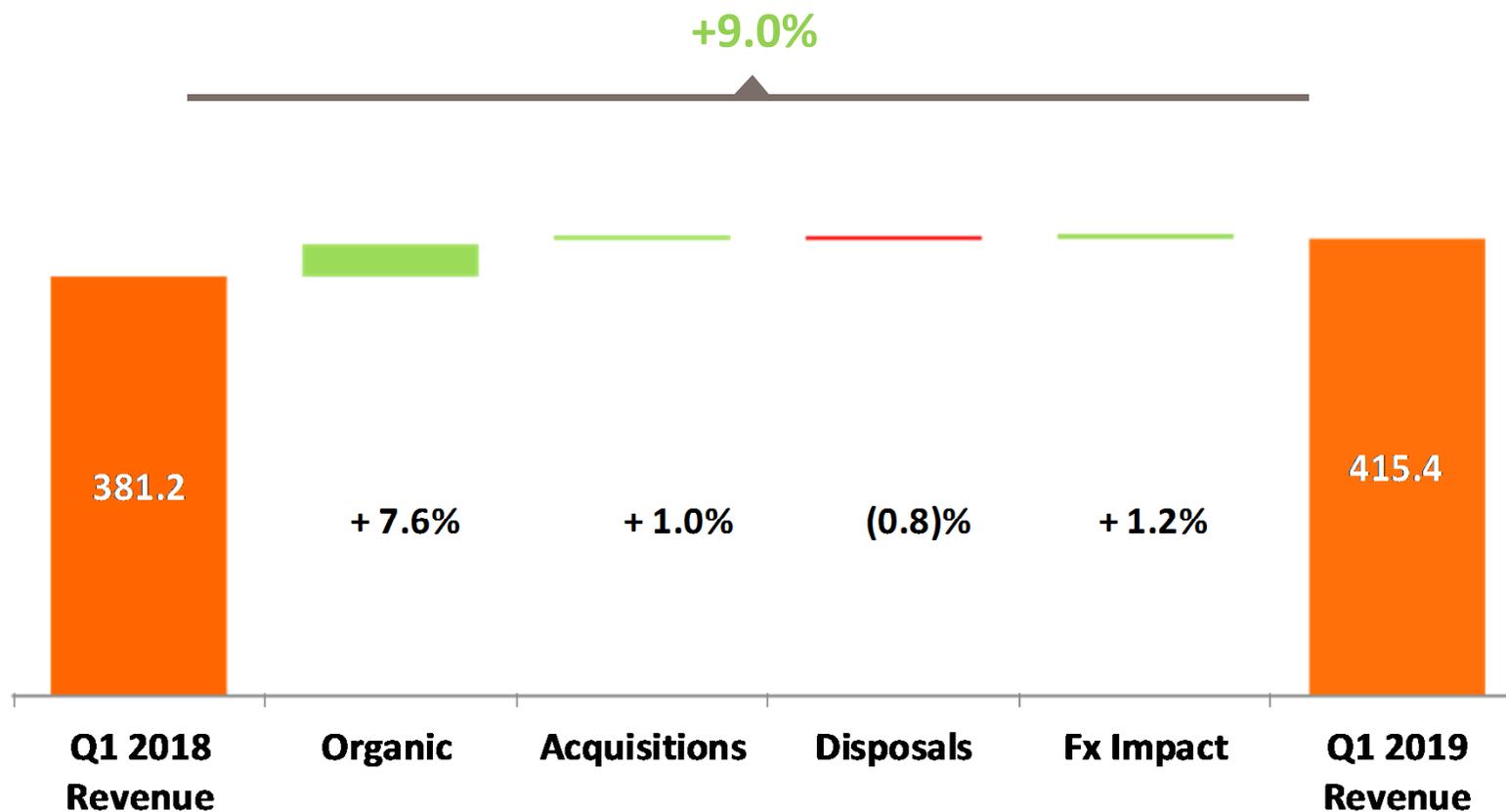
BUSINESS REVIEW

SUMMARY & OUTLOOK

Joan Amigó
Chief Financial Officer



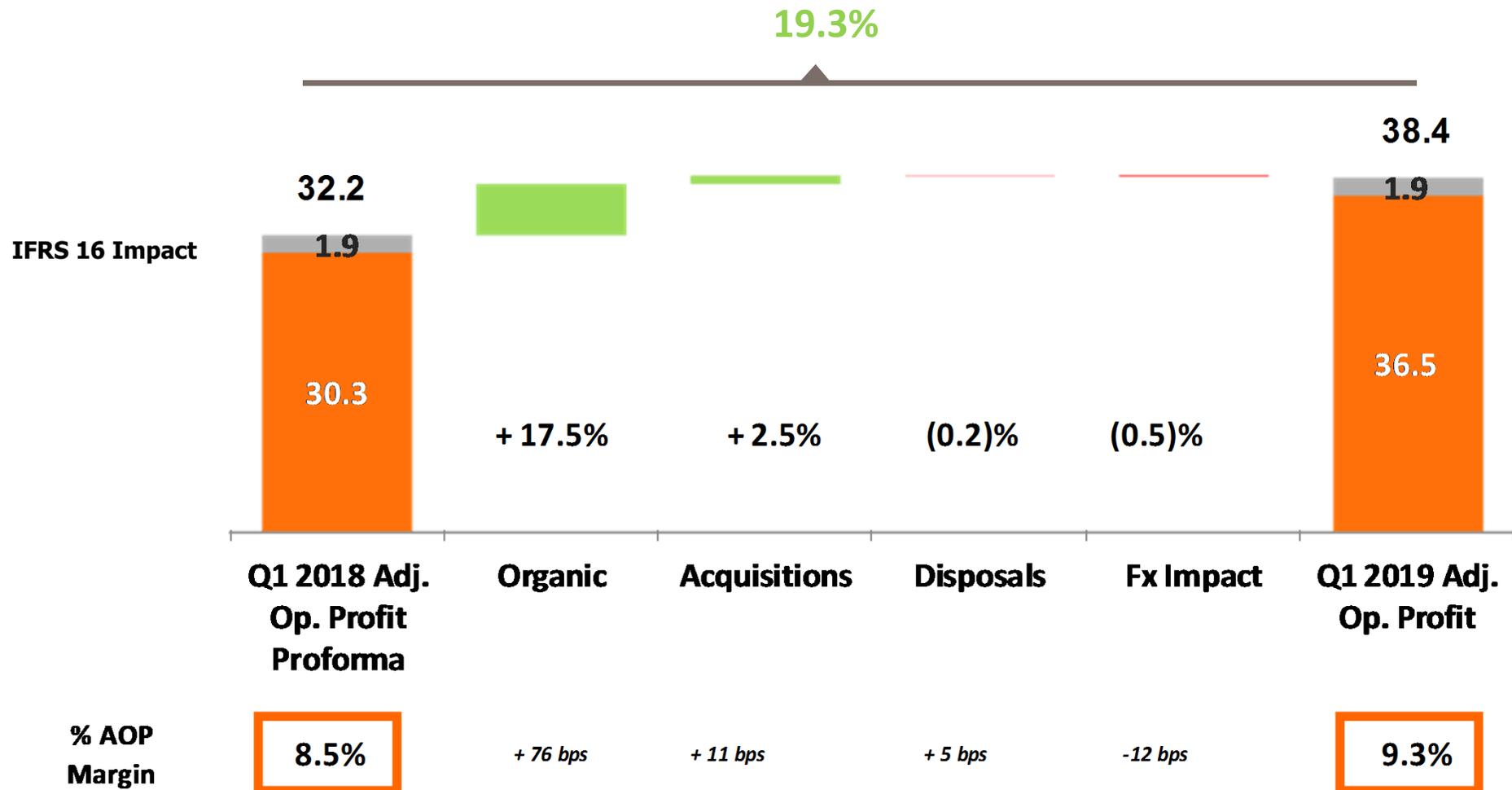
EUR Million



High single digit organic revenue growth

Q1 2019. Adjusted Operating Profit Growth Bridge

EUR Million



Organic margin improvement of 76 bps

EUR Million

	Excluding IFRS 16			IFRS 16		Including IFRS 16		
	Q1			2019	2018	Q1		
	2019	2018	Change			2019	2018 Proforma	Change
Revenue	415.4	381.2	9.0%			415.4	381.2	9.0%
Adj. EBITDA	49.1	42.4	15.7%	13.9	12.2	63.0	54.6	15.4%
<i>Ebitda margin</i>	<i>11.8%</i>	<i>11.1%</i>	<i>+ 69 bps</i>			<i>15.2%</i>	<i>14.3%</i>	<i>+ 84 bps</i>
D&A	(12.6)	(12.1)		(12.0)	(10.3)	(24.6)	(22.4)	
Adj. Operating Profit	36.5	30.3	20.3%	1.9	1.9	38.4	32.2	19.3%
<i>Adj.Op.Profit margin</i>	<i>8.8%</i>	<i>8.0%</i>	<i>+ 83 bps</i>			<i>9.3%</i>	<i>8.5%</i>	<i>+ 80 bps</i>
PPA Amortisation	(14.8)	(14.8)				(14.8)	(14.8)	
Other results	(0.2)	(0.3)				(0.2)	(0.3)	
Operating profit	21.6	15.3	41.3%	1.9	1.9	23.5	17.1	37.1%
Finance result	(3.5)	(5.5)		(1.9)	(1.9)	(5.4)	(7.5)	
Profit before tax	18.1	9.7	85.8%	0.1	(0.0)	18.1	9.7	87.1%

EUR Million

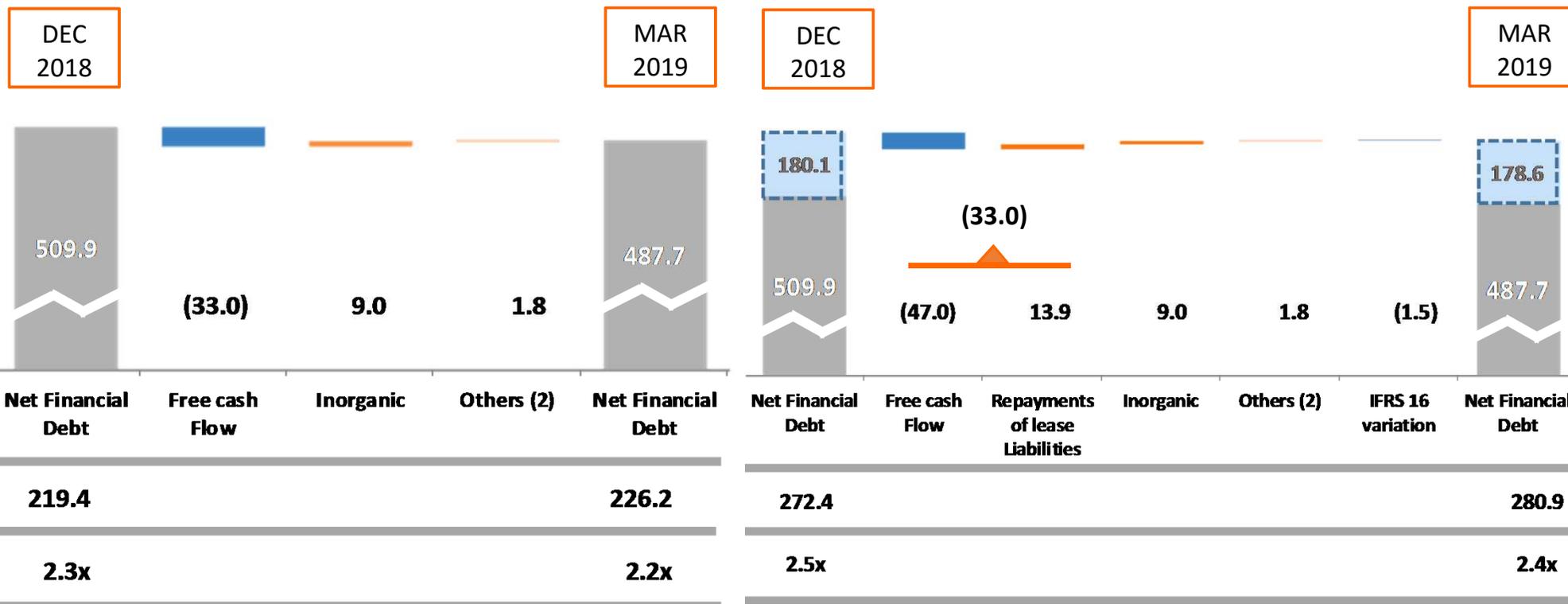
	Excluding IFRS 16			IFRS 16		Including IFRS 16		
	Q1			2019	2018	Q1		
	2019	2018	Change	2019	2018	2019	2018 Proforma	Change
Adjusted EBITDA⁽¹⁾	49.1	42.4	15.7%	13.9	12.2	63.0	54.6	15.4%
Decrease /(increase) in working capital	5.6	(14.4)				5.6	(14.4)	
Capex	(10.3)	(7.8)		-	-	(10.3)	(7.8)	
Adjusted Operating Cash Flow	44.5	20.3	119.4%	13.9	12.2	58.4	32.5	79.9%
<i>Cash Conversion rate</i>	<i>90.6%</i>	<i>47.8%</i>				<i>92.7%</i>	<i>59.4%</i>	
Taxes Paid	(7.9)	0.7				(7.9)	0.7	
Interest Paid	(3.5)	(2.9)				(3.5)	(2.9)	
Adjusted Free Cash Flow	33.0	18.0	83.2%	13.9	12.2	47.0	30.2	55.3%
Extraordinaries & Others	1.0	1.6				1.0	1.6	
Dividends to Minorities	(5.0)	(0.5)				(5.0)	(0.5)	
Operating Cash Generated	29.0	19.1	51.4%	13.9	12.2	42.9	31.3	36.9%
Acquisitions	(9.0)	-				(9.0)	-	
Cash b/Changes in Financing & FX	19.9	19.1		13.9	12.2	33.9	31.3	
Changes in financing	(19.0)	(9.6)		(13.9)	(12.2)	(33.0)	(21.8)	
Currency translations	0.9	(2.7)				0.9	(2.7)	
Cash increase	1.8	6.8		-	-	1.8	6.8	

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

EUR Million

Excluding IFRS 16

Including IFRS 16



Net debt position provides flexibility to support M&A strategy

Covenant is at 4.0x defined at Frozen GAAP (excluding IFRS 16)

(*) LTM EBITDA includes proforma annual results from acquisitions

(1) Stated at annual average rates

(2) Others includes Extraordinaries, Dividends paid to minorities and other items

Results Presentation Q1 2019

HIGHLIGHTS

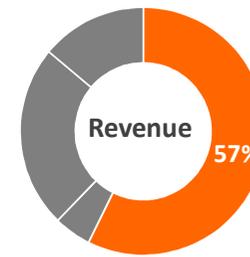
FINANCIAL REVIEW

→ **BUSINESS REVIEW**

SUMMARY & OUTLOOK

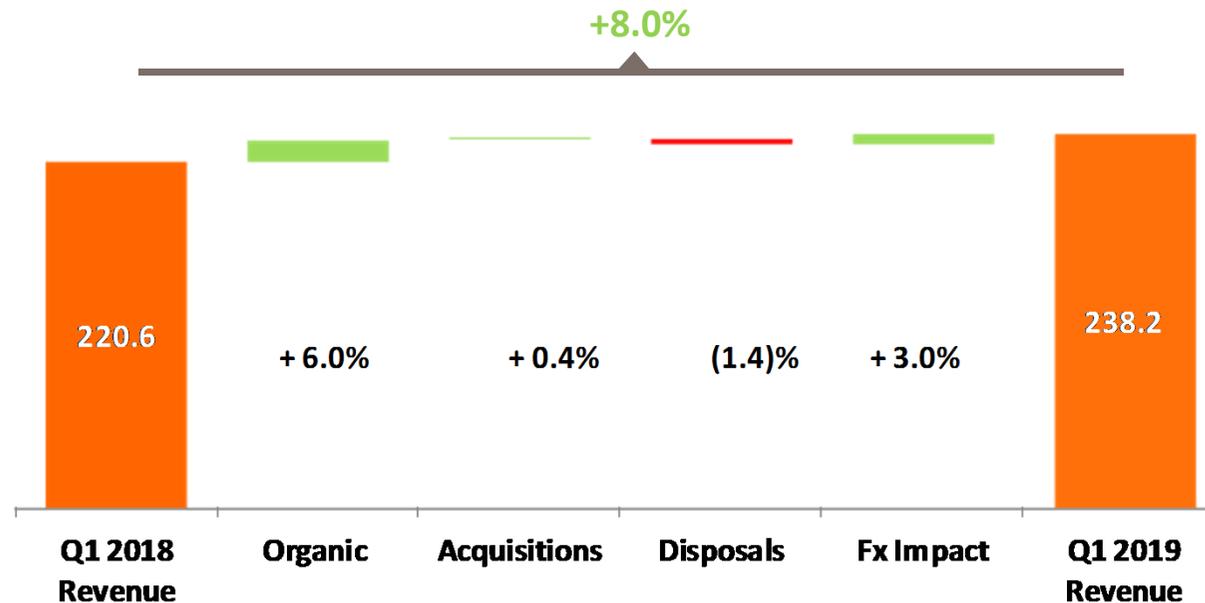
Fernando Basabe
Chief Executive Officer



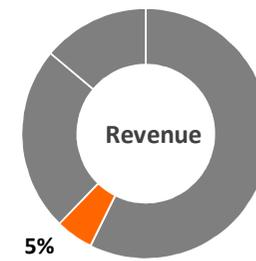


EUR Million

Q1 2019 Revenue

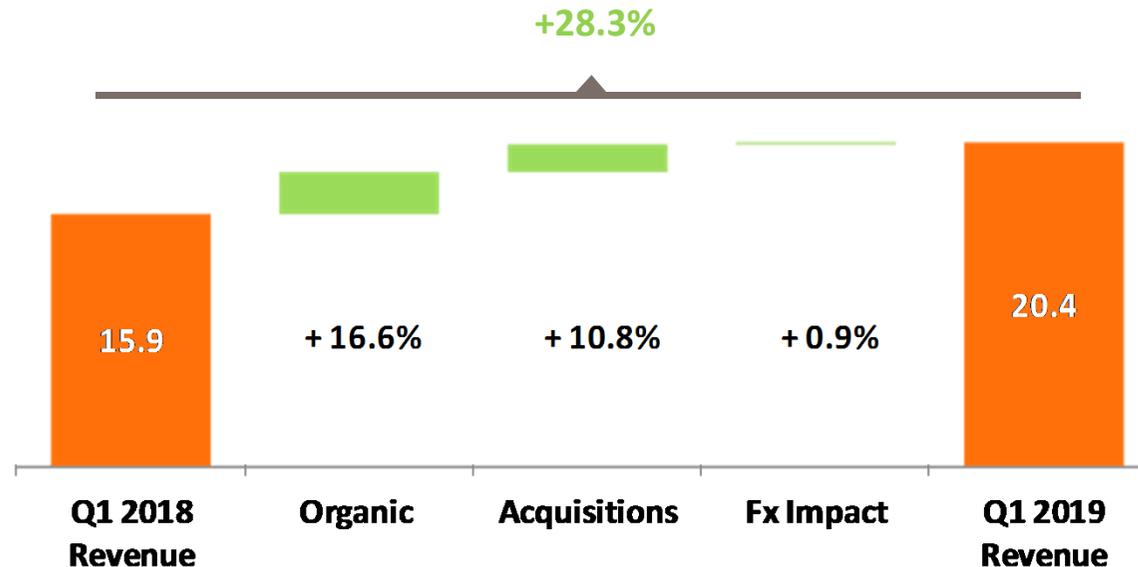


- Good revenue growth trend started in 2018 continues mainly due to Power and Aerospace
- Strongest growth from Southern Europe, Middle East and Latin America. North America and North Europe growing low single digit and Africa and some countries in Asia Pacific region continuing to decrease

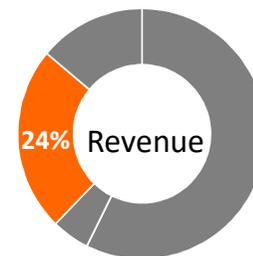


EUR Million

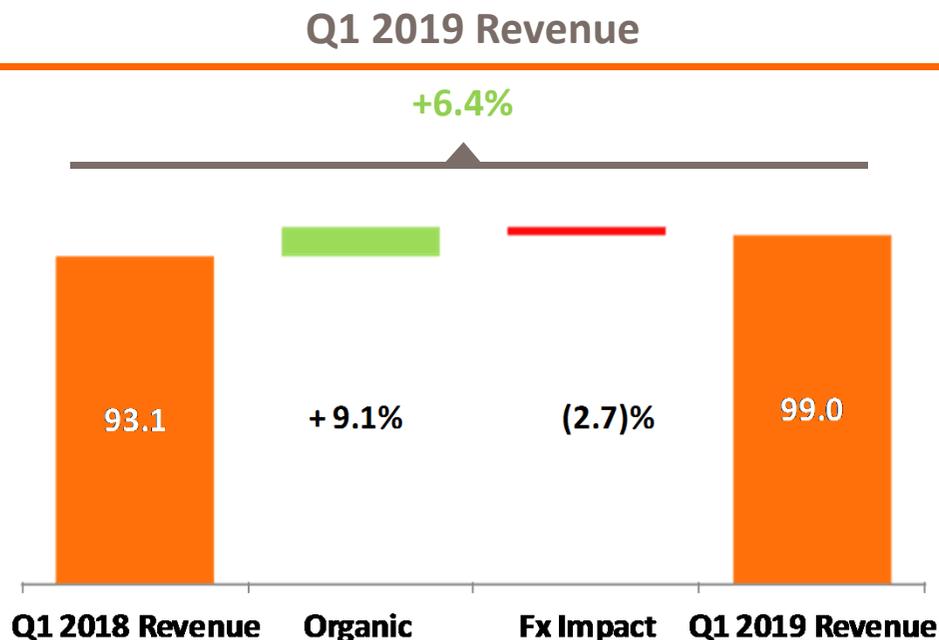
Q1 2019 Revenue



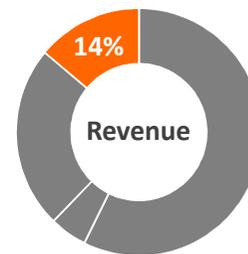
- Continued strong revenue growth driven by EMC, Construction and Metrology Labs
- Two small acquisitions made this year so far: LEM - Metrology, Spain and A2M - Material testing lab, France with €5m total annual revenue
- Further acquisitions being reviewed



EUR Million

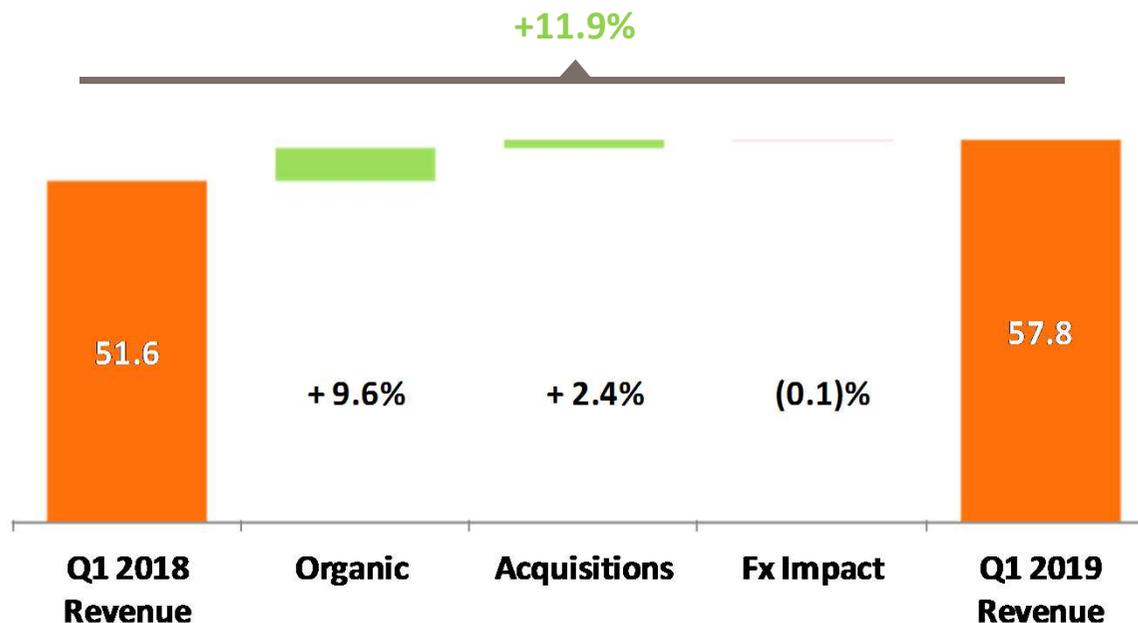


- Good underlying revenue growth across the regions of mid single digits enhanced by the timing of Easter
- Negative FX due to Argentina. Excluding Argentina, organic revenue growth was 7.1% and positive FX impact 1.0%
- A fourth contract won in Ecuador. Annual revenue for the country after ramp up of 4M€ with good margins
- Ireland bid presented with expected outcome in May/June



EUR Million

Q1 2019 Revenue



- Growth in all segments and countries due to ongoing car and product research and development investments
- Continue to invest in facilities to add capacity and new services, eg a new track for Connected & Autonomous Vehicles in Spain

Results Presentation Q1 2019

HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

→ **SUMMARY & OUTLOOK**

Fernando Basabe
Chief Executive Officer



Summary of Q1 2019

- High single digits organic and total revenue growth
- Strong organic and total margin improvement
- Acquisitions performing well
- Strong cash generation

Outlook for 2019

- Mid single digit organic revenue growth at constant FX
 - Margin to improve by at least 30 bps (previously 20-30 bps)
 - Additional growth through acquisitions
-

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EUR Million

EUR Million	Q1 2019			Q1 2018			Proforma Q1 2018	+/- % Adj. Results PROF
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results		
Revenue	415.4		415.4	381.2	0.0	381.2	381.2	9.0%
Ebitda	63.0	0.0	63.0	42.4	0.0	42.4	54.6	15.4%
Operating Profit	38.4	(14.9)	23.5	30.3	(15.1)	15.3	32.2	19.3%
Net financial expenses	(5.4)	0.0	(5.4)	(5.5)	0.0	(5.5)	(7.5)	
Profit Before Taxes	33.1	(14.9)	18.1	24.8	(15.1)	9.7	24.8	33.5%

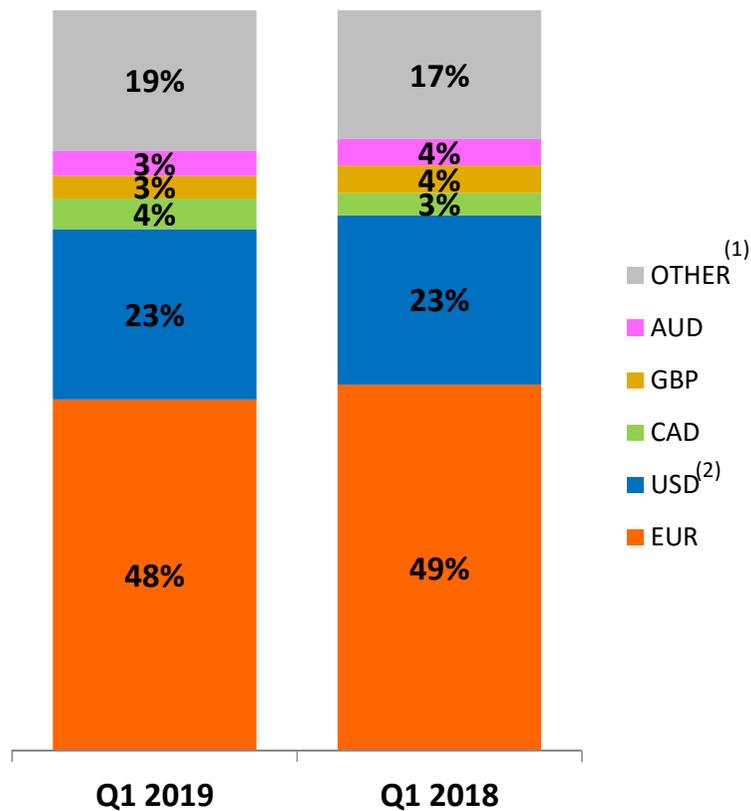
EUR Million

TOTAL GROUP	2019	2018	Change	Organic	Acquisitions	Disposals	FX
Revenue	415.4	381.2	9.0%	7.6%	1.0%	(0.8)%	1.2%
AOP excluding IFRS 16	36.5	30.3	20.3%	18.4%	2.7%	(0.2)%	(0.5)%
% AOP Margin	8.8%	8.0%	+ 83 bps				
AOP including IFRS 16	38.4	32.2	19.3%	17.5%	2.5%	(0.2)%	(0.5)%
% AOP Margin	9.3%	8.5%	+ 80 bps				
AOP Reported	38.4	30.3					
% AOP Margin	9.3%	8.0%					

EUR Million

Revenue	Actual 2019	Growth					Actual 2018
		Organic	Acquisitions	Disposals	FX	Total	
Energy & Industry	238.2	6.0%	0.4%	(1.4)%	3.0%	8.0%	220.6
Laboratories	20.4	16.6%	10.8%	0.0%	0.9%	28.3%	15.9
Auto	99.0	9.1%	0.0%	0.0%	(2.7)%	6.4%	93.1
Idiada	57.8	9.6%	2.4%	0.0%	(0.1)%	11.9%	51.6
Total Revenue	415.4	7.6%	1.0%	(0.8)%	1.2%	9.0%	381.2
Adj. Op. Profit	38.4	17.5%	2.5%	(0.2)%	(0.5)%	19.3%	32.2

% Revenue by Actual Currency



	Average FX Exchange rates vs Euro			
	JAN - MAR 2019	JAN - MAR 2018	Change	JAN - DEC 2018
USD	1.137	1.228	8.0%	1.182
CAD	1.510	1.551	2.7%	1.529
GBP	0.873	0.884	1.2%	0.884
AUD	1.595	1.560	(2.2)%	1.579

(1) None above 3%

(2) Includes currencies pegged to USD

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