

Applus+ Group H1 2023 Results Presentation



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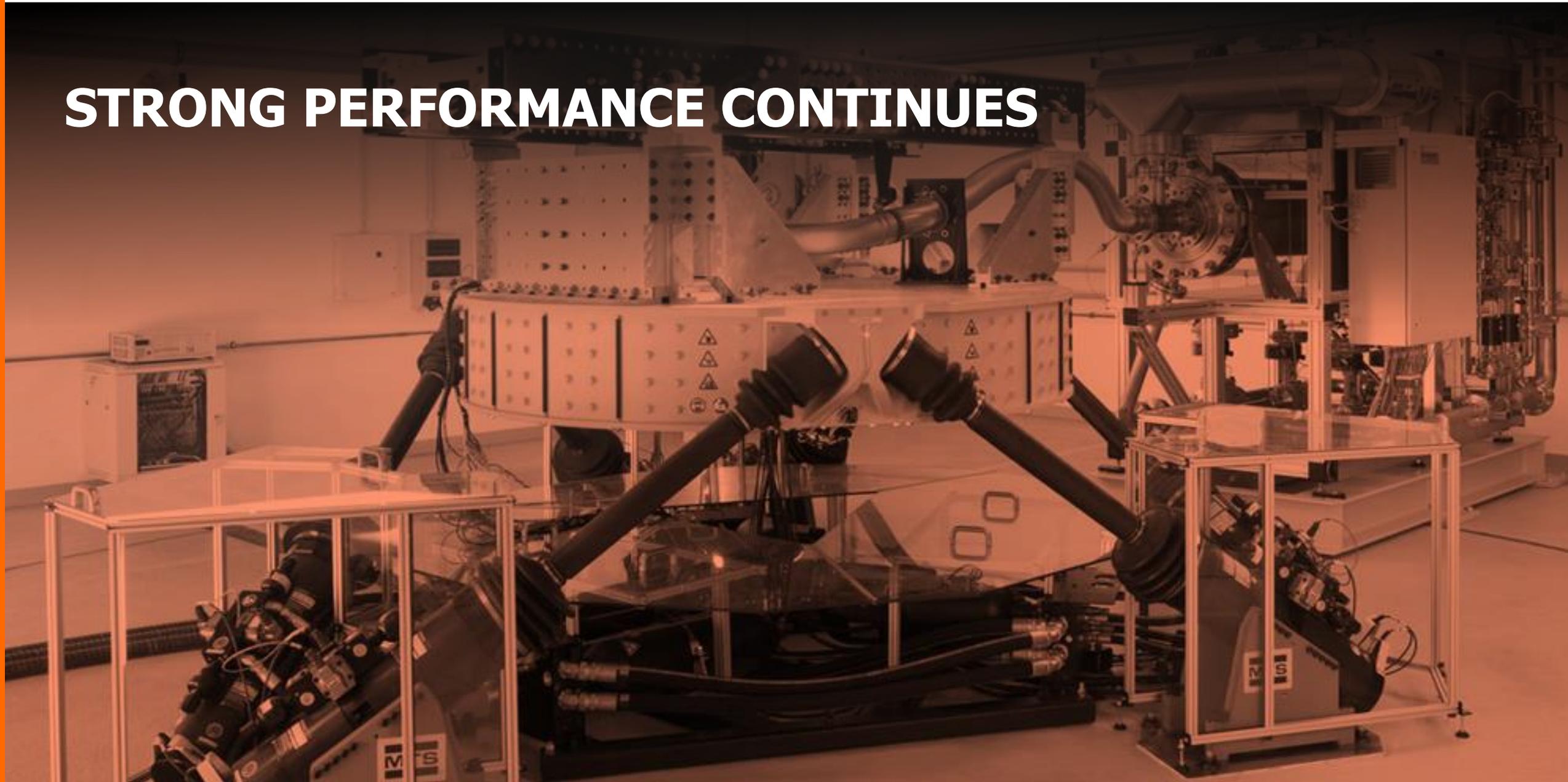
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STRONG PERFORMANCE CONTINUES



H1 2023: Highlights

1 Strong financial performance continues with solid cash flow generation that supports M&A

2 Active portfolio strategy drives 90 bps margin¹ improvement

3 New statutory vehicle inspection contract awarded in Saudi Arabia

4 Progress on ESG including an improved score from Sustainalytics

5 Second 5% share buyback programme completed

6 Outlook raised following strong performance and visibility to end of year

Totally focused on continued strong execution and delivering on the strategic plan

H1 2023: Financial Highlights

Revenue

€1,001 million up 9% (+8.8% organic¹)

Free cash flow³

€71 million, down 1%

Earnings per share³

€0.46 up 19%

Operating profit / margin²

€111 million up 10.2% (+6.5% organic¹)
11.0% margin (H1 2022 10.1% reported; 10.9% Proforma)

Net debt/EBITDA ratio⁴

2.6x and liquidity of €425 million

Return to Shareholders

2nd SBB completed

Dividend Paid at €0.16



¹ Organic is at constant exchange rates and on a 2022 Proforma excluding Auto US & Finland and US O&G

² Adjusted for Other Results, IDIADA Accelerated Depreciation and amortisation of acquisition intangibles

³ Adjusted for other results

⁴ Excluding IFRS 16

Active Portfolio Evolution: a proven track record



Accelerate portfolio evolution to improve growth and margins

M&A Recurrent growth accelerator (companies acquired in 2022 & 2023)

>60 M€ annual revenues

60%
Labs

31%
E&I

9%
Auto

9

Companies
acquired

126 M€

Total upfront
Investment

>20%

Average AOP
Margin

Divestments Continuous portfolio assessment to identify non-strategic businesses

38 M€ proceeds

Business Unit	Auto Finland	Auto US	US Oil & Gas
2022 Revenues	€13M	€37M	€102M
2022 AOP margin	Breakeven	Mid single digit	Negative
Closed	DEC 2022	FEB 2023	JUN 2023

2023 Financials are on the basis of Continuing Operations. The divestments are shown as Discontinued Operations
2022 Proforma is shown excluding the Divestments

ESG | Strong ESG credentials

- Continued focus on **improving environmental and social impacts and governance** of the Group
- Revenue generated from **Sustainable Services**, that is more than half of the Group, continues to increase
- **Sustainalytics revised their “low risk” score on Applus+, improving it from 15.6 to 13.3** recognising improvements made in managing product and governance risks
- **Included within Europe’s Climate Leaders** as determined by the Financial Times and Statista for second year in a row
- **The SBTi validated Applus+ 2030 science-based emissions reduction targets** – commitment to be net zero by 2050



**Fully on track to meet
our 2024 targets**

At the forefront of ESG best practices and supported by ratings agencies



54/100
Top 19%



13.3
Low Risk



70/100
Above average



B Rating
Above average



EE+
Very Strong



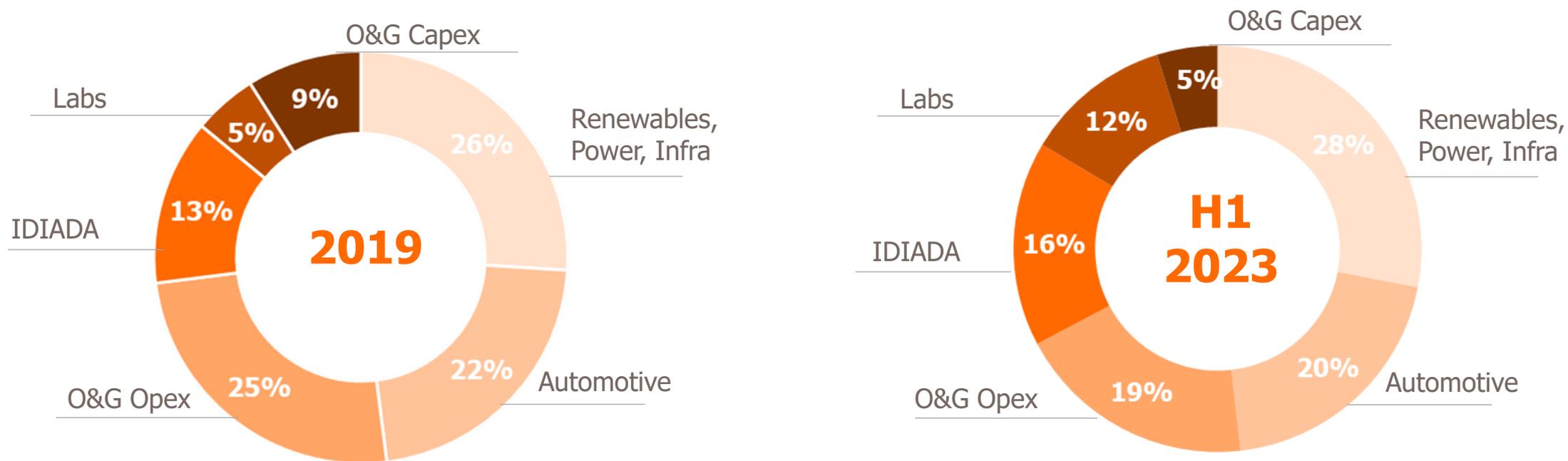
AA
Leader



**FTSE4Good
Included**

Portfolio Evolution | Towards higher growth markets and to mitigate risks

% Total Revenues by End Market



Increase Laboratories Contribution



Promote Renewables, Power and Infrastructure growth



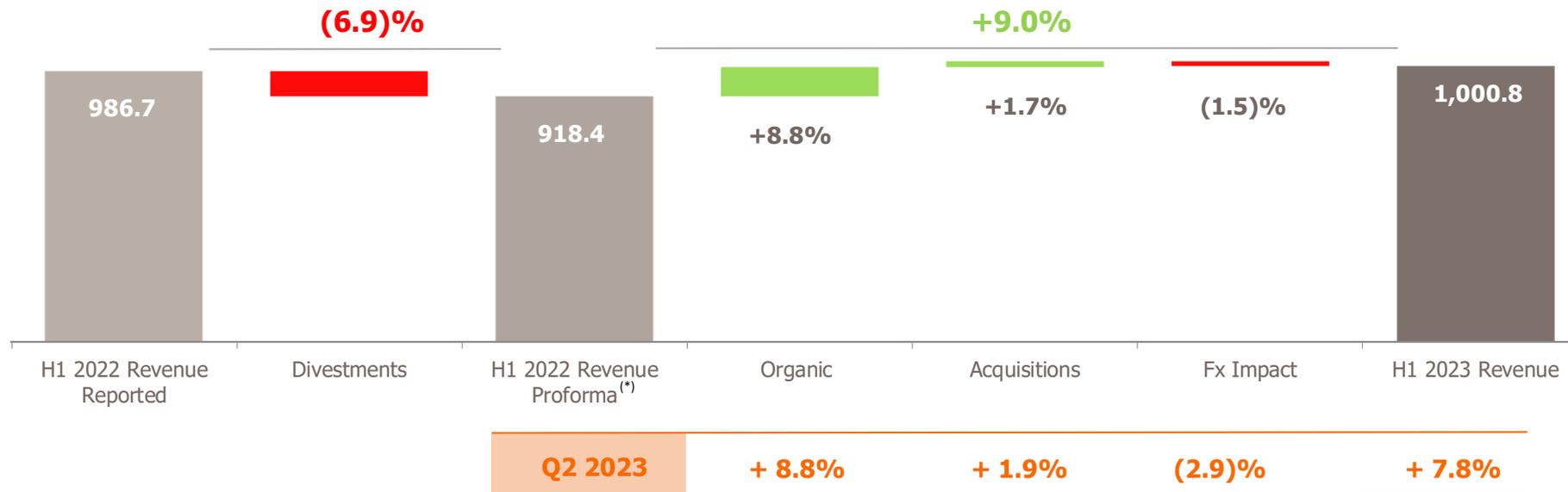
Focus on higher value added and resilient O&G activities



DISCIPLINED EXECUTION

H1 2023: Revenue Bridge

EUR Million

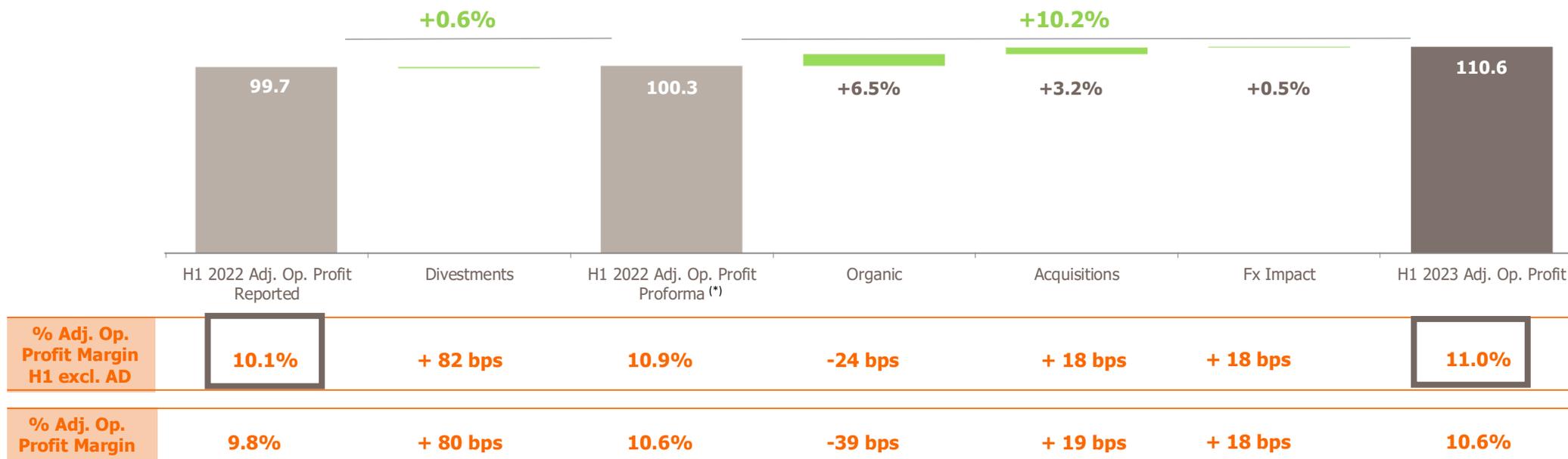


- **Strong organic revenue growth continues**
- **Good performance of companies acquired**

(*) Proforma figures for divestments. H1 2022 revenues excluded for Auto USA (€16.3m), Auto Finland (€6.7m) and US Oil & Gas (€45.3m)

H1 2023: Adjusted Operating Profit Bridge

EUR Million



- 90 bps margin improvement driven by the active portfolio management
- Good underlying margin performance offset by Auto contract ends in Costa Rica and Alicante

(*) Proforma figures for divestments and excluding IDIADA accelerated depreciation

H1 2023: Income Statement

EUR Million

- Strong growth at all profit levels
- Strong adjusted earnings per share growth supported by share buybacks

	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	

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

H1 2023: Cash Flow

EUR Million

- **Solid cash flow generation**
- **Working capital to sales at around 4%**
- **Interest paid increase due to higher interest rates**
- **Dividends to Minorities affected by timing of payments**
- **Acquisitions relates to Riportico, CLM and Rescoll and includes the acquisition of the 20% minority of Inversiones Finisterre (Auto Galicia)**

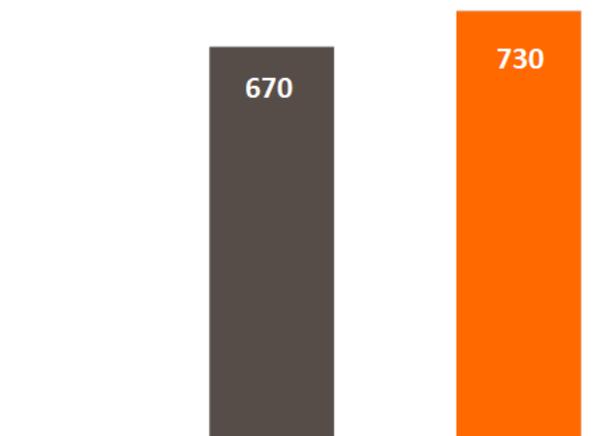
	H1		
	2023	2022 Reported	Change vs LY
Adjusted Ebitda	164.9	156.4	5.4%
Change in Working Capital	(38.6)	(35.3)	
Capex	(25.2)	(24.0)	
Adjusted Operating Cash Flow	101.1	97.2	4.0%
Taxes paid	(16.4)	(18.4)	
Interest paid	(14.0)	(7.2)	
Adjusted Free Cash Flow	70.7	71.5	(1.2)%
Extraordinaries & Others	(12.6)	(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)	

Leverage and Liquidity at 30th June

EUR Million

- Stable leverage ratio at 2.6x
- Total available liquidity of €425M

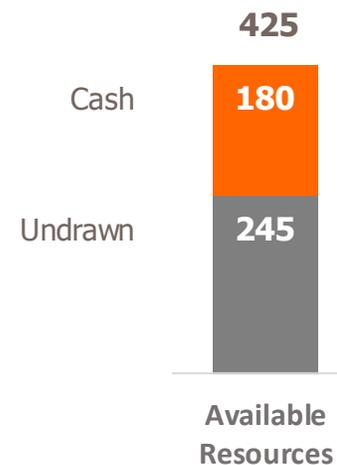
Net Financial Debt & Leverage



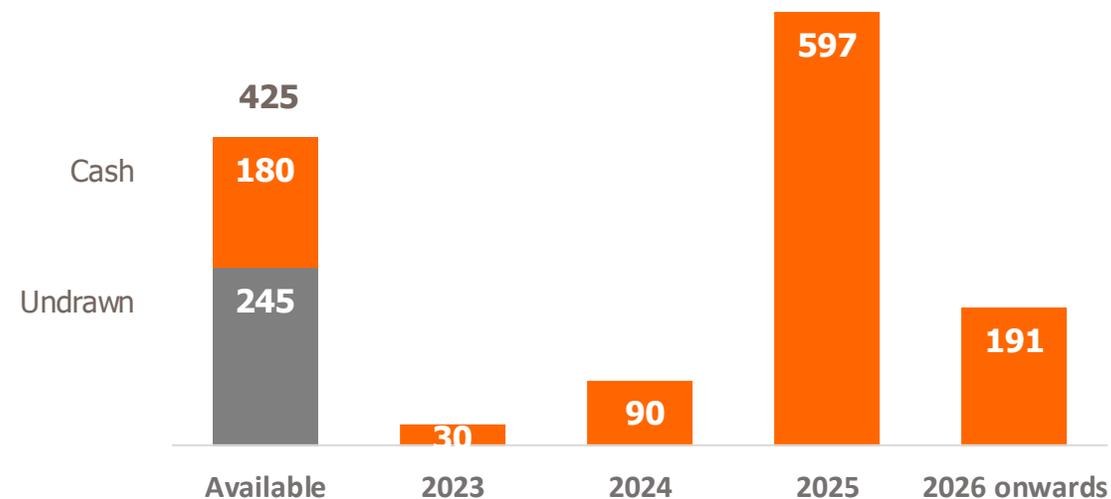
NET DEBT / EBITDA¹ **2.6x** **2.6x**

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

Liquidity²



Debt by Due date



¹ Stated at annual average rates and excluding IFRS 16 as defined by bank covenant. Net debt including IFRS 16 is €910

² Figures stated at annual average rates as defined by bank covenant



STRONG PERFORMANCE ACROSS ALL BUSINESSES



Energy & Industry

Leading global provider in infrastructure testing and inspection in multiple end markets with long term stable growth and increasing margins



~16K Employees



+60 Countries





Energy & Industry

Financial Highlights

EUR Million

	H1			Organic	Inorganic	FX	2022 * Reported	Change
	2023	2022 Proforma *	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

- Strong double digit organic revenue growth with positive growth in all regions from higher demand for services and pricing
- Higher margin mainly driven by acquisitions and disposals
- Increase in sustainability services and the use of technology to perform and record inspections
- Renewables, Power, Infrastructure and Diversified Industries now represents 54% of the division revenue growing high single digit with Latin America, Iberia and Middle East leading the growth. Margin increasing and close to 9%
- O&G double digit growth from strong demand in OPEX across all main regions offsetting decrease in CAPEX. Margin is around 7%. Oil & Gas now represents 46% of the division revenue
- Recent acquisitions performing well. Riportico, the Portuguese infrastructure company acquired in Q1 with €8 million annual revenue and K2 Ingeniería, environmental consulting and monitoring in Colombia acquired in H2 2022 with €13 million annual revenue



Automotive

Leader in a highly regulated and stable industry for vehicle safety with emerging market growth opportunities



~4K
Employees



11
Countries





Automotive

Financial Highlights

EUR Million

	H1			Organic	Inorganic	FX	2022 Reported	Change
	2023	2022 * Proforma	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

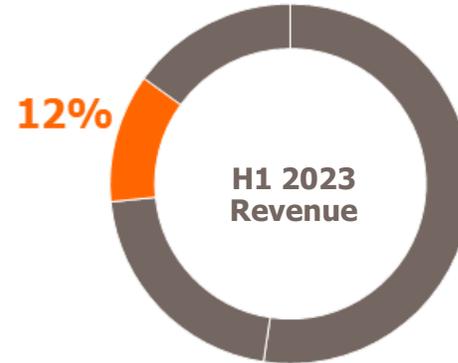
- Revenue decrease of 6.2% is mainly due to the ending of the contracts in Costa Rica and Alicante, without which underlying revenue growth would have been an increase of mid single digit driven by higher inspection volumes and price inflation
- After the ending of the Costa Rica and Alicante contracts, and the disposals of the low margin businesses in the USA and Finland, margin increased by 55 bps
- All concessions and programmes are performing well with those in Spain and Ireland contributing the highest profit growth
- New ten year statutory vehicle inspection contract awarded in Saudi Arabia mid teens million annual revenue once fully ramped up. Won on the basis of superior technology and project management skills
- Further Auto opportunities in emerging markets and no material contract end until December 2027

*Figures for 2022 are proforma for Auto US & Finland divestments



Laboratories

Highly technological and routine regulatory testing services focused on product development and global market access



~2K
Employees



13
Countries





Laboratories

Financial Highlights

EUR Million

	H1			Organic	Inorganic	FX
	2023	2022 Proforma *	Change			
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			

- Strong results in revenue and profit
- Electrical & Electronic, Cybersecurity services and Aerospace non-destructive testing leading the growth driven by the electrification and connectivity global megatrends
- Significant margin improvement with China back to normal levels after lockdowns last year and with good operational gearing, better mix and higher margins from acquisitions
- The three acquisitions made so far this year in Spain (metrology), France (medical devices and aerospace) and China (automotive components) are performing well
- The Division is now a relevant contributor to the Group at 14% of Group Adjusted Operating Profit

*Figures for 2022 are proforma including Aerospace figures



IDIADA

Road, track and laboratory based testing, certification and full vehicle development support on a global basis



~3K
Employees



22
Countries





IDIADA

Financial Highlights

EUR Million

	H1		Change	Organic	FX
	2023	2022			
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		

- Outstanding performance continues, with growth across the board and especially for EV/hybrid vehicles, batteries and components, autonomous driving and advanced driver assistance systems
- Organic revenue growth of 20% has been exceptional with the large one-off project from an Asian manufacturer is now slowing down despite which positive organic revenue growth is expected in H2
- Significant margin improvement even after the increase in the accelerated depreciation with all business lines and geographies increasing and the Proving Ground in Catalonia back to full capacity
- Awaiting the tender for the contract that ends in September 2024

¹ AD is IDIADA accelerated depreciation to adapt assets' useful life to contract/concession duration



**DEMAND FOR SERVICES TO
CONTINUE INCREASING**

Summary of H1 2023

- Strong overall financial performance
- Higher margin is driven by the active portfolio management with good underlying margin performance
- Solid cash flow generation, with comfortable leverage and liquidity
- Saudi Auto contract award and further opportunities in emerging markets
- Shareholder return focus with dividend and share buybacks

Outlook for 2023

- Guidance raised to High single digit organic revenue growth (from Mid to High single digit)
- AOP Margin¹ to increase in excess of 60 bps compared to the reported margin last year (10.1%) as upgraded in June 2023 (from stable)
- Continued focus on portfolio mix quality improvement

Focus on continued strong execution and delivering on the Strategic Plan

¹ before Idiada Accelerated Depreciation

Applus  *Together* beyond
standards

www.applus.com

Adjustments to Statutory Results¹

EUR Million

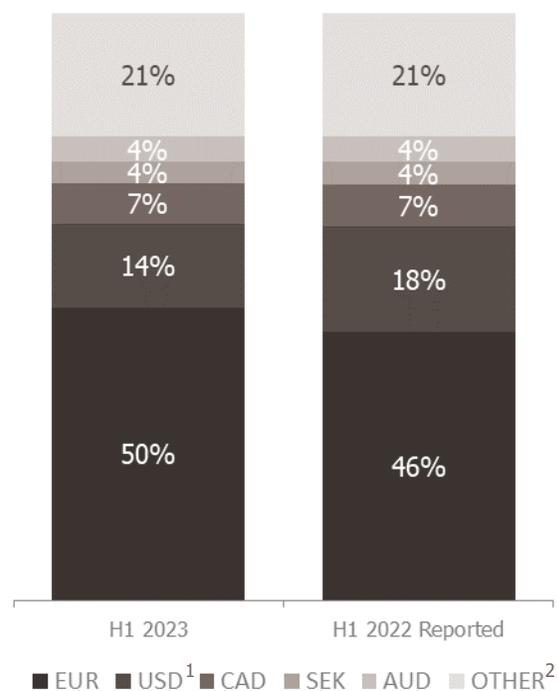
EUR Million	H1 2023			H1 2022 Proforma		
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results
Revenue	1,000.8	0.0	1,000.8	918.4	0.0	918.4
Ebitda	166.0	0.0	166.0	151.7	0.0	151.7
Operating Profit	106.3	(35.9)	70.4	97.8	(35.6)	62.1
Net financial expenses	(18.3)	0.0	(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 ²	0.46		0.23	0.39		0.18
<i>Income Tax/PBT</i>	<i>(25.3)%</i>		<i>(30.7)%</i>	<i>(25.8)%</i>		<i>(31.3)%</i>

¹ Proforma figures for divestments

² EPS calculation based on Net Profit from Continuing Operations

Currency Exposure

% Revenue by Actual Currency



¹ Includes currencies pegged to USD

² None above 4%

Average FX Exchange rates vs Euro

	JAN - JUN 2023	JAN - JUN 2022	Change
USD	1.080	1.094	1.3%
CAD	1.457	1.391	(4.5)%
SEK	11.313	10.473	(7.4)%
AUD	1.598	1.520	(4.9)%

H1 2023. Revenue and Adj. Op. Profit by Division

EUR Million

Revenue	Actual 2023	Growths				Actual 2022 Proforma *
		Organic	Inorganic	FX	Total	
Energy & Industry	524.5	10.9%	1.9%	(1.8)%	11.0%	472.6
Laboratories	117.8	14.5%	5.5%	(1.2)%	18.8%	99.1
Auto	203.8	(5.3)%	0.8%	(1.7)%	(6.2)%	217.4
Idiada	154.8	20.2%	0.0%	(0.5)%	19.7%	129.3
Total Revenue	1,000.8	8.8%	1.7%	(1.5)%	9.0%	918.4

Adj. Op. Profit	Actual 2023	Growths				Actual 2022 Proforma *	% AOP Margin 2023	% AOP Margin 2022
		Organic	Inorganic	FX	Total			
Energy & Industry	42.3	9.5%	5.2%	(1.0)%	13.7%	37.2	8.1%	7.9%
Laboratories	17.7	30.7%	8.1%	(2.9)%	35.9%	13.0	15.0%	13.1%
Auto	43.3	(14.7)%	1.1%	2.0%	(11.6)%	49.0	21.3%	22.6%
Idiada excl. AD ¹	23.4	47.4%	0.0%	(2.0)%	45.4%	16.1	15.1%	12.4%
Holding	(16.1)					(15.0)		
Adj. Op. Profit excl. AD ¹	110.6	6.5%	3.2%	0.5%	10.2%	100.3	11.0%	10.9%

(*) Proforma figures for divestments and excluding IDIADA accelerated depreciation

¹ AD is IDIADA accelerated depreciation to adapt assets useful life to contract/concession duration

Q1 & Q2 2023. Revenue and Adj. Op. Profit by Division

EUR Million

Q1

Revenue	Actual 2023	Growths				Actual 2022 Proforma
		Organic	Inorganic	FX	Total	
Energy & Industry	249.8	11.2%	1.7%	0.2%	13.1%	220.8
Laboratories	55.1	15.0%	3.6%	0.2%	18.8%	46.4
Auto	100.3	(5.3)%	1.3%	(1.0)%	(5.0)%	105.6
Idiada	71.7	19.8%	0.0%	0.2%	20.0%	59.7
Total Revenue	476.8	8.8%	1.6%	(0.2)%	10.2%	432.5
Adj. Op. Profit	46.0	(0.4)%	3.3%	2.5%	5.4%	43.6

Q2

Revenue	Actual 2023	Growths				Actual 2022 Proforma
		Organic	Inorganic	FX	Total	
Energy & Industry	274.7	10.6%	2.0%	(3.5)%	9.1%	251.8
Laboratories	62.7	14.2%	7.2%	(2.6)%	18.8%	52.8
Auto	103.6	(5.3)%	0.4%	(2.5)%	(7.4)%	111.8
Idiada	83.1	20.6%	0.0%	(1.2)%	19.4%	69.6
Total Revenue	524.0	8.8%	1.9%	(2.9)%	7.8%	485.9
Adj. Op. Profit	60.3	9.4%	3.3%	(1.3)%	11.4%	54.1

Q1 & Q2 & H1 2023. Summary Income Statement

EUR Million

	Q1			Q2			H1		
	2023	2022 Proforma	Change	2023	2022 Proforma	Change	2023	2022 Proforma	Change
Revenue	476.8	432.5	10.2%	524.0	485.9	7.8%	1,000.8	918.4	9.0%
Adj. Op. Profit b/AD	47.9	44.9	6.7%	62.7	55.5	13.0%	110.6	100.3	10.2%
<i>Adj.Op.Profit margin b/AD</i>	<i>10.0%</i>	<i>10.4%</i>		<i>12.0%</i>	<i>11.4%</i>		<i>11.0%</i>	<i>10.9%</i>	
Accelerated depreciation	(1.9)	(1.2)		(2.4)	(1.4)		(4.3)	(2.6)	
Adj. Operating Profit	46.0	43.6	5.4%	60.3	54.1	11.4%	106.3	97.8	8.7%
<i>Adj.Op.Profit margin</i>	<i>9.7%</i>	<i>10.1%</i>		<i>11.5%</i>	<i>11.1%</i>		<i>10.6%</i>	<i>10.6%</i>	
PPA Amortisation	(15.7)	(16.9)		(15.7)	(17.0)		(31.4)	(34.0)	
Other results	(4.4)	(0.9)		(0.2)	(0.8)		(4.6)	(1.7)	
Operating profit	25.9	25.8	0.4%	44.4	36.3	22.4%	70.4	62.1	13.3%
Finance Results	(8.1)	(6.1)		(10.2)	(6.5)		(18.3)	(12.6)	
Profit before tax	17.9	19.7	(9.5)%	34.2	29.8	14.7%	52.1	49.6	5.0%
Income taxes							(16.0)	(15.5)	
Net Profit							36.1	34.1	
Minorities							(5.7)	(8.7)	
Net Profit Group							30.4	25.4	19.8%
Discontinued Operations							(4.0)	(3.6)	
Net Profit Discontued Operations							26.4	21.8	21.4%
Adjusted Net Profit Group							60.0	54.5	10.0%
EPS in €							0.23	0.18	27.0%
Adjusted EPS in €							0.46	0.39	16.7%
# Shares (M)							130.8	138.7	

H1 2023. Statutory Cash Flow

EUR Million

	H1	
	2023	2022
Profit Before taxes	50.2	46.3
Non cash items	110.2	100.0
Change in working capital	(39.3)	(32.9)
Taxes Paid	(16.4)	(18.4)
Operating Cash Flow	104.6	94.9
Capex	(25.2)	(24.0)
Business combination	(9.9)	3.3
Acquisitions of subsidiaries	(60.7)	(42.8)
Sales of subsidiaries	30.0	-
Cash Flow from Investing activities	(65.8)	(63.5)
Dividends to Minorities	(13.1)	(1.9)
Interest paid	(14.0)	(7.2)
Changes in financing	19.0	13.7
Share buy back	(36.1)	(53.6)
Cash Flow from Financing activities	(44.2)	(49.0)
Currency translations	(3.0)	6.1
Cash Increase / (Decrease)	(8.4)	(11.5)

H1 2023. Balance Sheet

EUR Million

	H1 2023	FY 2022		H1 2023	FY 2022
Goodwill	843.1	792.9	Equity	603.0	642.9
Other intangible assets	346.8	374.1	Long Term Provisions	43.7	37.0
PPA	284.7	310.0	Bank borrowings	805.5	808.6
Other intangible assets	62.1	64.1	Leasing Liabilities	127.4	136.1
Rights of use	167.8	177.4	Other financial liabilities	23.0	22.2
Tangible assets	255.0	253.1	Deferred Tax Liabilities	98.7	109.1
Investments accounted for using the equity method	3.3	3.4	Deferred Tax Liabilities PPA	71.2	77.5
Non current Financial Assets	23.2	17.1	Deferred Tax Liabilities Others	27.5	31.6
Deferred Tax Assets	59.6	58.1	Other non current liabilities	96.1	90.8
Total Non-Current Assets	1,698.8	1,676.1	Total Non-Current Liabilities	1,194.4	1,203.8
Assets classified as held for sale	-	37.5	Liabilities classified as held for sale	-	16.5
Inventories	12.0	9.8	Short term provisions	5.5	8.0
Trade & Other receivables	557.6	498.5	Bank borrowings	96.6	27.3
Corporate Income Tax assets	12.9	20.3	Leasing Liabilities	53.1	55.2
Current financial assets	10.1	7.4	Trade & Other payables	460.2	425.8
Cash & Cash equivalents	174.6	183.0	Income Tax Liabilities	18.8	19.4
Total Current Assets	767.2	756.5	Other current liabilities	34.4	33.7
Total Assets	2,466.0	2,432.6	Total Current Liabilities	668.6	585.9
			Total Equity & Liabilities	2,466.0	2,432.6

Reported to Proforma figures 2022

EUR Million

	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

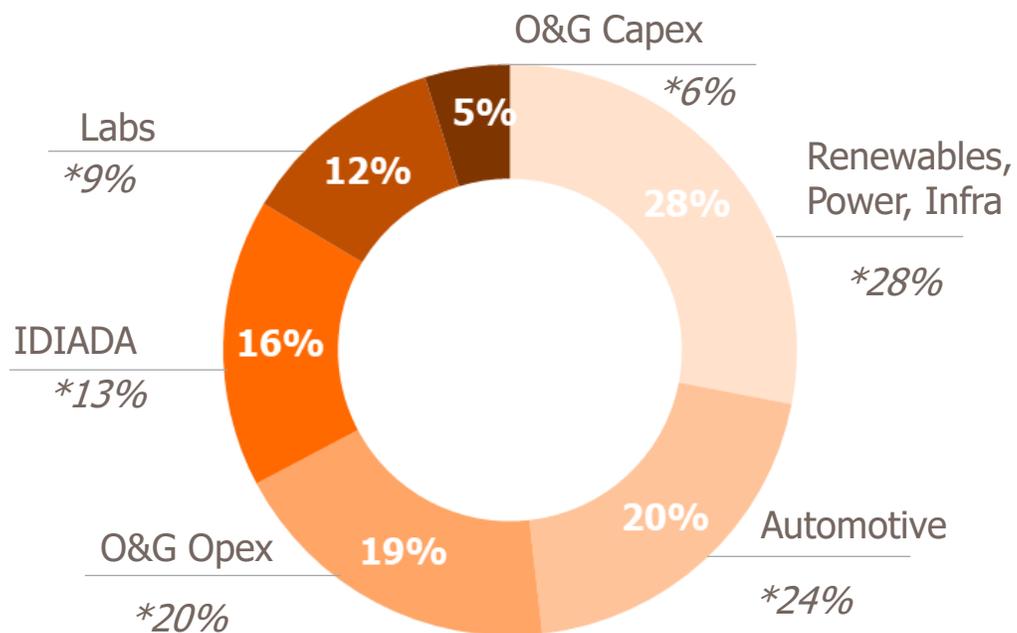
Aerospace business transferred from Energy & Industry to Labs Division

EUR Million

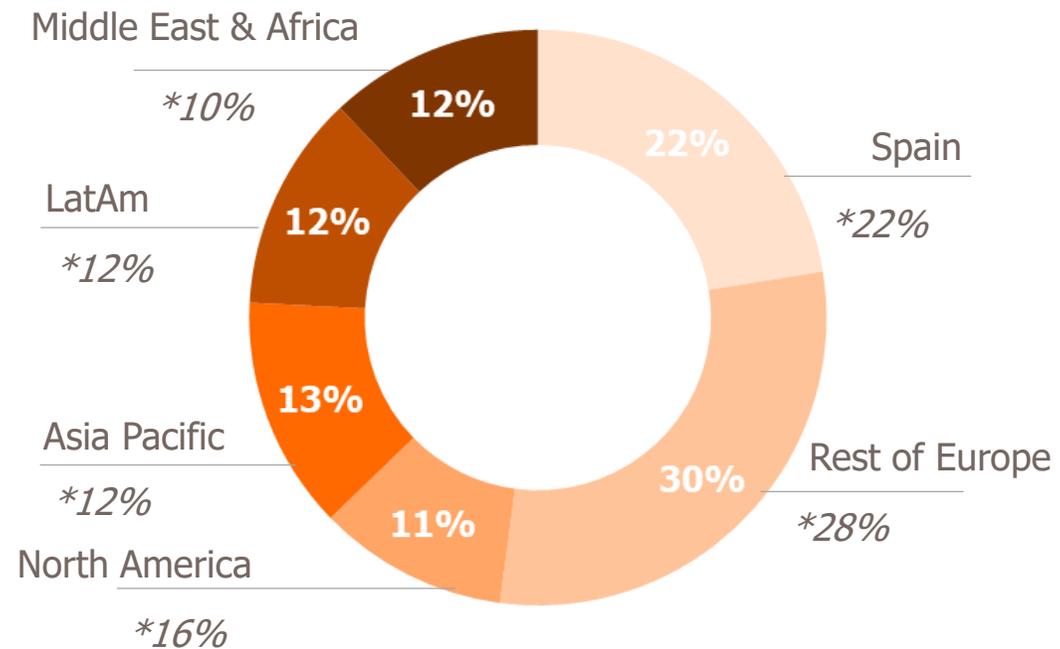
Aerospace	2022					
	Q1	Q2	H1	Q3	Q4	FY
Revenue	5.4	6.2	11.6	6.9	7.0	25.5
<i>Adj. Op. Profit</i>			1.7			4.3
% Adj. Op. Profit Margin			14.3%			16.8%

H1 2023: Splits End Market and Geography

% Total Revenues by End Market



% Total Revenues by Geography

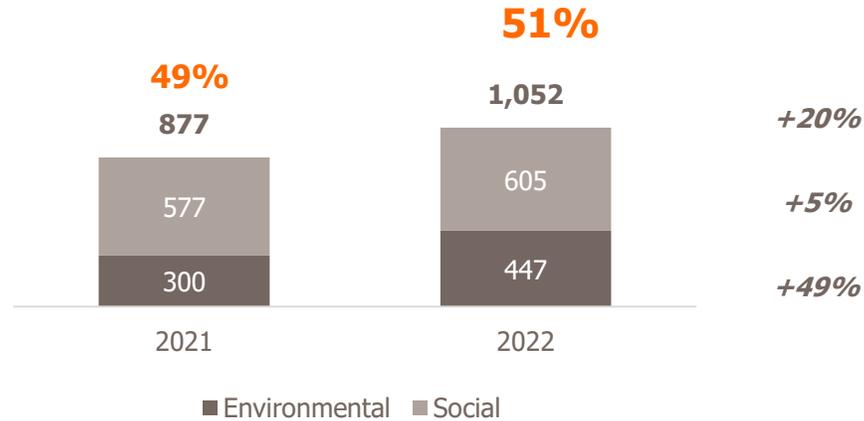


* H1 2022 Reported

ESG | Sustainability Services fueling our growth

Arplus+ Group Sustainability Services in 2022 €m

% Total Revenues



- 2022 first year measuring the full sustainability linked services by adding in revenue from services that provide a positive social impact to those previously measured having a positive environmental impact
- Strong growth in sustainability services of 20%
- Global megatrends of Energy Transition, Electrification and Connectivity are aligned with our Sustainability Services ambitions



Energy & Industry

- Renewables, Soil testing
- Energy efficiency
- Environmental monitoring
- Water infrastructure
- Safety audits, H&S training, Road management, Telecom networks

FY2022: **25%**



Auto

- Emissions inspection
- Vehicle safety inspection

FY2022: **98%**



IDIADA

- Transition to EV and Hybrid vehicles
- Passive and Active Safety tests
- Homologation (regulatory tests)
- Road safety

FY2022: **81%**



Labs

- EVs and battery testing
- Fire, building product certifications
- Electrical safety, Rolling stock
- Medical devices
- Cybersecurity and IoT
- Systems certification, metrology

FY2022: **47%**

Alternative Performance Metrics

Arplus' 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

- **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**, realized 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, 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

Alternative Performance Metrics

- **Inorganic**, the revenue or adjusted operating profit relating to acquisitions and disposals 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

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