

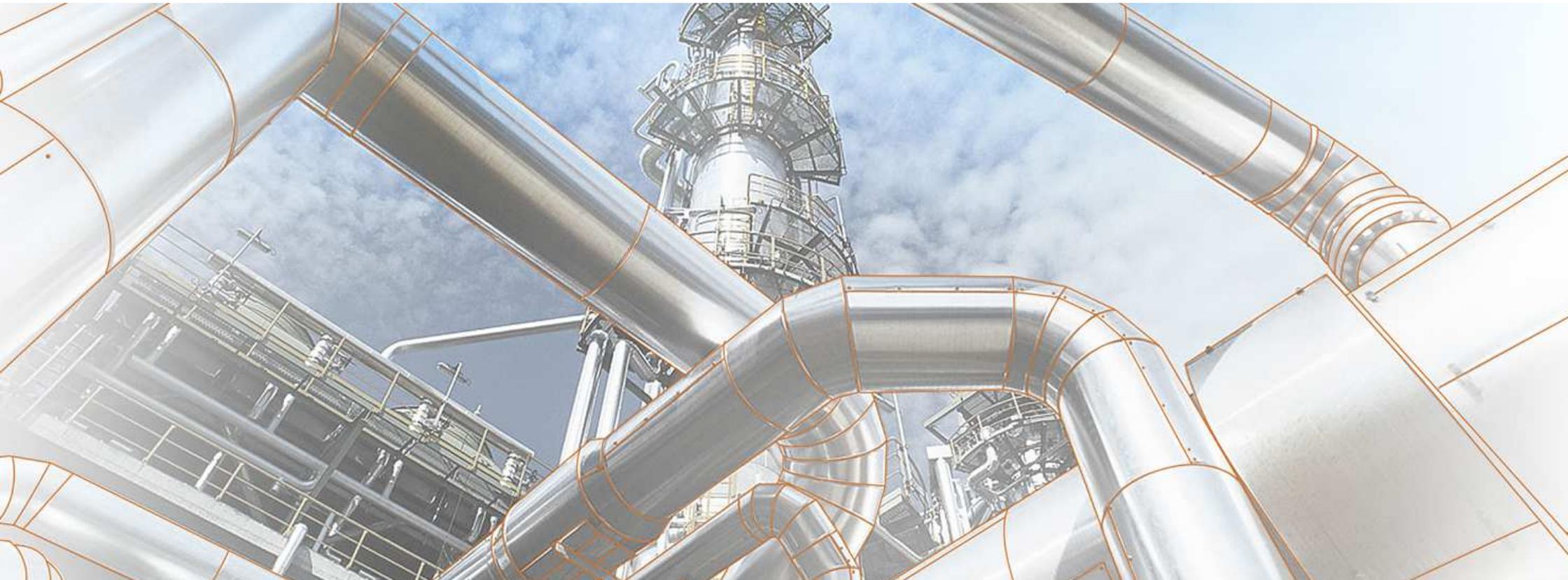
Applus⁺

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Applus+

Group Results Presentation YTD Q3 2017

31st October 2017



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

Agenda

- 1 HIGHLIGHTS**
- 2 FINANCIAL REVIEW
- 3 BUSINESS REVIEW
- 4 INVERSIONES FINISTERRE
- 5 OUTLOOK 2017

Fernando Basabe
Chief Executive Officer



Highlights

- Stable revenue and profit year to date with second quarter in a row of positive organic revenue growth
- Energy & Industry trend similar to H1. Oil & Gas market still under pressure
- Labs, Auto and IDIADA good revenue growth
- Agreement to acquire a majority stake of Inversiones Finisterre (Auto)
- Successful equity raise of 10% of capital
- YTD Q3 2017 financial performance:
 - Revenue of €1,185.0 million down organic¹ 0.3%
 - Operating profit² of €106.4 million flat organic¹
 - Operating profit² margin of 9.0%, up from 8.9% in previous year
 - Operating cash flow² of €73.6 million, down €15.7 million
 - Net debt³/EBITDA ratio down to 2.5x

(1) Organic is at constant exchange rates

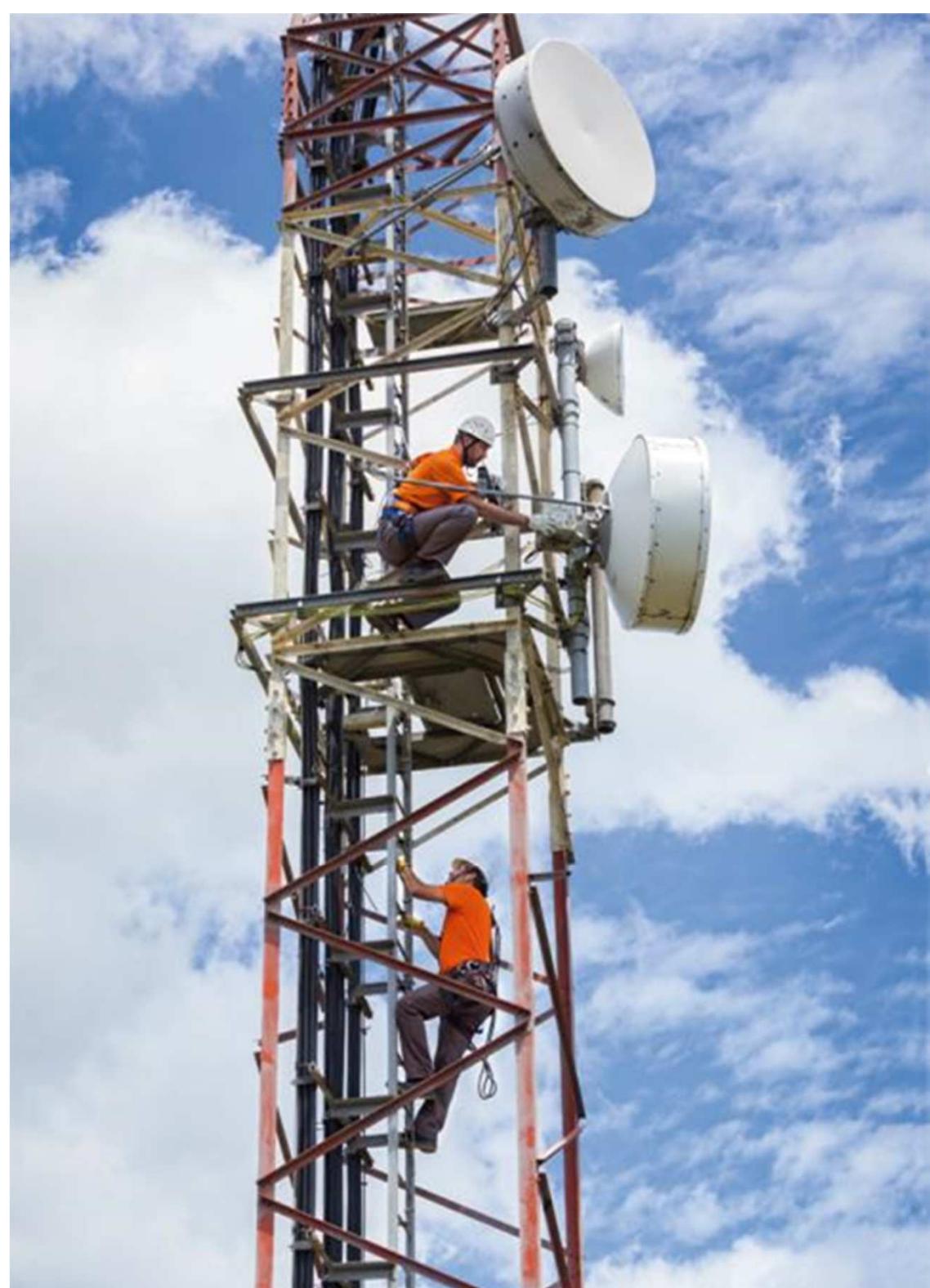
(2) All adjusted for other results and amortisation of acquisition intangibles

(3) Including funds from ABO (137.2M€)

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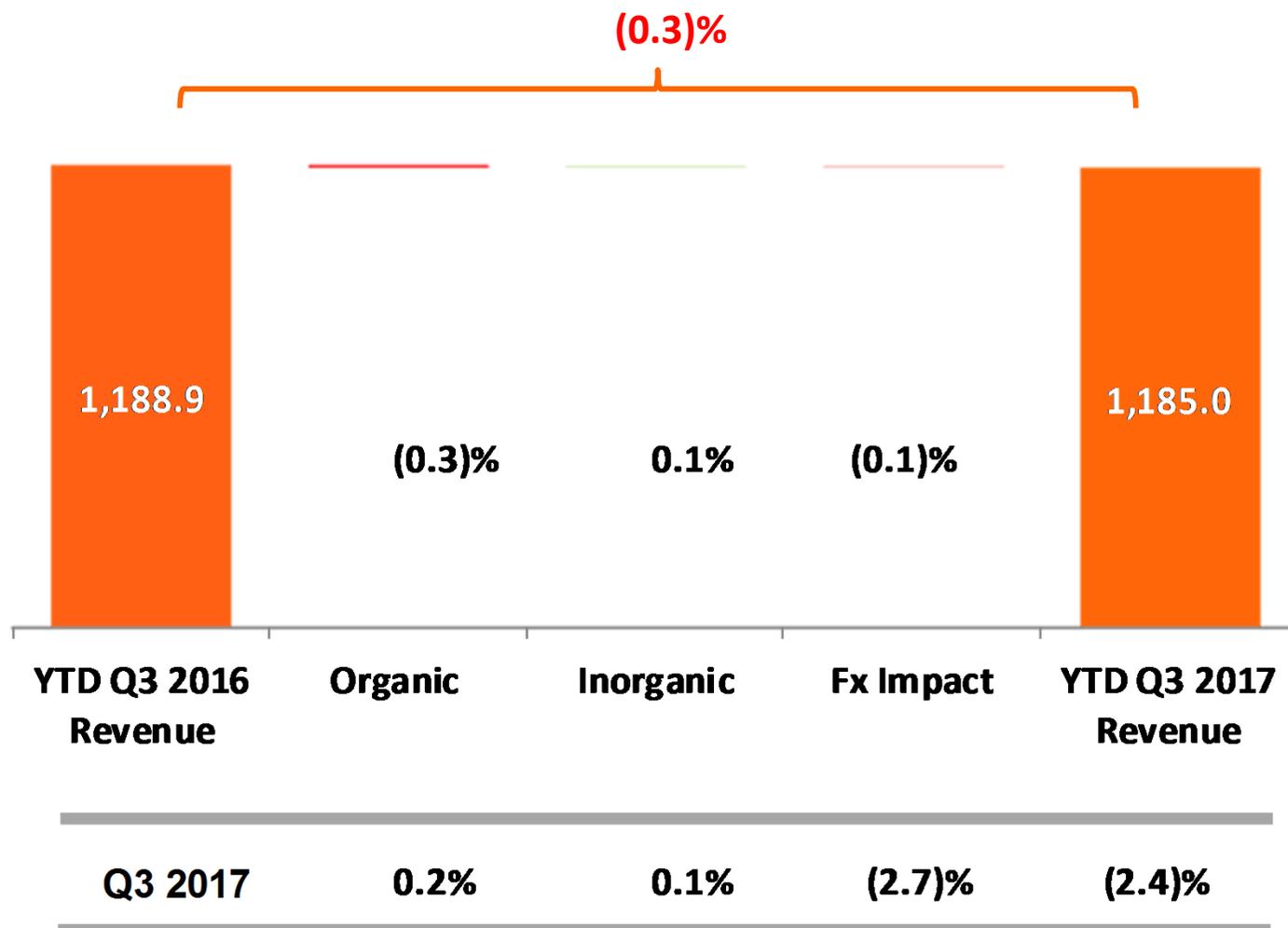
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Joan Amigó
Chief Financial Officer



YTD Q3 2017. Revenue Growth Bridge

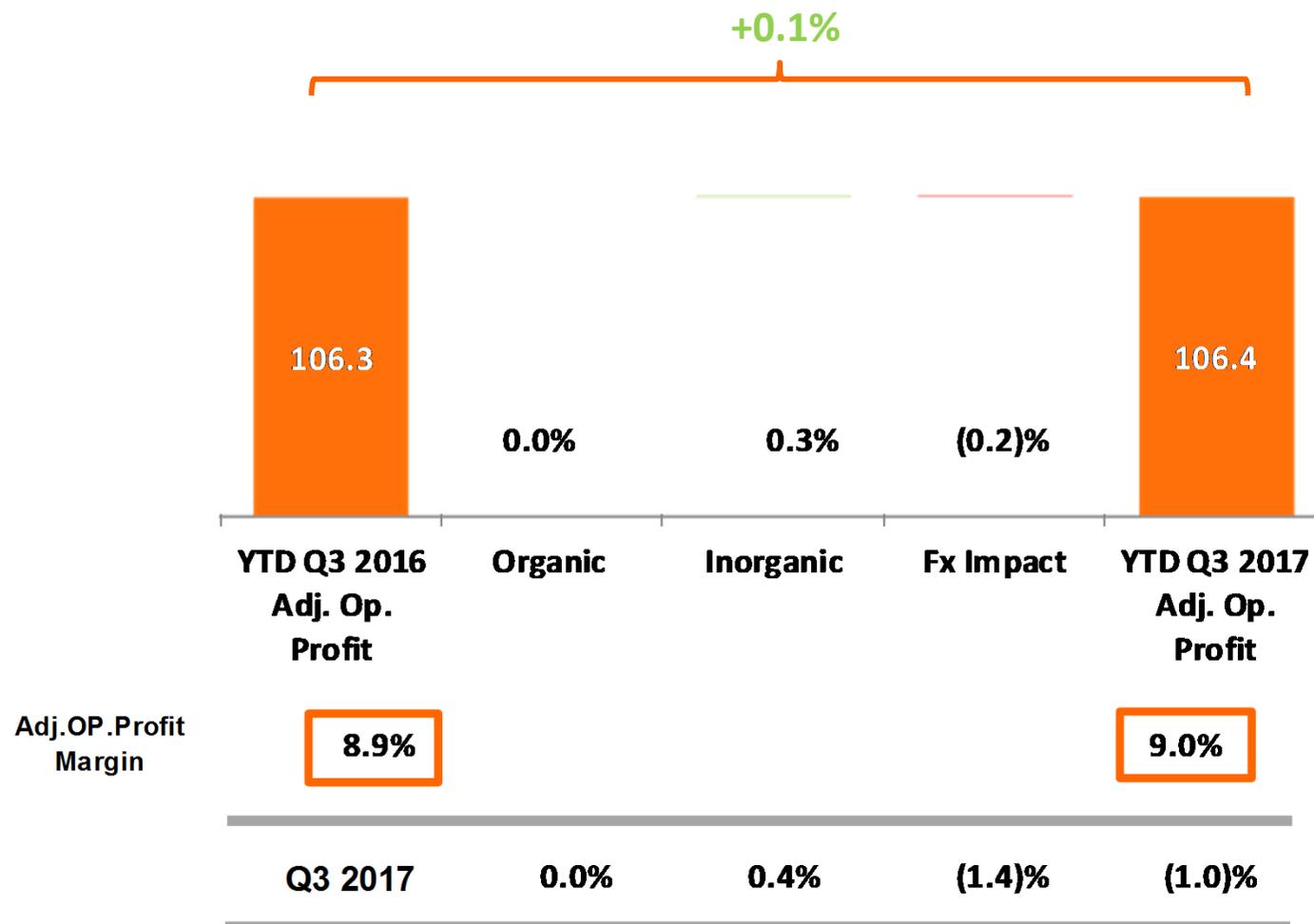
EUR Million



- Stable revenue performance

YTD Q3 2017. Adjusted Operating Profit Growth Bridge

EUR Million



- Solid margin performance

YTD Q3 2017. Summary Income Statement

EUR Million

	Q3			YTD Q3		
	2017	2016	Change	2017	2016	Change
Revenue	395.7	405.3	(2.4)%	1,185.0	1,188.9	(0.3)%
Adj. Operating Profit⁽¹⁾	35.4	35.7	(1.0)%	106.4	106.3	0.1%
<i>Adj.Op.Profit margin</i>	<i>8.9%</i>	<i>8.8%</i>		<i>9.0%</i>	<i>8.9%</i>	
PPA Amortisation	(11.9)	(11.9)		(35.7)	(35.7)	
Other results	(1.6)	(2.9)		(7.2)	(8.4)	
Operating profit	21.8	21.0	4.2%	63.4	62.2	2.0%
Finance result	(5.6)	(5.2)		(17.9)	(16.6)	
Associates	0.2	0.3		0.7	1.2	
Profit before tax	16.4	16.1	2.1%	46.2	46.8	(1.3)%

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

YTD Q3 2017. Cash Flow

EUR Million

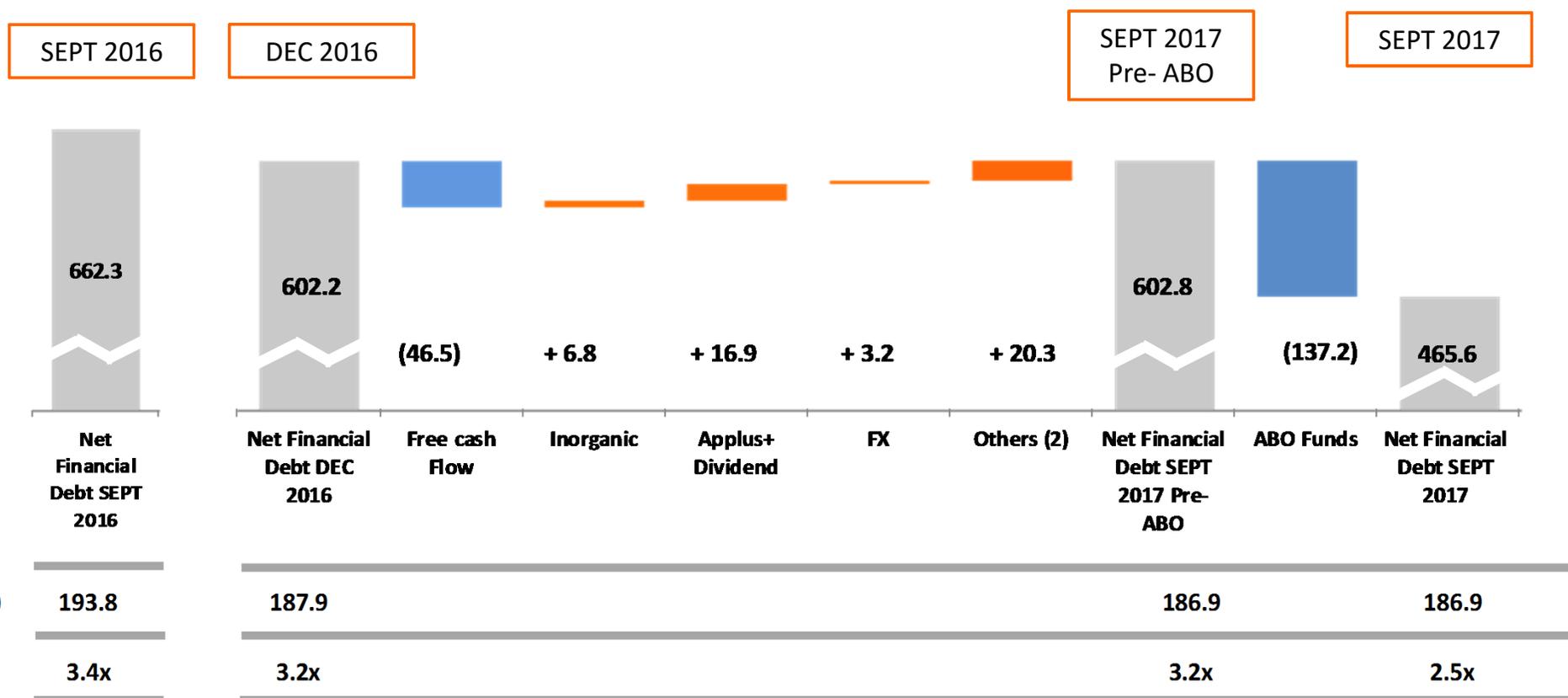
	YTD Q3		
	2017	2016	Change
Adjusted EBITDA⁽¹⁾	140.2	141.9	(1.2)%
(Increase) / decrease in working capital	(42.5)	(14.4)	
Capex - operational	(29.1)	(31.0)	
Capex - Net new vehicle stations ⁽²⁾	5.0	(7.2)	
Adjusted Operating Cash Flow	73.6	89.3	(17.6)%
<i>Cash Conversion rate</i>	<i>52.5%</i>	<i>63.0%</i>	
Taxes Paid	(17.6)	(22.0)	
Interest Paid	(9.5)	(11.3)	
Adjusted Free Cash Flow	46.5	56.0	(16.9)%
Extraordinaries	(2.5)	(8.8)	
Tax litigations	(2.0)	(3.4)	
Historical Management Incentive Plan	(8.5)	(9.5)	
Applus+ Dividend	(16.9)	(16.9)	
Minorities	(7.6)	(5.8)	
Others	0.2	(0.8)	
Operating Cash Generated	9.3	10.8	
Acquisitions / Disposals	(6.8)	(2.1)	
Cash b/Changes in Financing & FX	2.5	8.7	

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

(2) Capex for vehicle stations is net of disposals of old stations of €7.8M less amount invested for new stations of €2.8M. SEP YTD 2016 €7.2M investment

YTD Q3 2017. Net Debt as defined in bank covenant ⁽¹⁾

EUR Million



- Excluding the equity raise, net debt and leverage would be below Sep 2016 and stable with year end position
- Bank covenant for Net Debt to EBITDA at <4.5x. From December 2017 <4.0x

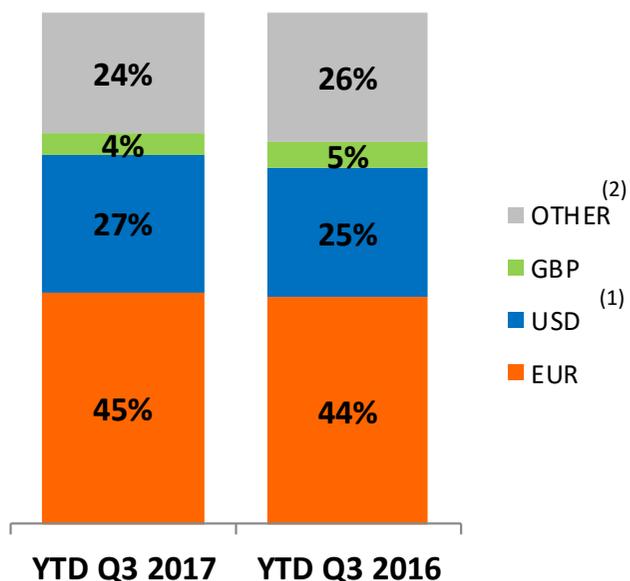
(*) LTM EBITDA includes proforma annual results from acquisitions

(1) Stated at annual average rates

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

YTD Q3 2017. Currency Exposure

% Revenue by Actual Currency



USD weakened against Euro in Q3

	Average FX Exchange rates vs Euro		
	JAN - SEP 2017	JAN - SEP 2016	Change
USD	1.113	1.116	0.3%
GBP	0.872	0.801	(8.2)%

	Average FX Exchange rates vs Euro		
	JUL-SEP 2017	JUL-SEP 2016	Change
USD	1.175	1.116	(5.0)%
GBP	0.898	0.850	(5.3)%

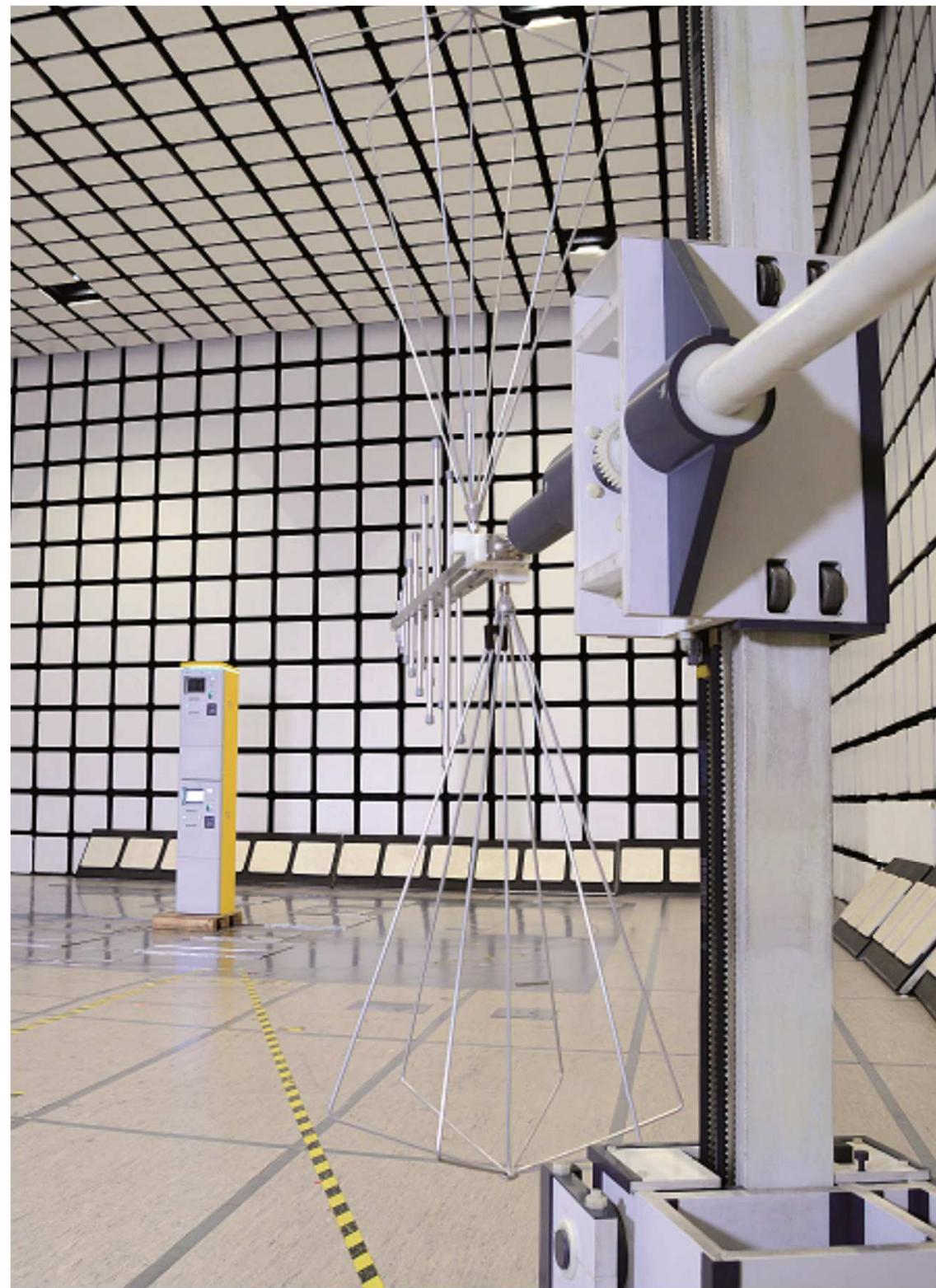
(1) Includes currencies pegged to USD

(2) None above 4%

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Fernando Basabe
Chief Executive Officer

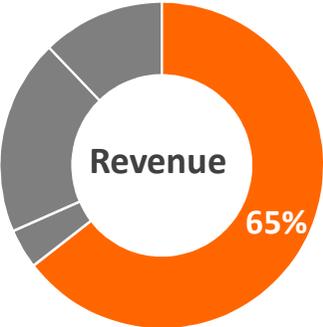


Key figures

Energy & Industry Division employs

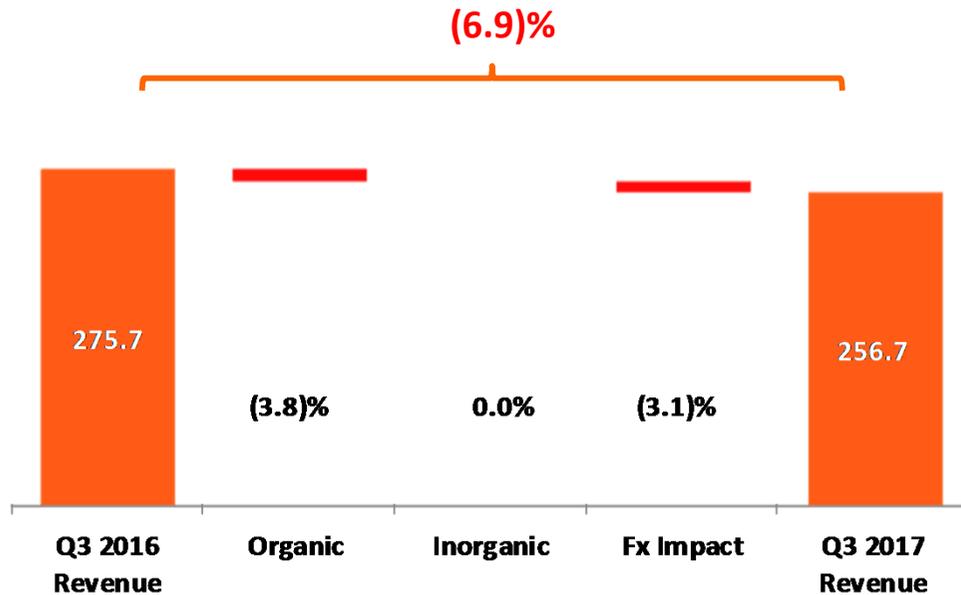
12,500 people

60 in countries

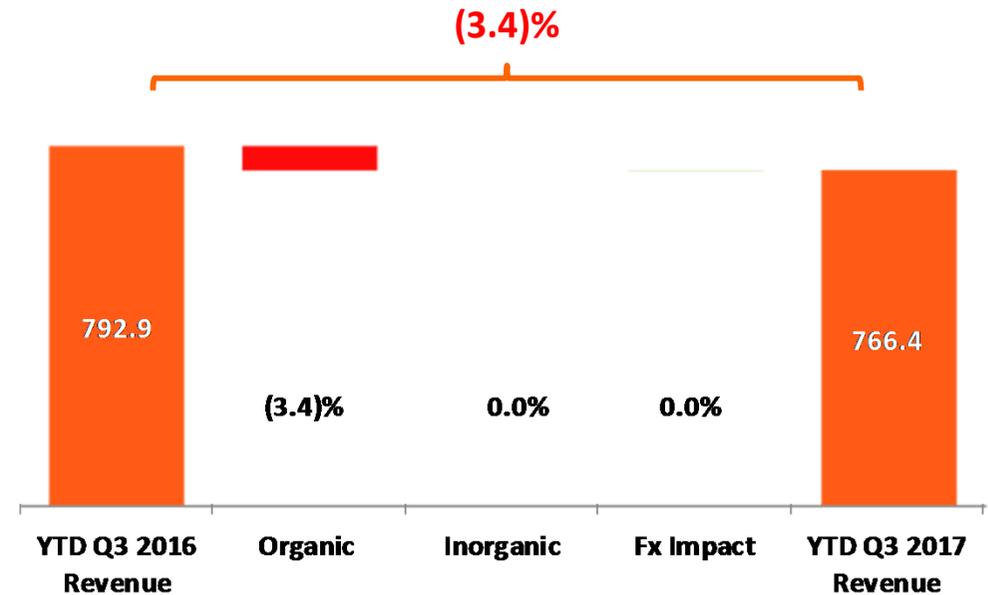


Energy & Industry Division (I)

Q3 2017 Revenue (€m)



YTD Q3 2017 Revenue (€m)



- Q3 organic revenue performance slightly behind H1 (-3.2%)
- Oil & Gas market continues to be tough
- Other end markets including Power, Construction, Telecom and Aerospace continued performing well. Power now accounts for 14% of division

- North America (27% of division revenue): After two years of strong revenue decrease, Q3 was up. New construction pipelines market improving
- LatAm (9%): Region negatively impacted by weaker market conditions mainly in Chile and Colombia whereas Brazil is performing well
- Northern Europe (19%): continues to be stable overall with Opex work and international new construction projects managed out of the region doing well. North Sea Oil & Gas activity under strong volume and price pressure
- Southern Europe, Africa, Middle East, Asia & Pacific (45%):
 - Growth in Middle East, South East Asia and Spain partially offset a decline in Africa and Oceania
 - The new Shell contract in Australia, combining services and assets, has started well

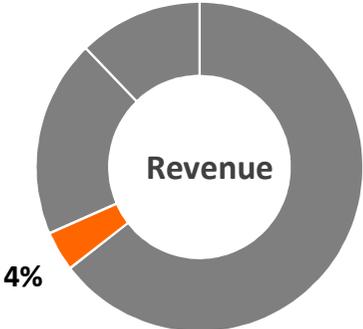


Key figures

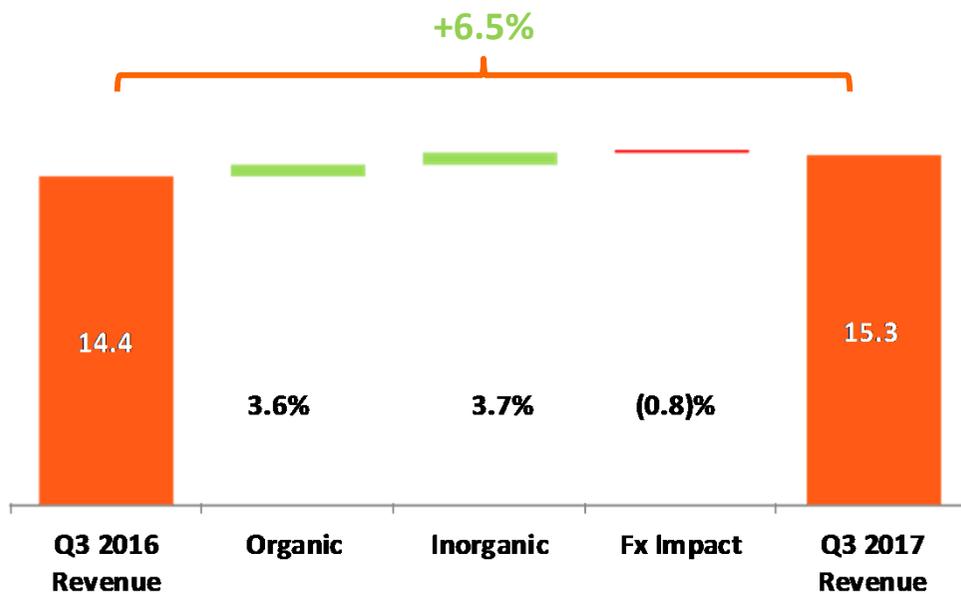
Laboratories Division employs

800 people

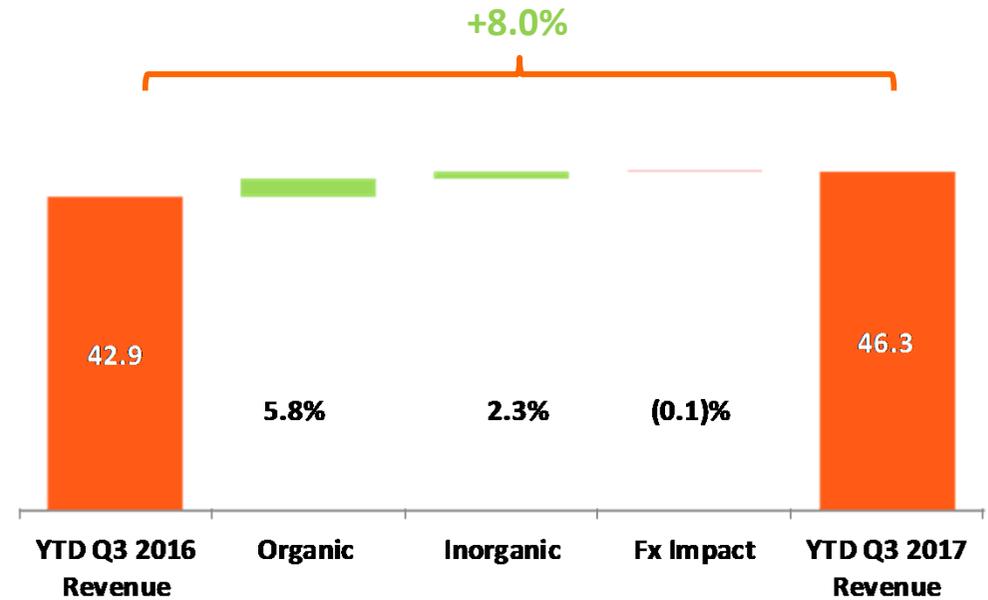
12 in **countries**



Q3 2017 Revenue (€m)



YTD Q3 2017 Revenue (€m)



- Good growth versus a high comparable Q3 last year (+14%)
- All business lines performing well with Industry and Construction leading the growth
- Acquisition in July of AC6, a metrology lab in Spain, with revenue €1.5m and acquisition of Emilab in Italy in Q2, with €1.9m revenue, both performing well.

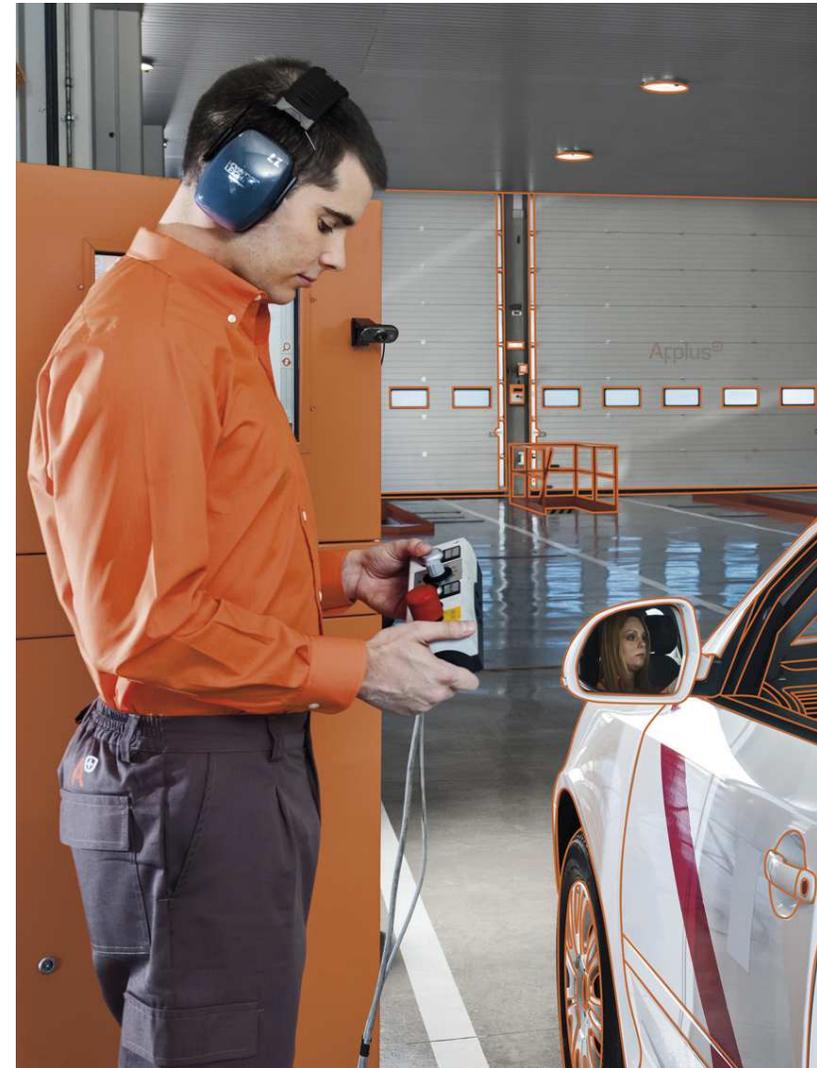
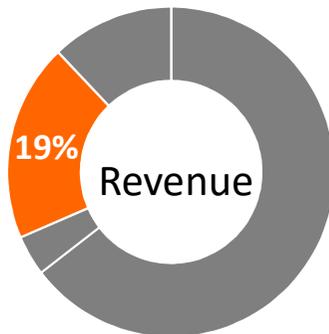
Key figures

Automotive Division employs approximately

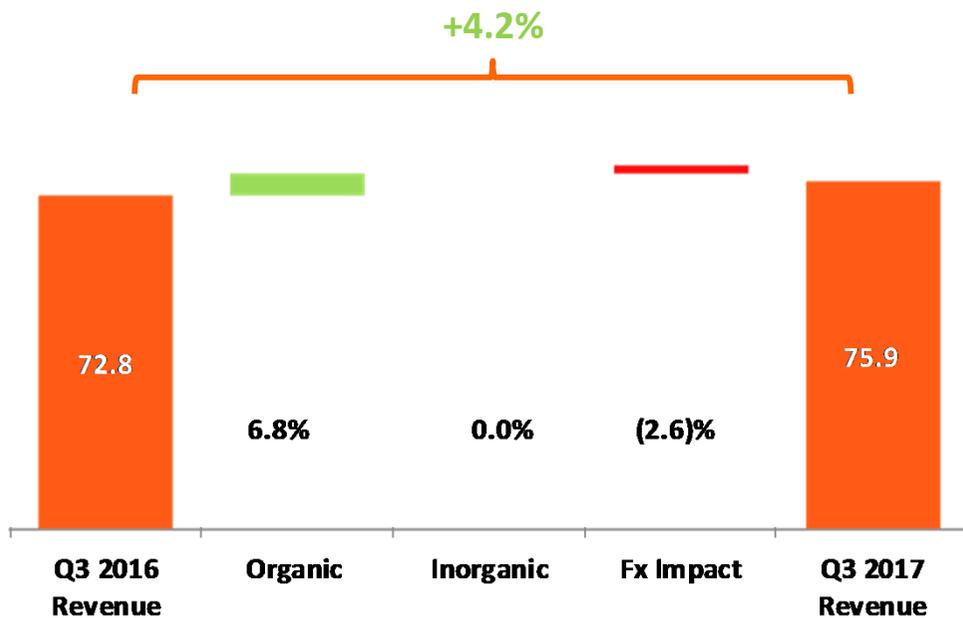
3,500 people



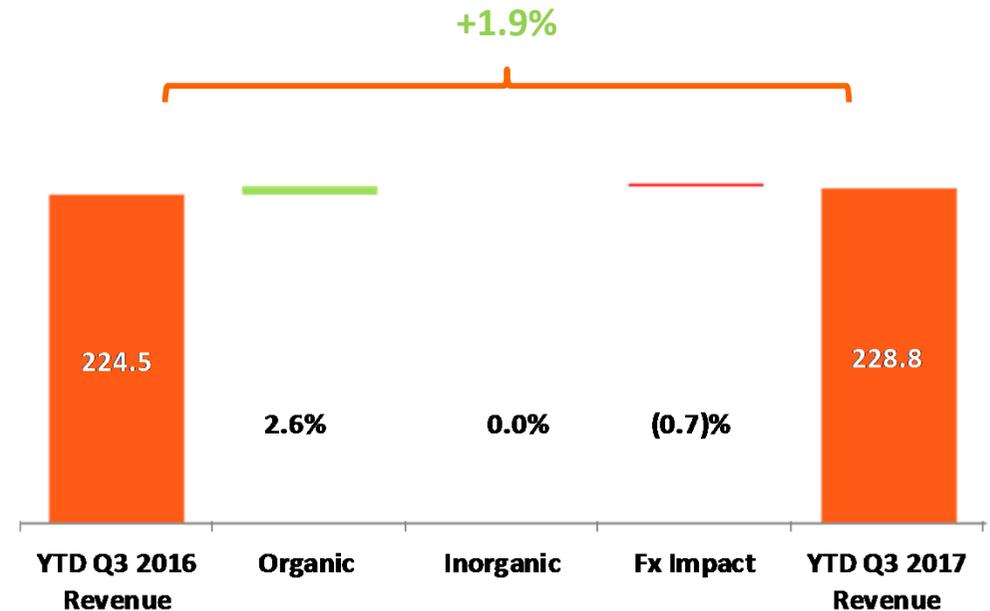
9 in countries



Q3 2017 Revenue (€m)



YTD Q3 2017 Revenue (€m)



- Good revenue growth YTD after an excellent Q3 with some of the new contracts ramping up

- Spain continues performing well led by the liberalised markets in Canary Islands and Madrid
- Ireland remains below last year due to the fleet rejuvenation, although decline moderated in Q3
- USA benefited from the start of a new programme in Massachusetts offsetting lower revenue on the Illinois contract
- Continued double digit growth in LatAm due to the ramp up in Buenos Aires city
- Preparation underway for the new programmes in Uruguay and Ecuador which are expected to start in H2 2018

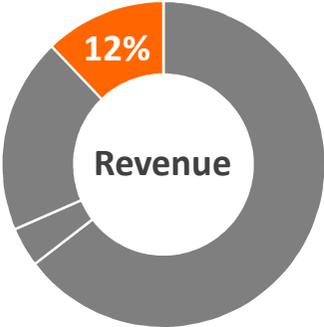


Key figures

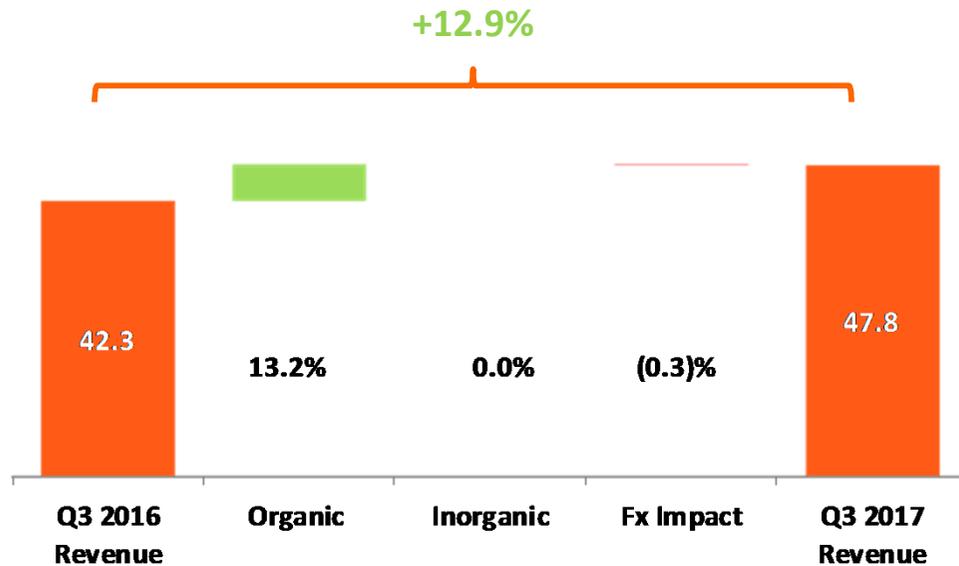
IDIADA Division employs approximately

2,200 people

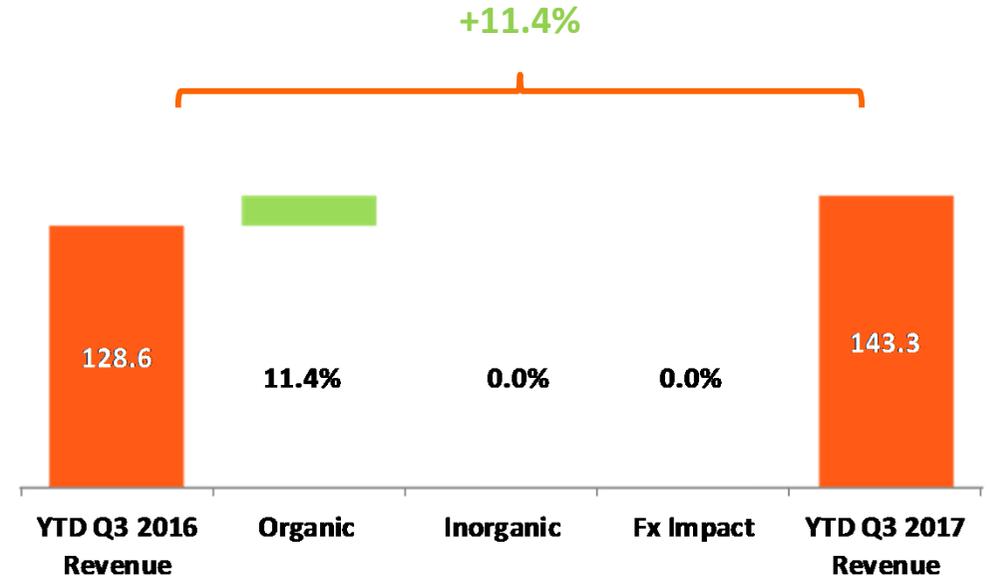
23 in **countries**



Q3 2017 Revenue (€m)



YTD Q3 2017 Revenue (€m)

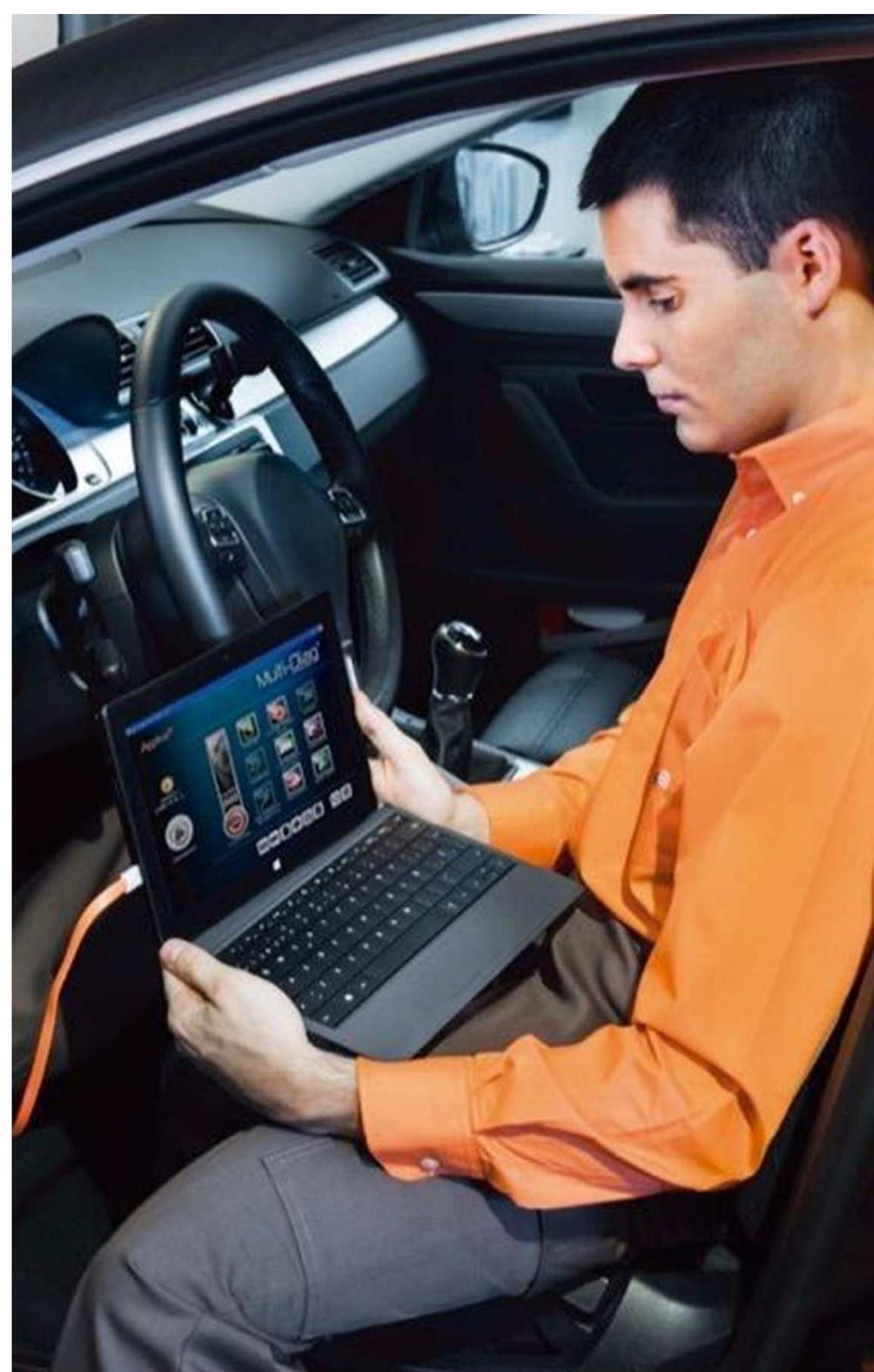


- Double digit growth continues with all business lines performing well
- New European regulations for motorcycles and for emissions recently came into force increasing the volume of homologations
- Commenced several European research activities on connected and automated driving

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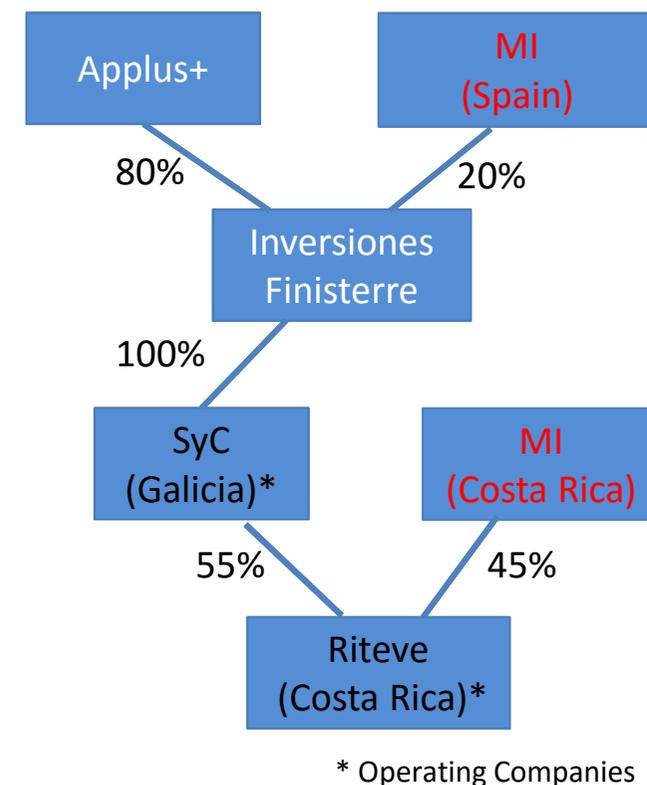
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Fernando Basabe
Chief Executive Officer



Inversiones Finisterre and Equity Raise

- Reinforces our global leadership position in Auto Inspection
- Highly visible and stable cash flows
- Accretive for margin and earnings per share
- FY 2017 revenue of c. €74 million:
 - Galicia €47 million. Concession until December 2023 and can be extended
 - Costa Rica €27 million. Concession until July 2022 and can be extended
- Revenue is expected to continue to grow at low to mid single digits
- Price is c.€89 million. Transaction expected to close in November
- Raised €137m gross proceeds from issuing 13m shares at €10.55
- Leverage reduced allowing for further acquisitions

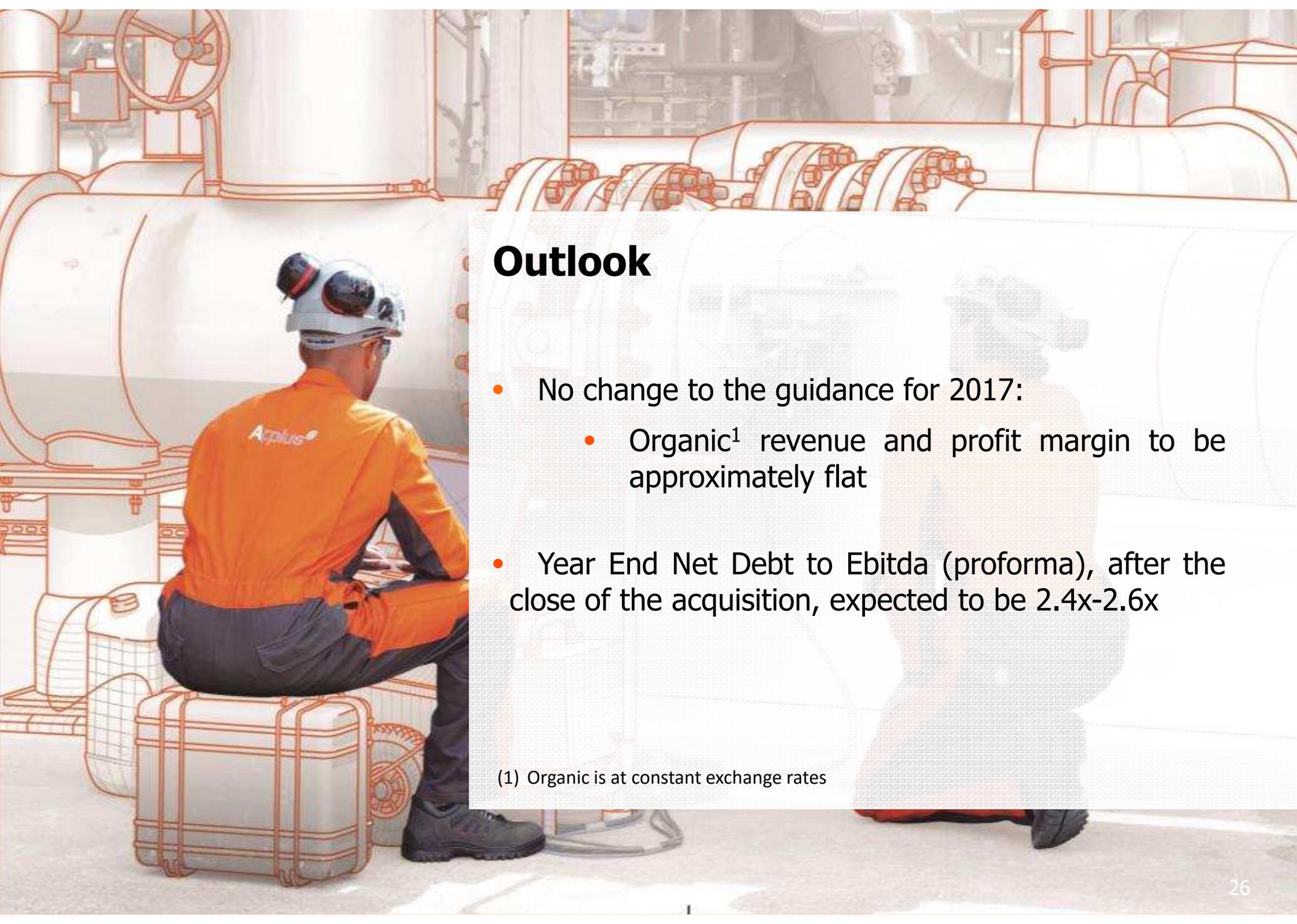


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Fernando Basabe
Chief Executive Officer





Outlook

- No change to the guidance for 2017:
 - Organic¹ revenue and profit margin to be approximately flat
- Year End Net Debt to Ebitda (proforma), after the close of the acquisition, expected to be 2.4x-2.6x

(1) Organic is at constant exchange rates

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YTD Q3 2017. Adjustments to Statutory results

EUR Million	YTD Q3 2017			YTD Q3 2016			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
Revenue	1,185.0		1,185.0	1,188.9	-	1,188.9	(0.3)%
Ebitda	140.2	(3.7)	136.6	141.9	(8.3)	133.6	(1.2)%
Operating Profit	106.4	(42.9)	63.4	106.3	(44.1)	62.2	0.1%
Net financial expenses	(17.9)		(17.9)	(16.6)	0.0	(16.6)	
Share of profit of associates	0.7		0.7	1.2	0.0	1.2	
Profit Before Taxes	89.1	(42.9)	46.2	90.9	(44.1)	46.8	(2.0)%

YTD Q3 and Q3 2017. Revenue by Division & Adj. Op. Profit

EUR Million

YTD Q3

REVENUE	Actual 2017	Growth				Actual 2016
		Organic	Inorganic	FX	Total	
Energy & Industry	766.4	(3.4)%	0.0%	0.0%	(3.4)%	792.9
Laboratories	46.3	5.8%	2.3%	(0.1)%	8.0%	42.9
Auto	228.8	2.6%	0.0%	(0.7)%	1.9%	224.5
Idiada	143.3	11.4%	0.0%	0.0%	11.4%	128.6
Total Revenue	1,185.0	(0.3)%	0.1%	(0.1)%	(0.3)%	1,188.9
Adj. Op. Profit	106.4	0.0%	0.3%	(0.2)%	0.1%	106.3

Q3

REVENUE	Actual 2017	Growth				Actual 2016
		Organic	Inorganic	FX	Total	
Energy & Industry	256.7	(3.8)%	0.0%	(3.1)%	(6.9)%	275.7
Laboratories	15.3	3.6%	3.7%	(0.8)%	6.5%	14.4
Auto	75.9	6.8%	0.0%	(2.6)%	4.2%	72.8
Idiada	47.8	13.2%	0.0%	(0.3)%	12.9%	42.3
Total Revenue	395.7	0.2%	0.1%	(2.7)%	(2.4)%	405.3
Adj. Op. Profit	35.4	0.0%	0.4%	(1.4)%	(1.0)%	35.7

YTD Q3 2017. Other results

EUR Million

	YTD Q3		
	2017	2016	Change
Other results	(7.2)	(8.4)	14.5%
Severances & Other Gains&Losses	(2.8)	(0.1)	
Transaction costs	(0.8)	0.0	
Historical Management Incentive Plan	(3.7)	(8.3)	