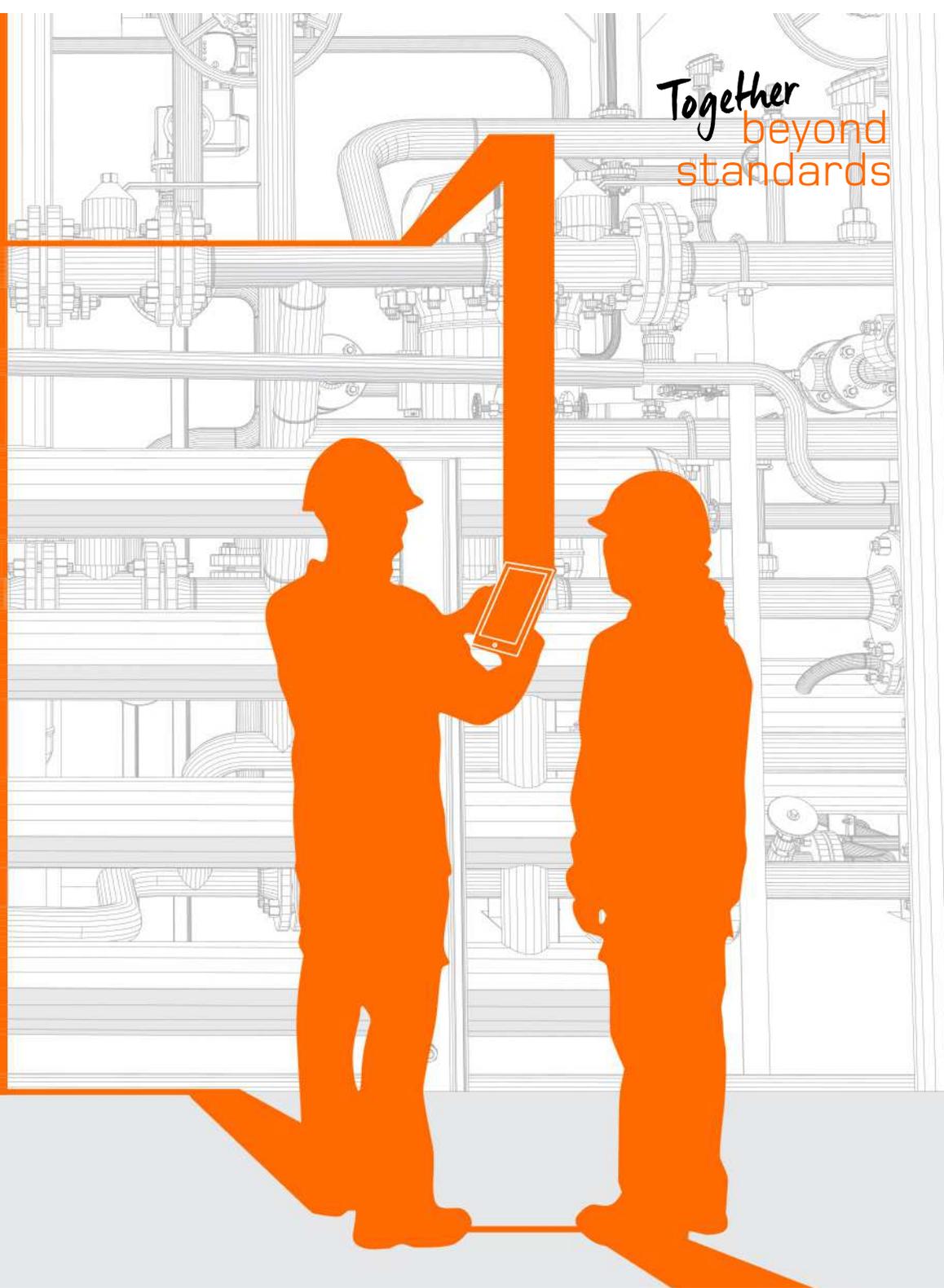


Applus⁺

Applus+ Group YTD Q3 2018 Results Presentation

30 October 2018

Together
beyond
standards



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Results Presentation YTD Q3 2018

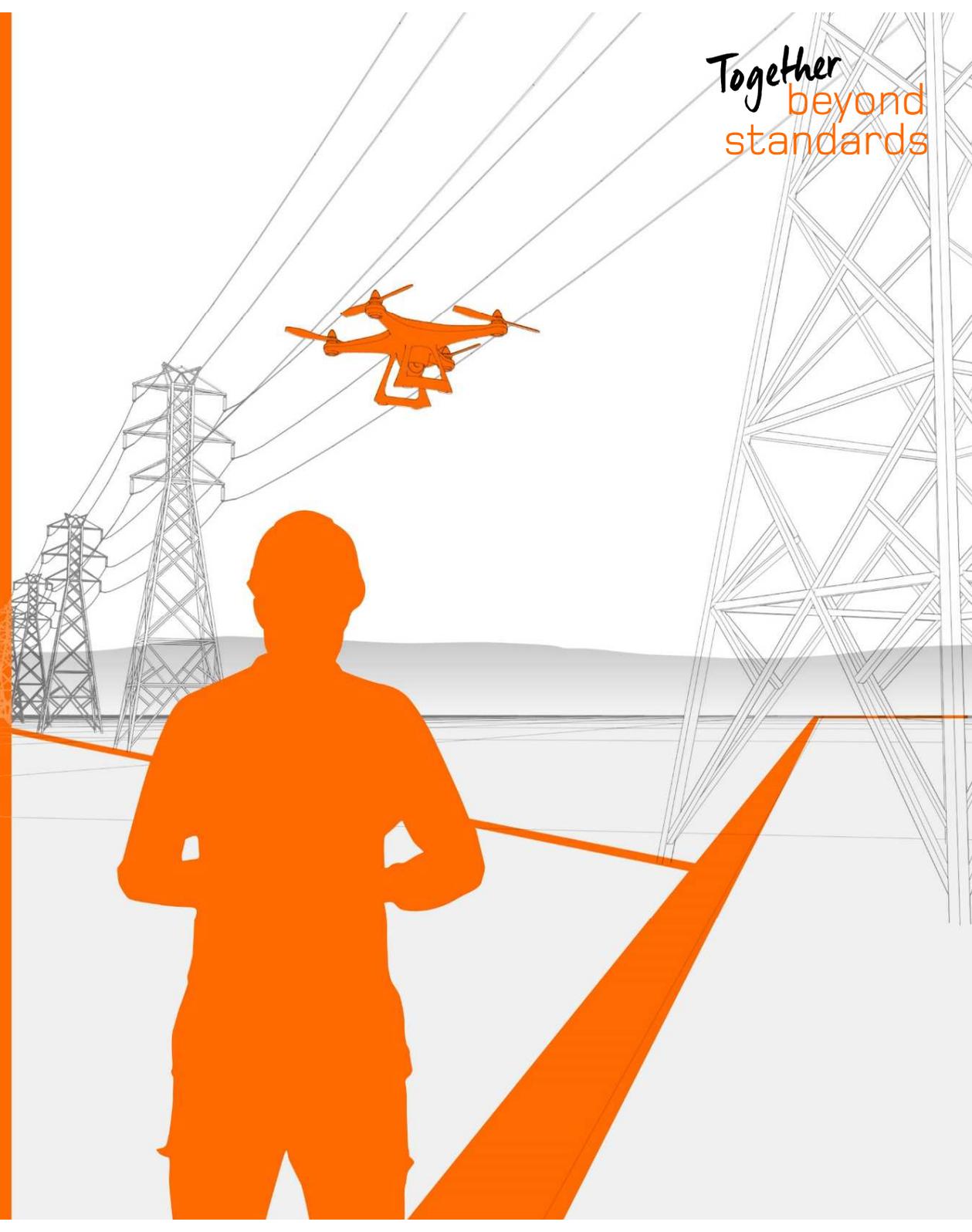
→ HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

SUMMARY & OUTLOOK

Fernando Basabe
Chief Executive Officer



- Organic revenue growth rate improved in Q3
- Margin increase of 126 bps for 9 months (113 bps increase at H1)
- Positive revenue growth trend continues in Energy & Industry
- Outstanding growth of 30% in the Labs division in Q3
- Auto and IDIADA growing well in Q3 and YTD
- YTD Q3 Results:
 - **Revenue** of €1,245.1 million up 5.1% (organic¹ +3.9%)
 - Operating **profit**² of €127.4 million up 19.8% (organic¹ +4.9%)
 - Operating profit² **margin** of 10.2%, up 126 bps
 - Operating **cash flow** of €80.1 million up 8.7%
 - **Net Profit** up 21.7% (Adjusted² +17%)
 - **Earnings per Share**² of €0.50, up 6.4%
 - **Net debt/EBITDA** ratio stable at 2.4x

(1) Organic is at constant exchange rates

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

Results Presentation YTD Q3 2018

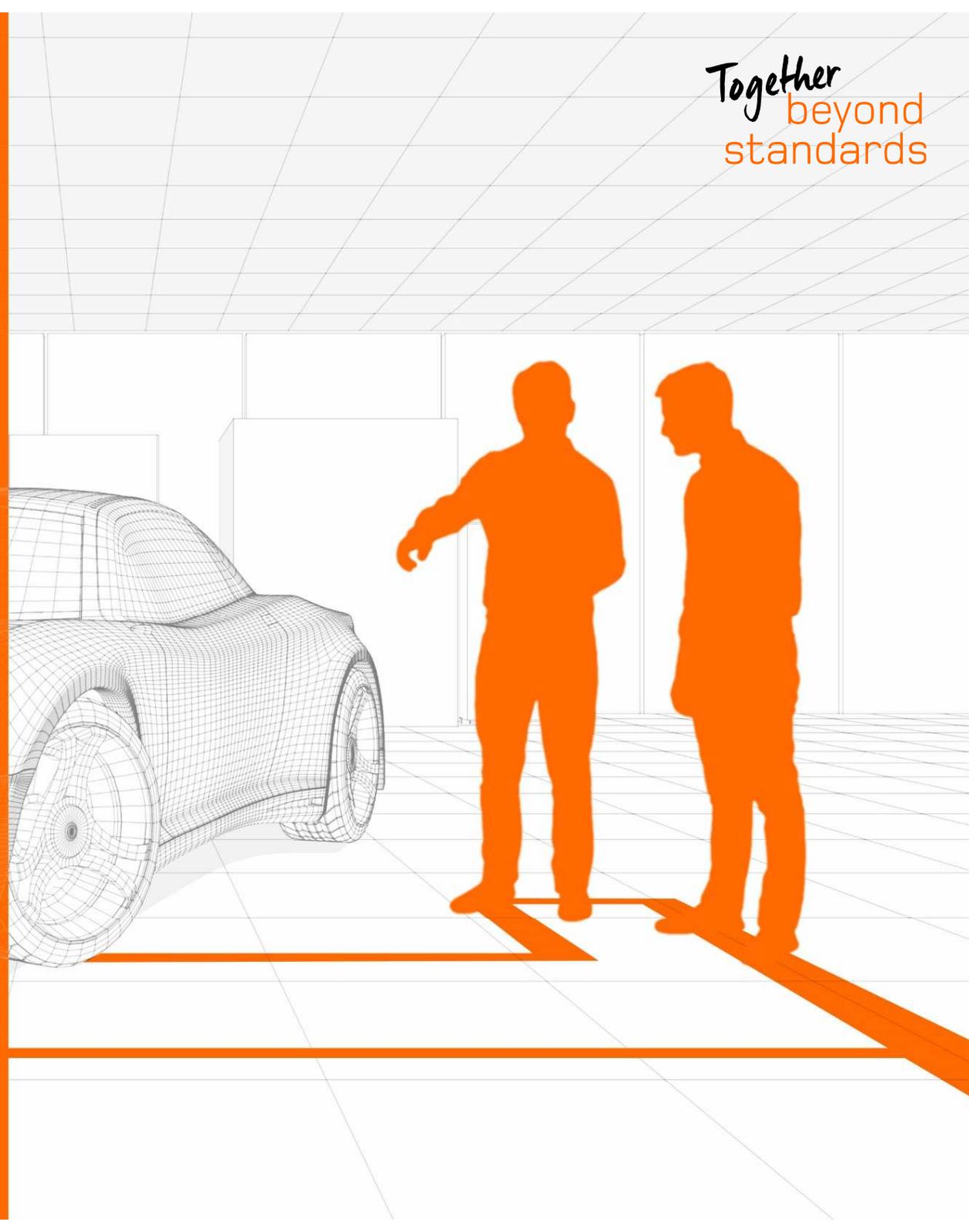
HIGHLIGHTS

→ **FINANCIAL REVIEW**

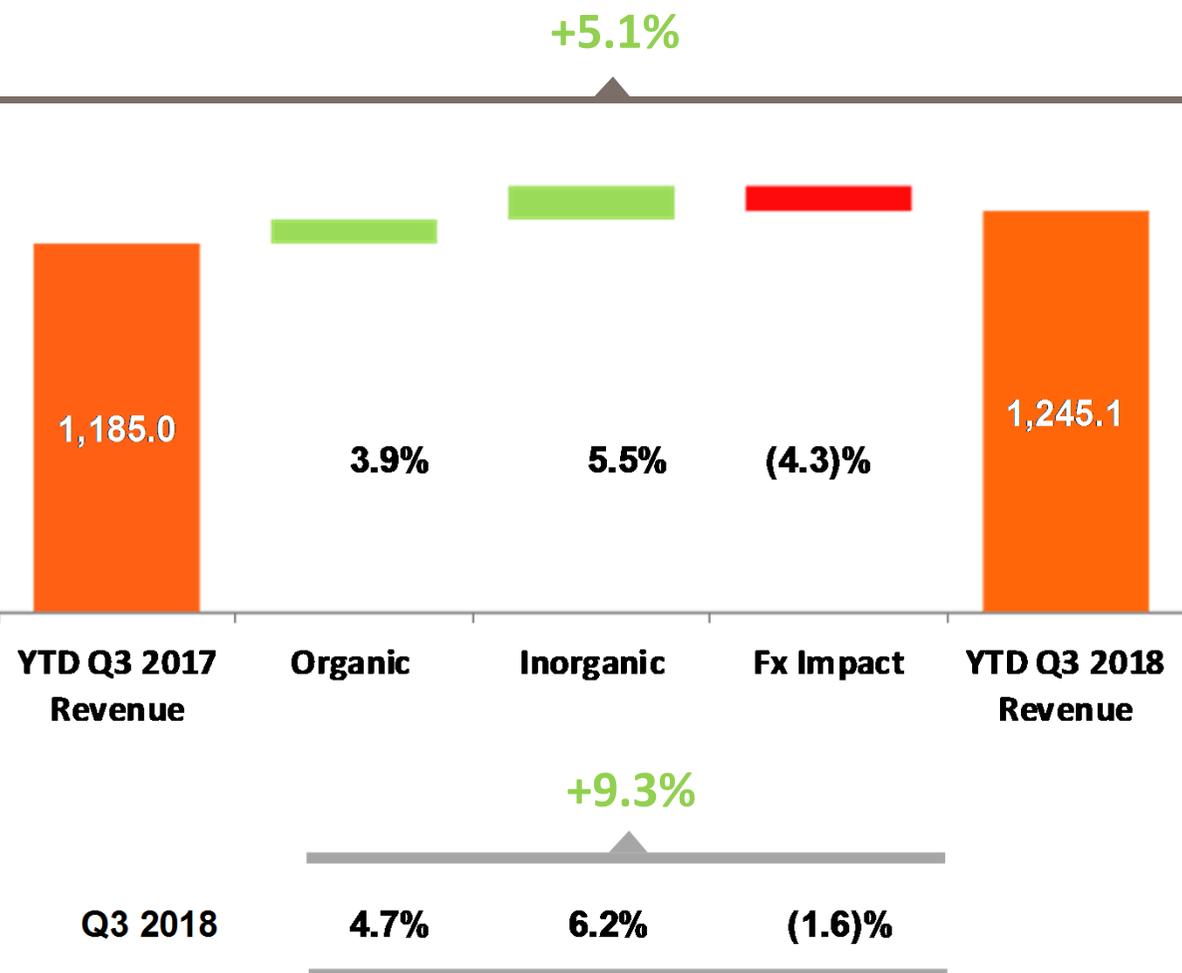
BUSINESS REVIEW

SUMMARY & OUTLOOK

Joan Amigó
Chief Financial Officer



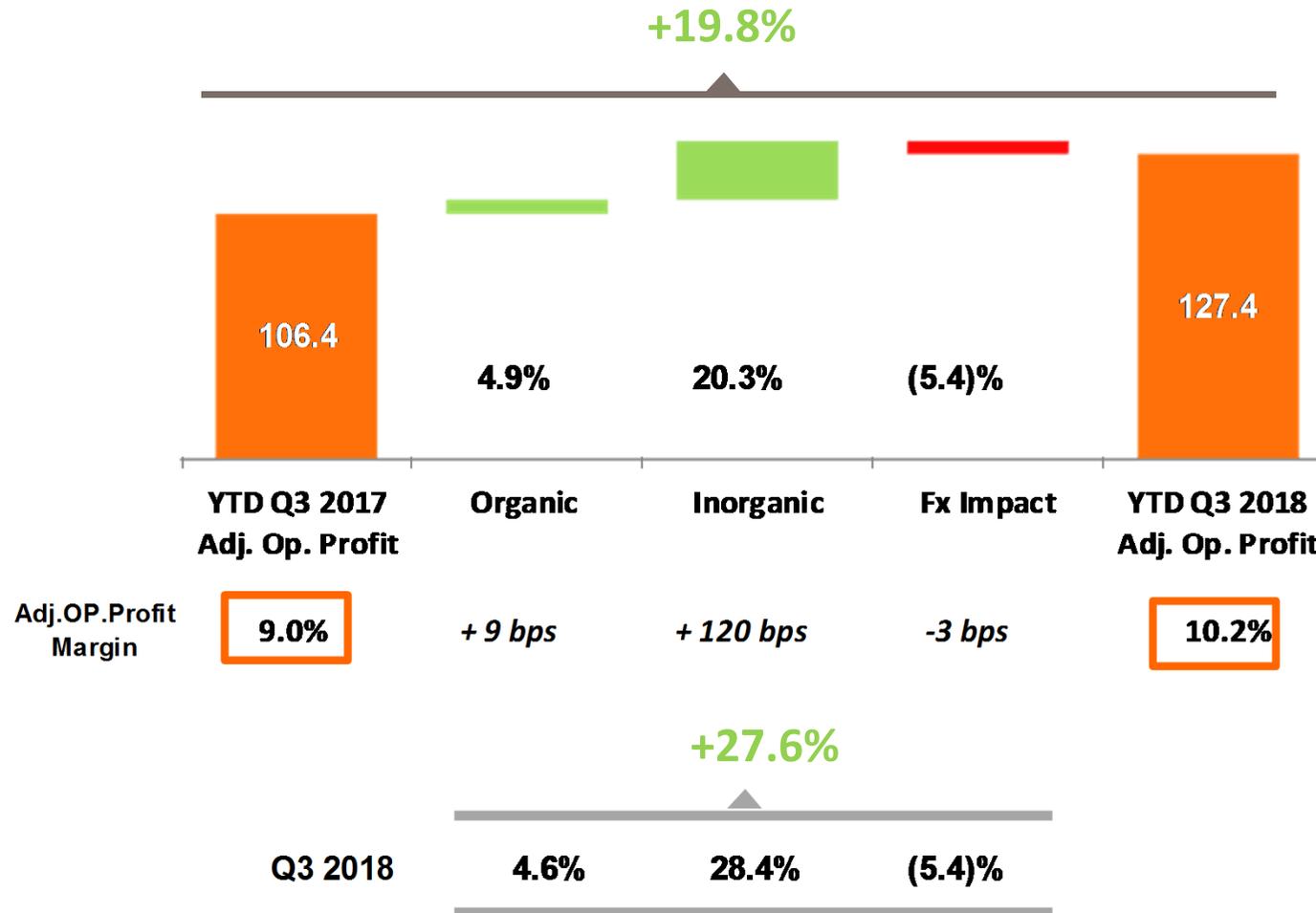
EUR Million



Improved revenue growth trend in Q3

YTD Q3 2018. Adjusted Operating Profit Bridge

EUR Million



Significant margin improvement mainly from acquisitions

EUR Million

	YTD Q3		
	2018	2017	Change
Revenue	1,245.1	1,185.0	5.1%
Adj. Operating Profit⁽¹⁾	127.4	106.4	19.8%
<i>Adj.Op.Profit margin</i>	<i>10.2%</i>	<i>9.0%</i>	<i>+ 126 bps</i>
PPA Amortisation	(44.4)	(35.7)	
Other results	(1.5)	(7.2)	
Operating profit	81.6	63.4	28.6%
Finance result	(12.8)	(17.9)	
Refinancing Costs	(3.9)	0.0	
Associates	0.0	0.7	
Profit before tax	64.9	46.2	40.4%
Income taxes	(18.6)	(13.2)	
Net Profit	46.3	33.0	40.2%
Minorities	(14.0)	(6.5)	
Net Profit Group	32.3	26.5	21.7%
Adjusted Net Profit Group	71.6	61.2	17.0%
EPS in €	0.226	0.204	10.7%
Adjusted EPS in €⁽²⁾	0.500	0.470	6.4%

(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

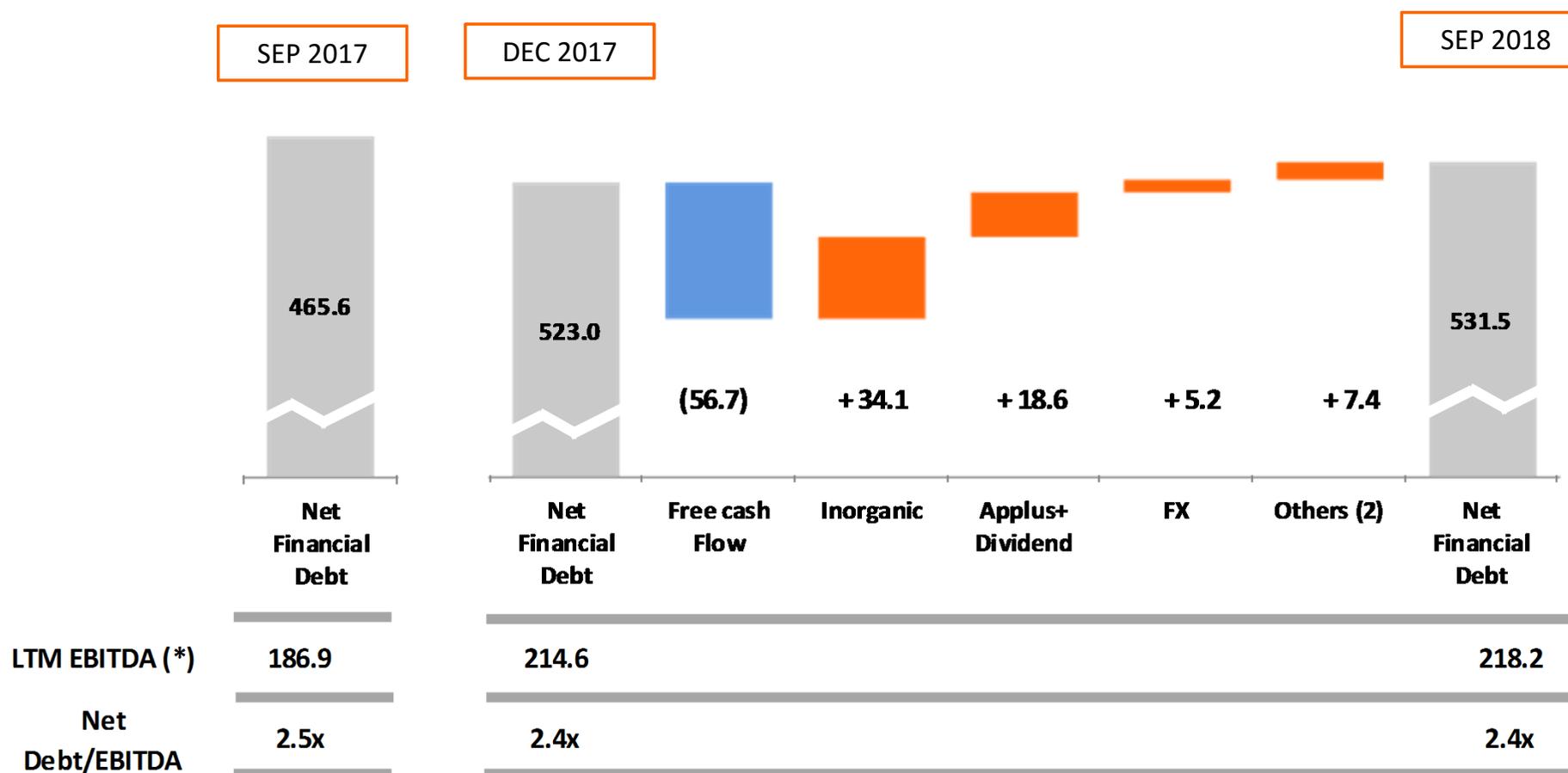
EUR Million

	YTD Q3		
	2018	2017	Change
Adjusted EBITDA ⁽¹⁾	164.3	140.2	17.1%
(Increase) / decrease in working capital	(54.3)	(42.5)	
Capex - operational	(27.6)	(29.1)	
Capex - Net new vehicle stations	(2.3)	5.0	
Adjusted Operating Cash Flow	80.1	73.6	8.7%
<i>Cash Conversion rate</i>	<i>48.7%</i>	<i>52.5%</i>	
Taxes Paid	(17.3)	(17.6)	
Interest Paid	(6.0)	(9.5)	
Adjusted Free Cash Flow	56.7	46.5	21.9%
Extraordinaries & Others	(3.5)	(2.3)	
Tax litigations	0.0	(2.0)	
Historical Management Incentive Plan	0.0	(8.5)	
Applus+ Dividend	(18.6)	(16.9)	
Minorities	(8.4)	(7.6)	
Operating Cash Generated	26.2	9.3	
Acquisitions	(34.1)	(6.8)	
Cash b/Changes in Financing & FX	(7.9)	2.5	

- Working Capital inflow expected in Q4 with usual seasonality
- Adjusted free cash flow increase of 21.9%
- Extraordinaries and others includes the cost of refinancing of 4M€
- Acquisitions corresponds to 3C, Karco, DatapointLabs and final payment on Inversiones Finisterre

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

EUR Million



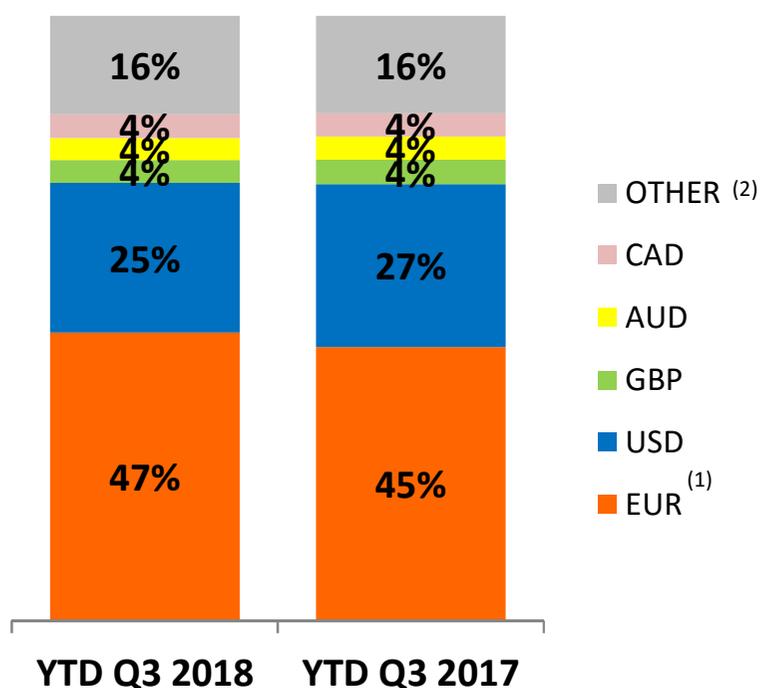
Stable leverage

(*) LTM EBITDA includes proforma annual results from acquisitions

(1) Stated at annual average rates

(2) Others includes return of short term investments partially offset by dividends to minorities

% Revenue by Actual Currency



- Euro is stronger against most currencies
- Lower impact in Q3 than H1
- Hyperinflation in Argentina. See Appendix

	Average FX Exchange rates vs Euro			
	JAN - SEP 2018	JAN - SEP 2017	Change	FY 2017
USD	1.195	1.113	(6.9)%	1.128
GBP	0.884	0.872	(1.3)%	0.876
AUD	1.575	1.452	(7.8)%	1.471
CAD	1.537	1.454	(5.4)%	1.464
ARS (3)	29.436	18.046	(38.7)%	18.640

(1) Includes currencies pegged to USD

(2) None above 4%

(3) ARS Revenue represents 1.2% of Group Revenue

Results Presentation YTD Q3 2018

HIGHLIGHTS

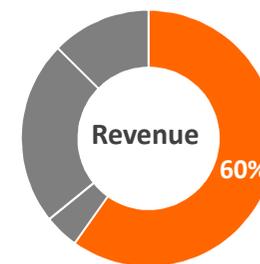
FINANCIAL REVIEW

→ **BUSINESS REVIEW**

SUMMARY & OUTLOOK

Fernando Basabe
Chief Executive Officer

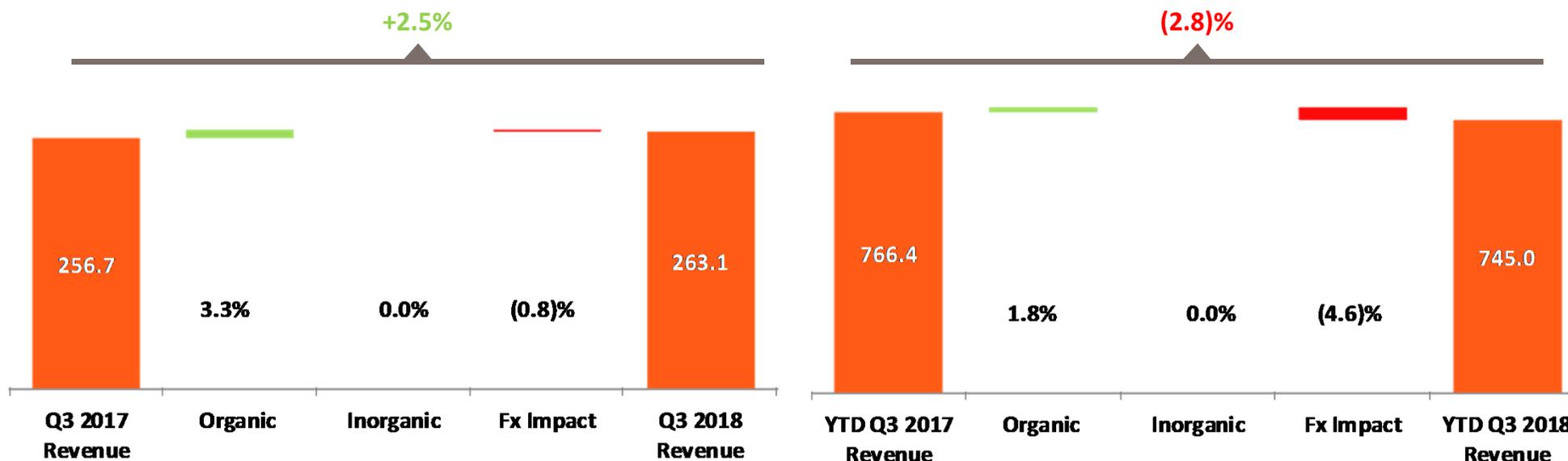




EUR Million

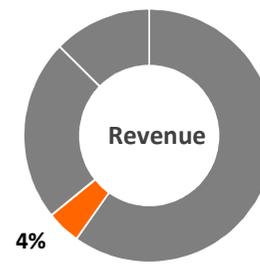
Q3 2018 Revenue

YTD Q3 2018 Revenue



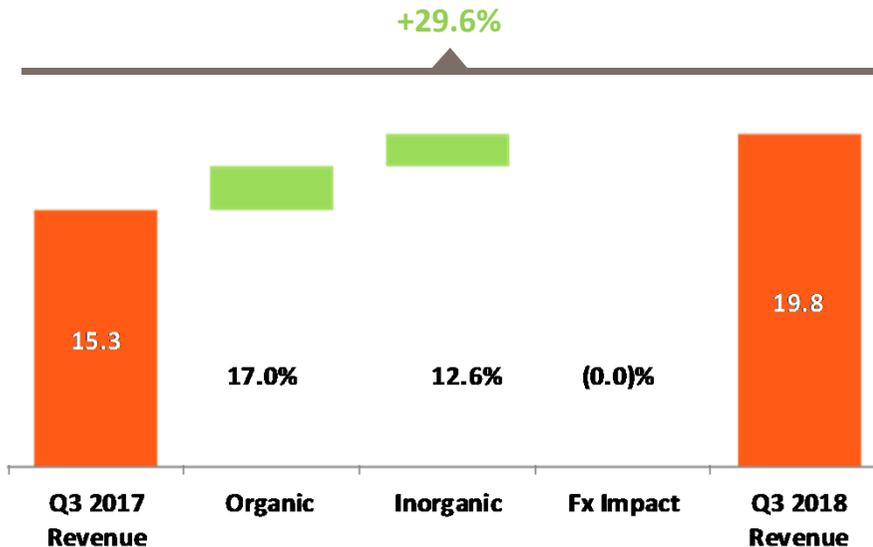
- Organic growth continued to improve
- Continuous positive trend in Oil & Gas end market
- Other end markets including Power, Construction, Telecom, Aerospace performing well

- North America (27% of division revenue), Oil & Gas improvement continues at a moderate pace despite tougher comparables with increased pipeline integrity work, facility turnarounds in Canada and small new construction pipelines
 - LatAm (10%), significant growth in the quarter mainly due to some new contracts in all markets. Colombia, Brazil and Central America leading the growth
 - Northern Europe (18%), continued to be negatively impacted by fewer large international projects managed out of the region, whereas downstream opex inspection business of the region stable and significant improvement in North Sea capex market
 - Spain, Middle East and Oceania strong growth in the quarter. The decline in Africa and South East Asia is reducing due to easier comparables although market remains constrained.
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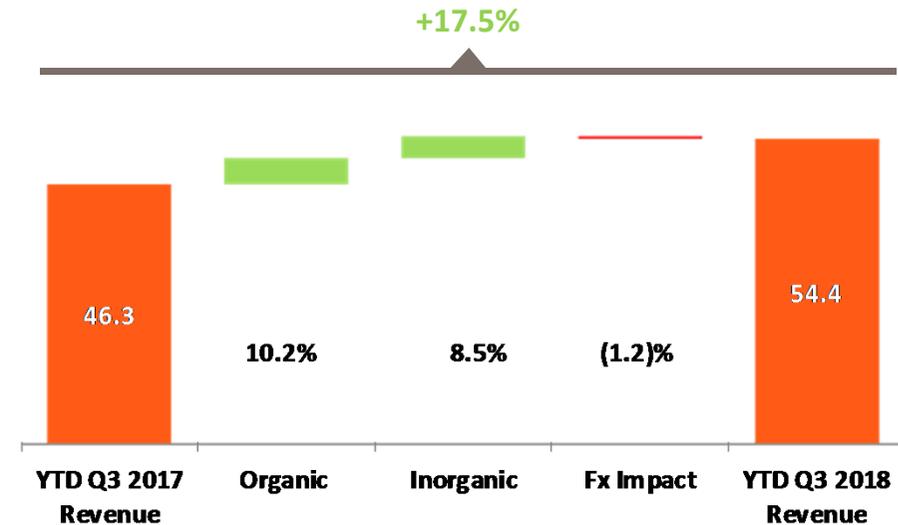


EUR Million

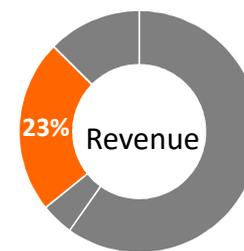
Q3 2018 Revenue



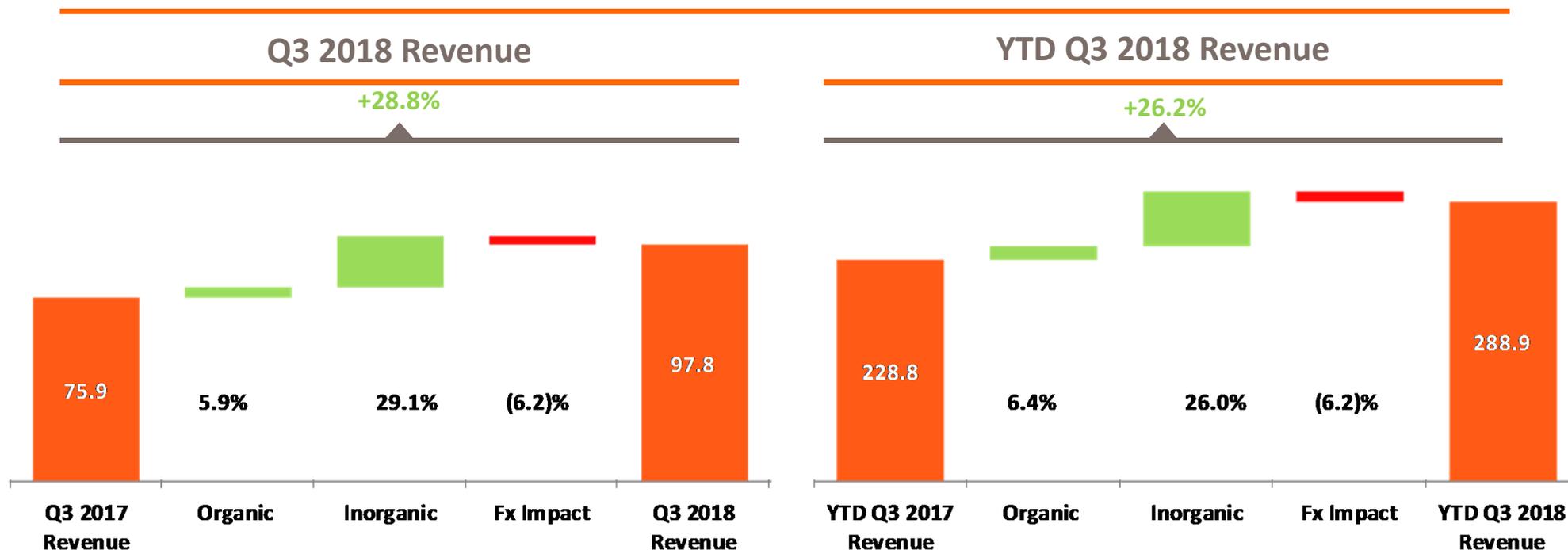
YTD Q3 2018 Revenue



- Strong organic growth in the quarter
- Good performance in all business units (Industry, Construction, IT, Metrology) continues
- Five small acquisitions made in 2017 and 2018 help to build scale and reinforce our presence in strategic niches
- Strong pipeline of further acquisition opportunities

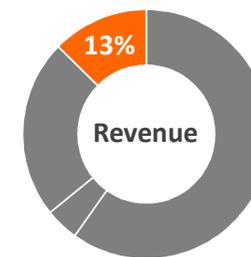


EUR Million

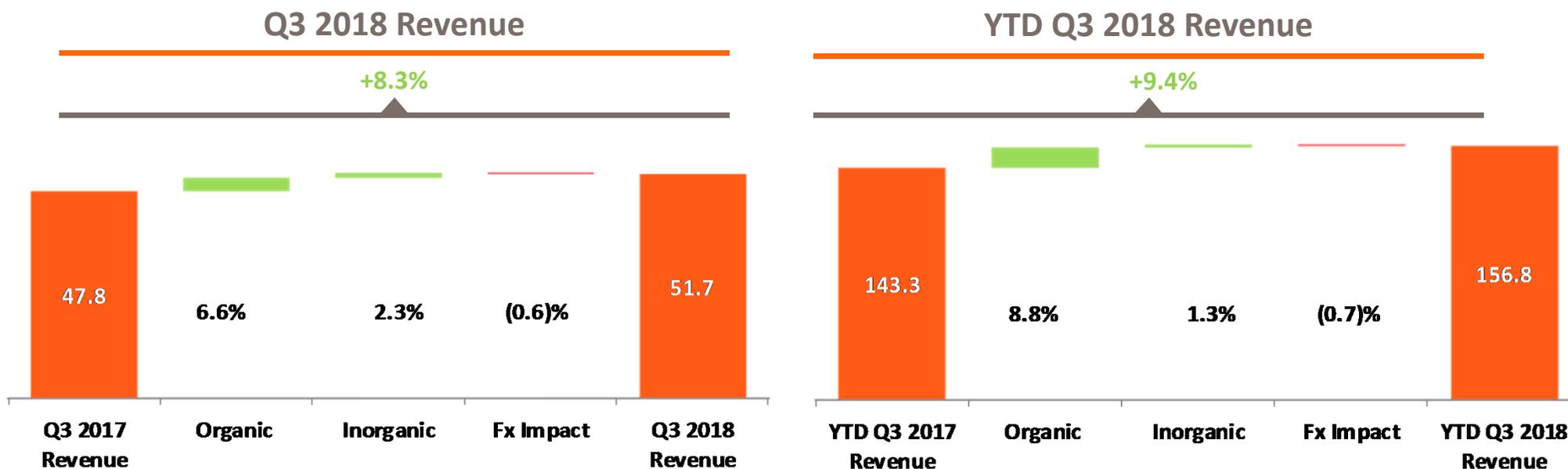


- Strong organic revenue growth performance
- Excluding Argentina organic growth YTD 5.4% and negative FX impact 1.7%
- Inversiones Finisterre performing strongly

-
- Strong growth in Spain across all regions
 - Ireland maintains the improvement shown in the previous quarter. Contract has been extended until June 2020. Tender process for renewal has started with outcome expected by May 2019
 - Nordic countries growing low single digits in Q3
 - US programmes performing well although Q3 revenue below last year due to prior year's one-off equipment sales related to new Massachusetts programme
 - LatAm (Argentina, Chile, Costa Rica) good growth continues
 - Uruguay and Duran (Ecuador) new contracts started on schedule in Q3
 - Good pipeline of opportunities
-



EUR Million



- Strong organic revenue growth in Q3 versus high comparable (13.2% growth in Q3 2017)
- Positive market environment continues
- Acquisition of Karco in Q2 performing well with revenue synergies materialising

Results Presentation YTD Q3 2018

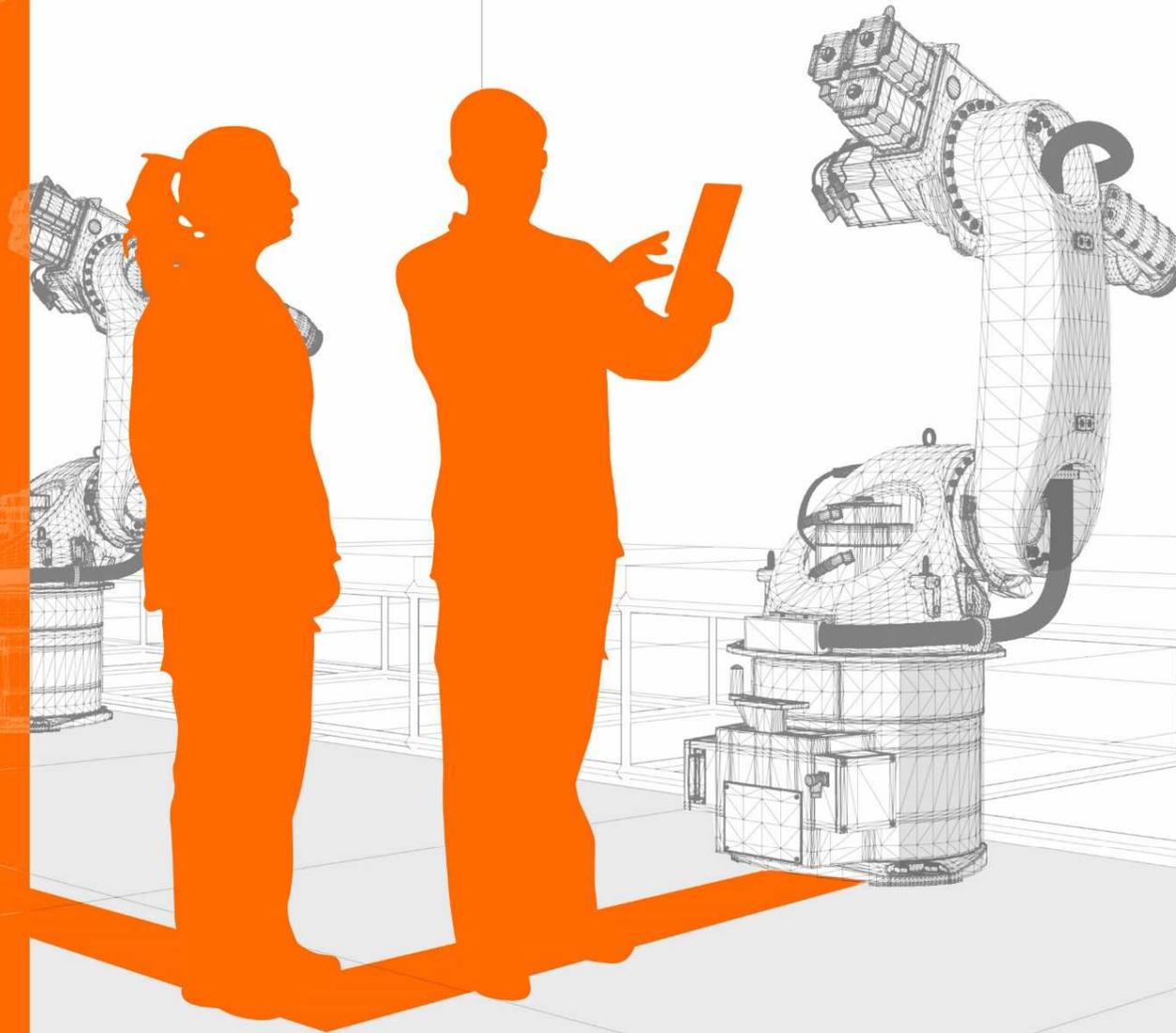
HIGHLIGHTS

FINANCIAL REVIEW

BUSINESS REVIEW

→ **SUMMARY & OUTLOOK**

Fernando Basabe
Chief Executive Officer



Summary of YTD Q3 2018

- Continued improvement in organic revenue growth
- Good margin performance
- All divisions performing well with Energy & Industry driving the change in growth trend
- Strong Cash flow
- We continue to review acquisition opportunities

Outlook for 2018

- Oil & Gas to continue improving and positive trend in all other business lines
 - High single digit revenue growth at constant FX including acquisitions. Mid-single digit organic
 - Margin to improve 100 -120 bps
-

Applus⁺ *Together* beyond standards

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YTD Q3 2018. Adjustments to Statutory results

EUR Million	YTD Q3 2018			YTD Q3 2017			+/- % Adj. Results
	Adj. Results	Other results	Statutory results	Adj. Results	Other results	Statutory results	
Revenue	1,245.1		1,245.1	1,185.0	-	1,185.0	5.1%
Ebitda	164.3	-	164.3	140.2	(3.7)	136.6	17.1%
Operating Profit	127.4	(45.8)	81.6	106.4	(42.9)	63.4	19.8%
Net financial expenses	(12.8)	(3.9)	(16.7)	(17.9)	0.0	(17.9)	
Share of profit of associates	0.0		0.0	0.7	0.0	0.7	
Profit Before Taxes	114.6	(49.8)	64.9	89.1	(42.9)	46.2	28.6%
Income tax	(29.0)	10.5	(18.6)	(21.5)	8.3	(13.2)	
Non controlling interests	(14.0)		(14.0)	(6.5)	0.0	(6.5)	
Net Profit	71.6	(39.3)	32.3	61.2	(34.7)	26.5	17.0%
Number of Shares	143,018,430		143,018,430	130,016,755		130,016,755	
EPS, in Euros	0.500		0.226	0.470		0.204	6.4%
<i>Income Tax/PBT</i>	<i>(25.3)%</i>		<i>(28.6)%</i>	<i>(24.1)%</i>		<i>(28.5)%</i>	

EUR Million

YTD Q3

REVENUE	Actual 2018	Growth				Actual 2017
		Organic	Inorganic	FX	Total	
Energy & Industry	745.0	1.8%	0.0%	(4.6)%	(2.8)%	766.4
Laboratories	54.4	10.2%	8.5%	(1.2)%	17.5%	46.3
Auto	288.9	6.4%	26.0%	(6.2)%	26.2%	228.8
Idiada	156.8	8.8%	1.3%	(0.7)%	9.4%	143.3
Total Revenue	1,245.1	3.9%	5.5%	(4.3)%	5.1%	1,185.0
Adj. Op. Profit	127.4	4.9%	20.3%	(5.4)%	19.8%	106.4

Q3

REVENUE	Actual 2018	Growth				Actual 2017
		Organic	Inorganic	FX	Total	
Energy & Industry	263.1	3.3%	0.0%	(0.8)%	2.5%	256.7
Laboratories	19.8	17.0%	12.6%	(0.0)%	29.6%	15.3
Auto	97.8	5.9%	29.1%	(6.2)%	28.8%	75.9
Idiada	51.7	6.6%	2.3%	(0.6)%	8.3%	47.8
Total Revenue	432.4	4.7%	6.2%	(1.6)%	9.3%	395.7
Adj. Op. Profit	45.1	4.6%	28.4%	(5.4)%	27.6%	35.4

EUR Million

	Q3			YTD Q3		
	2018	2017	Change	2018	2017	Change
Revenue	432.4	395.7	9.3%	1,245.1	1,185.0	5.1%
Adj. Operating Profit	45.1	35.4	27.6%	127.4	106.4	19.8%
<i>Adj.Op.Profit margin</i>	<i>10.4%</i>	<i>8.9%</i>	<i>+ 150 bps</i>	<i>10.2%</i>	<i>9.0%</i>	<i>+ 126 bps</i>
PPA Amortisation	(14.8)	(11.9)		(44.4)	(35.7)	
Other results	(0.4)	(1.6)		(1.5)	(7.2)	
Operating profit	30.0	21.8	37.3%	81.6	63.4	28.6%
Finance result	(3.5)	(5.6)		(12.8)	(17.9)	
Refinancing Costs	(3.9)	0.0		(3.9)	0.0	
Associates	(0.0)	0.2		0.0	0.7	
Profit before tax	22.6	16.4	37.4%	64.9	46.2	40.4%
Income taxes	(7.1)	(4.5)		(18.6)	(13.2)	
Net Profit	15.5	11.9	29.6%	46.3	33.0	40.2%
Minorities	(5.4)	(1.7)		(14.0)	(6.5)	
Net Profit Group	10.1	10.2	(1.3)%	32.3	26.5	21.7%
Adjusted Net Profit Group	25.7	21.0	22.4%	71.6	61.2	17.0%
EPS in €	0.070	0.079	(10.3)%	0.226	0.204	10.7%
Adjusted EPS in €	0.180	0.161	11.2%	0.500	0.470	6.4%

EUR Million

	YTD Q3	
	2018	2017
Other results	(1.5)	(7.2)
Severances	(0.4)	(1.6)
Transaction costs	(0.6)	(0.8)
Other gains & losses	(0.5)	(1.1)
Historical Management Incentive Plan	0.0	(3.7)

EUR Million

Concept	Actual YTD Q3 2018	Actual YTD Q3 2017
Interest on Debt Facility	(7.7)	(11.2)
Arrangement Fees	(1.2)	(1.6)
Foreign exchange	(1.2)	(2.8)
Other	(2.6)	(2.3)
Financial Expenses ^(*)	(12.8)	(17.9)

(*) Does not include the expenses related to the refinancing by 3.9M€

- **Applus+ Argentina:**
 - Operate under only two contracts within the Auto division
 - YTD Q3 2018 revenue €15 million (at 2018 average rates)
 - 1.2% of Group revenue / 5.2% of Auto division revenue
 - Margin similar to Auto division margin
- **Argentina** is considered hyper-inflationary from 1 July 2018 and IAS 29 is applicable
 - Local accounts are restated by applying a general price index (awaiting publication)
 - Financial statements are then consolidated at closing rates (IAS 21)
- **Preliminary analysis on YTD:**
 - Revenue reduction of €4 million and adjusted operating profit reduction of €1 million
 - Organic revenue growth without Argentina is 3.7% instead of 3.9%. Negative Fx 3.7% instead of 4.3%
 - Organic adjusted operating profit growth without Argentina is 4.6% instead of 4.9%. Negative Fx 3.5% instead of 5.4%
- **Conclusion:**
 - Reduction in revenue and adjusted operating profit are not material
 - Application of hyperinflationary accounting will be done at year end