2018 First Quarter Results Announcement

9 May 2018

Applus Services, S.A. ("Applus+" or "the Group"), one of the world's leading and most innovative companies in Testing, Inspection and Certification, today announces the results for the first quarter ("quarter") ended 31 March 2018.

Highlights

- Good results with growth and margin improvement despite FX headwinds
- Auto, IDIADA and Labs remain strong and Energy & Industry now flat at constant FX
- Inversiones Finisterre and other acquisitions performing well
- Acquisition of 3C in Labs and Karco in IDIADA
- Q1 financial results
    - Revenue of €381.2 million up 1.0% actual and 7.5% constant FX of which organic was 2.3%
    - Operating profit[1] of €30.3 million up 17.2% actual and 22.5% constant FX of which organic was flat
    - Operating profit[1] margin of 8.0%, up 110bps
    - Operating cash flow[1] of €20.3 million, up €15.8 million
    - Net[1] profit up 18.3%. Earnings per share[1] up 7.6%
    - Reported profit €3.0 million, up €2.4 million
- Net debt/EBITDA ratio 2.3x

1. Operating profit, margin, cash flow, net profit and earnings per share are stated before Other results and amortisation of acquisition intangibles (see page 3)

Fernando Basabe, Chief Executive Officer of Applus+, said:

"We are pleased with our results in the first quarter with good revenue and profit growth despite foreign exchange headwinds.

Our largest division Energy & Industry had stable revenue due to the reduced level of decline in Oil & Gas being offset by the remainder of the division. The other three divisions performed strongly and the outlook in Oil & Gas continues to improve. In the Auto division we have two new contracts starting this year and a healthy pipeline of opportunities with several tenders in process.

Acquisitions are a core part of our strategy. The acquisitions made in 2017 are performing well and we are pleased to have just recently closed the acquisitions of 3C that is an excellent fit within the Laboratories division and Karco that expands IDIADA´s services into the USA.

For the full year we retain the guidance provided in February. We expect the Oil & Gas business to continue improving and our other business lines to maintain their *positive trend leading to mid-single digit organic revenue growth at constant exchange rates. Including the benefit of the acquisitions made in 2017, the revenue growth is expected to be around high single digits at constant exchange rates with an adjusted operating profit margin increase of between 70 and 100 basis points."*

Webcast
There will be a presentation on these results today at 2.00 pm Central European Summer Time. To follow the presentation by webcast, use the link: https://edge.media-server.com/m6/p/3kyh4eay or via the company website at www.applus.com under Investor Relations/Financial Reports. To listen by telephone dial one of the numbers below quoting the access code **8732466**.

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About Applus+ Group
Applus+ is one of the world's leading and most innovative companies in the Testing, Inspection and Certification sector. It provides solutions for customers in all types of industries to ensure that their assets and products meet quality, health & safety and environmental standards and regulations.

Headquartered in Spain, Applus+ operates in more than 70 countries and employs 20,700 people. Applus+ operates through four global divisions, all of which operate under the Applus+ brand name. For the full year of 2017, Applus+ recorded revenue of €1,583 million and adjusted operating profit of €143 million.

Applus+ is listed on the Spanish stock exchanges (Mercado Continuo). The total number of shares is 143,018,430.

ISIN: ES0105022000 **Symbol: APPS-MC**
For more information go to www.applus.com/en

FIRST QUARTER REPORT 2018

Overview of performance

The financial performance of the Group is presented in an "adjusted" format alongside the statutory ("reported" or "actual") results. The adjustments are made in order that the underlying financial performance of the business can be viewed and compared to prior periods by removing their impact.

Organic revenue and profit growth are calculated by excluding acquisitions or disposals made in the prior twelve month period to the accounting date. Organic is stated at constant exchange rates, taking the current quarter average rates used for the income statements and applying them to the results in the prior period.

In the table below the adjusted results are presented alongside the statutory results showing the effect of those adjustments.

	Q1 2018			Q1 2017			
EUR Million	**Adj. Results**	**Adjustments**	**Statutory results**	**Adj. Results**	**Adjustments**	**Statutory results**	**+/- % Adj. 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%**
Income Tax (1) /PBT	*(25.1)%*		*(28.0)%*	*(26.5)%*		*(46.0)%*	

The figures shown in the table above are rounded to the nearest €0.1 million.

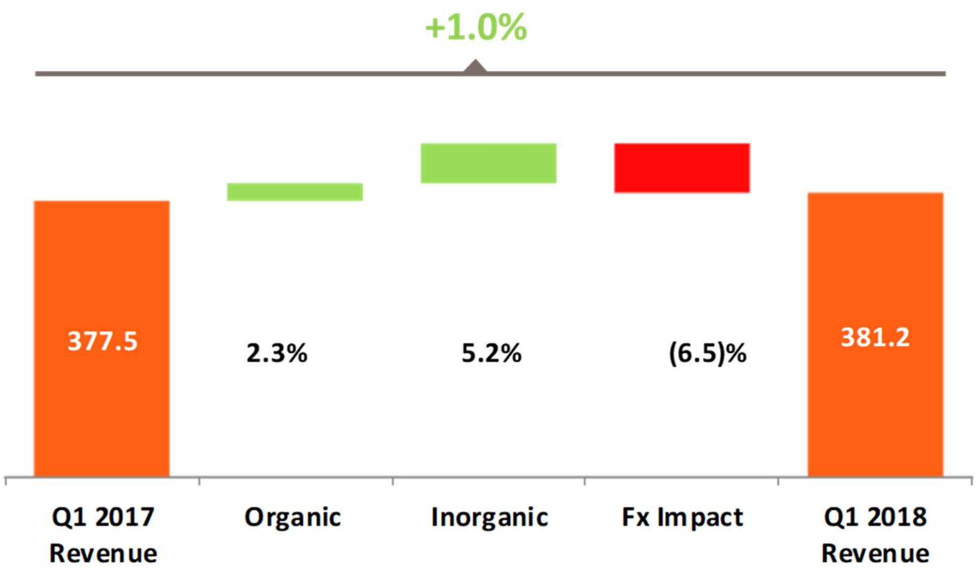
Adjustments of €15.1 million (2017: €14.4m) in the Operating Profit represent the amortisation of acquisition intangibles of €14.8 million (2017: €11.9m) and a charge for other items of €0.3 million (2017: credit of €0.3m). In addition, in 2017 there was a charge of €2.8 million for the historical management incentive plan that related to the initial public offering (IPO) of the Group in 2014. Tax of €3.5 million (2017 €2.8m) relates to the positive tax impact on the Adjustments.

The increase in the amortisation of acquisition intangibles of €2.9 million in the quarter relates to the increased amount of intangible asset booked against the acquisition of Inversiones Finisterre last year.

Revenue

Revenue increased by 1.0% to €381.2 million in the three month period ended 31 March 2018 compared to the same period in the prior year.

The revenue growth bridge for the quarter in € million is shown below.



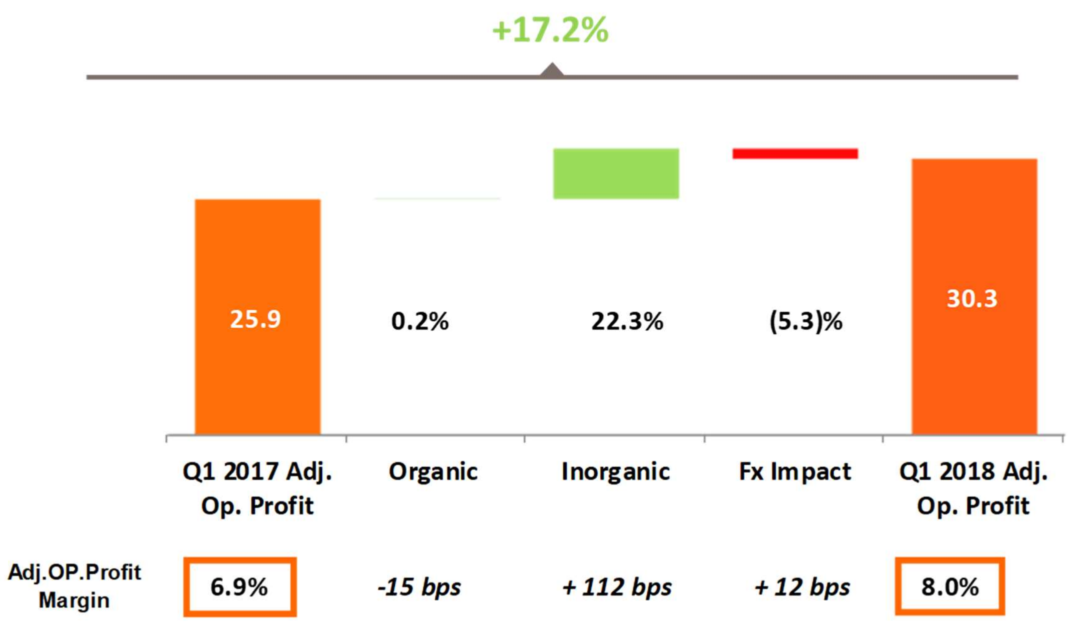
The increase in revenue for the quarter was made up of an organic revenue increase of 2.3%, an increase in revenue from acquisitions made in 2017 of 5.2% less an unfavourable currency translation impact of 6.5%.

For the first quarter of 2018, 49% of the revenue was generated in the reporting currency of the Group which is the euro and 51% in other currencies of which the US dollar and other currencies linked the US dollar are the largest at 23%. The average exchange rate of the US dollar to the euro in the first quarter of 2018 compared to the first quarter of 2017 has weakened by over 13% and some of the other key currencies have also weakened against the euro resulting in a significant currency impact on the revenue of the Group. At current exchange rates, we expect the impact for the rest of the year to be lower.

Adjusted Operating Profit

Adjusted operating profit increased by 17.2% to €30.3 million in the three month period ended 31 March 2018 compared to the same period in the prior year.

The operating profit growth bridge for the quarter in € million is shown below.



Organic operating profit was up 0.2%, incremental profit from the acquisitions made in 2017 was 22.3% and there was an unfavourable currency translation impact of 5.3%.

There was also a significant impact on the adjusted operating profit due to currency weakness as explained for revenue above. The impact was slightly less than for revenue due to the foreign currency businesses operating at a lower margin than those reporting in euros.

The adjusted operating profit margin was up 110 basis points to 8.0% for the three month period mostly due to the impact of the acquisitions. The first quarter of the year usually has the lowest margin due to seasonal effects.

Other Financial Indicators

The net financial expense of €5.5 million in the quarter was lower than the first quarter of 2017 of €6.3 million due to the lower amount of debt in the quarter compared to the prior year.

The tax charge for the first quarter was slightly lower than the prior year first quarter. The effective tax charge on the adjusted profit before tax was €6.2 million (2017: €5.3m) giving a rate of 25.1% (2017: 26.5%).

Non controlling interests increased in the quarter from €2.3 million in the first quarter of last year to €4.0 million in the first quarter of 2018. The increase of €1.7 million is mostly due to the inclusion of profit due to the minority interests of Inversiones Finisterre following that acquisition in the last quarter of 2017 but also includes profit growth from other non-wholly owned subsidiary investments. This increase in the quarterly non controlling interest charge is expected to continue for the rest of the year.

The adjusted net profit increased by €2.2 million or 18.3% to €14.5 million in the three month period ended 31 March 2018 compared to the same period in the prior year. The corresponding adjusted earnings per share increased by 7.6% less than the increase in the adjusted net profit due to the increase in the number of shares in the first quarter of 2018 compared to the prior year.

The reported net profit increased by €2.4 million from €0.6 million in the first quarter of 2017 to €3.0 million this first quarter.

Cash Flow and Debt

Adjusted operating cash flow (after capital expenditure) of €20.3 million was higher than for the same quarter last year when it was €4.5 million. After tax and interest paid, the adjusted free cash flow was €18.0 million which was higher than the minus €1.0 million adjusted free cash flow generated in the first quarter of last year. The main reason for the higher cash flow this quarter was due to the increased earnings before interest, tax, depreciation and amortisation (EBITDA) and a lower working capital outflow of €14.4 million compared to a working capital outflow of €25.2 million in the first quarter of last year.

The financial leverage of the group at the quarter end, measured as Net Debt to last twelve months Adjusted EBITDA was 2.3x (as defined by the bank covenant for the syndicated debt facilities), at a stable level to the leverage position at 31 December 2017 (2.4x). The bank covenant is at 4.0x and is tested every six months until the maturity of the debt in June 2020.

Outlook

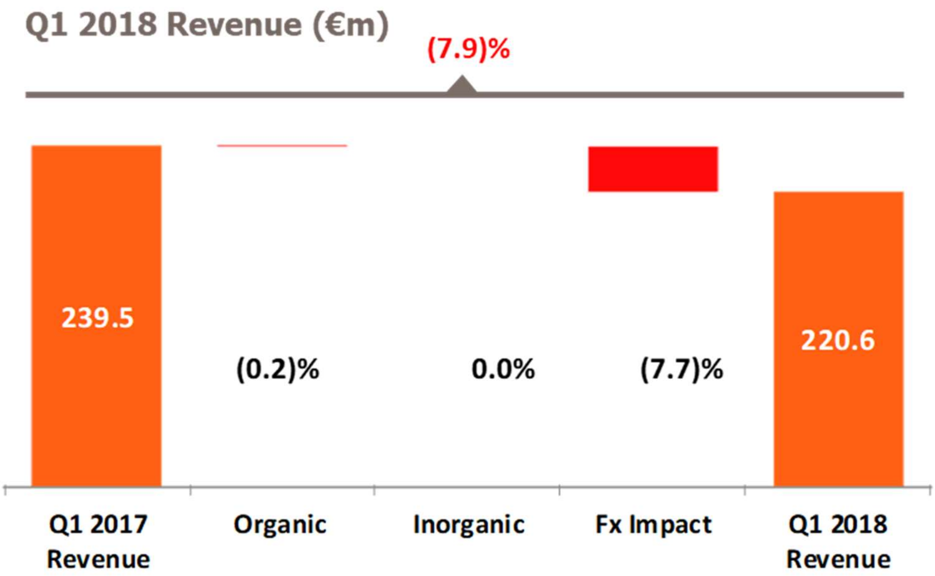
The outlook for the year is the same as stated in February. The oil and gas business is expected to continue improving and the other business lines are expected to also continue with their positive trend leading to mid-single digit organic revenue growth at constant exchange rates. Including the benefit of the acquisitions recently made, the revenue growth is expected to be around high single digits at constant exchange rates with an adjusted operating profit margin increase of between 70 and 100 basis points.

Operating review by division

Energy & Industry Division

The Energy & Industry Division is a leading global provider of non-destructive testing, inspection, quality assurance and quality control, project management, vendor surveillance, certification, asset integrity services and technical staffing services. The teams are made up of engineers and technicians with specialist skills focused on assisting companies to develop and control industry processes, protect assets and infrastructure and increase operational and environmental safety. They provide services for different industries such as oil & gas, power, construction, mining, aerospace and telecommunications.

The revenue in the division declined by 7.9% to €220.6 million in the quarter.



At constant exchange rates, organic revenue was stable, declining by 0.2% for the quarter. There was a significant negative foreign exchange translation impact of 7.7% mainly due to the US, Canadian and Australian dollars and other currencies that this division operates in, being significantly weaker against the euro, in the first quarter of 2018 compared to the first quarter of 2017.

Underlying revenue at constant exchange rates were stable with the same quarter last year reflecting still negative growth from services to the oil and gas end market offset by positive growth in the other end markets. Services to the oil and gas industry continue to be the largest end market for this division at approximately 60% of the revenue and despite lower revenue this quarter compared to the same quarter last year, conditions are stabilising with increased confidence of improvement to come in the short and medium term.

In the North America region accounting for 23% of the division revenue and primarily oil and gas services, revenue was up strongly at constant rates led by new construction pipelines in the US.

In Latin America, accounting for 10% of the division, following last year´s decline in revenue, this first quarter revenue was flat at constant rates.

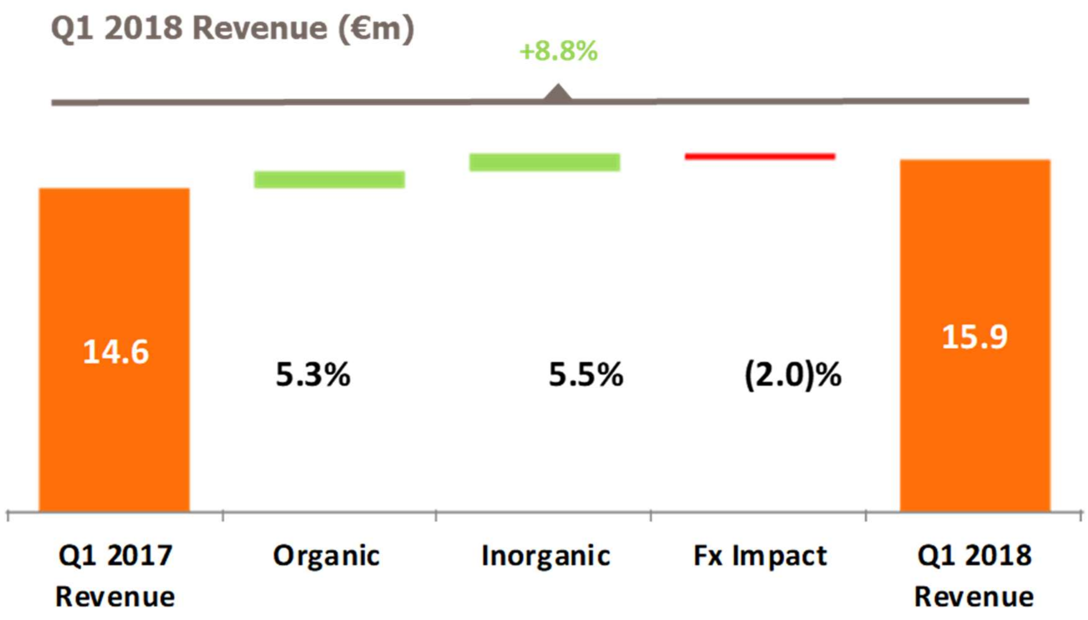
Northern Europe accounting for around 19% of the division, revenue was down with continued challenging market conditions in the downstream market and fewer large international capex and opex pipeline projects managed out of the region. The North Sea region which has previously been a very challenging area is showing signs of stabilising.

The largest region of Southern Europe, Africa, Middle East, Asia and Pacific accounting for almost half the division revenue of which the largest part are services to other end markets such as Power, Construction and Telecom infrastructure performed well, with stable overall revenue due to the activities in oil and gas being offset by those to the other end markets.

Laboratories Division

The Laboratories Division provides testing, certification and engineering services to improve product competitiveness and promote innovation. The division operates a network of multidisciplinary laboratories in Europe, Asia and North America. With its cutting-edge facilities and technical expertise, the services bring high added value to a wide range of industries, including aerospace, automotive, electronics, information technology and construction. In 2017, the Laboratories Division acquired three companies and expanded some testing facilities in order to reinforce its position in the automotive components, fire protection, and calibration sectors.

The revenue in the division increased by 8.8% to €15.9 million in the quarter.



The Laboratories Division at constant exchange rates had organic revenue growth of 5.3% for the quarter plus revenue from the three acquisitions made in 2017 of a further 5.5%. Currency reduced revenue by 2.0% due mainly to the strength of the euro against the foreign currencies in which the division operates.

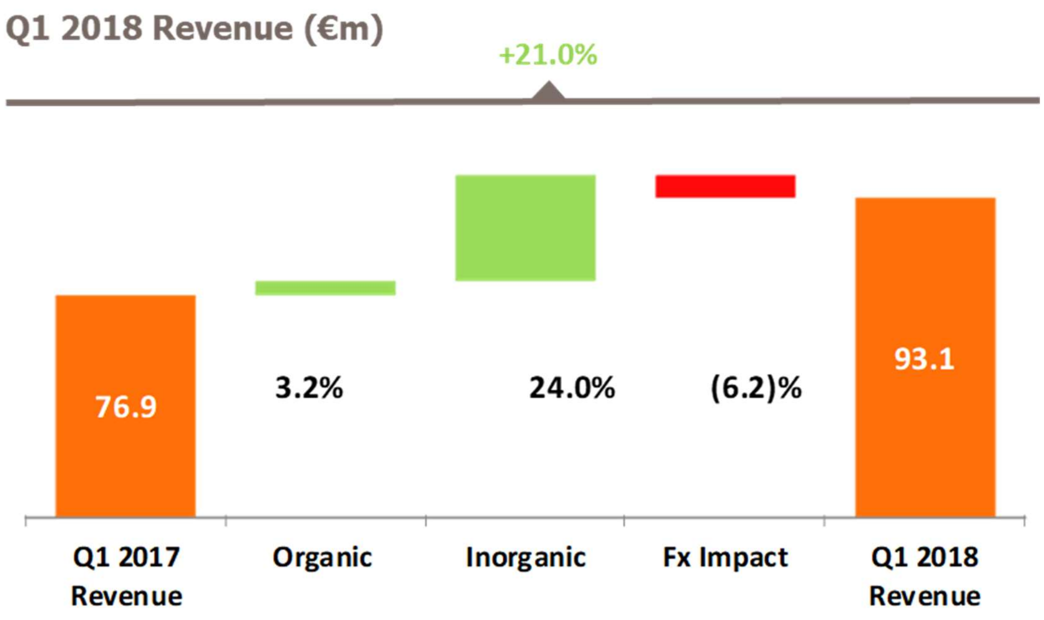
Revenue growth in the mid-single digits was good and came from increased volumes of testing in all the main business segments of Industry, Construction and IT as well as Metrology.

In April, the division made a small, but highly strategic acquisition in the UK called 3C laboratories which provides electrical and electromagnetic compatibility testing to the UK based automotive industry. It currently generates €3.4 million in annual revenue and including the revenue synergies from the integration into Applus+, this is expected to grow well.

Automotive Division

The Automotive Division is a leading provider of statutory vehicle inspection services globally. The division provides vehicle inspection and certification services across a number of jurisdictions where periodic vehicle inspections for compliance with technical safety and environmental specifications are mandatory. From the 28 programmes held by the Group, 15 million vehicle inspections were carried out in 2017 across Spain, Ireland, Denmark, Finland, the United States, Argentina, Chile, Costa Rica and Andorra and programme managed a further 5 million inspections carried out by third parties.

The revenue in the division increased by 21.0% to €93.1 million in the quarter.



The division reported good growth with organic revenue at constant exchange rates growing at 3.2% and inorganic revenue of 24.0% from the acquisition of Inversiones Finisterre in November last year. There was a negative currency impact of 6.2% due to the weakening against the euro of the currencies where the division has contracts with the main impact coming from the Argentinian peso.

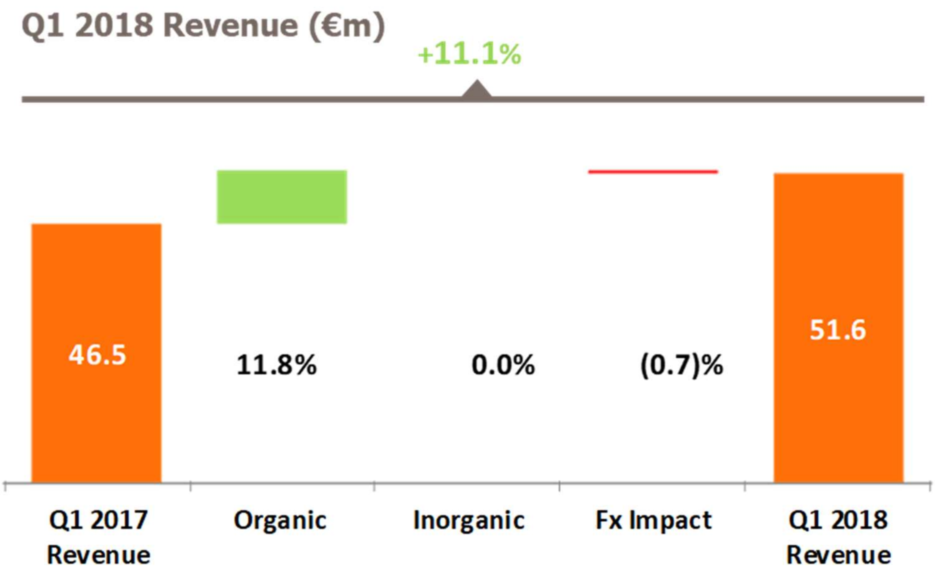
Organic revenue was good in the quarter due to Spain, USA and Latin America growing well more than offsetting the lower revenue in Ireland mainly due to the timing of Easter and the poor weather conditions.

The two contracts in Galicia and Costa Rica that came with the acquisition of Inversiones Finisterre are performing well and the new contracts in Uruguay and Ecuador are scheduled to start later in the year. There is a healthy pipeline of opportunities in the market and there are currently some tenders in process. The concession with the municipality of Menorca where €1.8 million of revenue was generated in 2017 comes to an end in June this year. The Group has decided not to re-tender for this programme due to the higher level of costs required and the returns would not meet the required hurdle rates.

IDIADA Division

With over 25 years of experience, the IDIADA Division supports the world's leading vehicle manufacturers in their product development activities by providing design, engineering, testing and homologation services. The division´s 370-hectare main technical centre, located near Barcelona, includes the most comprehensive proving ground and laboratories for vehicle testing and development in Europe.

The revenue in the division increased by 11.1% to €51.6 million in the quarter.



The division had double digit organic revenue growth of 11.8% for the quarter and a small negative currency impact of 0.7%.

The growth in revenue comes from the strong growth in demand for testing and engineering services for the automotive industry especially in the areas of ADAS (Advance Driver Assistance Systems), autonomous and electric vehicles.

This week, the division made a small, but complementary acquisition of 67% of the shares of a company in the US called Karco Engineering which mainly provides crash testing services for vehicles in California. It currently generates €4.2 million in annual revenue and this will support Applus+ to expand its services to the important US market.

End of announcement. This announcement is a translation of the first quarter 2018 financial results announcement as filed with the Spanish regulator, Comisión Nacional del Mercado de Valores (CNMV). In cases of discrepancy, the Spanish version filed with the CNMV will prevail.