

# Delivering Strategy 27

‘Accelerating growth,  
building trust’

When you need  
**to be sure**

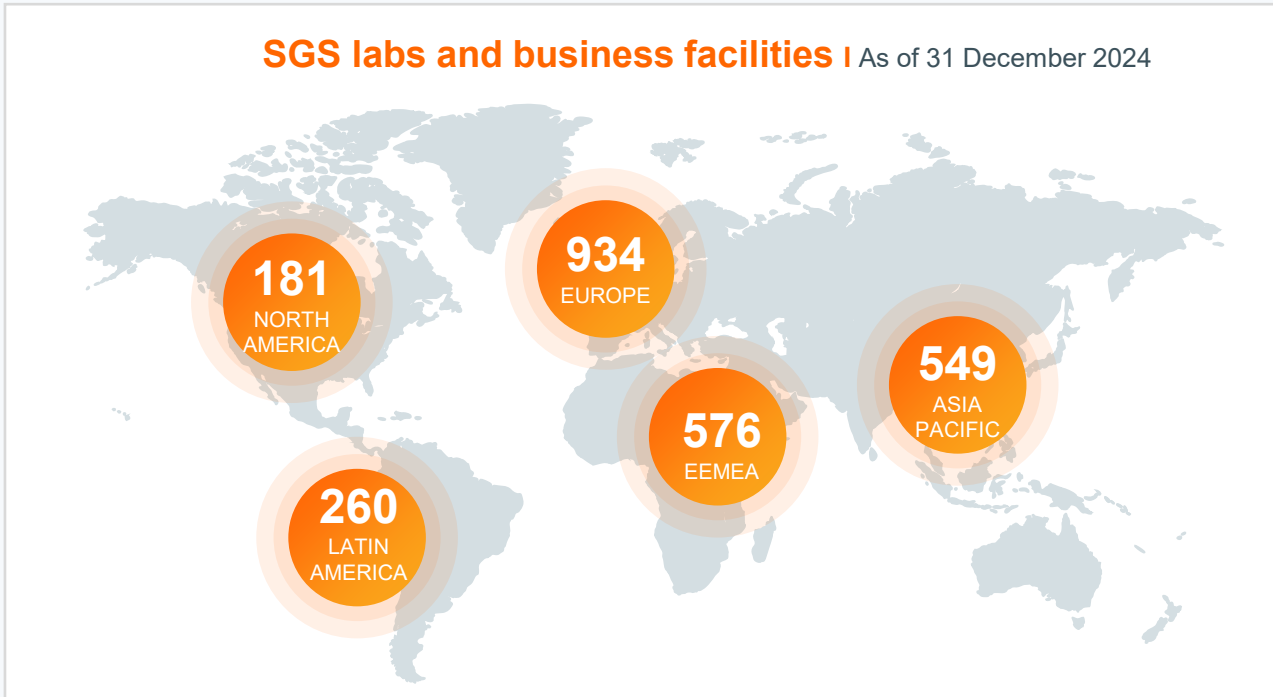
**Géraldine Picaud** Chief Executive Officer

Sample Transportation by Drone, Netherlands

# Largest service portfolio and global network

SGS is the point of reference “when you need to be sure”

SGS labs and business facilities | As of 31 December 2024



- › Resilient, recession-proof, not cyclical
- › Largest number of national accreditations globally
- › Top 3 in most activities
- › 145+ years of history and scientific expertise
- › Strong pricing power



**99 500**  
Employees



**2 500**  
Labs & business facilities



**115**  
Countries



# Resilient business model



## Industries & Environment



- Environment
- Safety
- Projects & Advisory
- Industrial Testing

## Natural Resources



- Minerals
- Agriculture
- Oil, Gas, Chemicals

## Connectivity & Products



- Connectivity
- Softlines
- Hardlines
- Government Services

## Health & Nutrition



- Food
- Pharma
- Cosmetics & Personal Care

## Business Assurance



- Certification
- Sustainability
- Consulting

**SGS builds trust for businesses worldwide to trade with confidence**

# Focused and efficient management team



**Géraldine Picaud**  
Chief Executive Officer


## Global Functions




**Marta Vlatchkova**  
Chief Financial Officer



**James Roberts**  
Chief People Officer



**Martin Oesch**  
Group General Counsel (Legal)



**David Plaza**  
Chief Information Officer (IT)

## P&L Leaders



**Derick Govender**  
Head of North America  
Testing & Inspection



**Malcolm Reid**  
Head of Europe  
Testing & Inspection



**Teymur Abasov**  
Head of Eastern Europe,  
Middle East & Africa  
Testing & Inspection



**Steven Du**  
Head of Asia Pacific  
Testing & Inspection



**Rafael Navazo**  
Head of Latin America  
Testing & Inspection




**Damien Rousseau**  
Head of Business Assurance  
Certification

## Global Business Development



**Egidijus Jokubauskas**  
Head of Industries &  
Environment and  
Natural Resources



**Fred Yang**  
Head of Connectivity & Products



# Strategy 27 – ‘Accelerating growth, building trust’

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# Strategic priorities to create value based on three levers



## Growth

**1** Sustainability

**2** Digital Trust

**3** Portfolio focus



## People, performance and agility

**1** Accountability and  
performance culture

**2** New organization

**3** Corporate simplification



## Strong financial and ESG profile

**1** Financial targets

**2** Capital allocation

**3** Corporate sustainability  
KPIs

# Four megatrends driving market demand



**Powerful  
sustainability  
transition**

**Higher demand** from ESG regulation and societal expectations



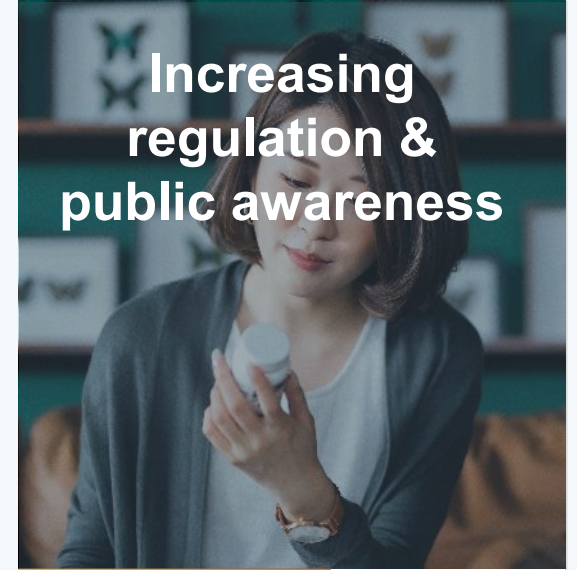
**Innovation in  
digital capabilities  
& new  
technologies**

**Strong growth** driven by digital trust needs and technological changes



**Near-shoring of  
supply chains**

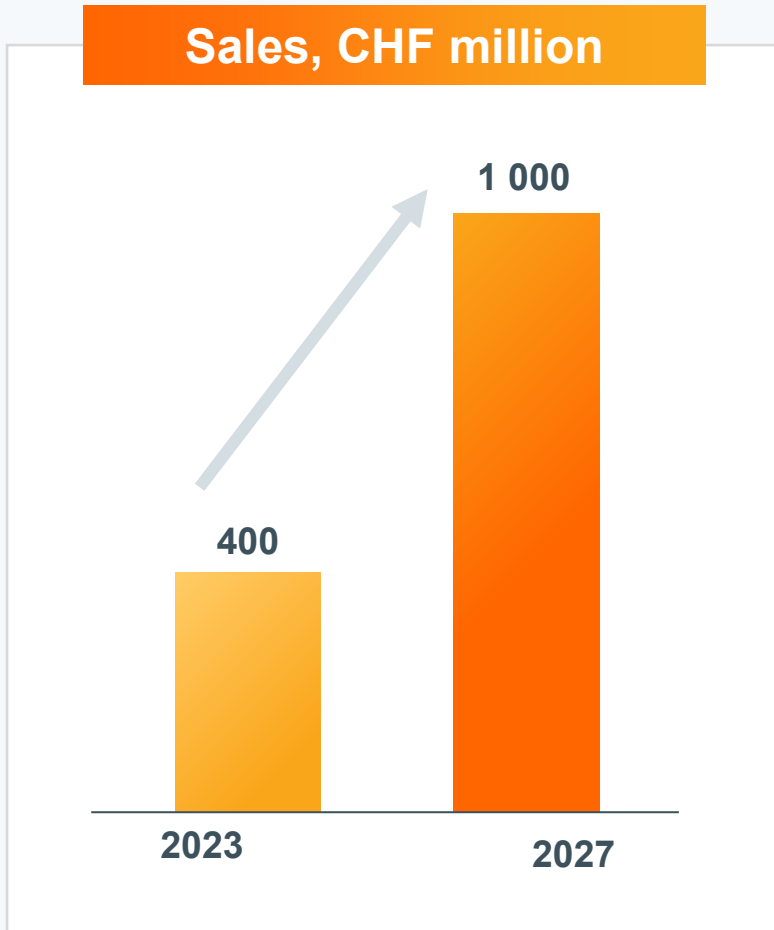
**New opportunities** from growing domestic demand and supply chain proximity



**Increasing  
regulation &  
public awareness**

**Structural expansion** from tighter legislation and expectations for safety, health and well-being

# CHF 600+ million incremental sales in Sustainability by 2027

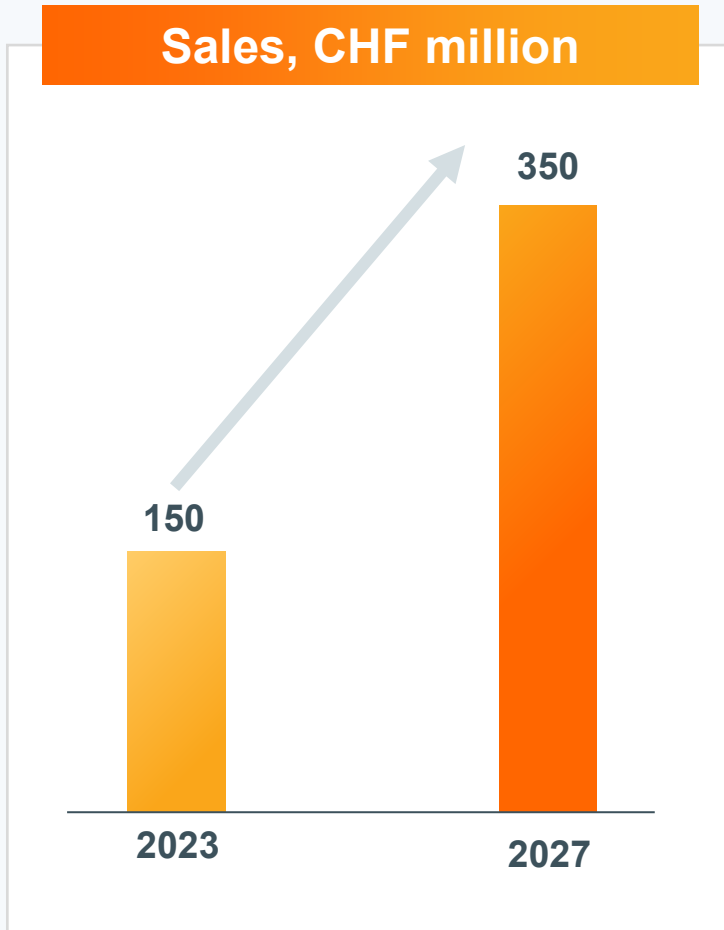


- › New global offering **IMPACT NOW**
- › Supporting clients' sustainability ambitions
- › Four pillars:
  - › Climate
  - › Circularity
  - › Nature
  - › ESG Assurance

**IMPACT  
NOW**  
for sustainability



# CHF 200+ million incremental sales in Digital Trust by 2027

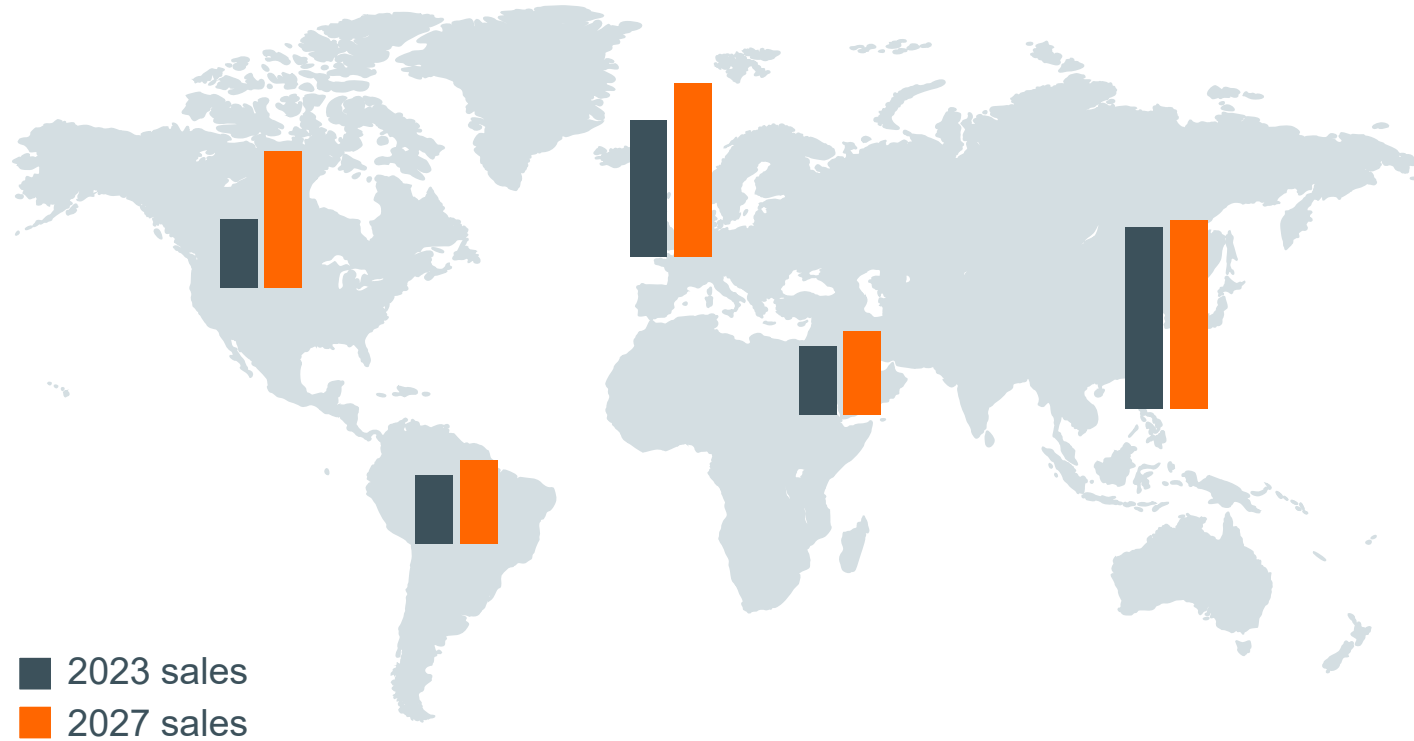


- › New global offering **SGS DIGITAL TRUST**
- › Focused on all key dimensions of Digital Trust
- › Four pillars:
  - › Connected Products & Technologies
  - › Digital Services & Infrastructure
  - › Data & Artificial Intelligence
  - › Organizations & People



# Increasing presence in North America and Europe

SGS portfolio evolution 2023-2027



- › Benefit from favorable trends due to increased regulations and near-shoring in North America and Europe
- › **Double sales in North America by 2027**
- › Continue to benefit from the expansion of Asia Pacific's middle classes, particularly in China and India

# Three value drivers: People, performance and agility



Growth



People,  
performance  
and agility

1 Accountability and  
performance culture

2 New organization

3 Corporate simplification



Strong  
financial and  
ESG profile

# Accountability and performance culture



- › **Talent development and retention**
- › **New incentive scheme** fully aligned with Group targets implemented in February
- › **Accountability and performance culture** to fully leverage SGS's recognized scientific excellence
- › **Local management empowerment**
- › **Successful second Senior Leadership Meeting in May 2025**, with 200 top leaders

# Fast execution of efficiency plans

## Leaner operating model

- › New organization
- › Corporate simplification
- › Country structure simplification
- › >90% saving plans initiated in 2024

100<sub>m</sub>  
CHF



## Procurement savings

- › Contracts renegotiation
- › Consumables harmonization
- › Indirect spend optimization
- › Fully on track

50<sub>m</sub>  
CHF



CHF 50 million savings accounted for in 2024

CHF 150 million savings run rate reached at the end of 2025

# Three value drivers: Strong financial and ESG profile



Growth



People,  
performance  
and agility



**Strong  
financial and  
ESG profile**

**1** Financial targets

**2** Capital allocation

**3** Corporate sustainability  
KPIs

# Strategy 27 financial targets

<b>Sales</b>	<b>Adjusted Operating Income margin on sales in reported terms</b>	<b>Free cash flow</b> After leases and interests
5% - 7% organic growth	Significant improvement at least 1.5 percentage points	> 50% cash conversion <sup>1</sup>
<b>Annually</b>	<b>By 2027</b>	<b>By 2027</b>

<sup>1</sup> Free cash flow / (EBITDA – leases)



# 2024, a year of strong progress

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# Strong financial results in 2024

Sales

**CHF 6 794 million**

**+7.5% organic growth**

Adjusted Operating Income

**CHF 1 040 million**

**15.3% margin on sales**

Reported Earnings Per Share

**CHF 3.10**

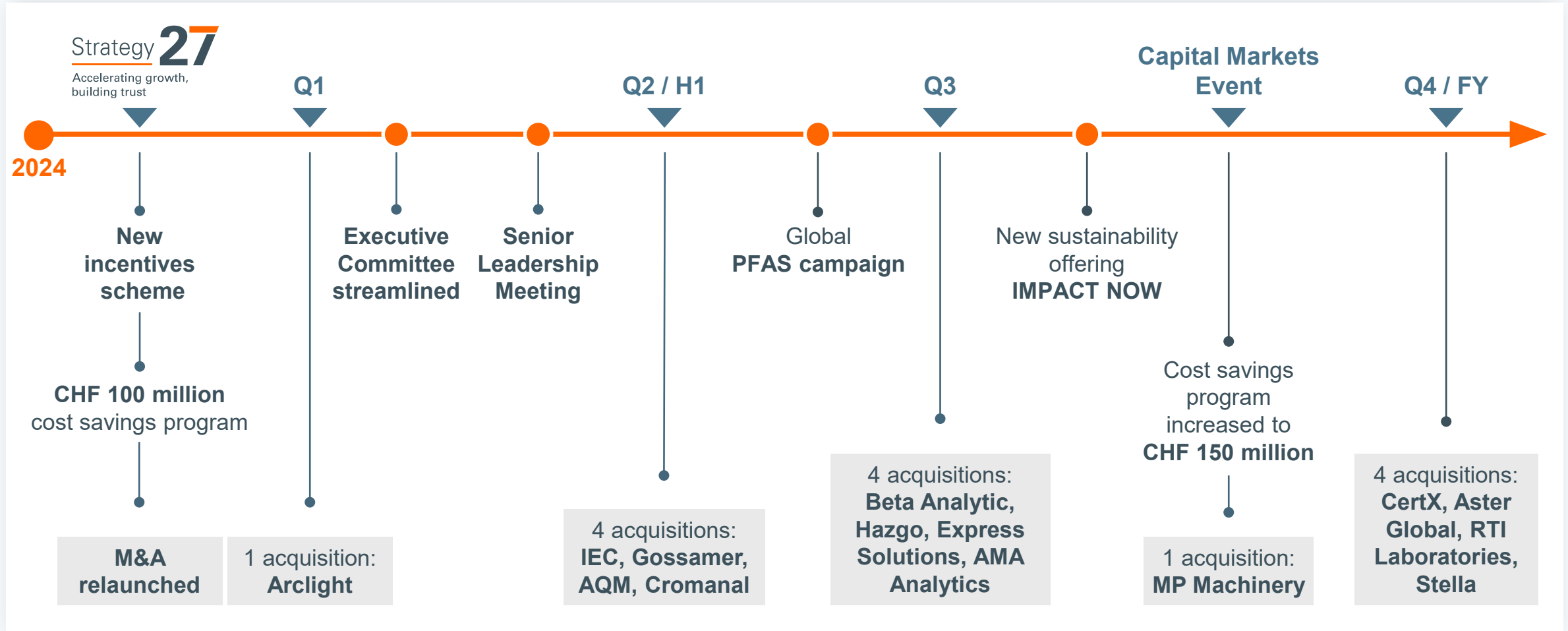
**+3.3% versus prior year**

Free Cash Flow

**CHF 748 million**

**+23.8% versus prior year**

# 2024, a year of strong progress





# H1 2025 results

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# H1 2025 financial performance

Sales

**CHF 3 422 million**

**+5.3% organic growth**

[+2.6% reported]

Adjusted Operating Income

**CHF 509 million**

**14.9% AOI margin on sales**

[+80 basis points versus H1 2024]

Free cash flow excluding headquarters disposal

**CHF 208 million**

**+34% versus H1 2024**

# Acquisition of ATS, a complementary major U.S. player

## Company overview

- › Specialized provider of Testing, Inspection, Calibration and Forensics solutions in North America
- › USD 460 million sales and USD 95 million EBITDA pre-synergies expected in 2026

## Deal rationale

- › Footprint rebalanced with North American sales nearly doubling vs. 2023
- › Expansion into complementary and high-growth sectors

## Transaction highlights

- › EV<sup>1</sup> of USD 1 325 million, mainly financed through cash and debt
- › EBITDA synergies of at least USD 30 million per year expected on a run rate basis within 3 years of closing
- › Closing anticipated late 2025 / early 2026

<sup>1</sup> Enterprise Value (EV) on a debt-free, cash-free basis before IFRS 16 adjustment of USD 65 million

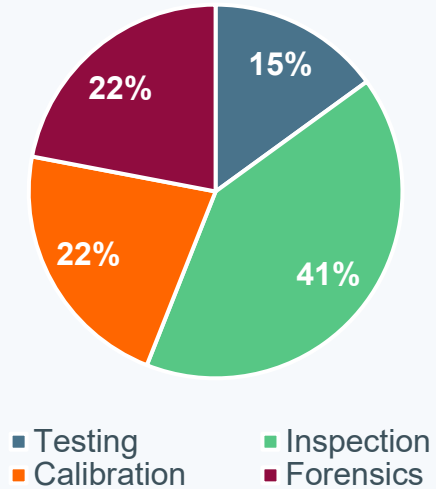


ATS Headquarters in Georgia, United States

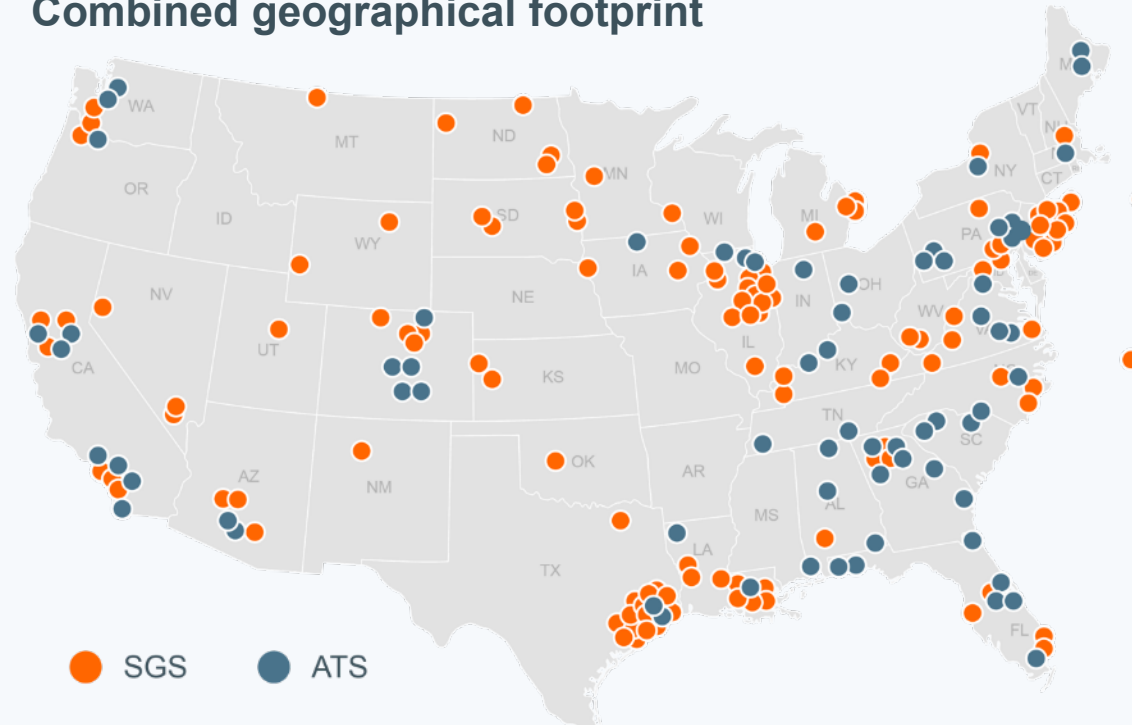
# ATS at a glance

- › Resilient and diversified pure U.S. player
- › Specialized, with complementary and well-balanced portfolio
- › Strong reputation, with decades of proven industry experience
- › Present across regulated and critical end-markets
- › Nationwide footprint with local reach and a diversified client base

Sales by segment, 2025 proforma



Combined geographical footprint



**85**  
US locations

**~2 100**  
employees

**~16 000**  
clients

**~80%**  
repeat customers

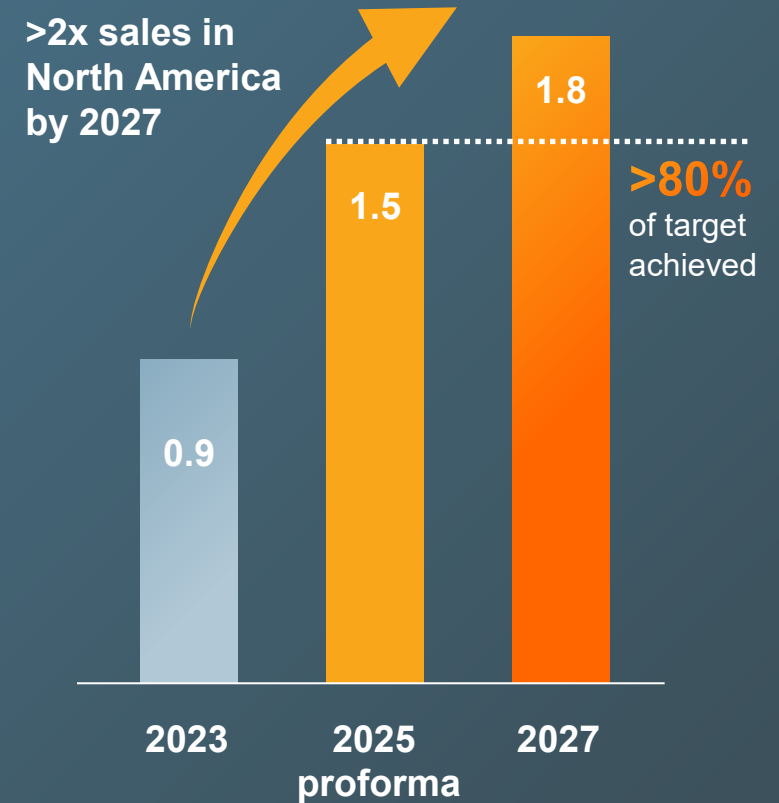
- Proposed acquisition of ATS: 1+1>2

# ATS acquisition creates sustainable long-term value

- Major milestone in Strategy 27 target to at least double sales in North America by 2027 vs 2023
- Strong complementarity, with at least USD 30 million in annual run rate EBITDA synergies within 3 years of closing

<b>Margin Opportunities</b>	<ul style="list-style-type: none"> <li>Site Synergies</li> <li>Procurement efficiencies</li> </ul>
<b>Cross-selling</b>	<ul style="list-style-type: none"> <li>Expand U.S. market access through complementary clients, industries and footprints</li> <li>Leverage SGS testing services with ATS clients mainly in electronics, energy, mining &amp; infrastructure</li> <li>Capitalize on SGS frame agreements to offer ATS specialized Inspection and Calibration services</li> </ul>

North America sales, USD billion





# Q3 2025 sales update

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# Another strong performance in Q3: organic sales up 6.0%



## Q3 2025 highlights

- › Q3 sales of CHF 1 729 million, up 1.8%
- › Strong organic sales growth of 6.0%
- › Launch of new global framework SGS DIGITAL TRUST
- › Sustained bolt-on activity with 17 acquisitions year-to-date
- › Closing process of Applied Technical Services (ATS) on track
- › Outlook confirmed

# Q3 2025 sales growth comparison in EUR and USD

in millions	CHF	EUR equivalent	USD equivalent
<b>Q3 2025 sales</b>	<b>1 729</b>	<b>1 849</b>	<b>2 161</b>
Organic growth	+6.0%	+6.0%	+6.0%
Scope	+1.9%	+1.9%	+1.9%
<b>Forex</b>	<b>-6.1%</b>	<b>-4.3%</b>	<b>+2.4%</b>
<b>Total Growth</b>	<b>+1.8%</b>	<b>+3.6%</b>	<b>+10.3%</b>

Average exchange rates:  
 CHF / EUR Q3 2024 1.05, Q3 2025 1.07  
 CHF / USD Q3 2024 1.15, Q3 2025 1.25

# 9M 2025 sales growth comparison in EUR and USD

in millions	CHF	EUR equivalent	USD equivalent
<b>9M 2025 sales</b>	<b>5 151</b>	<b>5 485</b>	<b>6 118</b>
Organic growth	+5.5%	+5.5%	+5.5%
Scope	+1.6%	+1.6%	+1.6%
<b>Forex</b>	<b>-4.8%</b>	<b>-2.7%</b>	<b>0.1%</b>
<b>Total Growth</b>	<b>+2.3%</b>	<b>+4.4%</b>	<b>+7.2%</b>

Average exchange rates:  
 CHF / EUR 9M 2024 1.04, 9M 2025 1.06  
 CHF / USD 9M 2024 1.13, 9M 2025 1.19

# Outlook 2025 confirmed



Port Inspection, Netherlands

- › 5% to 7% organic sales growth
- › 1% to 2% bolt-on contribution to annual sales growth
- › At least 30 basis points improvement in adjusted operating income margin on sales, in **reported terms**
- › Strong free cash flow generation

# Recap on SGS’s growth priorities to 2027

**Our priority is sustainable, profitable growth**

**At least  
CHF 600 million  
incremental sales from  
Sustainability by 2027**

**At least  
CHF 200 million  
incremental sales from  
Digital Trust by 2027**

**At least  
CHF 1.4 billion  
sales in North America  
by 2027**

**1% to 2% annual  
contribution to sales  
growth from bolt-on  
acquisitions**

**CHF 150 million  
organizational  
efficiencies**

**Free cash flow to  
fully cover bolt-on  
acquisitions and  
dividends**

# Q&A

**When you need to be sure**