FINANCIAL HIGHLIGHTS

ACCELERATING PROFIT AND CASH FLOW GROWTH

- Active Portfolio Management
- EVA-driven Performance Management
- Structural Cost Optimization
- Efficiency Gains
- Continued NWC Improvement

CAPITAL ALLOCATION

ADJUSTED OPERATING INCOME MARGIN 2020

CONCLUSION
FINANCIAL HIGHLIGHTS

ACCELERATING PROFIT AND CASH FLOW GROWTH
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CAPITAL ALLOCATION

ADJUSTED OPERATING INCOME MARGIN 2020

CONCLUSION
SOLID ORGANIC REVENUE GROWTH

RESILIENT PROFITABILITY

REVENUE AND ADJUSTED OPERATING INCOME

REVENUE (CHF MIO; % ORGANIC GROWTH)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>LTM 06/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>5,883</td>
<td>5,712</td>
<td>5,985</td>
<td>6,349</td>
<td>6,706</td>
<td>6,741</td>
</tr>
<tr>
<td>Growth</td>
<td>4.0%</td>
<td>2.0%</td>
<td>2.5%</td>
<td>4.2%</td>
<td>5.3%</td>
<td>4.2%</td>
</tr>
</tbody>
</table>

H1 2019: 3.5%
H1 2018: 4.9%

ADJ. OPERATING INCOME (CHF MIO; % MARGIN)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>LTM 06/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>947</td>
<td>917</td>
<td>919</td>
<td>969</td>
<td>1,050</td>
<td>1,057</td>
</tr>
<tr>
<td>Margin</td>
<td>16.1%</td>
<td>16.1%</td>
<td>15.4%</td>
<td>15.3%</td>
<td>15.7%</td>
<td>15.7%</td>
</tr>
</tbody>
</table>

2014: 16.1%
2015: 16.1%
2016: 15.4%
2017: 15.3%
2018: 15.7%
LTM 06/19: 15.7%
CASH CONVERSION AND FREE CASH FLOW (FCF)

ROBUST CASH FLOW GENERATION

FCF$^2$ (CHF MIO)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>LTM 06/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>607</td>
<td>658</td>
<td>738</td>
<td>706</td>
<td>796</td>
<td>739</td>
</tr>
</tbody>
</table>

ADJ. CASH CONVERSION RATIO$^1$ (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>LTM 06/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average</td>
<td>74.4%</td>
<td>80.5%</td>
<td>84.6%</td>
<td>79.1%</td>
<td>80.3%</td>
<td>75.0%</td>
</tr>
</tbody>
</table>

1. Cash Flow from Operating Activities / Adjusted EBITDA (excl. IFRS 16)
2. Cash Flow from Operating Activities net of Capital Expenditure (excl. IFRS 16)
OPERATING NET WORKING CAPITAL AND ROIC

1. Return on Invested Capital = Profit for the Period / (Non-Current Assets + Net Working Capital)
2. Revenue / Invested Capital (excl. Receivable from Divestments)

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COMPETITORS ANALYSIS – ANALYST MODEL

1. Numbers derived from analyst models. External definitions may differ from SGS calculations.
ACCELERATING PROFIT AND CASH FLOW GROWTH

- Active Portfolio Management
- EVA-driven Performance Management
- Structural Cost Optimization
- Efficiency Gains
- Continued NWC Improvement

CAPITAL ALLOCATION

ADJUSTED OPERATING INCOME MARGIN 2020

CONCLUSION
ACCELERATING PROFIT AND CASH FLOW GROWTH

1. World Class Services

- Active Portfolio Management
- Procurement Initiatives
- Continued NWC Improvement
- Efficiency Gains (process and system standardization + WCS¹, digitalization)
- Structural Cost Optimization
- EVA-driven Performance Management
FINANCIAL HIGHLIGHTS

ACCELERATING PROFIT AND CASH FLOW GROWTH

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ADJUSTED OPERATING INCOME MARGIN 2020

CONCLUSION
RELATIVE MARKET SHARE VS. EXPECTED MID-TERM GROWTH BY BUSINESS ACTIVITY

EVA Return Profile:
- ++ High Value Creation
- + Good Value Creation
- = Positive EVA
- - Value Destroying

BUSINESS PORTFOLIO SEGMENTATION
Disposal of PSC

- PSC is a leading player in the PTO business in the USA with revenues of USD 309 Mio in 2018
- PSC was acquired in 2014 and grew significantly under the leadership of SGS
- PTO-activities within the OGC business were defined as non-core activities
- Disposal of 100% of the interest for a consideration of USD 335 Mio

Acquisition of Maine Pointe

- Maine Pointe – a global supply chain and operations consulting firm
- SGS acquired a 60% stake in June 2019 for a price consideration of USD 108 Mio
- Together with LeanSiS (acquired in Q1 2019) Maine Pointe will take our CBE activities towards more advanced consulting services
- Maine Pointe achieved revenues of over USD 70 Mio in 2018 with a proven track-record of strong double-digit growth and operating profit margins in the mid 20’s
- High revenue synergy potential. Introduction to North America Consulting market opportunities
- The acquisition of Maine Pointe is expected to be EVA accretive as of year 1
## BUSINESS UNIT PROFILE

### RETURN PROFILE, CAPEX INTENSITY AND M&A APPETITE BY BUSINESS UNIT

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>Capex Intensity</th>
<th>NWC Intensity</th>
<th>Return Profile</th>
<th>M&amp;A Appetite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Food and Life</td>
<td>average</td>
<td>average</td>
<td>+ +</td>
<td>high in food and life</td>
</tr>
<tr>
<td>Minerals</td>
<td>higher</td>
<td>higher</td>
<td>+ +</td>
<td>low</td>
</tr>
<tr>
<td>Oil, Gas and Chemicals</td>
<td>higher</td>
<td>higher</td>
<td>+</td>
<td>low</td>
</tr>
<tr>
<td>Consumer and Retail</td>
<td>higher</td>
<td>lower</td>
<td>+ + +</td>
<td>high in E&amp;E and cosmetics</td>
</tr>
<tr>
<td>Certification and Business Enhancement</td>
<td>lower</td>
<td>lower</td>
<td>+ + +</td>
<td>in selective areas</td>
</tr>
<tr>
<td>Industrial</td>
<td>lower</td>
<td>higher</td>
<td>+</td>
<td>in selective areas</td>
</tr>
<tr>
<td>Environment, Health and Safety</td>
<td>lower</td>
<td>higher</td>
<td>+</td>
<td>high</td>
</tr>
<tr>
<td>Transportation</td>
<td>higher</td>
<td>lower</td>
<td>+</td>
<td>in selective areas</td>
</tr>
<tr>
<td>Governments and Institutions</td>
<td>average</td>
<td>higher</td>
<td>+ + +</td>
<td>in selective areas</td>
</tr>
</tbody>
</table>
1. Economic Value Added (EVA)

Indicators for a positive EVA in year 1

- Small bolt-on acquisition
- Negligible impact on relative market-share
- Concentrated client portfolio
- Low to mid-single digit growth
- Limited synergy potential
- Cyclicality > SGS cyclicality

Indicators for a positive EVA beyond year 1

- Transformational acquisition for the BU
- Relative market-share will change materially
- Broad client portfolio with high retention rate
- High single-digit to double-digit growth
- High synergy potential
- Low cyclicality
FINANCIAL HIGHLIGHTS

ACCELERATING PROFIT AND CASH FLOW GROWTH

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CAPITAL ALLOCATION

ADJUSTED OPERATING INCOME MARGIN 2020

CONCLUSION
Integrate **EVA framework into strategic decision making** to drive performance.

EVA assessment conducted in Q3 2019, showed that **150+ individual businesses** accounting for approx. 8% of Group revenue had a **negative operational EVA** in the last 12 months.

For each of the value destroying units a **recovery plan** will be established and implemented in Q4 2019. Alternatively, different exit or consolidation options will be considered.

The recovery plans focusing on the following levers **will be monitored on a quarterly basis**:

- Tighter management of price vs. wage inflation
- Additional measures to increase productivity (direct costs)
- NWC management
- Accelerated revenue growth / new client acquisition
- Benefits of the structural cost optimization program
FINANCIAL HIGHLIGHTS

ACCELERATING PROFIT AND CASH FLOW GROWTH

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CAPITAL ALLOCATION

ADJUSTED OPERATING INCOME MARGIN 2020

CONCLUSION
GLOBAL OPTIMIZATION PROGRAM HIGHLIGHTS

- At least **90 Mio** annualized sustainable savings
- **970** actions initiated / central monthly follow-up
- Current status: **47%** of actions closed confirming **50%** of the total savings, well on track to achieve target at the end of 2019
SGS GERMANY
KEY OPTIMIZATION INITIATIVES

SGS GERMANY
CHF 8+ Mio Savings Target

-4%
Overall staff reduction

-16%
Streamline of Overhead departments

-12%
Reduction of labs and consolidation in OGC

-6%
Closing of sub business units in Industrial Services
SGS GERMANY
STRUCTURAL IMPROVEMENTS

Business vs. Business
Consolidation of businesses, elimination of 1 additional management layer

Functions vs Functions
Elimination of duplications between Group and Country functions

Global BU vs. Germany BU
Elimination of duplications between Group Business and local Business units

Business vs. Function
Elimination of duplications between Country functions (OVH) and local Business units

Business & Location closures
Consolidation of sites and labs
GERMANY SAVINGS CHF 8+ Mio

Current Status

- 65% of actions identified have been implemented
- Remaining actions to be implemented in Q4 2019
FINANCIAL HIGHLIGHTS

ACCELERATING PROFIT AND CASH FLOW GROWTH

- Active Portfolio Management
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CAPITAL ALLOCATION

ADJUSTED OPERATING INCOME MARGIN 2020

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OPTIMIZATION DRIVEN BY FINANCE SSC

People:
- Process training and best practice sharing
- Lean/Six-Sigma and Continuous Improvement

Results:
- KPIs tracking and review with functions and countries

Process:
- Fit-Gap Analysis (Brown Paper Sessions)
- Standardization
- Automation / RPA

Finance SSC

Lean / Six-Sigma

Performance Management

People Development

Cross-Function Activities

Purchase-To-Pay Process

Record-To-Report Process

Order-To-Cash Process

Managing complexity

Managing standardized process
ACCELERATING PROFIT AND CASH FLOW GROWTH

- Active Portfolio Management
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ORDER TO CASH OPTIMIZATION

25% Time to Bill
- Billing centralization (in country). First pilots showing strong cost saving potential
- Close follow-up on WIP and UR
- KPIs monitored through dashboards
- System consolidation (mid-term)

50% Payment Terms
- EVA-driven culture
- Close the gap to standard payment terms
- Improvement of contract terms especially for long-term projects (i.e. milestone payments)

25% Overdue
- Onboarding of additional countries to Finance SSC
- Advanced collection tools in SSC
- Roll out of a new collection policy
- KPI-driven follow up and escalation

DSO 47 days
Expected mid-term improvement of 4 days
FINANCIAL HIGHLIGHTS

ACCELERATING PROFIT AND CASH FLOW GROWTH

Active Portfolio Management

EVA-driven Performance Management

Structural Cost Optimization

Efficiency Gains

Continued NWC Improvement

CAPITAL ALLOCATION

ADJUSTED OPERATING INCOME MARGIN 2020

CONCLUSION
# CAPITAL ALLOCATION CAPEX

CAPEX LEADING TO SUSTAINABLE SOLID ORGANIC GROWTH

<table>
<thead>
<tr>
<th>Year</th>
<th>CAPEX (CHF MIO in % of Revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>312 5.3%</td>
</tr>
<tr>
<td>2015</td>
<td>307 5.4%</td>
</tr>
<tr>
<td>2016</td>
<td>288 4.8%</td>
</tr>
<tr>
<td>2017</td>
<td>302 4.8%</td>
</tr>
<tr>
<td>2018</td>
<td>304 4.5%</td>
</tr>
<tr>
<td>LTM 06/19</td>
<td>290 4.3%</td>
</tr>
</tbody>
</table>
CAPITAL ALLOCATION M&A

ACQUISITION CASH CONSIDERATION
(CHF MIO / # OF TRANSACTIONS)

FOCUS ON M&A ACTIVITY
MAINTAIN ATTRACTIVE SHAREHOLDER RETURN POLICY

AVERAGE DIVIDEND YIELD OF 3.7% (RANGING FROM 3.2% TO 4.9%)

CAPITAL ALLOCATION — ATTRACTIVE SHAREHOLDER RETURN

Dividend per share including ordinary and special dividends
Payout ratio: Dividend per share / Basic earnings per share

1. Dividend per share including ordinary and special dividends
2. Payout ratio: Dividend per share / Basic earnings per share
Committed to a sound and prudent balance sheet policy with sufficient debt headroom for sizeable M&A opportunities without impacting credit rating.

- Usage of cash: prioritize investments over distribution, however following stringent ROIC/EVA criteria and not jeopardizing dividend capacity.

- Investments into operations (CAPEX) to sustain and enhance growth.
- Merger & Acquisitions to accelerate growth.
- Dividends in line with earnings growth to reward performance.
- Share buyback to return excess (if any).
ACCELERATING PROFIT AND CASH FLOW GROWTH

- Active Portfolio Management
- EVA-driven Performance Management
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- Efficiency Gains
- Continued NWC Improvement
MAIN CONTRIBUTORS TO ACHIEVE 17%+ AOI¹ MARGIN IN 2020

- **Cost Optimization**
  - Majority of the expected savings from the structural cost optimization program of at least CHF 90 Mio will occur in 2020

- **Business Portfolio**
  - Margin uplift from changing our portfolio towards higher added-value services will be realized in 2020 (disposal of PSC and acquisition of Maine Pointe)

- **EVA-driven Performance**
  - Improving or exiting value destroying business will lead to a margin uplift in 2020 and beyond

¹ Adjusted Operating Income
FINANCIAL HIGHLIGHTS

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CONCLUSION

- Global leader in the TIC industry with a broad and balanced portfolio
- Proven track-record of sustainable solid organic growth
- Best in class ROIC (%) and Cash Flow conversion
- Shareholder friendly dividend policy with a high pay-out ratio
- Strong balance sheet with sizeable capacity to actively evolve the portfolio towards higher added-value services and growth drivers
- Opportunity to accelerate profit and cash-flow generation driven by growth, structural cost measures, leveraging digital investment, implementing of an EVA-driven performance culture and active portfolio management