



FOCUS ON AGRICULTURE & FOOD

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WHEN YOU NEED TO BE SURE



STRATEGIC BUSINESS UNIT

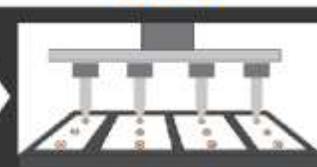
SEED & CROP



TRADE & LOGISTICS

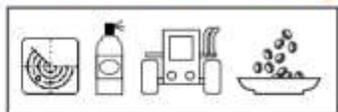


FOOD



PORTFOLIO

Pre-Farm Gate/Farming



Commodities



Manufacturers/Retailers



MARKET LEADERSHIP

Global Top 3 Position

Global Market Leader

Global Top 3 Position

MARKET SITUATION & TRENDS



- Low commodity prices impacting farm profitability
- Consolidation of ag input industry
- Precision Farming



- Weakening trading economy, restructuring and M&A on-going
- Abundant crops and trade volume expected to increase in 2016/17



- Increased focus on food safety, transparency & authenticity
- New food regulations (e.g. FSMA-USA)
- Social responsibility



- ✓ Since 2016, new AFL organization aligned to the market with a coherent sales and marketing structure that can sell the full SGS service portfolio across the value chain
- ✓ 2020 AFL strategic plan per Strategic Business Unit in place
- ✓ Cleaning portfolio of under-performing activities
- ✓ New laboratory operational excellence program to improve efficiency and share best practices across the network
- ✓ New IT solution for trade execution to improve standardization and productivity



ORGANIC GROWTH

- ✓ Increase laboratory capacity in key geographies to allow further growth (Vietnam, Korea, Malaysia, Taiwan, China, Indonesia, India, USA, Canada, Germany, Brazil, Black Sea, etc.)
- ✓ Reorganize key account structure for food to sell solutions instead of individual services
- ✓ Gaining additional support for the trade from large buyers/importers

ACQUISITIVE GROWTH

- ✓ Target portfolio diversification & geographic gaps, market screened in selected business segments and geographies
- ✓ Four acquisitions closed to date in 2016, a few more expected to be announced shortly. Active pipeline of small to medium size targets across the 3 Agri-Food SBUs.

BOOST: DATA-DRIVEN AGRICULTURE



- **SGS Unigeo** (*September 2016*)
 - Market leader for precision farming services in Brazil
 - Presence in 7 grain-producing states
 - Online platforms with data analytics for precision ag management and farm monitoring & management

- **AgFlow** (*July 2016, minority*)
 - Business intelligence platform for commodities
 - Collect, analyze, aggregate and distribute physical prices to market players
 - Will feed SGS data and market studies into its platform and turn them into actionable and valuable information



FOOD AUTHENTICITY

- VARIOUS EXISTING TECHNIQUES TO DETECT FRAUD
- IMPLEMENT NEXT GENERATION TECHNOLOGY IN MOLECULAR BIOLOGY

SUPPLY CHAIN SOLUTIONS

- TRANSPARENCY
- INTEGRATED SOURCING SOLUTION
- END-TO-END TRACEABILITY



COGNITIVE COMPUTING AND BIG DATA

- DIGITAL REGULATORY INTELLIGENCE NETWORK
- WEB-BASED SELF SERVICE SOLUTION
- PARTNERSHIP ON AI

NEW INITIATIVES

- FSMA
- SOCIAL RESPONSIBILITY AUDITS
- FARM/PRIMARY PRODUCTION AUDITS



MISSION 2020

**UNDER
CONTROL**

TAKE OFF COMPLETED

WHEN YOU NEED TO BE SURE

SGS