



OIL @ SGS

ALIM SAIDOV – EXECUTIVE VICE PRESIDENT

INVESTORS DAYS, 29-30 OCTOBER 2015

WHEN YOU NEED TO BE SURE



- **Let's (not) talk about oil price**
- All news is in the public domain, but underlying processes are heavily political
- 'Great hunt' for new reserves on the shelf
- Strongly leaning towards production as opposed to exploration
- A clear buyer's market, with NOCs becoming major players
- Refining margins benefit from cheaper feedstock
- Record year for trade: highest volatility for 15 years



SERVICES

Subsurface Consultancy	✓	✓	✓			
Well Testing Services	✓		✓			
Cased Hole Services			✓			
Production Fluids Testing	✓		✓			
Metering and Measurement Consulting			✓	✓		
Tools		✓				
Wellhead Services			✓			
Rock Properties Testing	✓	✓				
Trade Related Services				✓	✓	✓
Non-Inspection Related Testing		✓	✓		✓	✓
Lab Outsourcing Solutions		✓	✓		✓	✓
Plant and Terminal Operations				✓	✓	✓
Metering and Instrumentation				✓	✓	✓
Oil Condition Monitoring					✓	✓
Sample Management Services					✓	✓
Fuel Integrity Services					✓	✓
Cargo Treatment Services				✓	✓	✓

- Upstream yet to reach critical mass
- Downstream trade growing more than 5%
- Business segments with double-digit growth:
 - Oil condition monitoring (14%)
 - Non-inspection related testing (11%)
 - Fuel integrity programs (12%)
- Plant and terminal operations – high double digit growth in prior year



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Tools		✓	
Wellhead Services			✓
Rock Properties Testing	✓	✓	
Trade Related Services			
Non-Inspection Related Testing		✓	✓
Lab Outsourcing Solutions		✓	✓

■ **Phase 1 infrastructure complete**

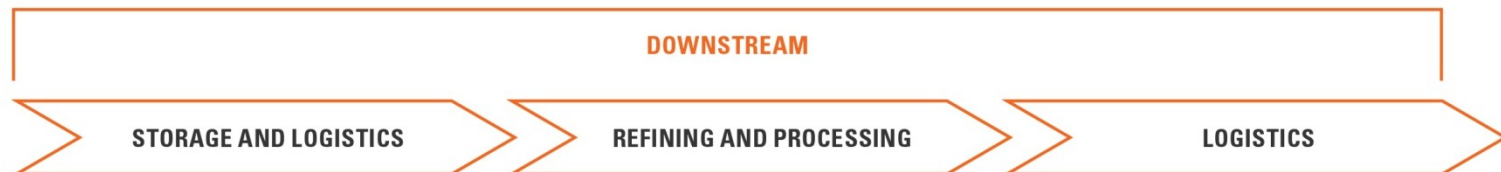
- Asset Management Center
- Applied Technology and Innovation Center
- Business development and sales teams

■ Revenue capacity of CHF 500 million

■ Focused geographies and business portfolio application plans

■ **Mid-term goals:**

- Capitalize on Phase 1, reaching CHF 500 million revenue
- Build new assets and increase footprint
- Maximize asset utilization to achieve target margin (average 22%)
- Strong push for existing innovative products and services



SERVICES

	STORAGE AND LOGISTICS	REFINING AND PROCESSING	LOGISTICS
Metering and Measurement Consulting	✓		
Trade Related Services	✓	✓	✓
Non-Inspection Related Testing		✓	
Lab Outsourcing Solutions		✓	
Plant and Terminal Operations	✓	✓	✓
Metering and Instrumentation	✓	✓	✓
Oil Condition Monitoring			✓
Sample Management Services			✓
Fuel Integrity Services			✓
Cargo Treatment Services		✓	✓

- Core trade-related services growing faster than anticipated
- Strongest focus on margin improvement in the face of pricing pressure:
 - Sales organization improvement – more hunters to balance the farmers
 - Efficiency and productivity improvements through global rollout of:
 - Standard Inspection Reporting
 - Shipping-On-Line
 - SGS Laboratory Information System
- Service innovation and new bundles

- Continuing to shape the leading edge of the oil and gas TIC industry:
 - WaterPro project
 - Annulus leak detection
 - Frac water flowback
- AutoGOR testing station and service wins Energy Institute Innovation Award



