

2020 full year results presentation

SGS GROUP RESULTS

Disclaimer

Certain matters discussed in this presentation may constitute forward-looking statements that are neither historical facts nor guarantees of future performance. Because these statements involve risks and uncertainties that are beyond control or estimation of SGS, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. These statements speak only as of the date of this document. Except as required by any applicable law or regulation, SGS expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in SGS Group's expectations with regard thereto or any change in events or conditions on which any such statements are based.

A STRONG OPERATIONAL PERFORMANCE IN 2020



Rising to the challenge in 2020

Protecting our employees and supporting our communities

- Employee health and safety through the provision of Personal Protective Equipment
- Supporting and equipping remote working
- Focusing on employee emotional well-being
- Maintained focus on our sustainability objectives including supporting our communities, organizing volunteering and fundraising

Resilient adjusted operating income performance

2020 highlights

REVENUE

CHF 5.6 BN

(8.8%)¹ (6.5%) ORGANIC*



ADJUSTED OPERATING INCOME*

CHF 900 MIO

(8.0%)¹



PROFIT FOR THE PERIOD

CHF 505 MIO

(28.1%)



FREE CASH FLOW*

CHF 758 MIO

12.6%



RETURN ON INVESTED CAPITAL^{2,*}

16.5%

(8.7pp)³



PROPOSED DIVIDEND

CHF 80



1. Constant currency (CCY)* – 2. 2020 ROIC at 20.9% when adjusted from SYNLAB Analytics & Services (A&S) acquisition completed on 31 December 2020 – 3. Percentage points

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



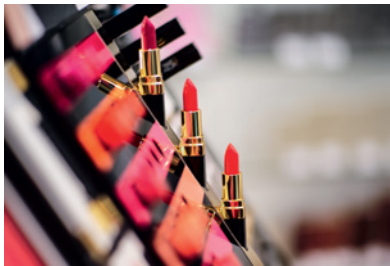
Rising to the challenge in 2020

Service innovation and focused investment

- Evolving our services to help our customers address their operation and supply chain challenges through remote inspection, audit and training
- Launch of innovative products and services under 'Next Normal' solutions
- A significant capacity increase in bioanalytical and clinical trial solutions for novel vaccines
- Ramping up in Personal Protective Equipment testing and inspection to be the global market leaders
- Continued investment in our strategic priority markets through capex and mergers & acquisitions

Strategic focus on higher value-added services through portfolio evolution

Acquisitions



Thomas J. Stephens & Associates, Inc.

Business line: **CRS**
Location: **USA**



Engineering Control Limited

Business line: **IND**
Location: **New Zealand**



CTA Gallet

Business line: **GIS**
Location: **France**



SYNLAB Analytics & Services (A&S)

Business line: **EHS, AFL, OGC**
Location: **Europe**



Groupe Moreau

Business line: **GIS**
Location: **France**



Ryobi Geotechnique International Pte Ltd.

Business line: **IND**
Location: **Singapore**

Strategic focus on higher value-added services through portfolio evolution

Subsequent acquisitions and announcements



Analytical & Development Services

Business line: **AFL**

Location: **United Kingdom**



The lab facilities of International Service Laboratory from Novartis

(Announcement of acquisition)

Business line: **AFL**

Location: **Ireland**

Disposals



Pest management and fumigation operations

Business line: **AFL**

Location: **The Netherlands and Belgium**

OUR PORTFOLIO DEMONSTRATED RESILIENCE IN 2020



Margin improved in 2020 despite revenue decline

2020 Financial highlights

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	5 604	6 600	<i>(15.1)</i>	6 148	<i>(8.8)</i>
OPERATING INCOME (EBIT)	795	1 082	<i>(26.5)</i>	994	<i>(20.0)</i>
OPERATING INCOME (EBIT) MARGIN	14.2%	16.4%		16.2%	
ADJUSTED OPERATING INCOME*	900	1 063	<i>(15.3)</i>	978	<i>(8.0)</i>
ADJUSTED OPERATING INCOME MARGIN*	16.1%	16.1%		15.9%	
PROFIT FOR THE PERIOD	505	702	<i>(28.1)</i>		
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF SGS SA	480	660	<i>(27.3)</i>		
BASIC EPS (CHF)	64.05	87.45	<i>(26.7)</i>		
ADJUSTED BASIC EPS (CHF)*	75.44	88.17	<i>(14.4)</i>		
CASH FLOW FROM OPERATING ACTIVITIES	1 186	1 149	<i>3.2</i>		
FREE CASH FLOW*	758	673	<i>12.6</i>		

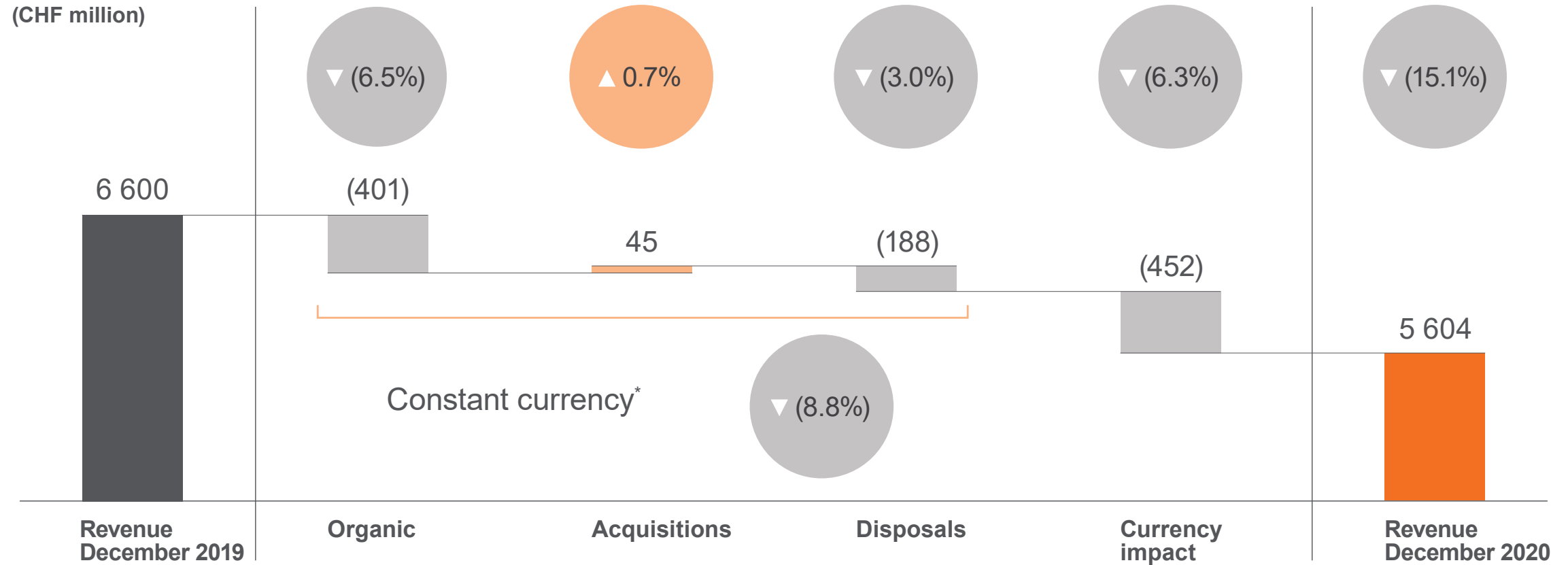
1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Resilient organic revenue growth

2020 Revenue composition

(CHF million)

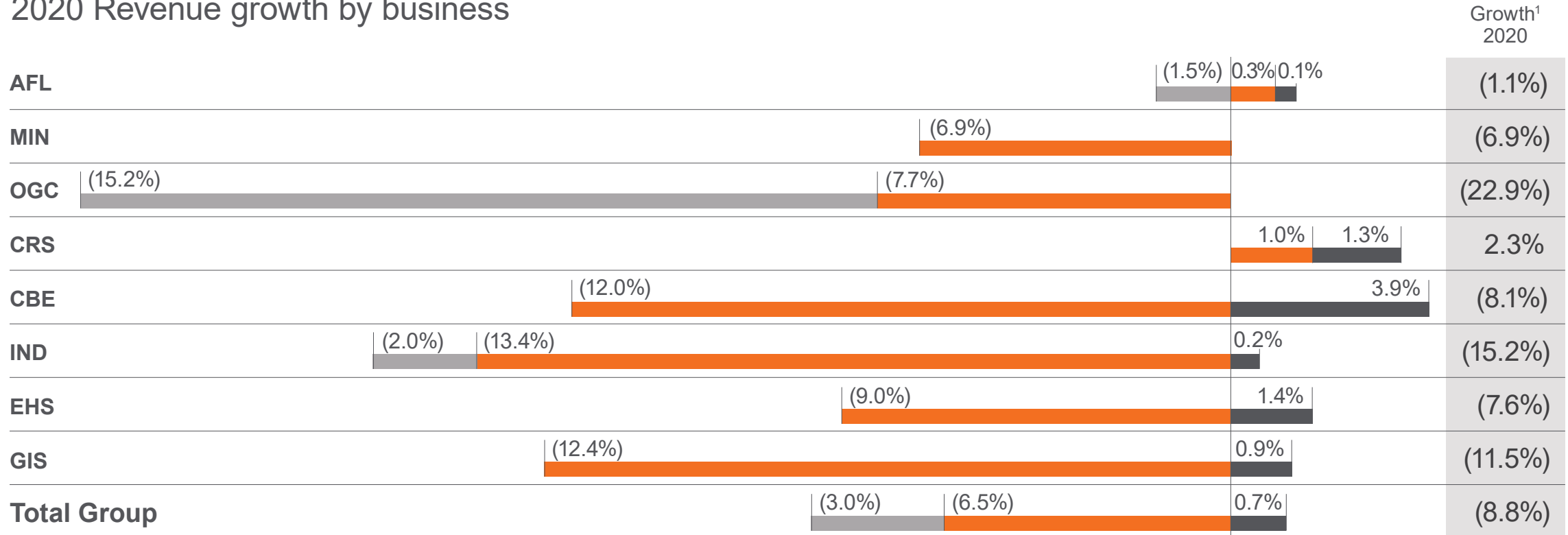


1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

CRS and AFL delivered organic growth

2020 Revenue growth by business



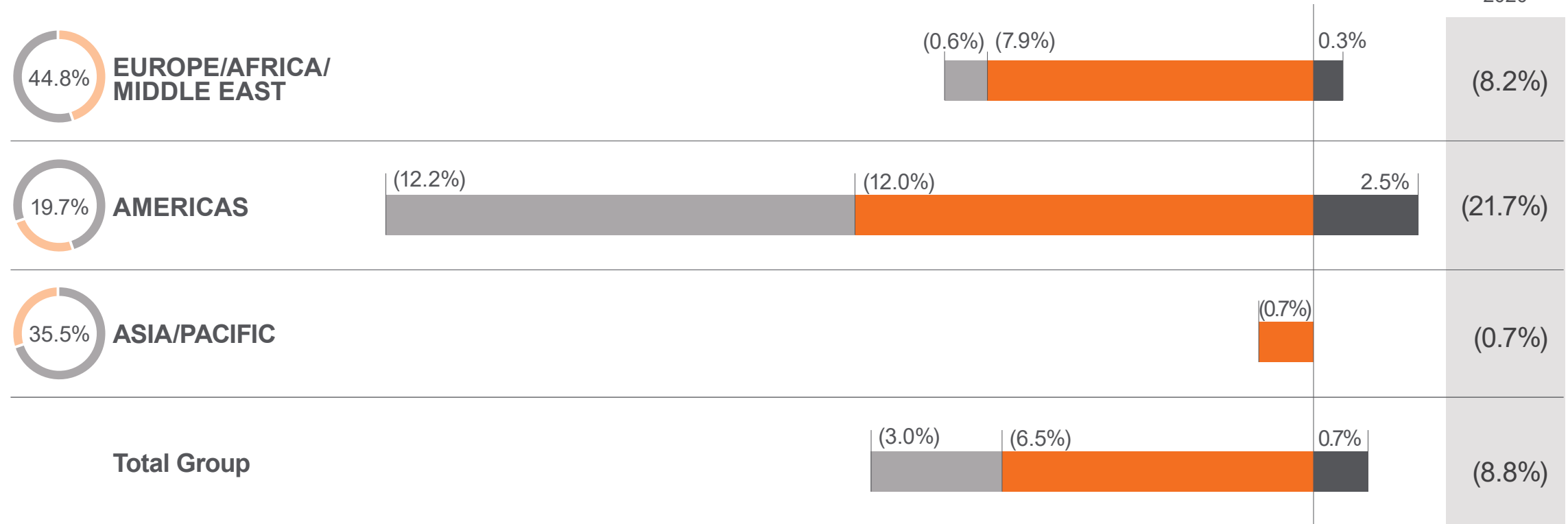
1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Organic Acquisitions Disposals

Regional growth impacted by variable lockdown measures

2020 Revenue growth¹ by region



1. Constant currency (CCY)*

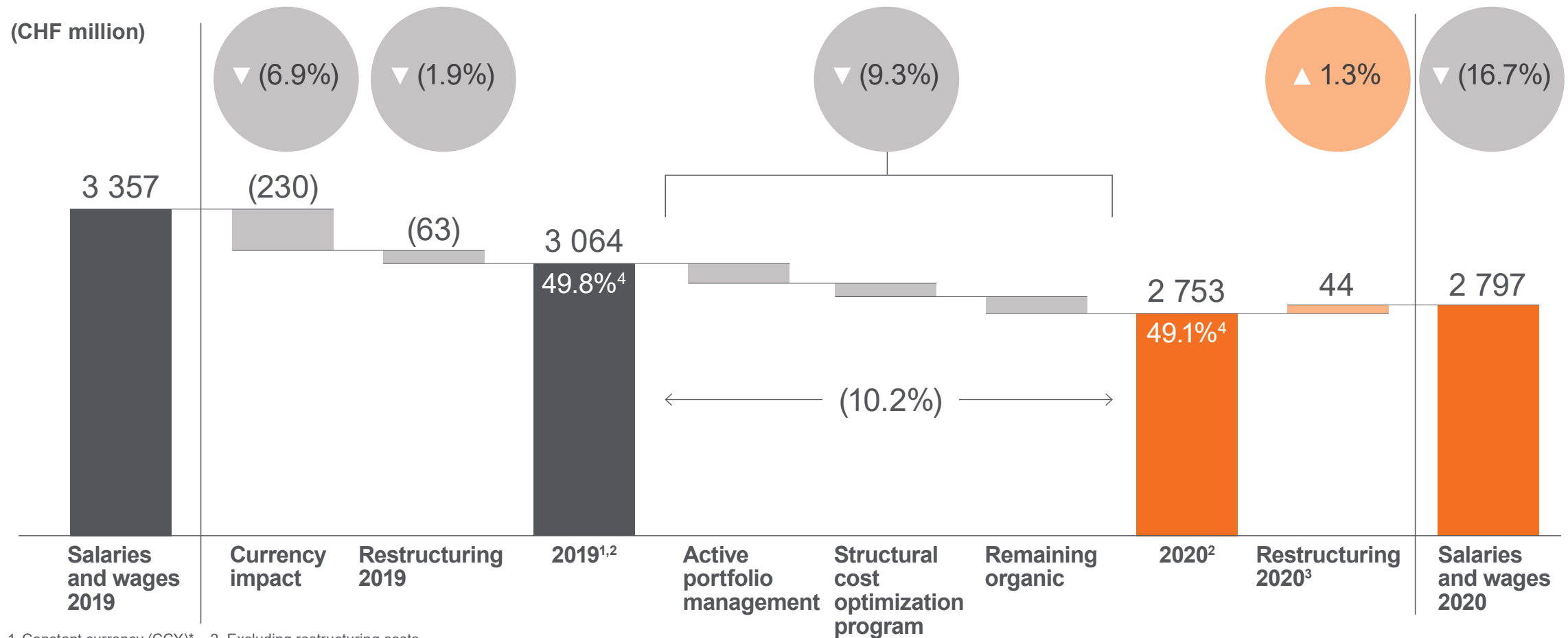
* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Organic

Acquisitions

Disposals

Efficient workforce management



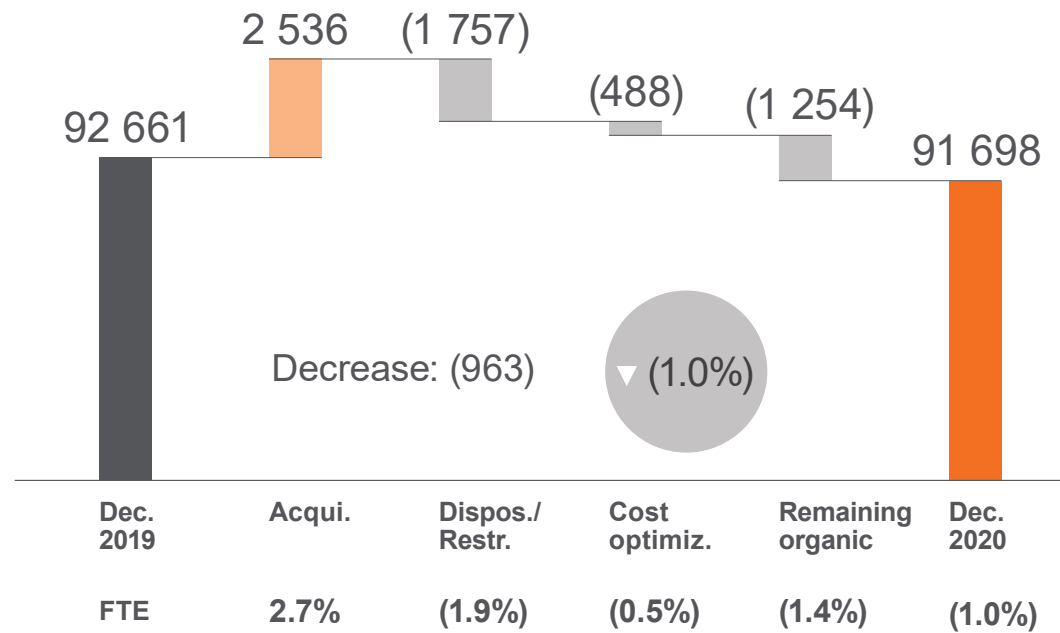
1. Constant currency (CCY)* – 2. Excluding restructuring costs

3. Including a one-off restructuring cost of CHF 15 million related to the single-window contract with the Government of Ghana – 4. In percentage of revenue

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

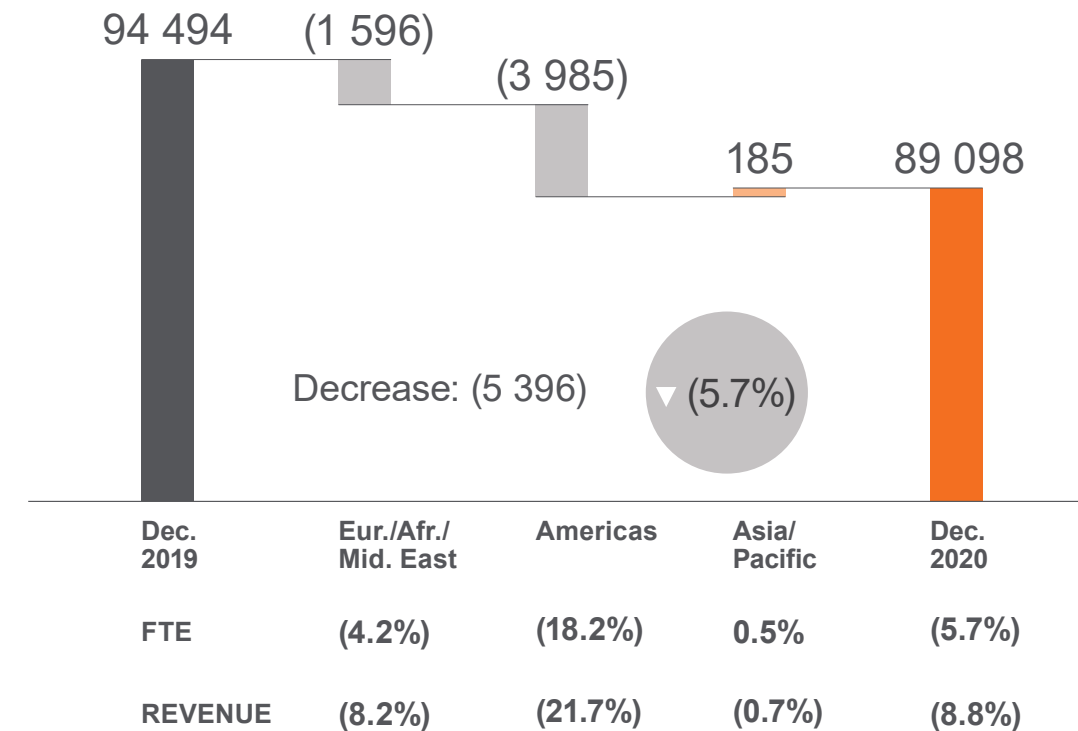
Average headcount decreased by 6%

FTE¹ End of period



1. Full-Time Equivalent (FTE) Employees

FTE¹ Average by region

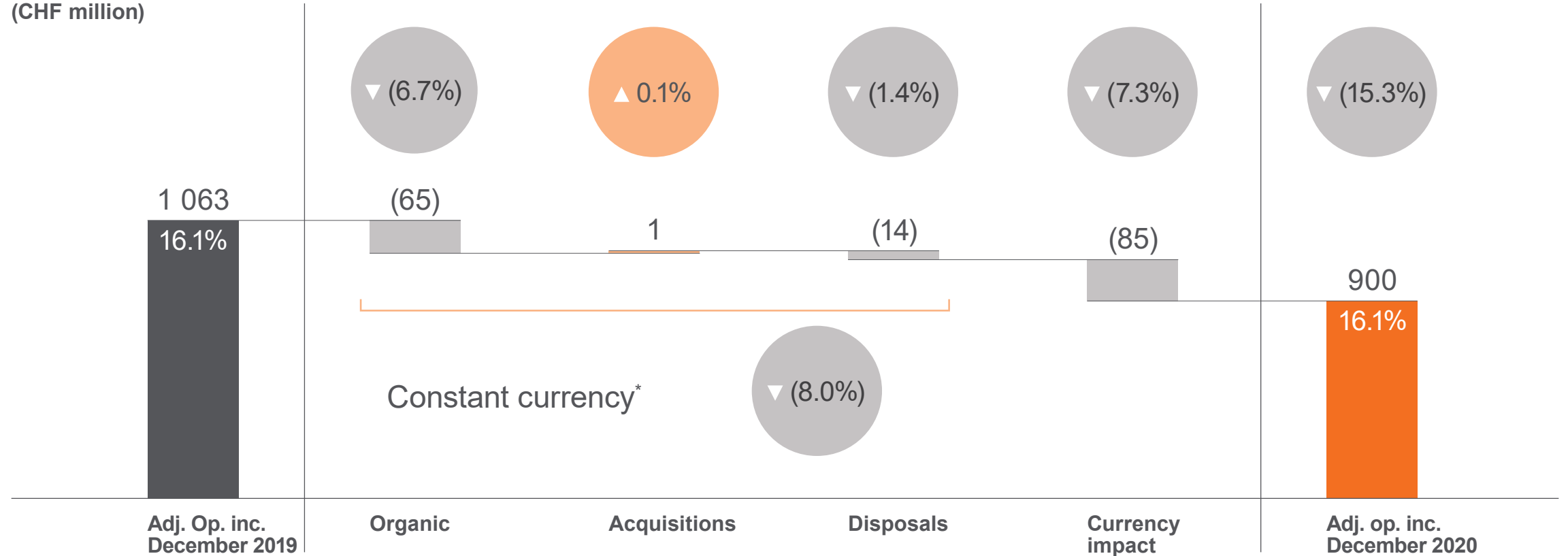


1. Full-Time Equivalent (FTE) Employees

Strong organic adjusted operating income performance

2020 Adjusted operating income*

(CHF million)



1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Adjusted operating income

2020 Adjusted operating income* bridge

(CHF million)	December 2020	December 2019
OPERATING INCOME	795	1 082
Amortization and impairment of acquired intangibles	31	36
Restructuring costs	84	89
Goodwill impairment	37	21
Gain on business disposals	(63)	(268)
Transaction and integration costs	16	19
Other non-recurring items ¹	–	84
ADJUSTED OPERATING INCOME	900	1 063

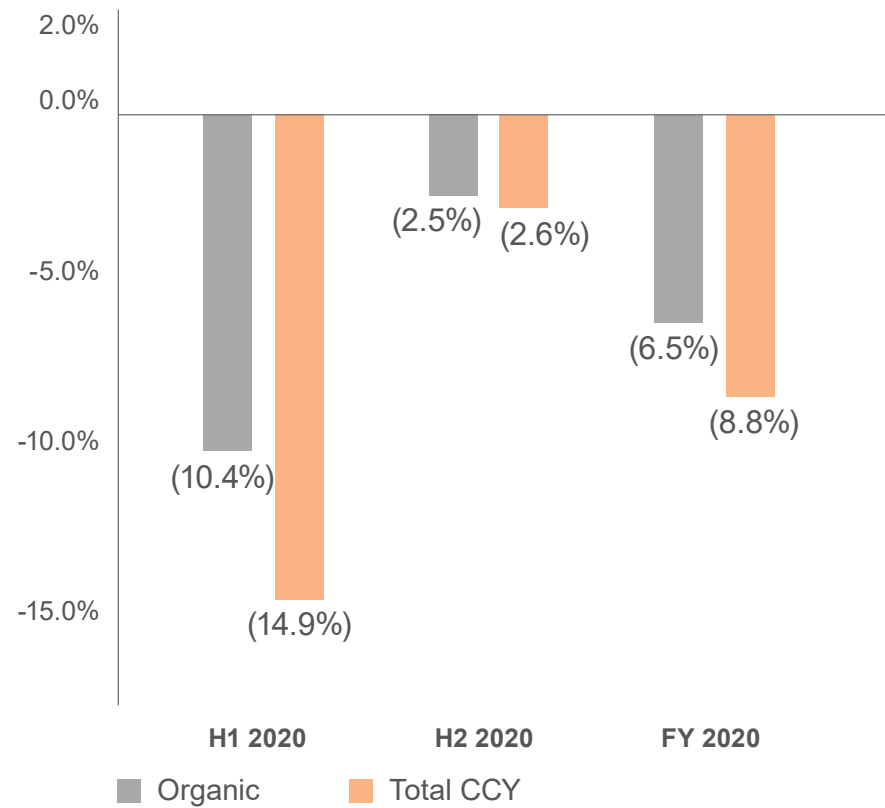
1. 2019 included mainly tax provisions of CHF 33 million, impairment of fixed and intangible assets of CHF 24 million and the remeasurement of the defined benefit obligation of the Swiss pension fund of CHF 10 million

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

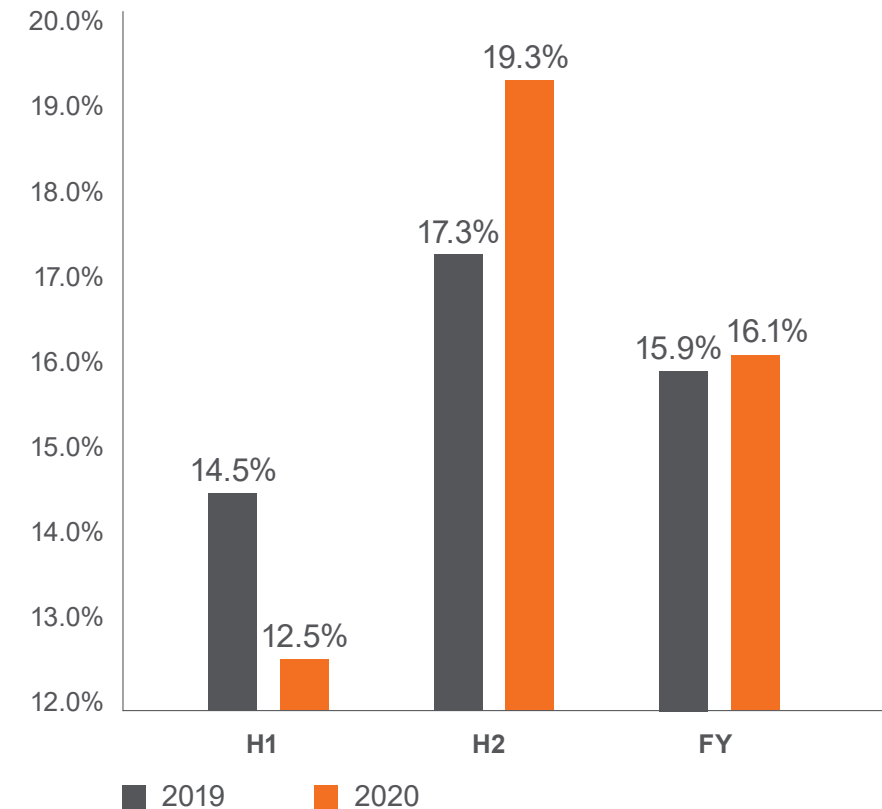
- In 2020, the termination of the single-window contract with the Government of Ghana and the vehicle inspection contract with the Government of Uganda accounted for half of the restructuring costs, while 2019 was impacted by the structural cost optimization program
- Gain on business disposals is related to the sale of pest management and fumigation operations in 2020 compared to the disposal of Petroleum Services Corporation (PSC) in prior period
- 2020 transaction costs mainly relate to the acquisition of SYNLAB Analytics & Services (A&S), while 2019 was mainly linked to the disposal of PSC

FY margin increased driven by a strong performance in H2

Revenue growth evolution



AOI* margin evolution 2020 CCY¹



1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Rising to the challenge in 2020

Financial discipline

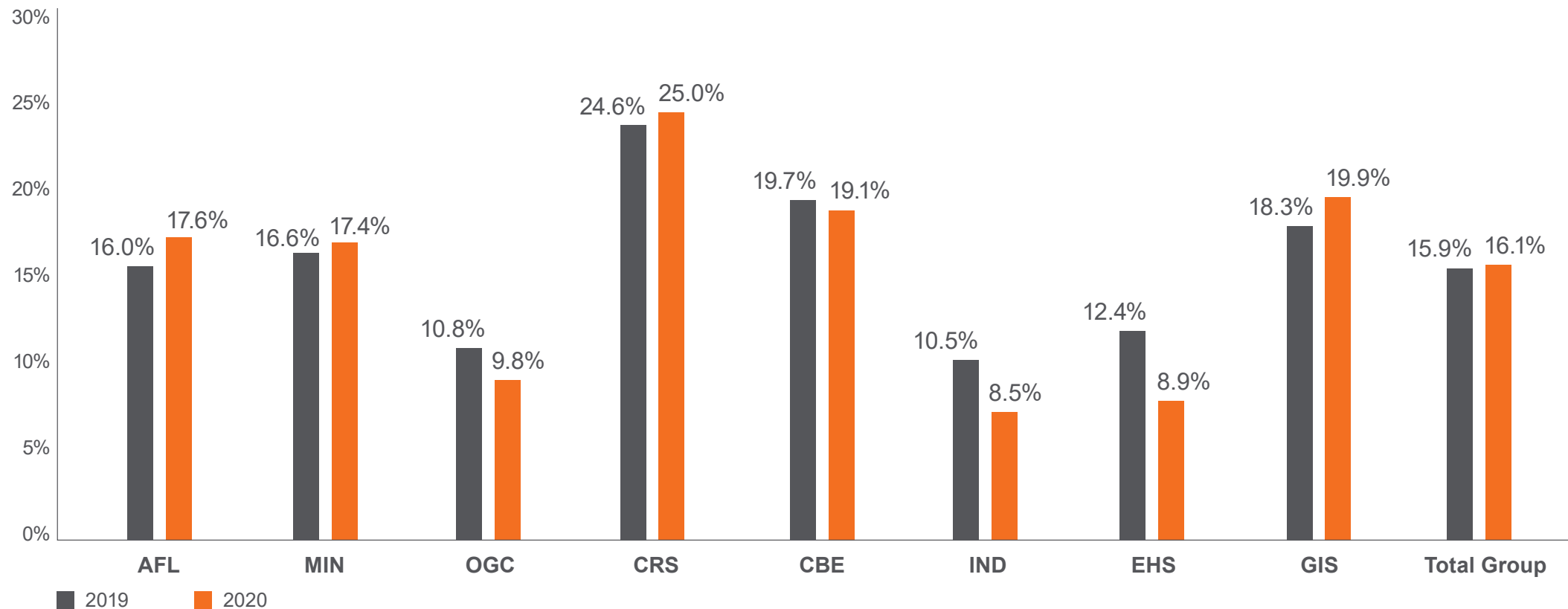
- Placement of CHF 175 million and CHF 325 million bonds at attractive pricing
- Strong focus on pricing discipline
- Annualized structural optimization of above CHF 90 million achieved
- Strong cost management leading to a dropdown ratio¹ of 14.3% in 2020
- Free cash flow* increased by 12.6%, driven by significant focus on working capital management

1. Adjusted operating income variance current year versus prior year at constant currency (CCY)* divided by revenue variance current year versus prior year at constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Strong margin performance reflects our financial discipline

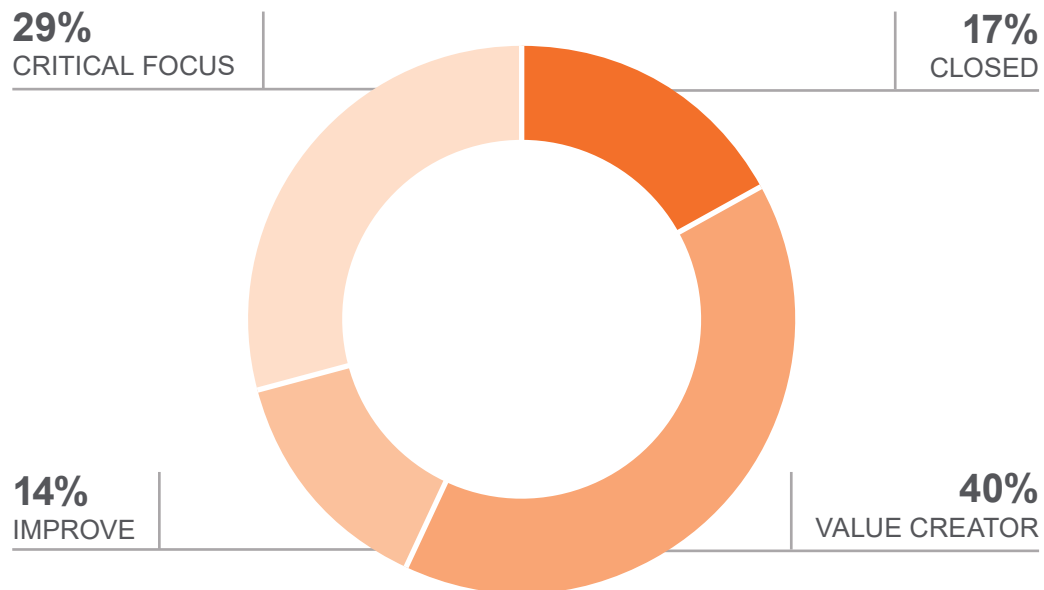
2020 Adjusted operating income margin^{1,*}



1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM" document

Continuous EVA performance management



- Progression made on the 150+ business units under review but in some cases slower than expected due to Covid-19
 - 17% closed
 - 40% created value in 2020
 - 14% were still value destroying in 2020 but improved versus prior year
 - 29% are still on a critical focus list mainly due to Covid-19, but have a recovery plan for 2021

2020 Consolidated balance sheet

Assets

(CHF million)	December 2020	December 2019
Property, plant and equipment	872	926
Right-of-use assets	590	611
Goodwill	1 651	1 281
Other intangible assets	333	187
Investments in joint ventures, associates and other companies	34	35
Deferred tax assets	161	174
Other non-current assets	154	149
NON-CURRENT ASSETS	3 795	3 363
Inventories	57	45
Unbilled revenues and work in progress	160	195
Trade receivables	856	953
Other receivables and prepayments	188	219
Current tax assets	77	77
Marketable securities	9	9
Cash and cash equivalents	1 766	1 466
CURRENT ASSETS	3 113	2 964
TOTAL	6 908	6 327
NET DEBT*	(1 478)	(762)

Equity and liabilities

(CHF million)	December 2020	December 2019
Equity holder of SGS SA	1 060	1 514
Non-controlling interests	74	81
EQUITY	1 134	1 595
Loans and other financial liabilities	2 390	2 199
Lease liabilities	470	490
Deferred tax liabilities	53	23
Defined benefit obligations	136	151
Provisions	88	91
NON-CURRENT LIABILITIES	3 137	2 954
Loans and other financial liabilities	863	38
Lease liabilities	151	154
Trade and other payables	658	638
Provisions	85	74
Current tax liabilities	140	145
Contract liabilities	189	155
Other creditors and accruals	551	574
CURRENT LIABILITIES	2 637	1 778
TOTAL	6 908	6 327

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM" document

Strong cash flow generation

2020 Condensed cash flow

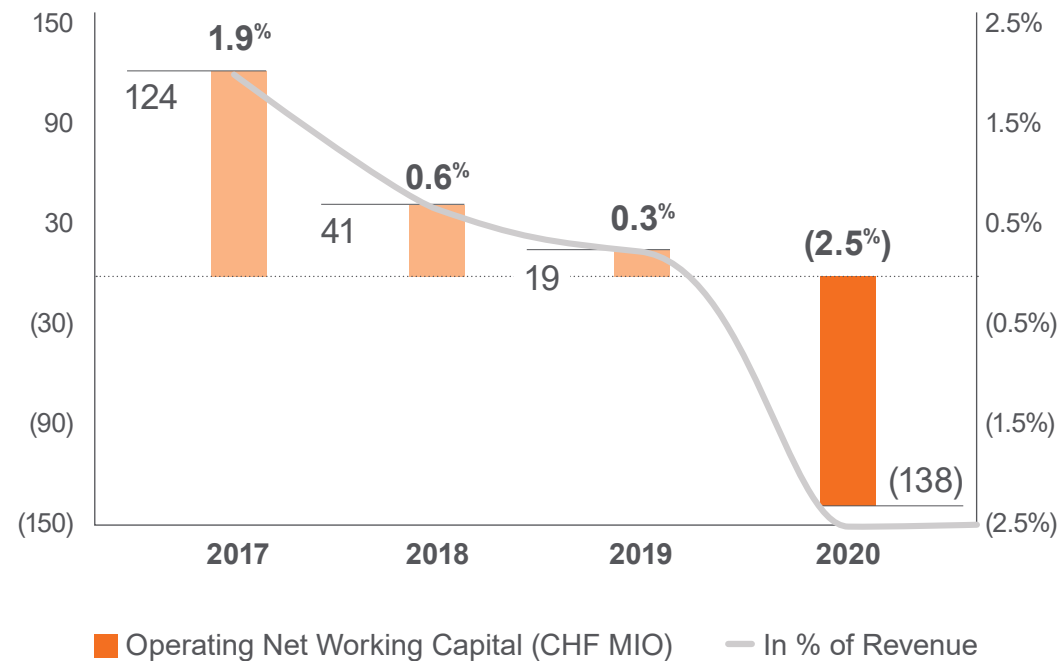
(CHF million)	December 2020	December 2019
PROFIT FOR THE PERIOD	505	702
Non-cash and non-operating items	748	756
Decrease/(increase) in working capital	186	(3)
Taxes paid	(253)	(306)
CASH FLOW FROM OPERATING ACTIVITIES	1 186	1 149
Net purchase of fixed assets	(246)	(279)
Acquisition of businesses	(492)	(169)
Proceeds from sales of businesses	71	333
Decrease in marketable securities and other	12	15
CASH FLOW USED BY INVESTING ACTIVITIES	(655)	(100)
Dividends paid to equity holders of SGS SA	(598)	(589)
Dividends paid to non-controlling interests	(37)	(43)
Transaction with non-controlling interests	(1)	(12)
Cash paid on treasury shares	(208)	(23)
Proceeds/(payment) of corporate bonds	499	(375)
Interest paid	(63)	(87)
Payment of lease liabilities	(161)	(174)
Proceeds from borrowings	542	–
Payment of borrowings	(154)	–
CASH FLOW USED BY FINANCING ACTIVITIES	(181)	(1 303)
Currency translation	(50)	(23)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	300	(277)

(CHF million)	December 2020	December 2019
CASH FLOW FROM OPERATING ACTIVITIES	1 186	1 149
Purchase of property, plant and equipment and other intangible assets	(259)	(290)
Disposal of property, plant and equipment and other intangible assets	13	11
Operating lease outflows	(182)	(197)
FREE CASH FLOW*	758	673

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM" document

Strong net working capital performance

Operating net working capital in % of revenue*



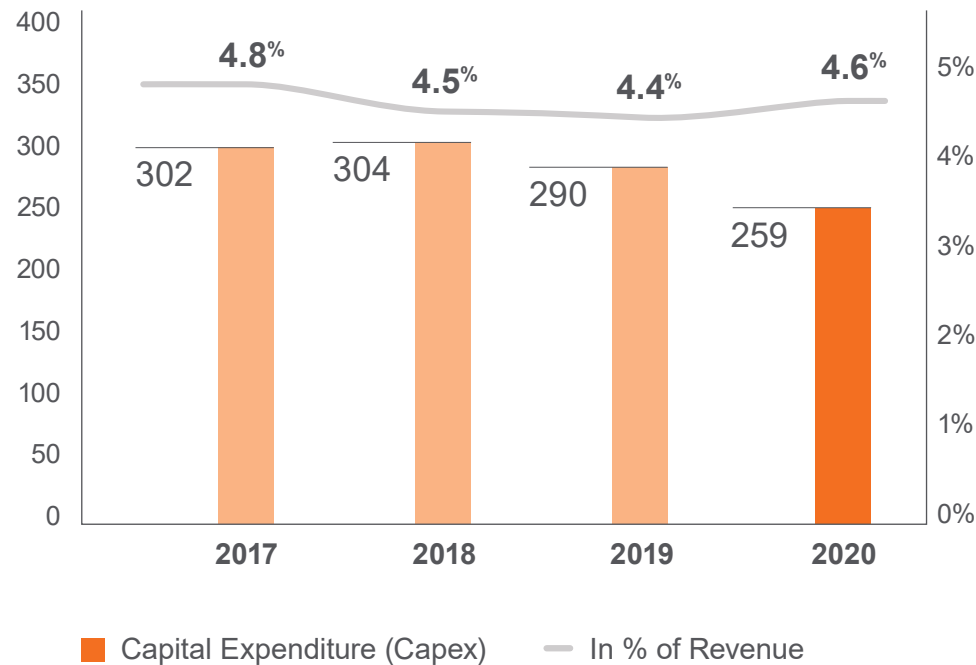
* Alternative Performance Measures (APM), refer to the "2020 Full Year APM" document

- Improved Days Sales Outstanding (DSO) supported by solid cash collection
 - Sustainable Days Payable Outstanding (DPO)
 - Increased advances from customers
- Driven by:
- EVA performance management
 - Centralized cash collection
 - Centralized in-country billing projects

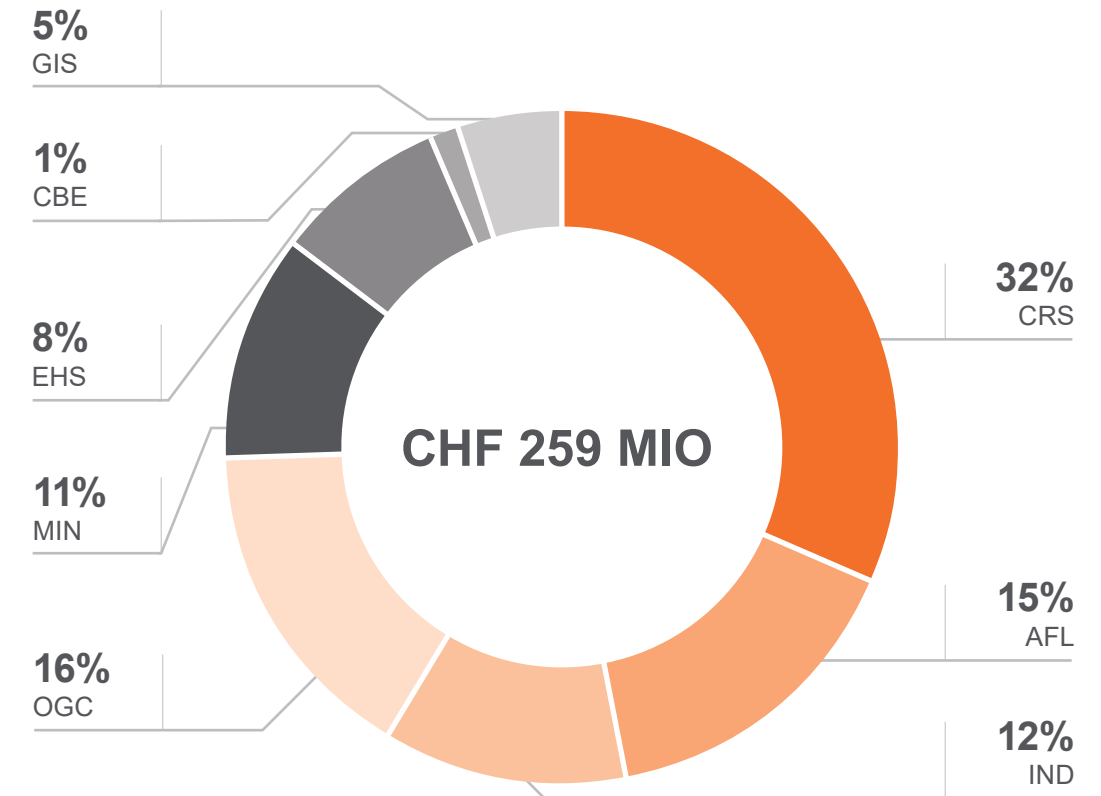
Continued investment in strategic priority areas

Capex in % of revenue

(CHF million)



Capital expenditure by business



Financial summary

(8.8%)

REVENUE GROWTH¹ OF WHICH (6.5%) ORGANIC*

(8.0%)

DECREASE IN ADJUSTED OPERATING INCOME^{1,*},
AND RESILIENT ADJUSTED OPERATING INCOME MARGIN*
AT 16.1%

(28.1%)

PROFIT FOR THE PERIOD DECREASED TO CHF 505 MIO

CHF 736 MIO

NET CAPITAL INVESTMENT AND ACQUISITIONS

CHF 1 186 MIO

CASH FLOW FROM OPERATING ACTIVITIES

16.5% / 20.9%

RETURN ON INVESTED CAPITAL (ROIC)^{2,*}

CHF 80

PROPOSED DIVIDEND

1. Constant currency (CCY)*

2. 2020 ROIC at 20.9% when adjusted from SYNLAB Analytics & Services (A&S) acquisition completed on 31 December 2020

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM" document

BUSINESS REVIEW

The image shows a close-up, low-angle view of a building's exterior. The wall is made of large, square panels with a dense pattern of small, circular perforations. The panels are a light grey or silver color. Mounted on the wall is a large, three-dimensional logo for 'SGS'. The letters are dark grey or black and have a thick, blocky appearance. The logo is mounted on a horizontal metal bar. The building is set against a clear, bright blue sky. The overall composition is modern and industrial.

SGS

Structural growth drivers increasingly relevant

Agriculture, Food and Life (AFL)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	996	1 074	(7.3)	1 007	(1.1)
ADJUSTED OPERATING INCOME*	175	172	1.7	161	8.7
MARGIN %*	17.6	16.0		16.0	

1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Organic revenue increased by 0.3%
- Food declined as testing and audit volumes were impacted by lockdown measures
- Life lab growth was above the divisional growth, despite clinical research and bioanalysis being impacted by the lockdown
- Trade delivered good organic growth
- Profitability improvement driven by disciplined cost focus and structural cost optimization

Outlook

- Continued recovery of activities expected following the second wave of restrictions
- Enhanced sales focus across the business units to drive growth
- Life growth supported by vaccine opportunities
- An ongoing recovery of audit activities expected in Food
- Trade to remain strong
- Solid inorganic pipeline

Momentum improved in H2

Minerals (MIN)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	639	753	(15.1)	686	(6.9)
ADJUSTED OPERATING INCOME*	111	128	(13.3)	114	(2.6)
MARGIN %*	17.4	17.0		16.6	

1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Organic revenue declined by 6.9% with a strong improvement across most activities in H2
- Trade Inspection mainly impacted by reduced demand for coal
- Outsourced laboratories remained stable
- Metallurgy declined more than the divisional level due to project delays and closures
- Cost containment and structural cost optimization led to margin improvement, mitigating the impact of the revenue decline

Outlook

- Expected increase in exploration funding will support growth momentum
- Consumer product demand and infrastructure expenditure to increase demand for metal commodities leading to investment in mining projects
- Growing pipeline of onsite laboratory opportunities aligned to increasing demand for commodities
- Growing demand for sustainable sourcing of critical commodities services

A challenging market

Oil, Gas and Chemicals (OGC)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	776	1 075	(27.8)	1 006	(22.9)
ADJUSTED OPERATING INCOME*	76	120	(36.7)	109	(30.3)
MARGIN %*	9.8	11.2		10.8	

1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Revenue declined following the disposal of Plant and Terminal Operations (PSC) in June 2019
- Market share gains provided some offset in a difficult market
- Trade declined due to reduced end-demand
- Lower sample volumes due to weaker economic activity in NIRT and Oil Condition Monitoring (OCM)
- Upstream impacted by a low oil price, project deferrals and site access restrictions

Outlook

- The recovery of the Oil & Gas industry to follow a sustained increase in confidence in the underlying market
- Trade and NIRT should recover in line with an improvement in economic activity
- A recovery in Upstream will lag the normalization of the oil price
- Growth expected in OCM from new contract wins

Impacted by site access and travel restrictions

Certification and Business Enhancement (CBE)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	429	497	(13.7)	467	(8.1)
ADJUSTED OPERATING INCOME*	82	99	(17.2)	92	(10.9)
MARGIN %*	19.1	19.9		19.7	

1. Constant currency (CCY)* – 2. See note 2 on Segment information restatement of the FY 2020 Press Release

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Organic revenue declined by 12.0%, impacted by site access and travel restrictions, especially for training and Technical Consultancy
- Management System Certification demonstrated strong resilience with high single-digit growth achieved in H2
- Other services have been slower to recover, in particular Classroom Training and Technical Consultancy with several large projects postponed

Outlook

- Positive momentum in Management System Certification should continue into 2021
- Technical Consultancy to rebound driven by signed contracts and a healthier backlog
- Training demand expected to remain subdued while the shift to virtual classrooms continues
- Adoption of remote delivery model to continue to increase

Oil & Gas end-market under pressure

Industrial (IND)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	847	1 091	(22.4)	999	(15.2)
ADJUSTED OPERATING INCOME*	72	116	(37.9)	105	(31.4)
MARGIN %*	8.5	10.6		10.5	

1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Organic revenue declined by 13.4%, while the drop through into adjusted operating income was limited, particularly in H2
- Oil & Gas was impacted by decreased capex spend and project delays, while Transportation, particularly Aeronautics, was also challenging
- North East Asia was resilient throughout the year with high single-digit growth in H2
- Power & Utilities was broadly stable with significant progress in the strategic focus areas of Renewables and Nuclear, and Manufacturing grew strongly in H2
- Proactive cost measures supported by the growth in Asia drove a strong H2 margin performance

Outlook

- Power & Utilities and high-end Manufacturing markets will continue to grow
- Double-digit growth expected from new initiatives including Industrial Safety, Rail, Calibration
- Partial recovery in Oil & Gas as postponed opex projects resume
- Infrastructure is expected to recover in Latin America, Asia and Africa

Fundamentals remain strong following challenging year

Environment, Health and Safety (EHS)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	471	540	(12.8)	510	(7.6)
ADJUSTED OPERATING INCOME*	42	67	(37.3)	63	(33.3)
MARGIN %*	8.9	12.4		12.4	

1. Constant currency (CCY)* – 2. See note 2 on Segment information restatement of the FY 2020 Press Release

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Organic decline of 9.0% with significant improvement in H2 and positive growth in North East Asia
- Laboratory was less impacted, showing solid resilience in Asia Pacific and Europe
- Health & Safety was below the divisional average due to weakness in hospitality and construction sectors
- Slight decline in Field and Monitoring, which was supported by solid growth in Sensor and Marine services

Outlook

- Increasing environmental regulations and enforcement will continue to drive the business in the long term
- SYNLAB A&S acquisition opens new market sectors and geographies and drives significant operational synergies
- Laboratory and industrial hygiene volumes to resume in the Americas
- Expansion of scope for biological hygiene

A recovery in mobility solutions in H2

Governments and Institutions (GIS)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	392	479	(18.2)	443	(11.5)
ADJUSTED OPERATING INCOME*	78	91	(14.3)	81	(3.7)
MARGIN %*	19.9	19.0		18.3	

1. Constant currency (CCY)* – 2. See note 2 on Segment information restatement of the FY 2020 Press Release

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Revenue declined in all strategic business units except Border solutions
- Vehicle inspections impacted by the end of the California contract in November 2019 and lockdowns measures
- Product Conformity Assessment declined less than the divisional average with a good recovery in China
- Single-window contract in Ghana terminated at end of May
- Double-digit growth of TransitNet driven by new market penetration

Outlook

- Good recovery expected next year for all strategic business units following the end of lockdowns
- New Product Conformity Assessment contracts signed with Central African Republic and Egypt
- New digital services to be launched in 2021
- Strong growth expected following Brexit (eCustoms)

A very strong performance

Consumer and Retail (CRS)

(CHF million)	December 2020	December 2019	Change in %	December 2019 CCY ¹	Change in CCY ¹ %
REVENUE	1 054	1 091	(3.4)	1 030	2.3
ADJUSTED OPERATING INCOME*	264	270	(2.2)	253	4.3
MARGIN %*	25.0	24.7		24.6	

1. Constant currency (CCY)* – 2. See note 2 on Segment information restatement of the FY 2020 Press Release

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"



Overview

- Moderate organic growth as all strategic business units recovered strongly in H2 and Softlines benefited from PPE testing and certification
- Electrical & Electronics growth was slightly below divisional average. Strong growth in safety testing, wireless and functional safety offset difficult market conditions in Automotive testing
- Strong growth in Softlines was driven by PPE testing and certification despite difficult underlying trading conditions
- Toys and juvenile decreased while hardgoods remained stable
- Margin increased driven by strong PPE demand in North East Asia

Outlook

- Accelerated investment in connectivity related markets
- Increased market share through new Retail and eCommerce solutions
- Continued focus on innovation and digitalization to develop new services, drive efficiencies and improve performance

SGS' STRATEGIC EVOLUTION

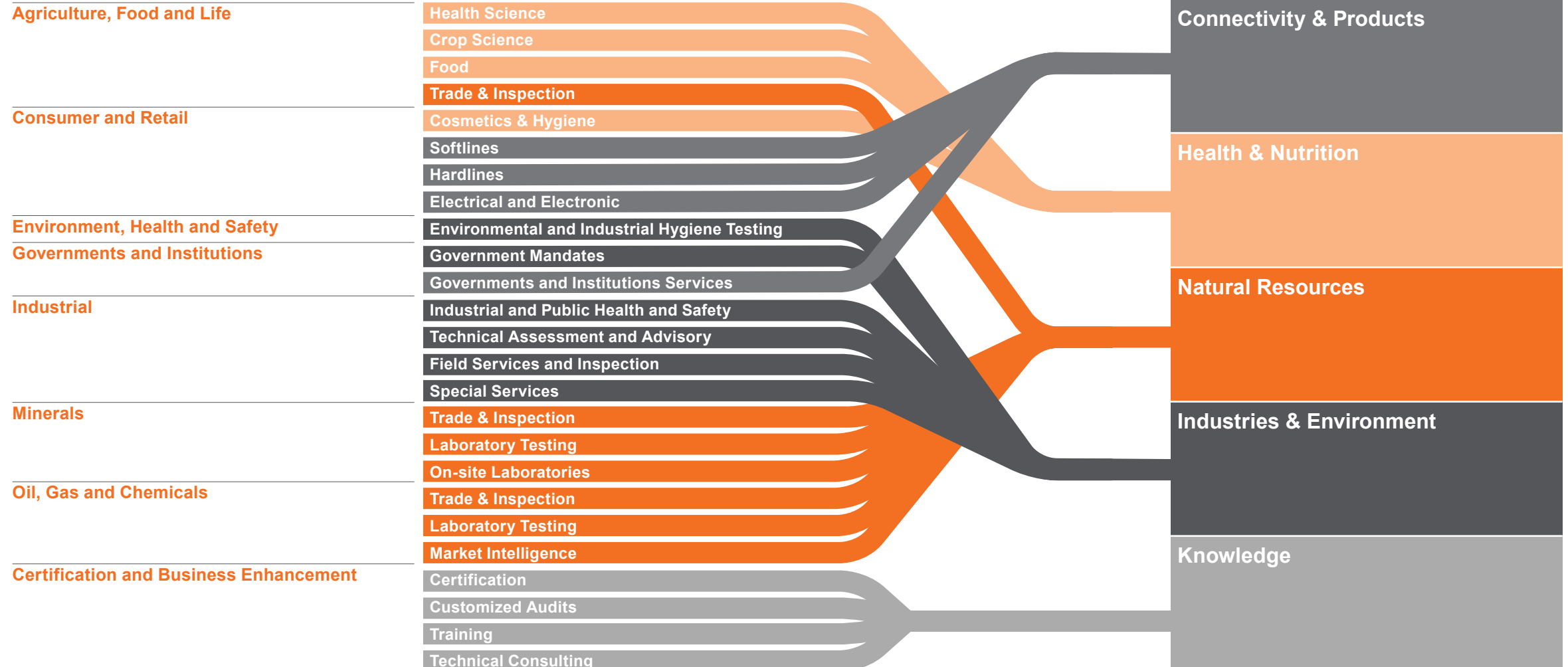


The next stage of SGS' strategic evolution

- Structural growth drivers of TIC industry remain intact, but some opportunities will grow faster than others
- Key expectations from our strategic evolution:
 - Aligns SGS more closely to the TIC megatrends and customer demand
 - Grouping businesses with similar delivery models to improve operational efficiency
 - Accelerates network agility, time to market and the adoption of innovation across the global network
 - Simplifies SGS organizationally with a sharper delineation of roles, responsibilities and accountability
 - Gives more flexibility to local affiliates to organize in line with customer demand
- Six focus areas:
 - Four new divisions: Connectivity & Products (C&P), Health & Nutrition (H&N), Industries & Environment (I&E), and Natural Resources (NR)
 - Two cross-divisional strategic units: Knowledge (Kn) and Digital & Innovation (D&I)
 - Knowledge retains its P&L responsibility



Simplifying the divisional structure



* This is a high level representation of our divisional structure and is not comprehensive

Operations Council (OC)

Frankie Ng

Chief Executive Officer

Regions

Chief Operating Officers (COO)

Teymur Abasov

Eastern Europe & Middle East (EEME)

Based in Russia

Helmut Chik

North East Asia (NEA)

Based in Hong Kong

Fabrice Egloff

Africa & Western Europe (AWE)

Based in France

Luis Felipe Elias

Latin America (LATAM)

Based in Peru

Stephen Nolan

North America (NAM)

Based in the USA

Malcolm Reid

South East Asia & Pacific (SEAP)

Based in Singapore

Wim van Loon*

North & Central Europe (NCE)

Divisions

Executive Vice Presidents (EVP)

Olivier Coppey*

Health & Nutrition (H&N)

Derick Govender*

Natural Resources (NR)

Charles Ly Wa Hoi

Connectivity & Products (C&P)

Based in France

Alim Saidov*

Industries & Environment (I&E)

Cross-divisional strategic units

Jeffrey McDonald (EVP)

Knowledge (Kn)

Based in the USA

Siddi Wouters (SVP)

Digital & Innovation (D&I)

Based in the Netherlands

Functions

Senior Vice Presidents (SVP)

Dominik de Daniel (CFO)*

Finance, M&A, IT and Procurement

Jose Maria Hernandez-Sampelayo*

Human Resources

Olivier Merkt*

Legal & Compliance

Toby Reeks*

Investor Relations, Corporate
Communications & Sustainability

* Based in Geneva

OUTLOOK



2021 OUTLOOK

- Solid organic growth normalizing for the impact of Covid-19
- Improving adjusted operating income
- Strong cash conversion
- Maintaining best-in-class organic return on invested capital
- Accelerating investment into our strategic focus areas with M&A as a key enabler
- At least maintaining or growing the dividend

The formal communication of the next stage of our strategic evolution will be made to the financial markets at our Investor Days in May 2021 and we will launch our 2030 sustainability ambitions in Q2 2021.

Q&A



TO REGISTER FOR
QUESTIONS PRESS *
AND 1 ON YOUR
TELEPHONE

APPENDIX



Acronyms and other abbreviations

AI	Artificial Intelligence
CAPEX	Capital Expenditure
EVA	Economic Value Added
FTE	Full Time Equivalent
NIRT	Non-Inspection Related Testing
OPEX	Operational Expenditure
PPE	Personal Protective Equipment
ROIC	Return on Invested Capital
TIC	Testing, Inspection and Certification

Long-term shareholder value creation

REVENUE CHF BN



ADJUSTED OPERATING INCOME* CHF MIO



FREE CASH FLOW CHF MIO



RETURN ON INVESTED CAPITAL^{1,*} %



PAYOUT RATIO* %



NET PROFIT CHF MIO



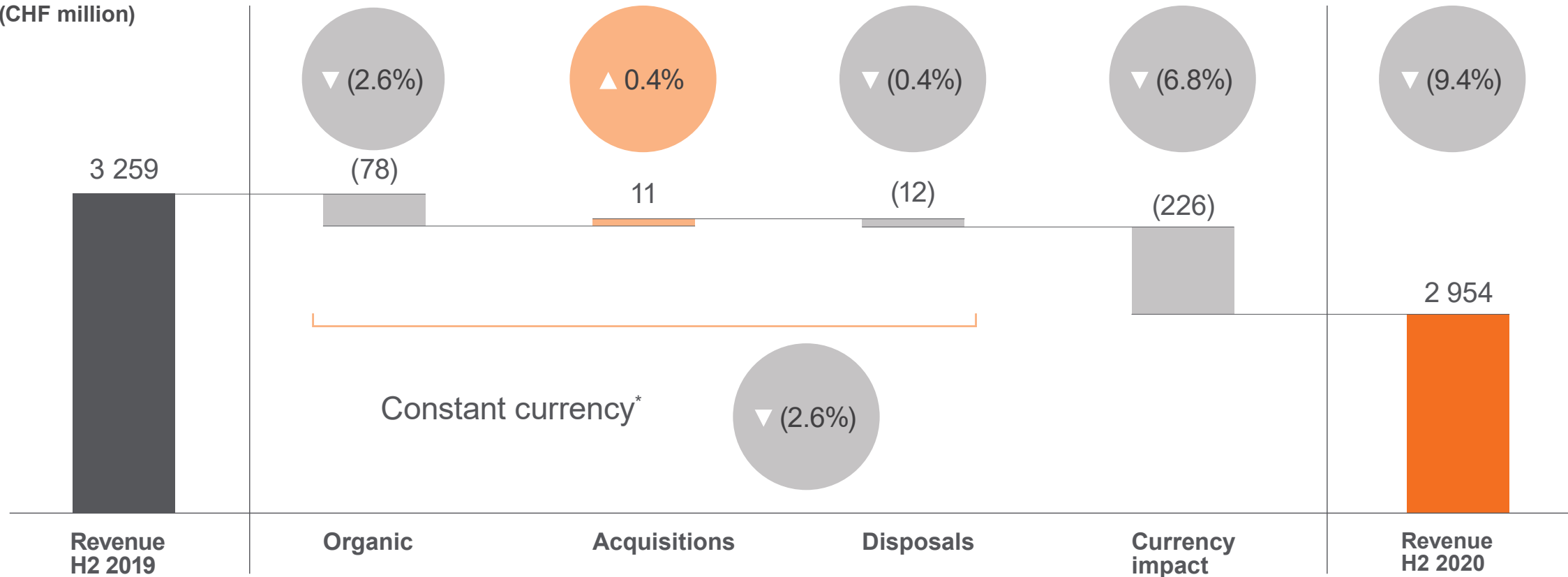
1. 2020 ROIC at 20.9% when adjusted from SYNLAB Analytics & Services (A&S) acquisition completed on 31 December 2020

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

A resilient performance in H2

H2 2020 revenue composition

(CHF million)

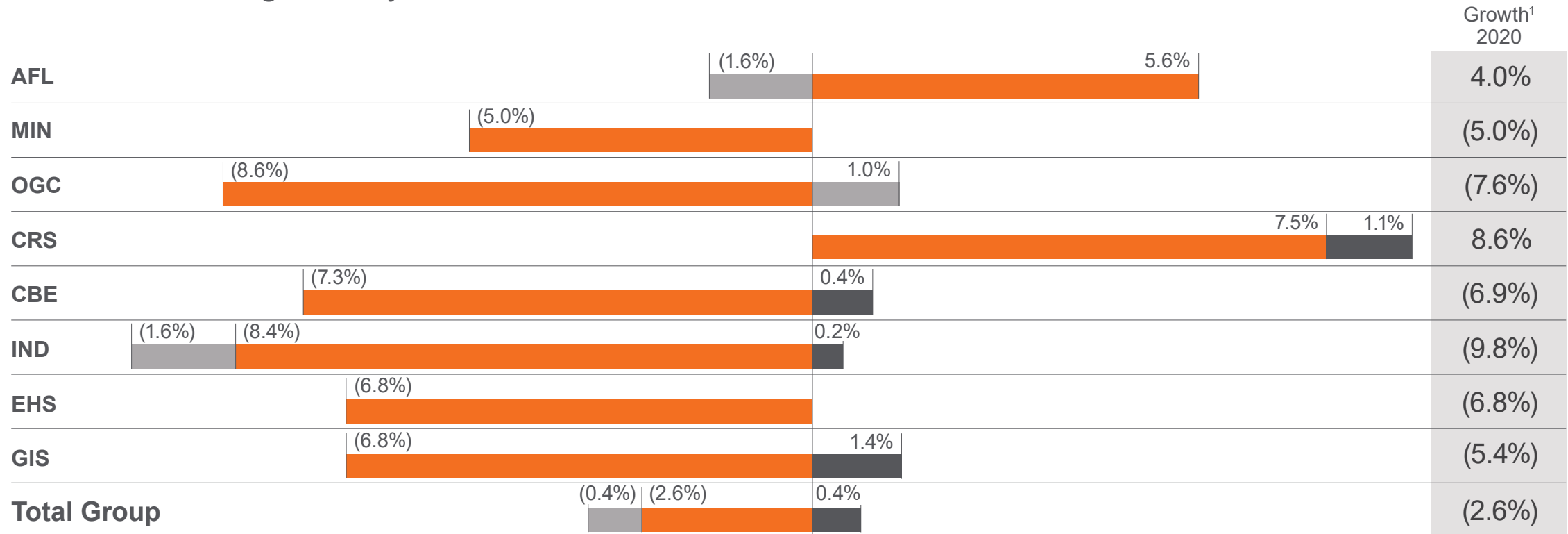


1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Reflecting the strength of the portfolio

H2 2020 revenue growth by business



1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

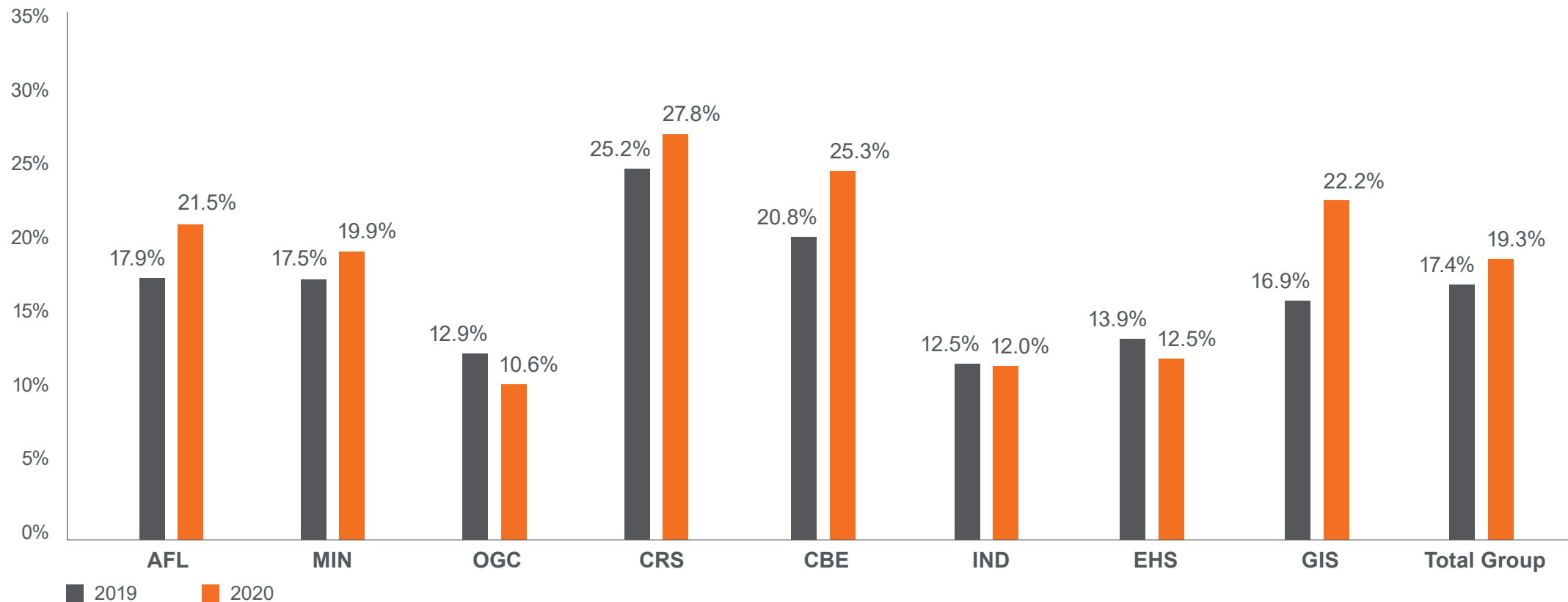
Organic

Acquisitions

Disposals

Strong H2 margin improvement in AFL, MIN, CRS, CBE & GIS

H2 2020 adjusted operating margin^{1,*} by business



1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Adjusted operating income margin improvement in H2 2020

H2 2020 financial highlights

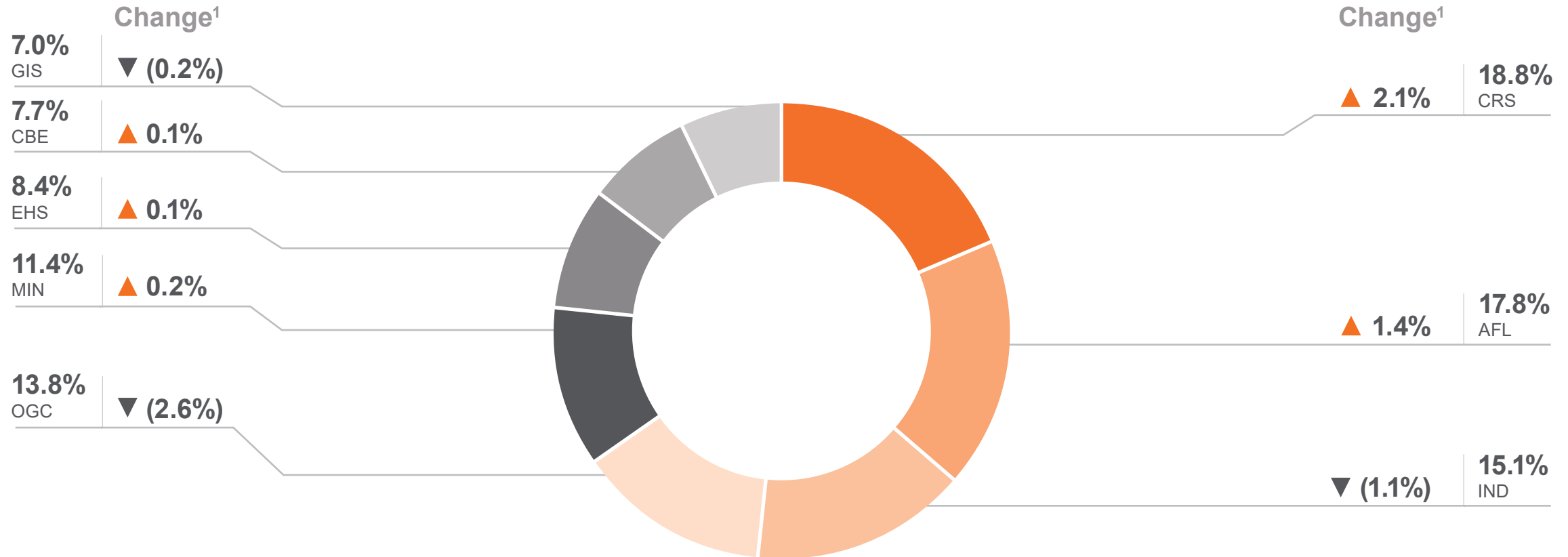
(CHF million)	H2 2020	H2 2019	Change in %	H2 2019 CCY ¹	Change in CCY ¹ %
REVENUE	2 954	3 259	(9.4)	3 033	(2.6)
OPERATING INCOME (EBIT)	493	446	10.5	400	23.3
OPERATING INCOME (EBIT) MARGIN	16.7%	13.7%		13.2%	
ADJUSTED OPERATING INCOME*	570	574	(0.7)	527	8.2
ADJUSTED OPERATING INCOME MARGIN*	19.3%	17.6%		17.4%	
PROFIT FOR THE PERIOD	328	303	8.3		
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF SGS SA	309	283	9.2		

1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Well-balanced portfolio

2020 revenue portfolio

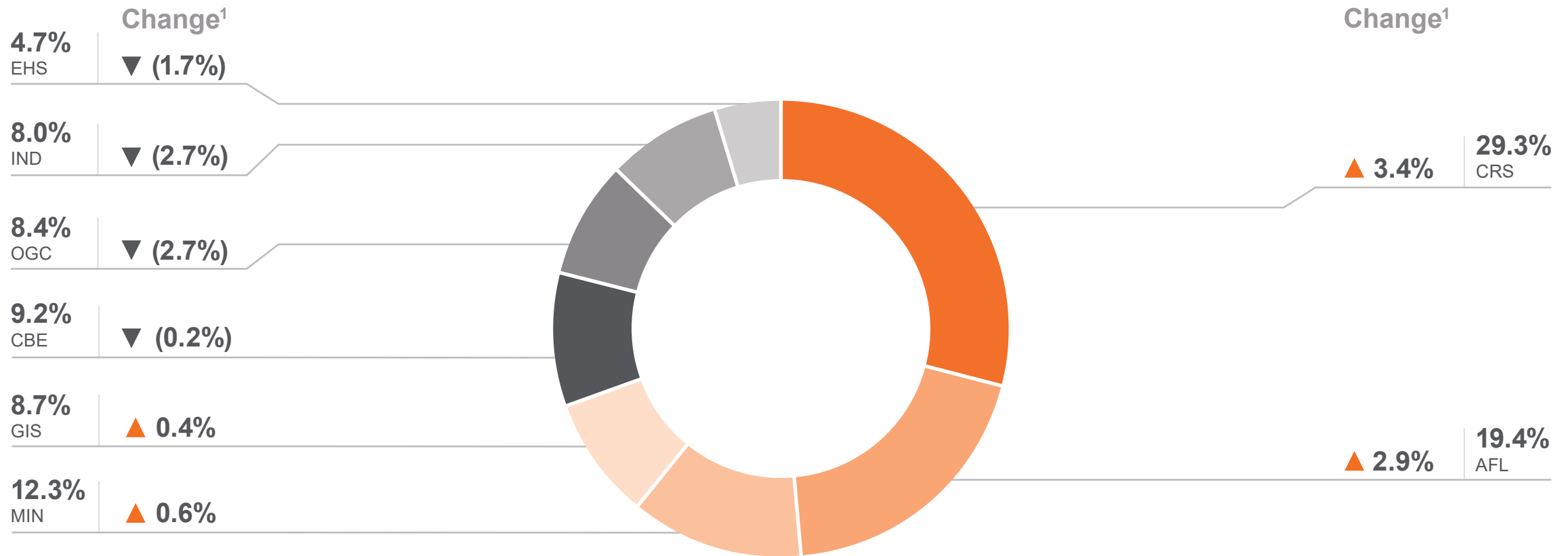


1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM document"

Well-balanced portfolio

2020 adjusted operating income* portfolio

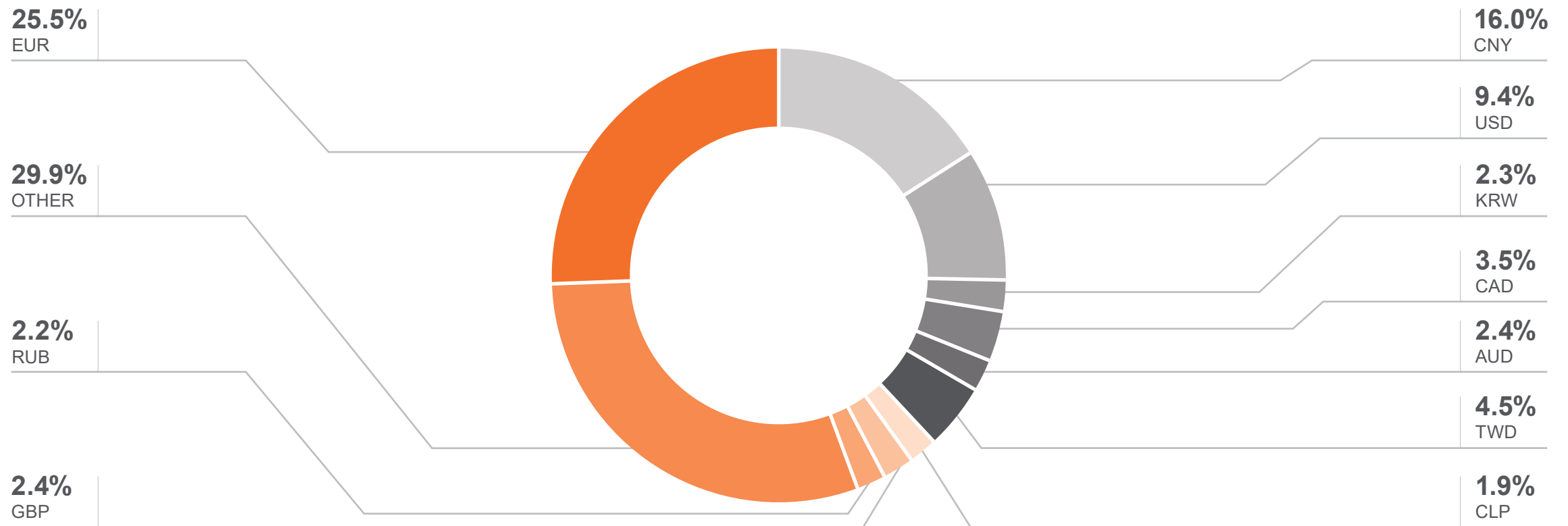


1. Constant currency (CCY)*

* Alternative Performance Measures (APM), refer to the "2020 Full Year APM" document

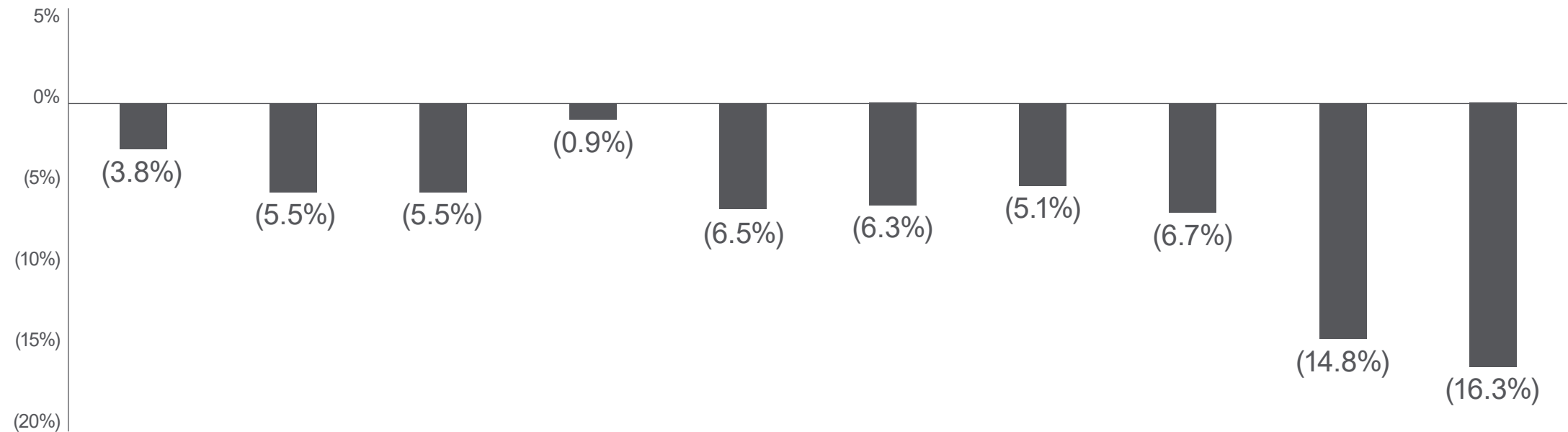
EUR, USD and CNY represent 51% of 2020 revenue

2020 foreign currency revenues



Currencies' depreciation against CHF in 2020

Foreign currency average rate change 2020 versus 2019 rate



	EUR	CNY	USD	TWD	CAD	AUD	GBP	KRW	RUB	CLP
2020	1.0704	0.1360	0.9392	0.0319	0.7005	0.6475	1.2047	0.0008	0.0131	0.0012
2019	1.1129	0.1440	0.9938	0.0322	0.7489	0.6911	1.2688	0.0009	0.0154	0.0014
Change	(3.8%)	(5.5%)	(5.5%)	(0.9%)	(6.5%)	(6.3%)	(5.1%)	(6.7%)	(14.8%)	(16.3%)

Investor relations information and events dates

INVESTOR DAYS

Thursday and Friday
27 – 28 May 2021

2021 HALF YEAR RESULTS

Monday, 19 July 2021

ANNUAL GENERAL MEETING OF SHAREHOLDERS

Tuesday, 23 March 2021
Geneva, Switzerland

SGS SA CORPORATE OFFICE

1 place des Alpes
P.O. Box 2152
CH – 1211 Geneva 1
t +41 (0)22 739 91 11
f +41 (0)22 739 98 86
e sgs.investor.relations@sgs.com

INVESTOR RELATIONS

Toby Reeks
SGS SA
1 place des Alpes
P.O. Box 2152
CH – 1211 Geneva 1
t +41 (0)22 739 99 87
m +41 (0)79 641 83 02

MEDIA RELATIONS

Daniel Rufenacht
SGS SA
1 place des Alpes
P.O. Box 2152
CH – 1211 Geneva 1
t +41 (0)22 739 94 01
m +41 (0)78 656 94 59

STOCK EXCHANGE TRADING

SIX Swiss Exchange

COMMON STOCK SYMBOLS

Bloomberg: Registered Share: SGSN.SW
Reuters: Registered Share: SGSN.S
Telekurs: Registered Share: SGSN
ISIN: Registered Share: CH0002497458
Swiss security number: 249745

STOCK EXCHANGE LISTING

SIX Swiss Exchange, SGSN

THANK YOU

www.sgs.com

SGS is a registered trademark of SGS Société Générale de Surveillance SA

SGS

SGS