

The SGS logo is positioned in the top left corner of the image. It consists of the letters 'SGS' in a bold, white, sans-serif font. A thin orange horizontal line is positioned below the letters, and a thin orange vertical line is positioned to the right of the letters, forming a partial frame around the text.

SGS

A woman with dark hair, wearing a white lab coat, safety glasses, and a white face mask, is looking directly at the camera. She is standing in a laboratory or office environment with glass partitions in the background. The lighting is bright and even.

# SGS Group Results

2022 Full Year Results Presentation

## 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.*

ENABLING A  
**BETTER, SAFER** AND  
**MORE INTERCONNECTED**  
WORLD



# Successfully navigating the challenges of 2022

# A resilient performance in a challenging environment

## 2022 highlights

### Revenue

CHF 6.6 BN

+6.8% CCY<sup>1</sup> +5.8% Organic\* +3.7%<sup>2</sup>



### Adjusted Operating Income\*

CHF 1 023 MIO

+0.1% CCY<sup>1</sup>



### Profit for the Period

CHF 630 MIO

(3.8)%



### Free Cash Flow\*

CHF 507 MIO

(20.2)%



### Return on Invested Capital\*

18.6 %

(1.0)pp<sup>3</sup>



### Proposed Dividend

CHF 80



1. Constant currency (CCY)\*.

2. Historical currency.

3. Percentage points.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Strategic progress across People, Planet and Performance

## A purpose-driven company

### People\*



- **29.1% women** in senior leadership positions
- Lost Time Incident Rate and Total **Recordable Incident Rate decreased by 26% and 19%** since 2018
- **CHF 0.96 million** invested in communities around the world
- **26 sites** have adopted the **World Class Services** methodology

### Planet\*



- **First TIC company** to receive approval for our 1.5°C and net-zero targets from the SBTi
- **97% electricity** from **renewable sources**
- **49% decrease** in total greenhouse gas emissions against a 2014 baseline
- **47.3% revenue** generated by **sustainability solutions**

### Performance



- **Pricing initiatives** contributed **half of the organic revenue growth** in 2022
- **CHF 50 million** of annualized cost savings expected in 2023
- Investing in **talent retention**
- Investing in **platform for growth** including **digital labs and WCS**
- **Focused capital allocation**



\* Data for the first half of 2022 not subject to external verification. Externally verified data for the full year will be available in the Integrated Annual Report on 23 February 2023.

# Focused bolt-on acquisitions in 2022

## 2022 Acquisitions



**Gas Analysis Services**

Division:  
**I&E**

Location:  
**Ireland**



**Ecotecnos**

Division:  
**I&E**

Location:  
**Chile**



**AIEX**

Division:  
**I&E**

Location:  
**France**



**Advanced Metrology Solutions**

(ACQUISITION OF THE REMAINING 32% MINORITY STAKE)

Division:  
**I&E**

Location:  
**Spain**



**SGS Digicomply**

(ACQUISITION OF THE REMAINING 49% MINORITY STAKE)

Division:  
**H&N**

Location:  
**Switzerland**

# Focused bolt-on acquisitions in 2022

## 2022 Acquisitions and disposals

## 2022 Disposal



**Silver State Analytical Laboratories, Inc. and Excelchem Laboratories, Inc.**

Division: **I&E**

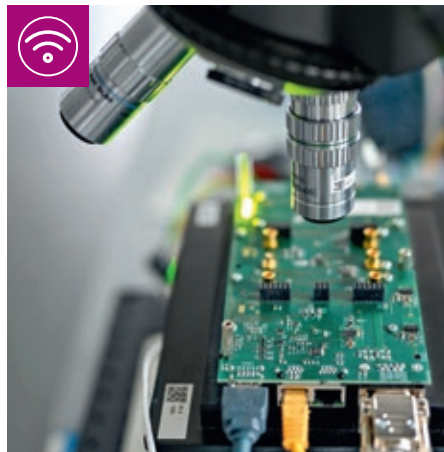
Location: **USA**



**proderm GmbH**

Division: **H&N**

Location: **Germany**



**Penumbra Security, Inc**

Division: **C&P**

Location: **USA**



**Industry Lab**

Division: **H&N**

Location: **Romania**



**Drilling business in USA**

Division: **I&E**

Location: **USA**



# 2022 financial review



# Strong revenue growth, AOI in line with prior year in constant currency

## 2022 financial highlights

(CHF million)	2022	2021	Change in %	2021 CCY <sup>1</sup>	Change in CCY <sup>1</sup> %
Revenue	<b>6 642</b>	6 405	3.7	6 222	6.8
Operating income (EBIT)	<b>898</b>	977	(8.1)	948	(5.3)
Operating income margin	<b>13.5%</b>	15.3%		15.2%	
Adjusted operating income*	<b>1 023</b>	1 055	(3.0)	1 022	0.1
Adjusted operating income margin*	<b>15.4%</b>	16.5%		16.4%	
Profit for the period	<b>630</b>	655	(3.8)		
Profit attributable to equity holders of SGS SA	<b>588</b>	613	(4.1)		
Basic EPS (CHF)	<b>78.86</b>	81.91	(3.7)		
Adjusted basic EPS (CHF)*	<b>92.46</b>	89.46	3.4		
Cash flow from operating activities	<b>1 030</b>	1 169	(11.9)		
Free cash flow*	<b>507</b>	635	(20.2)		

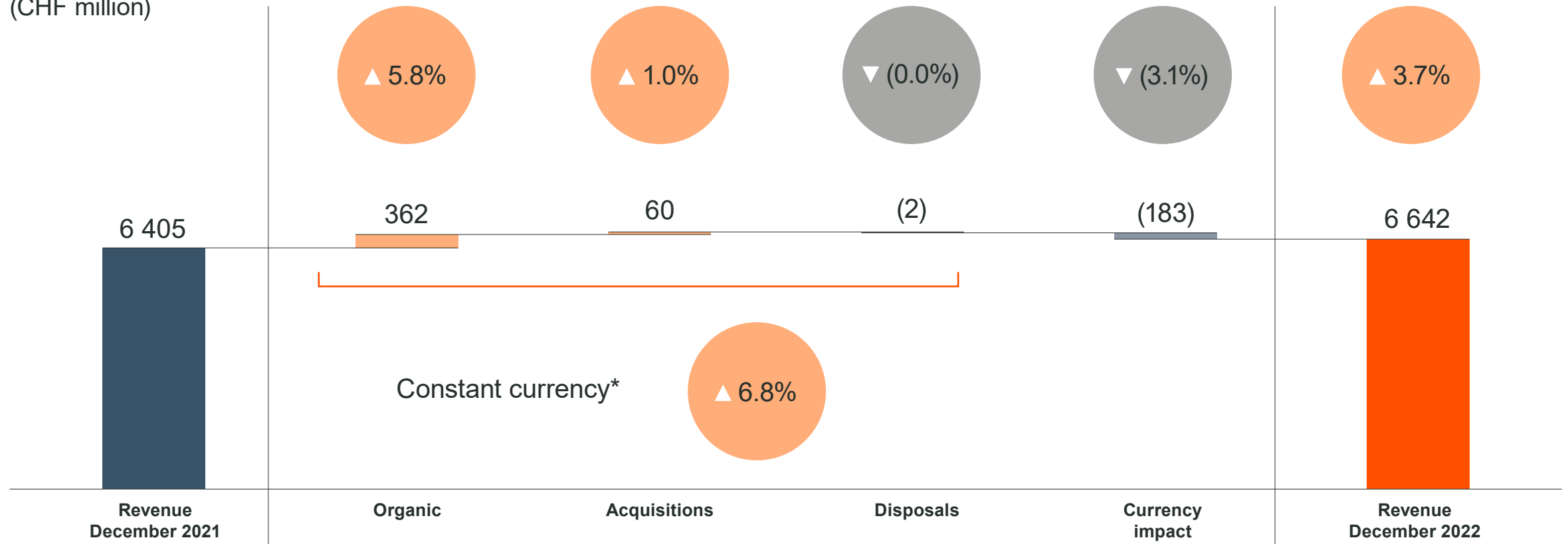
1. Constant currency (CCY)\*

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Strong organic revenue growth

## 2022 Revenue growth composition

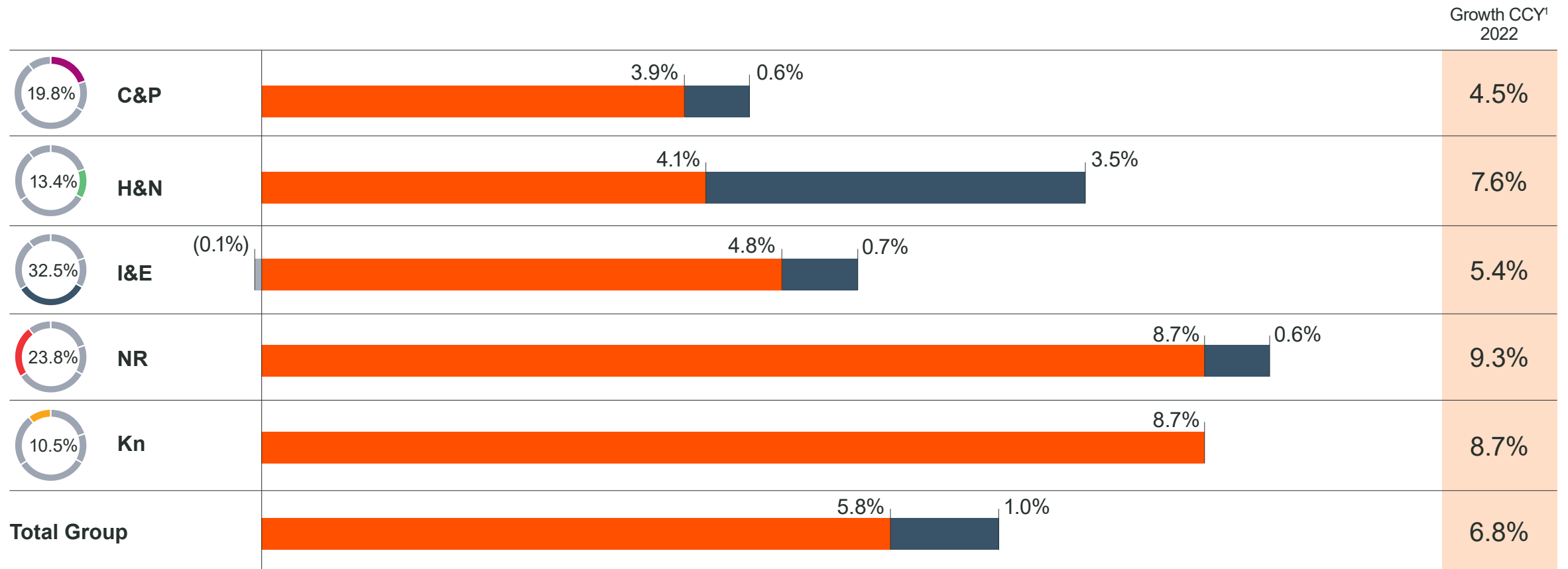
(CHF million)



\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Broad organic growth across the portfolio led by NR and Kn

## 2022 Revenue growth<sup>1</sup> by division



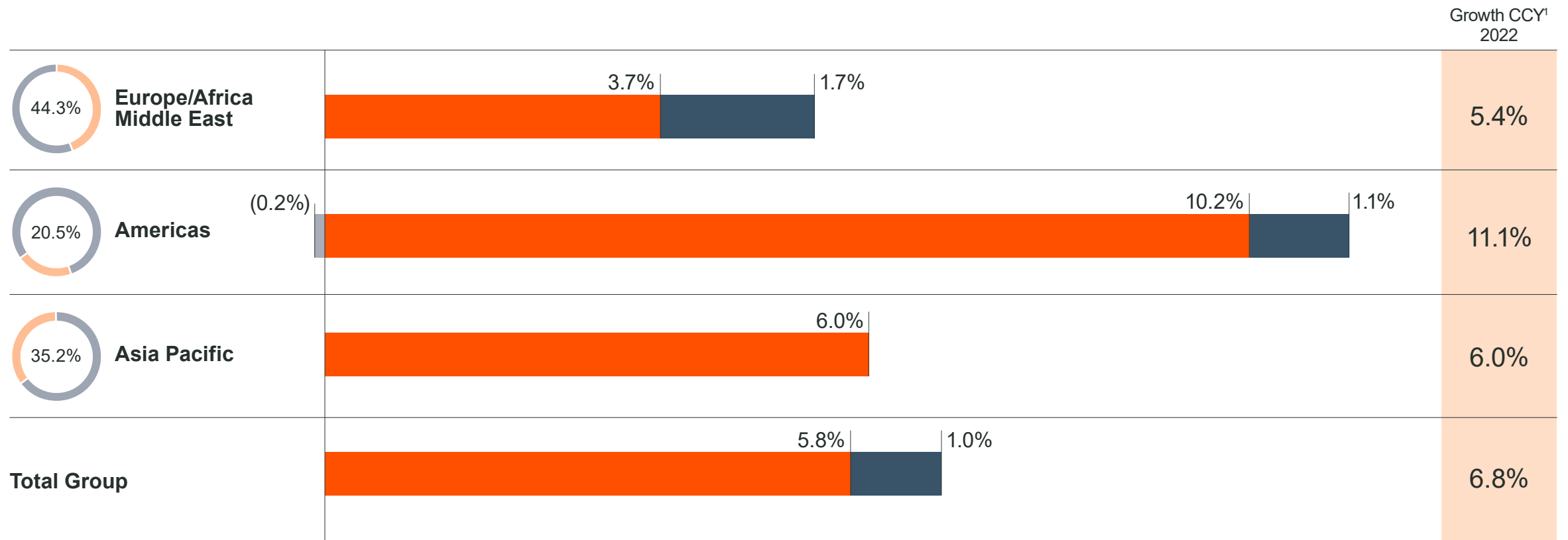
■ Organic ■ Acquisitions ■ Disposals

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Organic growth driven by the Americas and Asia Pacific

## 2022 Revenue growth<sup>1</sup> by region



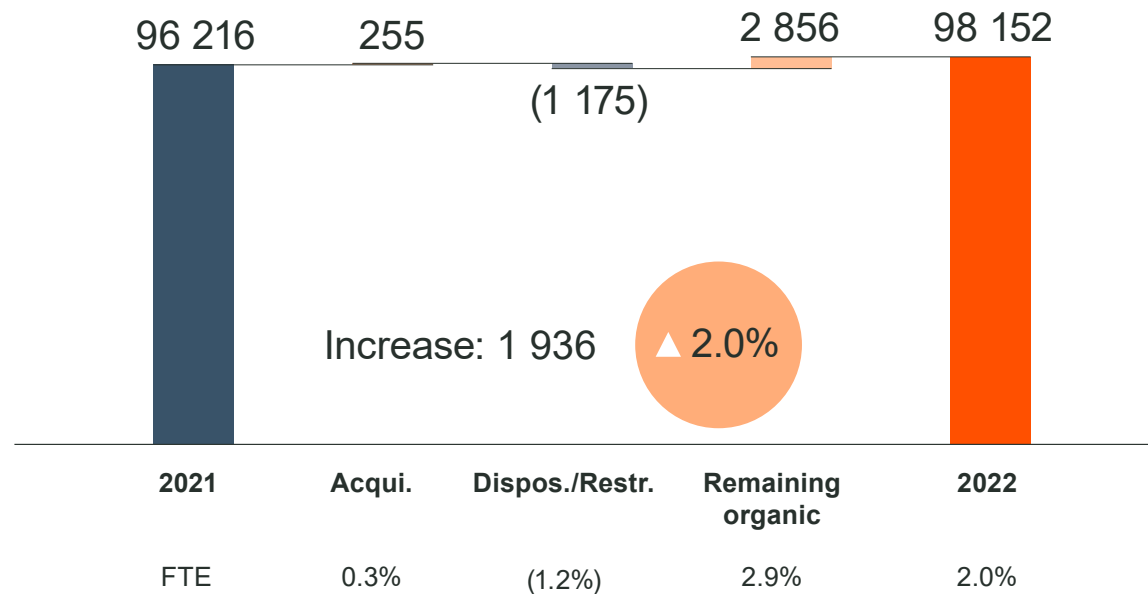
1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

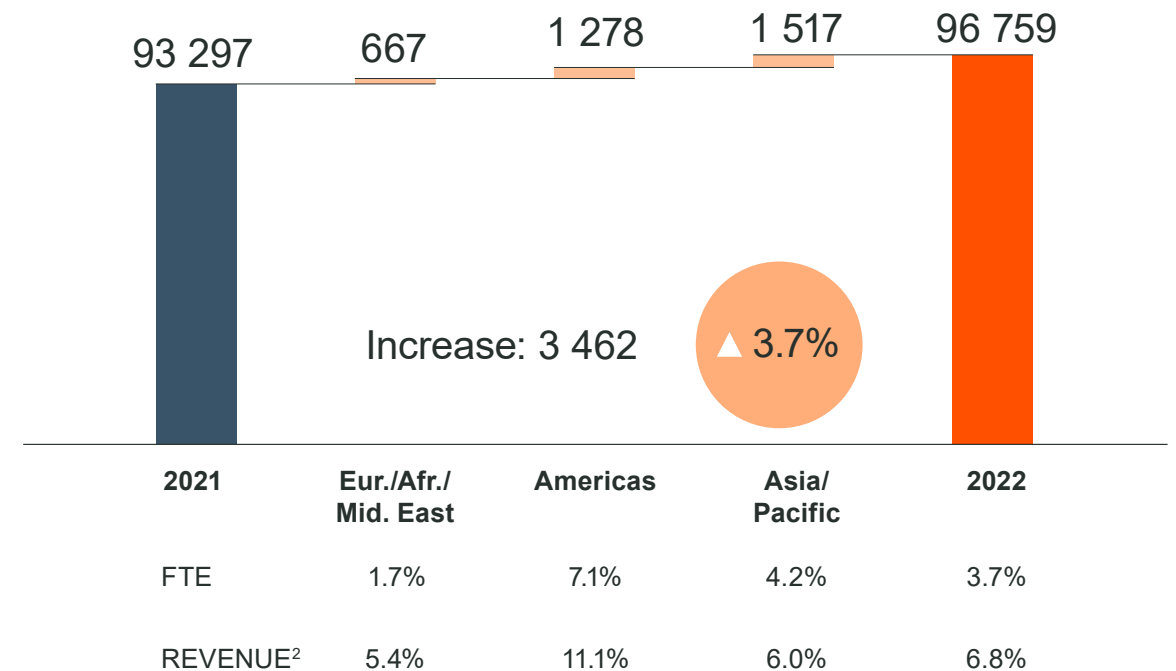
■ Organic
 ■ Acquisitions
 ■ Disposals

# Disciplined workforce management

## FTE<sup>1</sup> end of period



## FTE<sup>1</sup> average by region



1. Full-Time Equivalent (FTE) Employees.

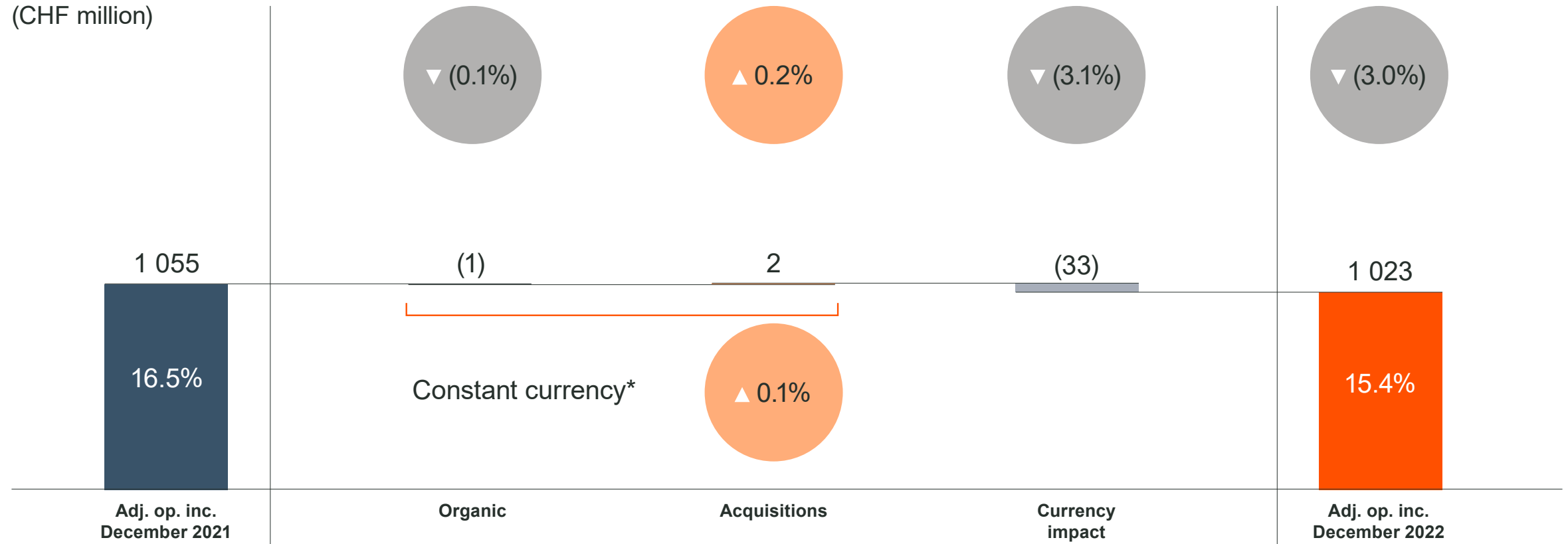
2. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# AOI at the same level as prior year in constant currency

## 2022 adjusted operating income\*

(CHF million)



\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Building a platform for growth through Level Up

## 2022 achievements

- Project "Prometheus": full outsourcing of IT infrastructure, application maintenance and development
- Establishment of the "Builders Organization" (BO) to design and develop technology-based products with 5 MVPs developed
- Almost 20% of lab revenues covered by DLC
- Introduced Salesforce as the global CRM and implemented CertIQ as the global platform for Kn
- Added 15 countries to FSSC increasing the coverage to 60%\*
- Billing centralization in 17 countries leading to global coverage of 13%\*
- 65% of active labs audited with best score 34

## 2023 objectives

- Full realization of cost saving potential of project "Prometheus"
- 30% of lab revenues covered by DLC and full realization of productivity gains for 2022 rollout
- Leverage the BO to develop 12 MVPs
- Go live of FSSC LATAM and add 20+ countries to FSSC increasing the coverage to 70%+\*
- Implement billing centralization in 20+ additional countries leading to global coverage of 30%+\*
- 20% of WCS labs to reach WCM Bronze award level

## 2024 objectives

- Leverage the BO to develop 15 MVPs
- Add 15+ countries to FSSC covering 85%\*
- Billing centralization covering 2/3\*

2025

## 2025 objectives

- 70% of lab revenues covered by DLC with realization of productivity gains for prior years rollout
- Leverage the BO to develop 20 MVPs
- Full revenue coverage by FSSC
- Billing centralization covering 80%\*
- 90% of WCM labs to reach WCM award level

2022

2023

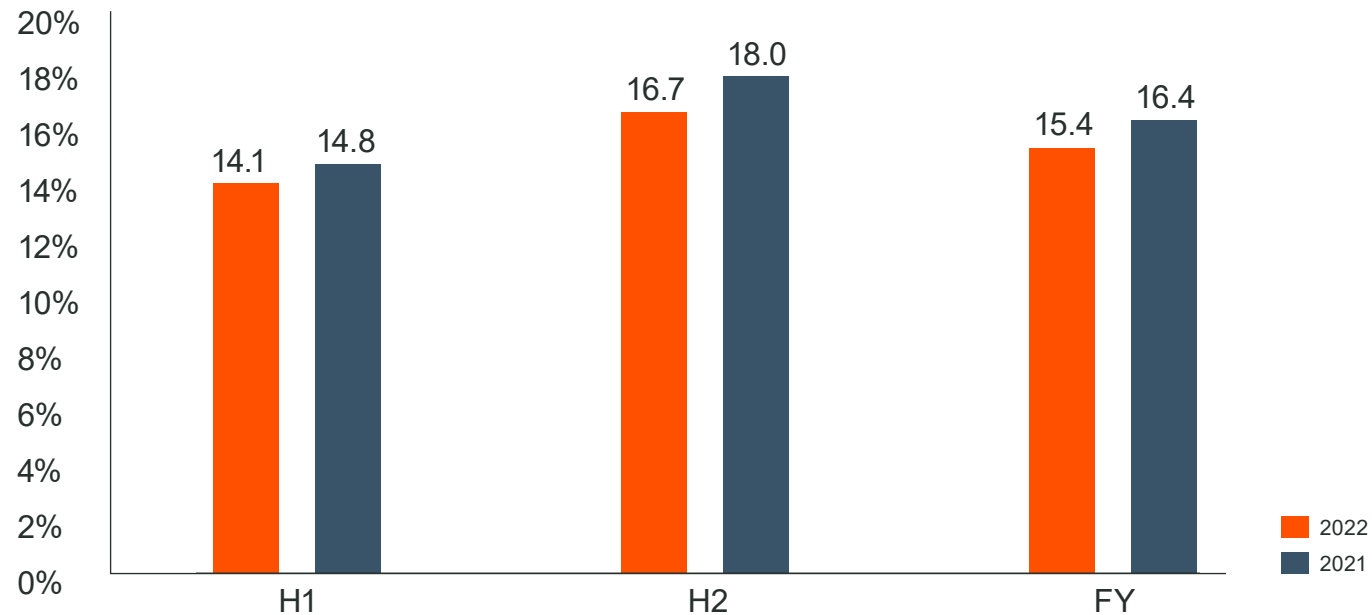
2024

\* % of Group revenue.



# A resilient performance in 2022 in a challenging environment

## AOI\* margin evolution CCY<sup>1</sup>



Adjusted operating income margin negatively affected by:

- Worldwide supply chain disruption
- Covid impact in China in Q2 and December
- Subsequent effects of geopolitical events, leading notably to higher inflation in H2

### Revenue growth evolution (in %)

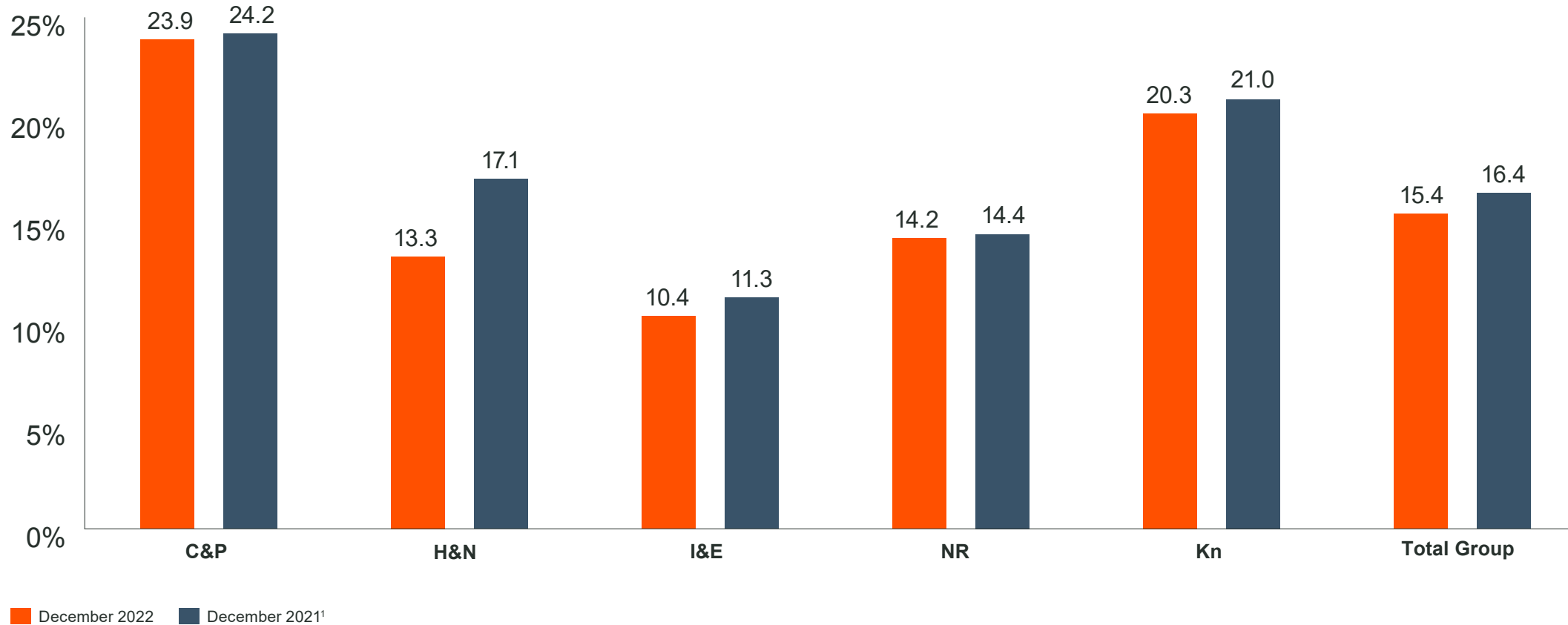
	H1 2022	H2 2022	FY 2022
Total	6.8	6.7	6.8
Organic	5.8	5.9	5.8

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Margins temporarily impacted by a challenging environment

## 2022 adjusted operating income margin<sup>1,\*</sup>

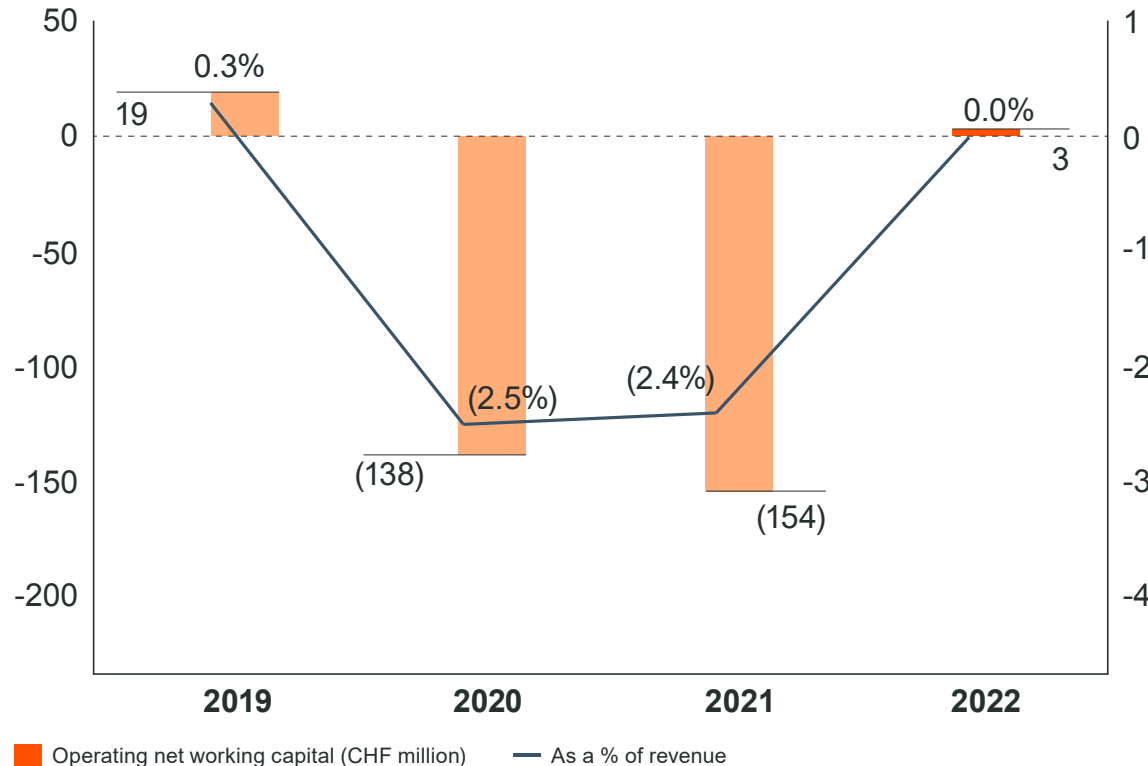


1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Higher net working capital requirement to support strong revenue growth

## Operating net working capital as a % of revenue\*



- Days Sales Outstanding (DSO) remains strong and sustainable

*Continue to be driven by:*

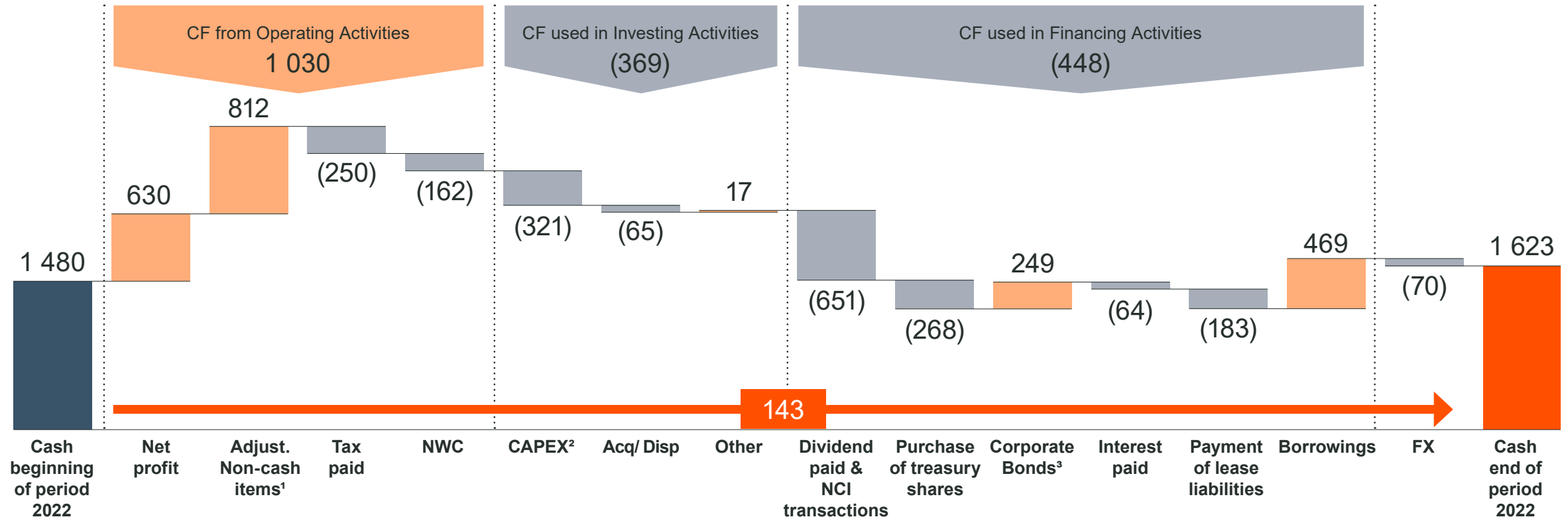
- Centralized cash collection
- Centralized in-country billing projects

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Cash flow continues to support our growth and capital allocation

## Cash flow

(CHF million)



1. Including mainly depreciation, amortization, impairment and taxes.

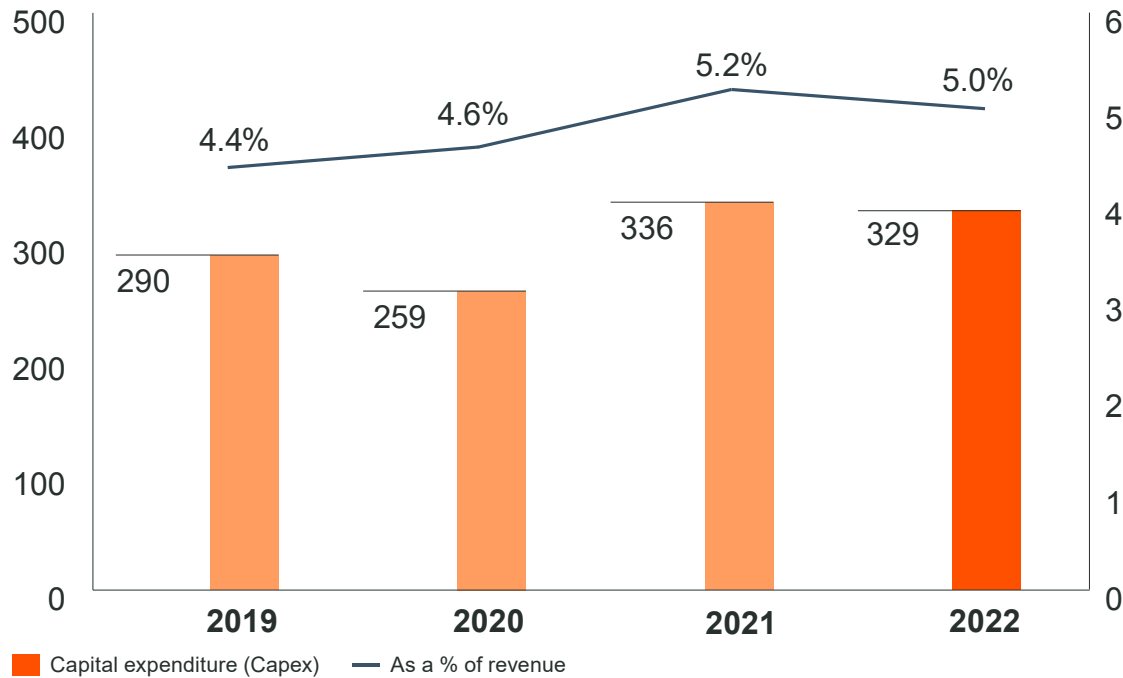
2. Net of CHF 8 million disposals.

3. Net of CHF 500 million issued and CHF (251) million reimbursed.

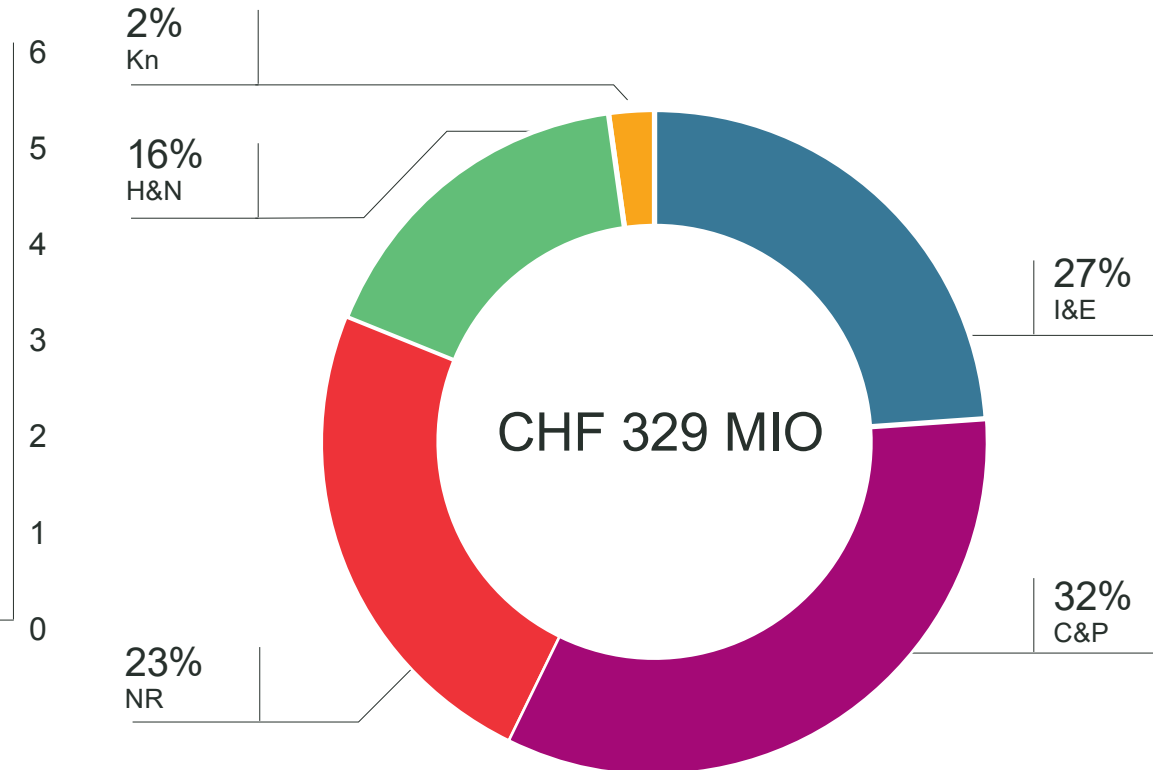
# Growth capex focused on our strategic priority areas

## Capex as a % of revenue

(CHF million)



## Capital expenditure by business



## 2022 financial highlights

- **Revenue** increased by 6.8%<sup>1</sup> of which 5.8% organic\*
- **Adjusted operating income**\* broadly stable with a slight increase of 0.1%<sup>1</sup>
- Decrease in **adjusted operating income margin**\* by (1.0) pp<sup>1,2</sup> to 15.4%
- **Profit for the period** decreased by (3.8%) to CHF 630 million
- **Net capex** of CHF 321 million
- **Free cash flow** of CHF 507 million
- **Return on invested capital**\* of 18.6%, a decrease of (1.0) pp<sup>2</sup>
- **Proposed dividend** of CHF 80

1. Constant currency (CCY)\*.

2. Percentage points.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Divisional review



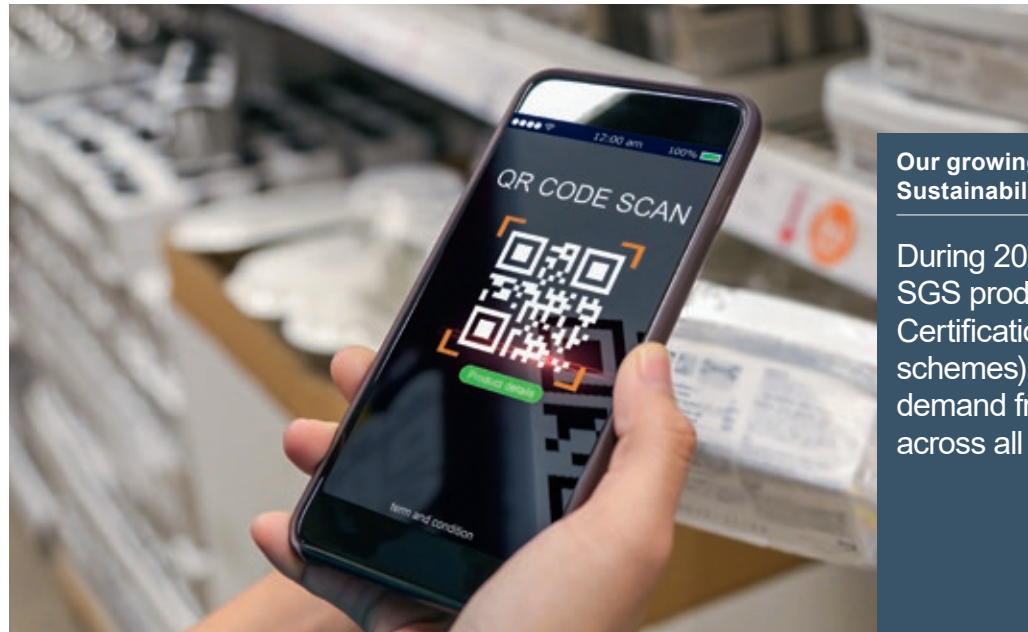
# A very strong performance given the impact from Covid in China

## Connectivity & Products (C&P)

(CHF million)	2022	2021	Change in %	2021 CCY <sup>1</sup>	Change in CCY <sup>1</sup> %
Revenue	1 311	1 288	1.8	1 255	4.5
Adjusted operating income*	313	316	(0.9)	304	3.0
Margin %*	23.9	24.5		24.2	

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.



### Our growing portfolio of Sustainability Solutions

During 2022, we launched various SGS product marks (Sustainability, Certification and Performance schemes) addressing current demand from our customers across all product categories.

## Overview

- Organic growth of 3.9%, a solid performance given the lockdowns in China and supply chain disruption
- Connectivity growth was strong, supported by our continuous investment in new technologies
- Softlines grew in high-single digits benefiting from market share gains
- Hardlines declined organically due to the impact of supply chain disruption
- Strong growth in Trade Facilitation Services driven by Antifraud services in Africa and eCustoms

## Outlook

- Solid growth expected across all activities against a potentially challenging backdrop
- Connectivity to remain major growth driver benefiting from investment and cybersecurity market development
- Softlines to develop in new sourcing countries despite some short-term market headwinds
- Hardlines to improve despite being potentially most impacted by economic conditions
- Trade Facilitation Services growth driven by expansion of eCustoms and Antifraud services



# Health Science to reaccelerate in 2023

## Health & Nutrition (H&N)

(CHF million)	2022	2021	Change in %	2021 CCY <sup>1</sup>	Change in CCY <sup>1</sup> %
Revenue	892	861	3.6	829	7.6
Adjusted operating income*	119	149	(20.1)	142	(16.2)
Margin %*	13.3	17.3		17.1	

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.



### Our growing portfolio of Sustainability Solutions

Services in our portfolio help to address our pillars of sustainable living as well as sustainable use of resources. New initiatives are underway to broaden our offerings around verification of product and supply chain sustainability including product marks and automated emerging risks monitoring on our AI-assisted platform.

### Overview

- Organic growth of 4.1%
- Food organic growth well above divisional average
- Vaccine volumes largely replaced, however organic growth slightly declined in Health Science
- Cosmetics & Hygiene grew in line with the divisional organic average driven by clinical and panel activity
- Margin impacted by reduction of Covid vaccine-related work and significant investment in the network

### Outlook

- Structural growth drivers to remain strong in 2023
- Americas Food network expansion to support portfolio growth
- Investment in Biopharma will support reacceleration of growth in Health Science
- The integration of our recent acquisitions combined with efficiency initiatives will support profitability

# Growth led by industrial businesses

## Industries & Environment (I&E)

(CHF million)	2022	2021	Change in %	2021 CCY <sup>1</sup>	Change in CCY <sup>1</sup> %
Revenue	2 157	2 120	1.7	2 047	5.4
Adjusted operating income*	224	240	(6.7)	232	(3.4)
Margin %*	10.4	11.3		11.3	

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.



### Our growing portfolio of Sustainability Solutions

SGS is expanding the capacity globally in response to increased demand for the emissions verification and accounting under multiple schemes.

## Overview

- Organic growth of 4.8% from both volume and price
- Double-digit growth in Technical Assessment & Advisory driven by an improving market and new contract wins
- Field Services and Inspection grew above divisional average driven by environmental field and marine services
- Higher demand in safety services drove above divisional average growth in Industrial and Public Health & Safety

## Outlook

- Growth momentum in Field Services and Inspection with expansion into new services and geographies
- Strong growth expected in safety, and the new areas of energy transition and sustainability solutions
- Continue to develop new innovative solutions to enhance the service portfolio
- Bolt-on acquisitions and proactive portfolio management as a key part of our divisional growth strategy

# Strong momentum in minerals

## Natural Resources (NR)

(CHF million)	2022	2021	Change in %	2021 CCY <sup>1</sup>	Change in CCY <sup>1</sup> %
Revenue	<b>1 583</b>	1 473	7.5	1 448	9.3
Adjusted operating income*	<b>225</b>	210	7.1	209	7.7
Margin %*	<b>14.2</b>	14.3		14.4	

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.



### Our growing portfolio of Sustainability Solutions

Our acquisition of Sulphur Experts in late 2021 has expanded our sustainability services in supporting refineries and gas plants to reduce air pollution.

## Overview

- Organic growth at 8.7% reflects an overall strong commodity market, mainly in mining
- Strong growth in Trade and Inspection as a result of favorable market conditions in all commodities
- Double-digit growth in Laboratory Testing due to strong momentum in geochemistry and new outsourcing contracts in oil and gas
- Major project wins and service diversification drove double-digit growth in Metallurgy and Consulting

## Outlook

- Continued momentum in the mining industry, while oil and gas and agriculture markets continue to be dependent on macro factors
- Laboratory Testing momentum continues to be driven by ongoing exploration demand and outsourcing opportunities
- Investing in our biofuels testing capacity to meet strong market demand
- Rolling out sustainability solutions to support energy and mining customers' ESG goals
- Ongoing expansion of our Process Consulting services

# Certification growth ahead of market and very strong growth in consulting

## Knowledge (Kn)

(CHF million)	2022	2021	Change in %	2021 CCY <sup>1</sup>	Change in CCY <sup>1</sup> %
Revenue	<b>699</b>	663	5.4	643	8.7
Adjusted operating income*	<b>142</b>	140	1.4	135	5.2
Margin %*	<b>20.3</b>	21.1		21.0	

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.



### Our growing portfolio of Sustainability Solutions

Our new ESG and Sustainability Assurance solutions have enabled us to enter new markets, including private equity where we have seen significant growth, particularly in Sustainability Report Assurance.

## Overview

- Organic growth of 8.7% with good performance from all SBUs in all geographies
- Certification organic growth was strong, ahead of the market
- Consulting grew well above the divisional average primarily driven by SGS Maine Pointe
- Customized Audits grew below divisional average despite double-digit growth in Responsible Business Services and ESG services

## Outlook

- Overall demand for Knowledge services to remain strong
- Solid growth in Certification led by medical devices and information security, while our new and innovative CertIQ online portal will also support growth
- Momentum in Consulting supported by network expansion
- Social and environmental audits as well as sustainability report assurance are expected to deliver double-digit growth

# Outlook



# Outlook 2023

- Mid-single digit organic growth
- Improved adjusted operating income\* and margin\*
- Strong cash conversion
- Maintain best-in-class organic return on invested capital\*
- Accelerate investment into our strategic focus areas with M&A as a key differentiator
- At least maintain the dividend

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Mid-term targets 2020-2023

## People

### Ensuring diversity

Nurture diversity and inclusion based on merit by ensuring equal opportunity to all employees and evolving our gender diversity to 30% women in leadership at CEO-3 positions and above

### World Class Services (WCS)

Promote a culture of operational safety, efficiency and excellence through our WCS program: 20% of our WCS labs (2020 perimeter) reaching WCS Bronze award level

### Supporting a safe workplace

Reduce our Total Recordable Incident Rate (TRIR) by 20%<sup>2</sup> and Lost Time Incident Rate (LTIR) by 10%<sup>2</sup>

### Positive impact on communities

Increase by 10%<sup>3</sup> our positive impact on our communities through employee volunteering, focusing on vulnerable groups including those affected by pandemics

## Planet

### Reducing our CO<sub>2</sub> emissions

Support the transition to a low-carbon world by meeting our Science-based Target of reducing our CO<sub>2</sub> emissions per revenue by 35%<sup>1</sup>

### Sustainability solutions

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our sustainability solutions to above 50%

### Integrity principles

Reduce the impact that our supply chain has on society by committing our strategic suppliers to support our integrity principles

### Energy efficiency

Increasing annually the number of energy efficiency measures in our 100 most energy intensive owned buildings

## Performance

### High-single digit constant currency revenue Compound Annual Growth Rate (CAGR)

Driven by mid single-digit organic\* growth per annum and a focus on M&A

### >10% adjusted operating income\* CAGR<sup>(a)</sup>

### Strong Economic Value Added discipline (EVA)

### Maintain or grow the dividend per share

(a) While we expect an improved adjusted operating income\* and margin\* in 2023, this target is more challenging given progress in 2022 and our disciplined approach to M&A.

1. Against a 2014 baseline.

2. Against a 2018 baseline.

3. Against a 2019 baseline.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Q&A

To register for questions press\* and 1 on your telephone





# Appendix

## Our progress so far: 2023 objectives and our performance



**Invest to consolidate leadership position**

Kn  
No. 1



NR  
No. 1



C&P  
No. 1



H&N  
> CHF 1 BN

2023

I&E  
E No.1

2025



**Become most digital company in the TIC industry**

Digitalizing operations ongoing



>50% applicable inspections & audits remote



>50% FAIR\* data – leveraging structured data

2023



A data-driven company

2025



**Increase proportion of revenue from sustainability solutions**

Launched Sustainability Framework



New sustainability solutions in all Divisions



>50% revenue from sustainability solutions

2023

\* Findable, Accessible, Interoperable, Reusable.

# Business portfolio

(Growth/rel. MS/return-profile – December 22)

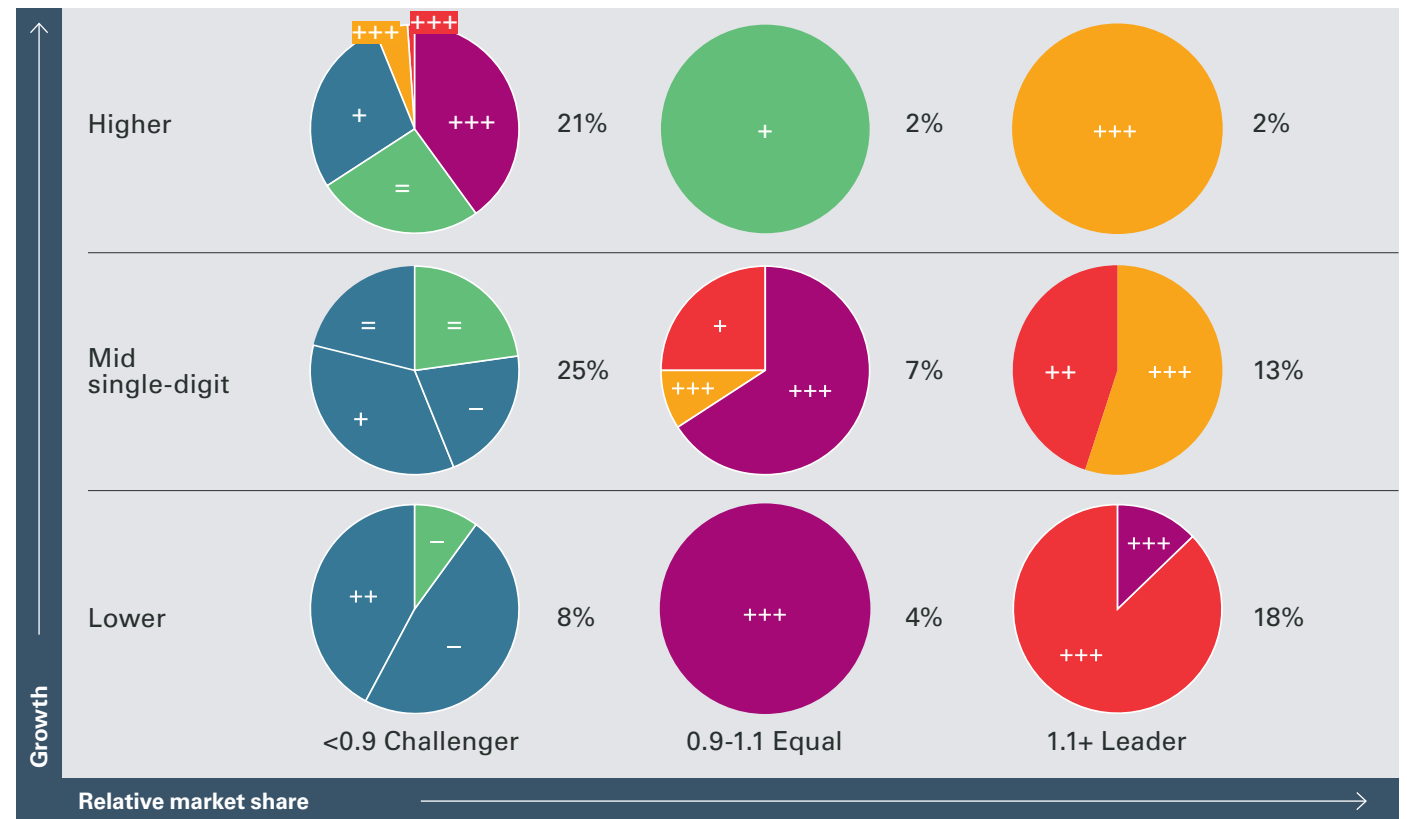
- Increased exposure to msd/higher single digit growth of 70% vs 49% (2018)
- Increased exposure to leading market position of 46% vs 33% (2018)
- Driven by capital allocation (organic and M&A) according to our strategic priorities

**Divisions**

- Connectivity & Products
- Health & Nutrition
- Industries & Environment
- Natural Resources
- Knowledge

**Return Profile**

- Value Destroying
- = Earning more than 1x Cost of Capital
- + Earning more than 2x Cost of Capital
- ++ Earning more than 3x Cost of Capital
- +++ Earning more than 5x Cost of Capital



# Long-term shareholder value creation

## Revenue CHF BN



## Adjusted Operating Income\* CHF MIO



## Free Cash Flow\* CHF MIO



## Return on Invested Capital\* %



## Payout Ratio\* %



## Net Profit CHF MIO

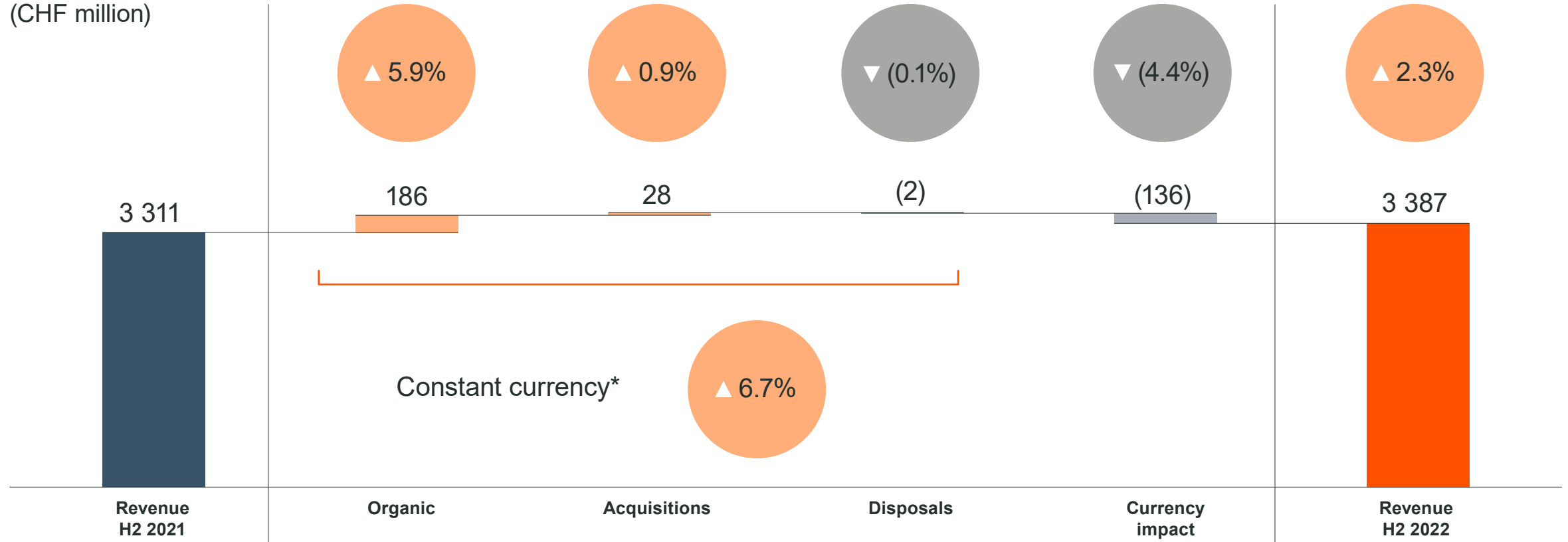


1. 2020 ROIC at 20.9% when adjusted for SYNLAB Analytics & Services (A&S) acquisition completed on 31 December 2020.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

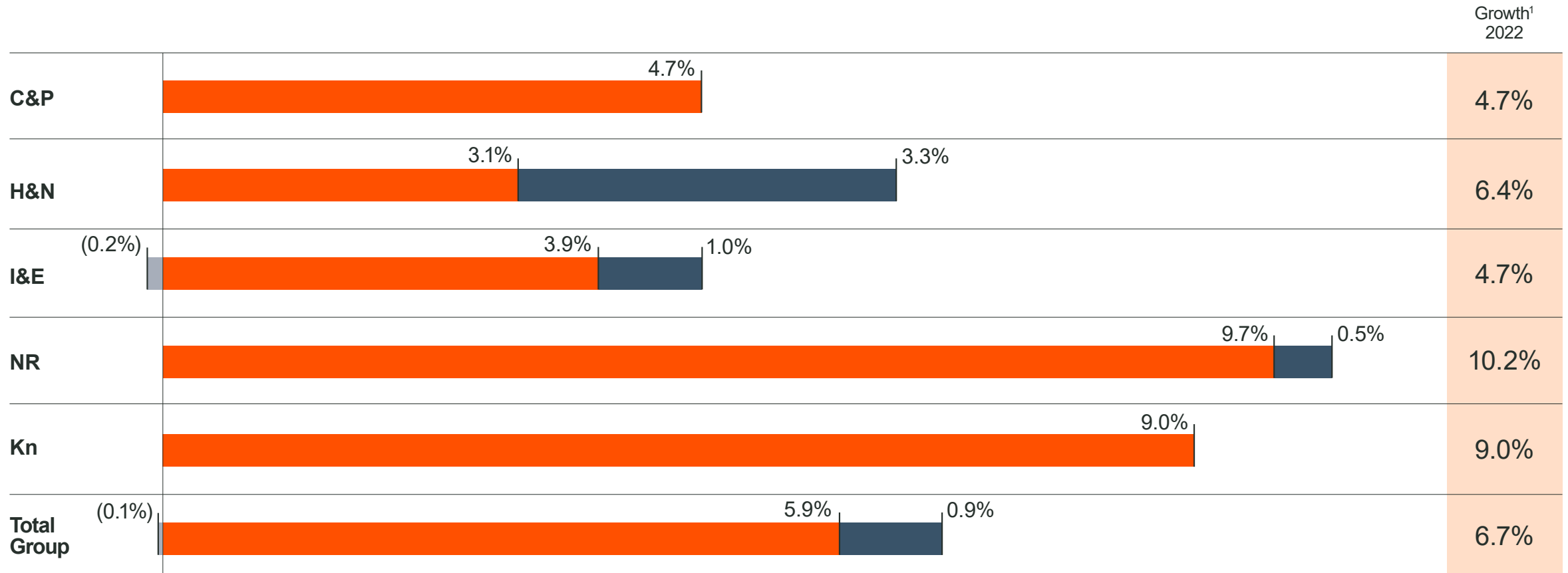
## H2 2022 revenue growth

(CHF million)



\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

## H2 2022 revenue growth by business

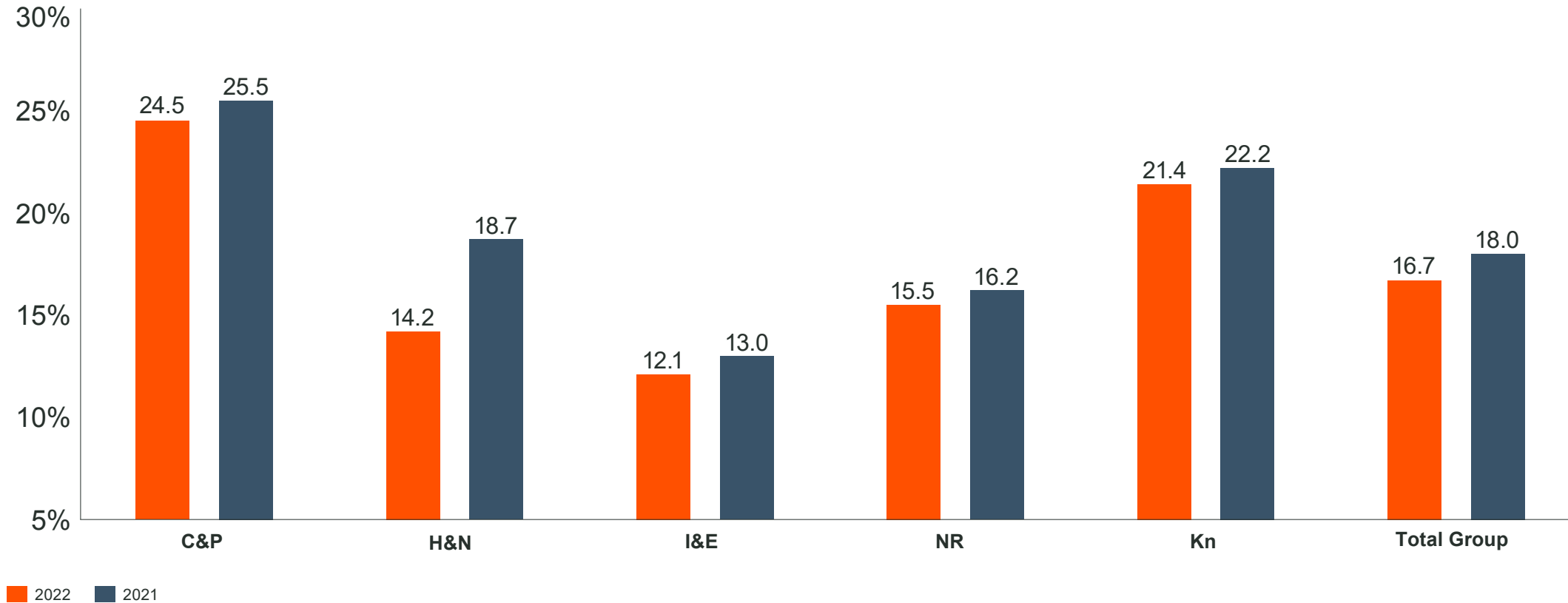


1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

Organic Acquisitions Disposals

## H2 2022 adjusted operating margin<sup>1,\*</sup> by business



1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

## H2 2022 financial highlights

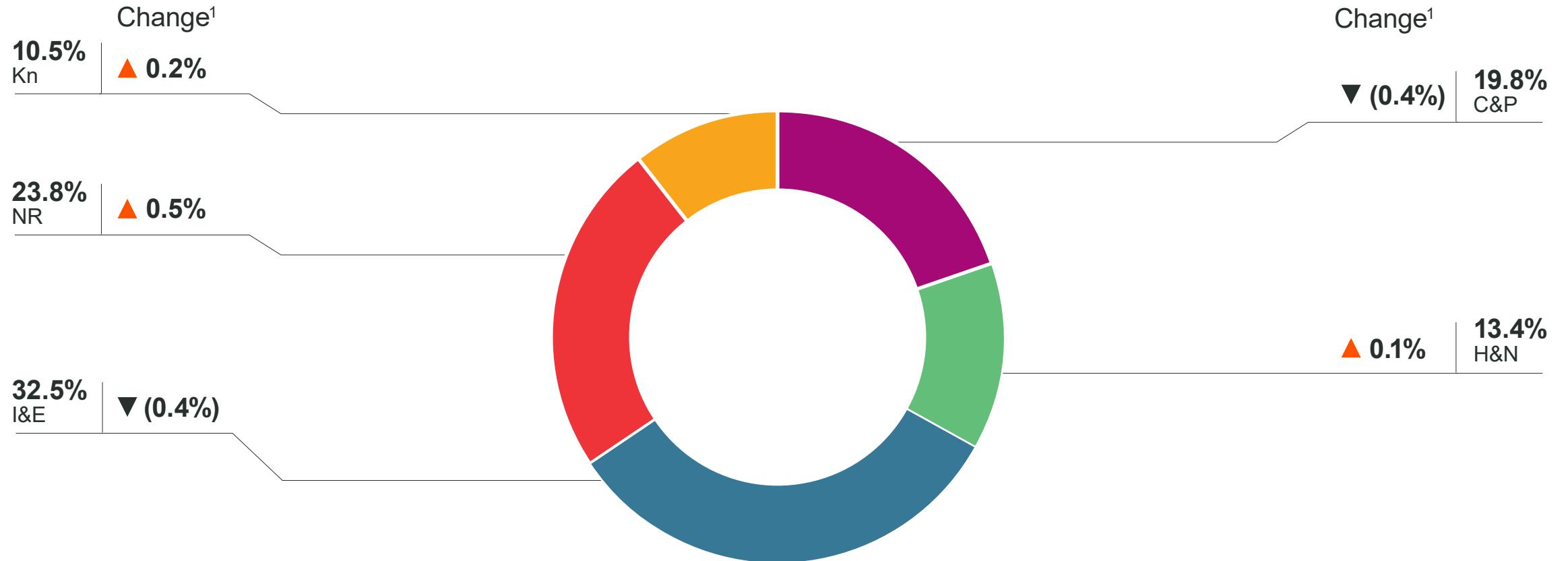
(CHF million)	2022 H2	2021 H2	Change in %	2021 H2 CCY <sup>1</sup>	Change in CCY <sup>1</sup> %
Revenue	<b>3 387</b>	3 311	2.3	3 175	6.7
Operating income (EBIT)	<b>475</b>	547	(13.2)	523	(9.2)
Operating income margin	<b>14.0%</b>	16.5%		16.5%	
Adjusted operating income*	<b>565</b>	598	(5.5)	571	(1.1)
Adjusted operating income margin*	<b>16.7%</b>	18.1%		18.0%	
Profit for the period	<b>336</b>	365	(7.9)		
Profit attributable to equity holders of SGS SA	<b>312</b>	341	(8.5)		

1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.



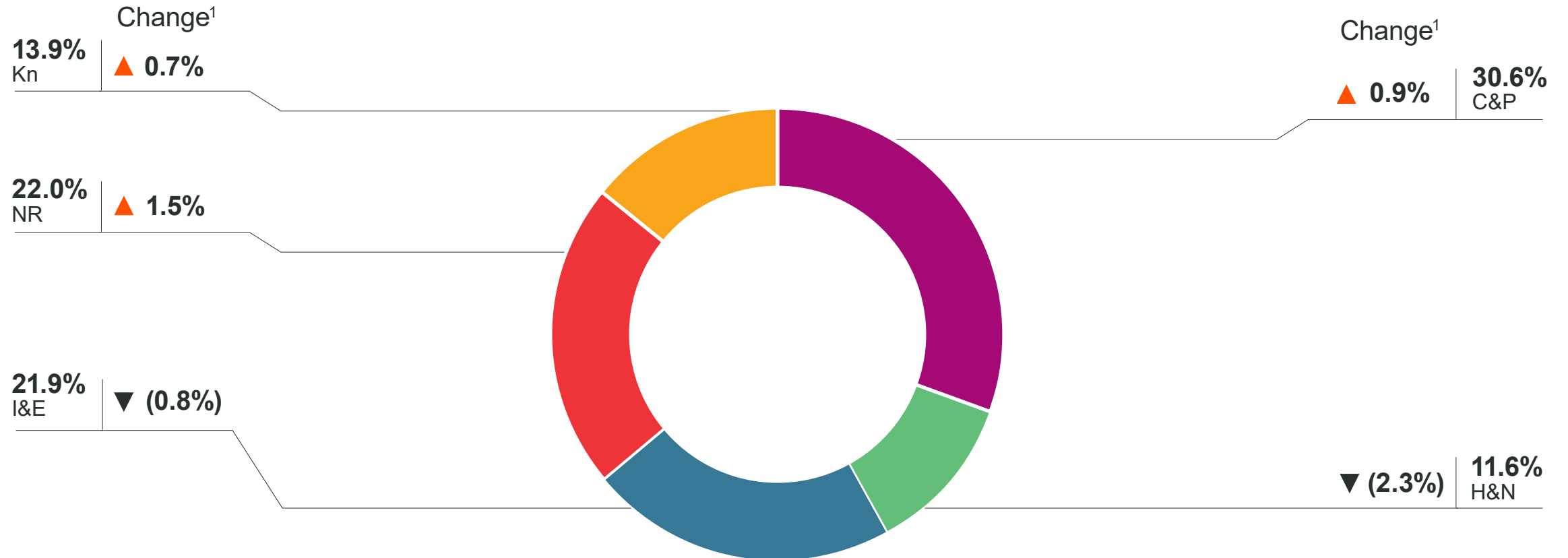
## 2022 revenue portfolio



1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

## 2022 adjusted operating income\* portfolio



1. Constant currency (CCY)\*.

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# 2022 condensed consolidated balance sheet

## Assets

(CHF million)	December 2022	December 2021
Property, plant and equipment	907	925
Right-of-use assets	577	605
Goodwill	1 755	1 778
Other intangible assets	350	382
Investments in joint ventures, associates and other companies	20	26
Deferred tax assets	153	164
Other non-current assets	125	173
<b>Non-current assets</b>	<b>3 887</b>	<b>4 053</b>
Inventories	59	59
Unbilled revenues and work in progress	210	175
Trade receivables	988	928
Other receivables and prepayments	223	204
Current tax assets	132	108
Cash and cash equivalents	1 623	1 480
<b>Current assets</b>	<b>3 235</b>	<b>2 954</b>
<b>Total</b>	<b>7 122</b>	<b>7 007</b>
<b>Net debt*</b>	<b>(2 219)</b>	<b>(1 691)</b>

## Equity and liabilities

(CHF million)	December 2022	December 2021
Equity holder of SGS SA	682	1 117
Non-controlling interests	81	85
<b>Equity</b>	<b>763</b>	<b>1 202</b>
Loans and other financial liabilities	2 833	2 889
Lease liabilities	442	481
Deferred tax liabilities	79	92
Defined benefit obligations	47	84
Provisions	96	90
<b>Non-current liabilities</b>	<b>3 497</b>	<b>3 636</b>
Trade and other payables	671	687
Contract liabilities	228	221
Current tax liabilities	165	169
Loans and other financial liabilities	1 009	282
Lease liabilities	162	155
Provisions	58	60
Other creditors and accruals	569	595
<b>Current liabilities</b>	<b>2 862</b>	<b>2 169</b>
<b>Total</b>	<b>7 122</b>	<b>7 007</b>

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM' document.

# Cash flow statement

## 2022 condensed cash flow statement

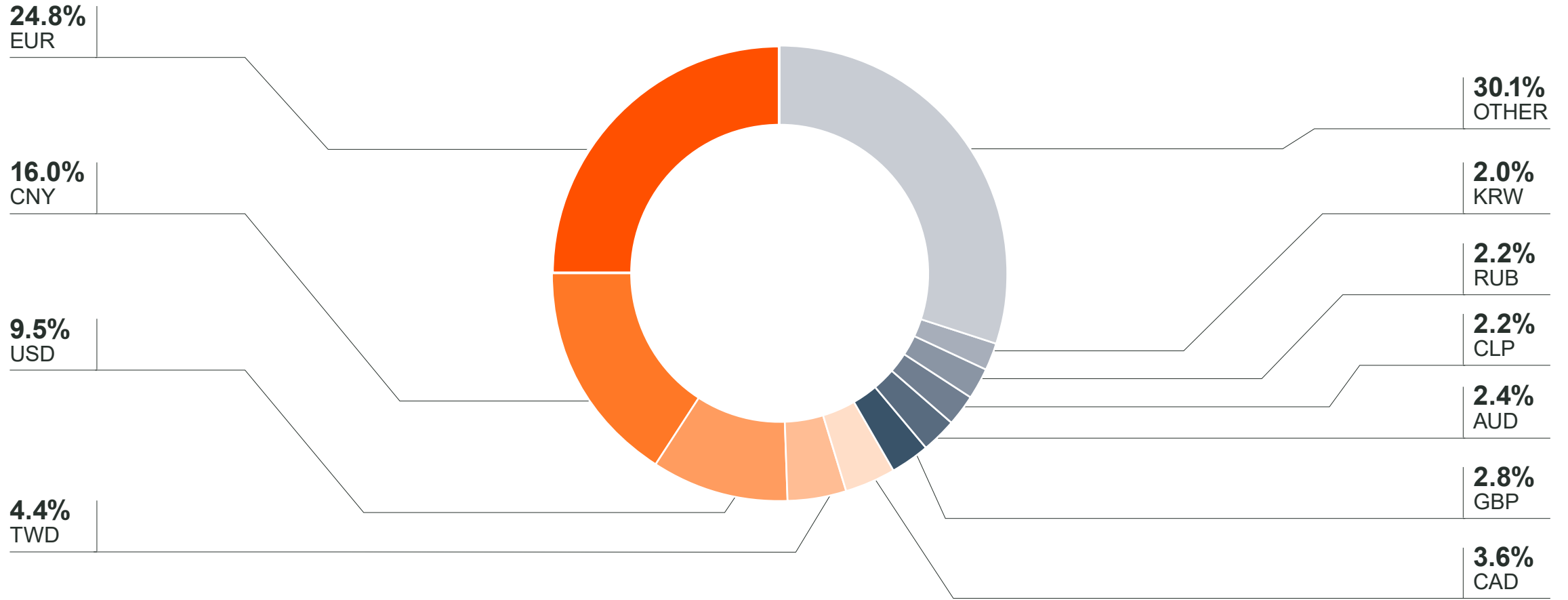
(CHF million)	2022	2021
<b>Profit for the period</b>	<b>630</b>	<b>655</b>
Non-cash and non-operating items	812	828
(Increase) in working capital	(162)	(44)
Taxes paid	(250)	(270)
<b>Cash flow from operating activities</b>	<b>1 030</b>	<b>1 169</b>
Net purchase of fixed assets	(321)	(331)
Acquisition of businesses	(67)	(214)
Proceeds from sales of businesses	2	–
Interest received and other	17	25
<b>Cash flow used by investing activities</b>	<b>(369)</b>	<b>(520)</b>
Dividends paid to equity holders of SGS SA	(599)	(599)
Dividends paid to non-controlling interests	(43)	(41)
Transaction with non-controlling interests	(9)	(12)
Cash paid on treasury shares	(268)	–
Proceeds from corporate bonds	500	824
Payment of corporate bonds	(251)	(276)
Interest paid	(64)	(66)
Payment of lease liabilities	(183)	(179)
Proceeds from borrowings	469	–
Payment of borrowings	–	(555)
<b>Cash flow used by financing activities</b>	<b>(448)</b>	<b>(904)</b>
Currency translation	(70)	(31)
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>143</b>	<b>(286)</b>

(CHF million)	2022	2021
<b>Cash flow from operating activities</b>	<b>1 030</b>	<b>1 169</b>
Purchase of property, plant and equipment and other intangible assets	(329)	(336)
Disposal of property, plant and equipment and other intangible assets	8	5
Operating lease outflows	(202)	(203)
<b>Free cash flow*</b>	<b>507</b>	<b>635</b>

\* Alternative Performance Measures (APM), refer to the '2022 Full Year APM document'.

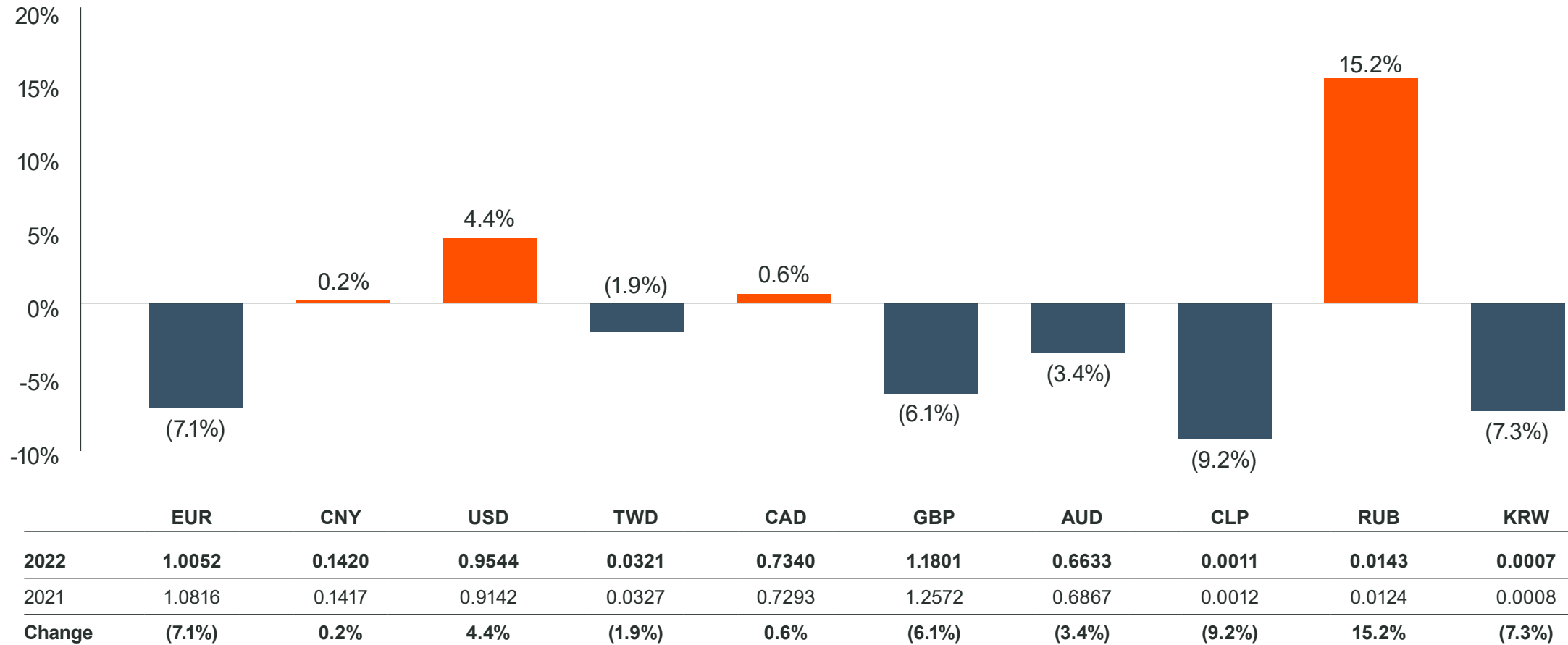
# EUR, CNY and USD represent 50% of 2022 revenue

## 2022 foreign currency revenues

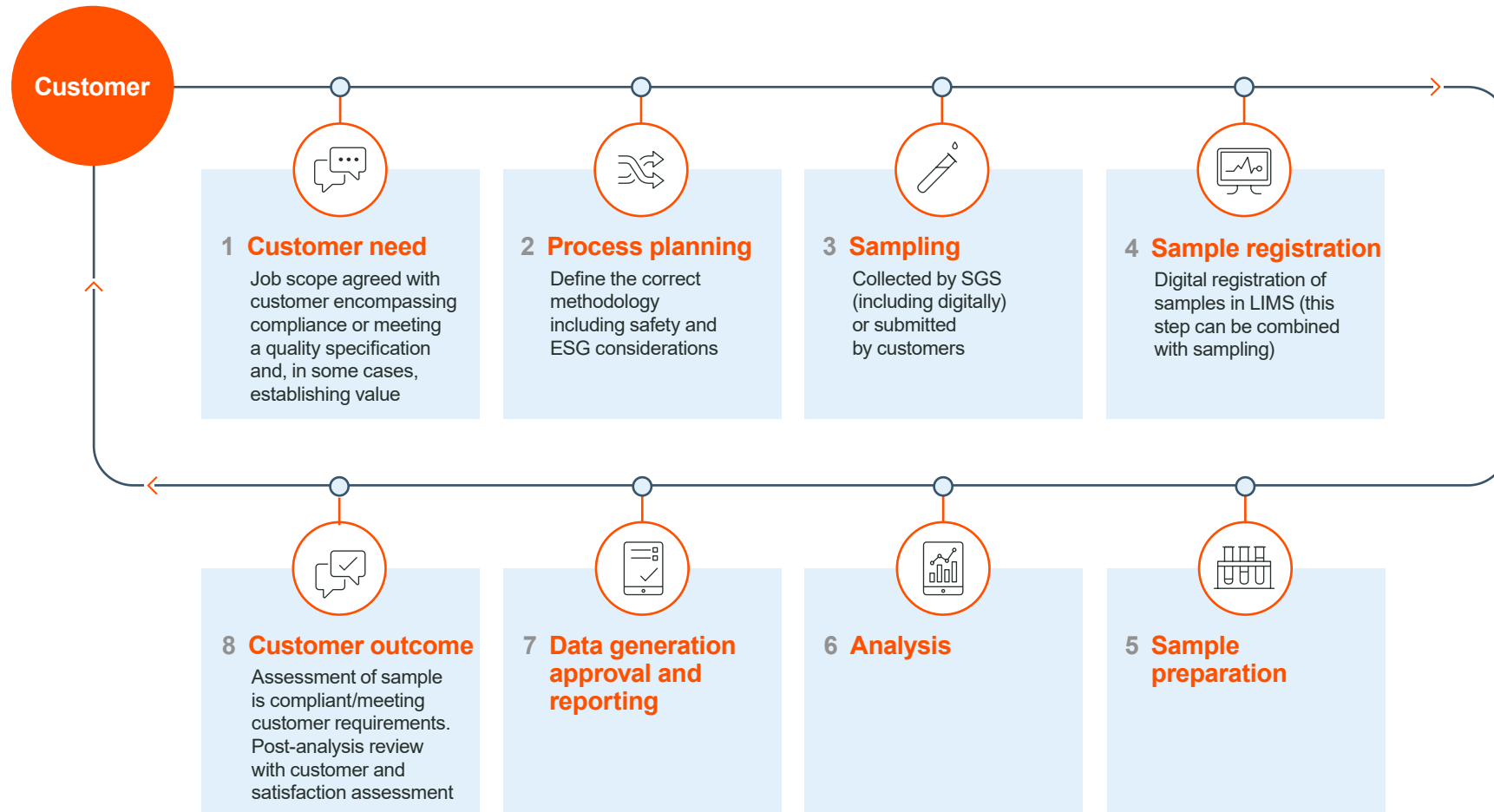


## Key currency movements in 2022

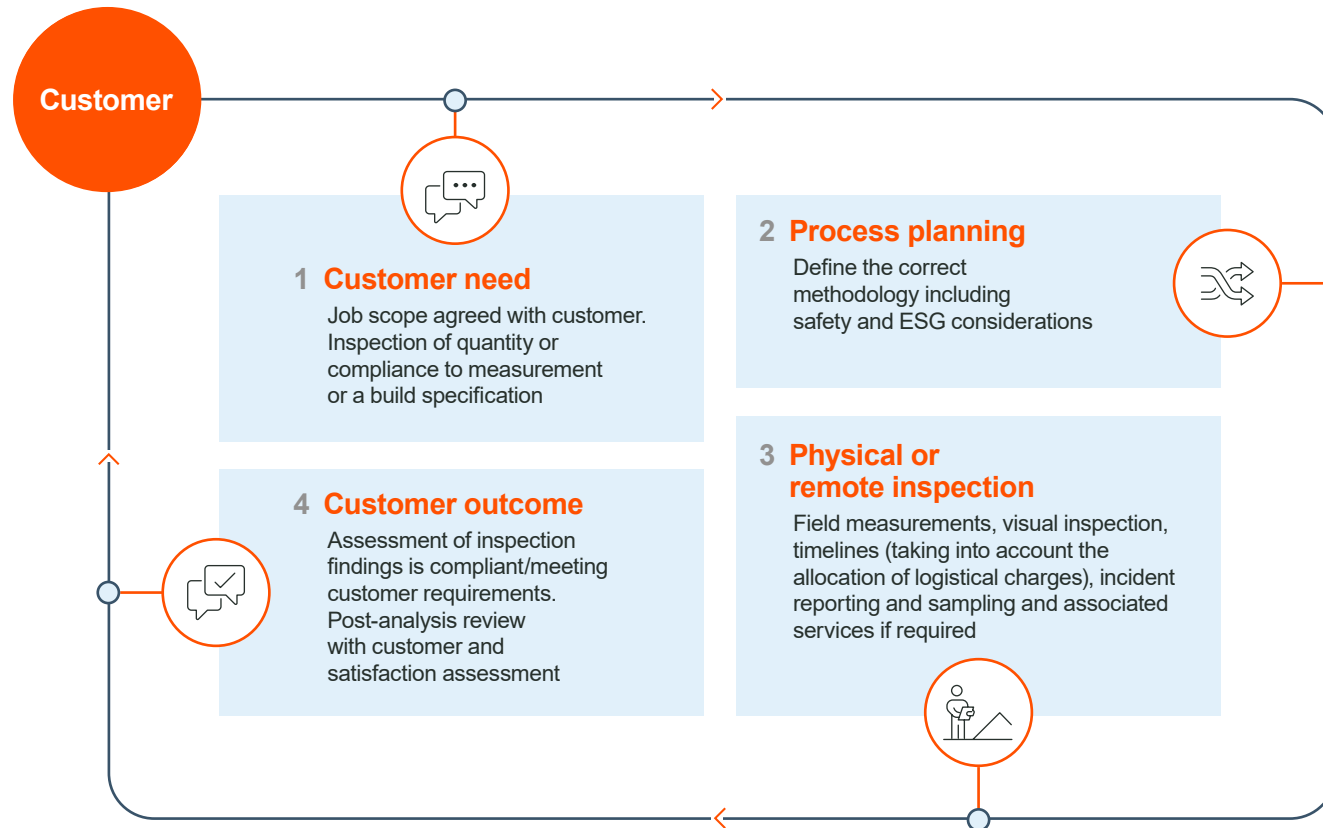
### Foreign currency average rate change 2022 versus 2021 rate



# Testing business model

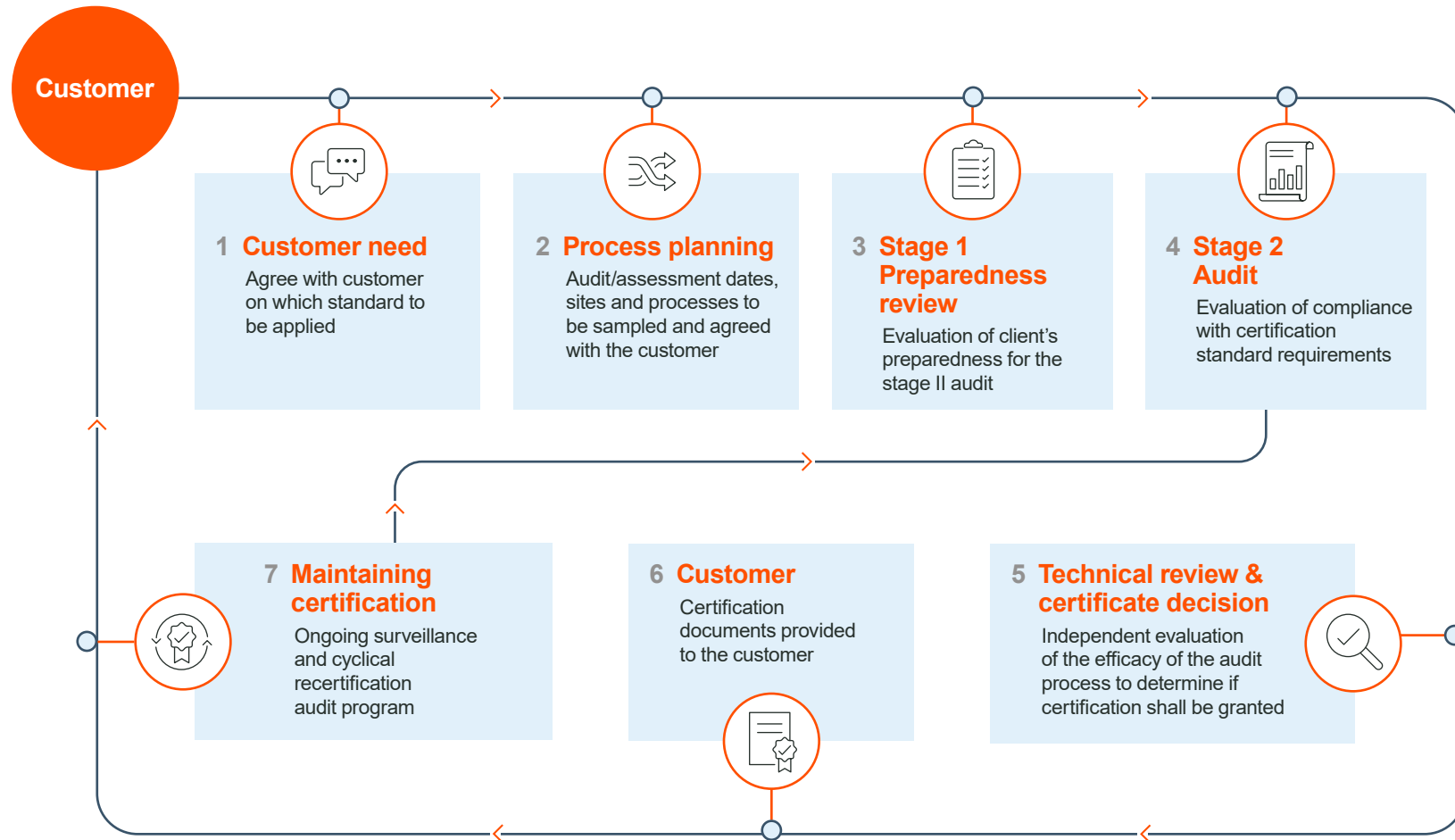


# Inspection business model





# Certification business model



## Acronyms and other abbreviations

AGM	Annual General Meeting
CAGR	Compound Annual Growth Rate
CRM	Customer Relationship Management
DLC	Digital Lab Concept
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
FSSC	Financial Shared Service Center
LIMS	Laboratory Information Management System
LTM	Last twelve months
MVP	Minimum Viable Product
NWC	Net Working Capital
RBS	Responsible Business Services
WCM	World Class Manufacturing
WCS	World Class Services

# Investor relations information and events dates

## 2023 Half Year Results

Monday, 24 July 2023

## Annual General Meeting of Shareholders

Tuesday, 28 March 2023

Geneva, Switzerland

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## 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



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