



Flammability and Physical Testing, USA

M&A RELAUNCHED: Bolt-ons with financial discipline

Capital Markets Event

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Presenters



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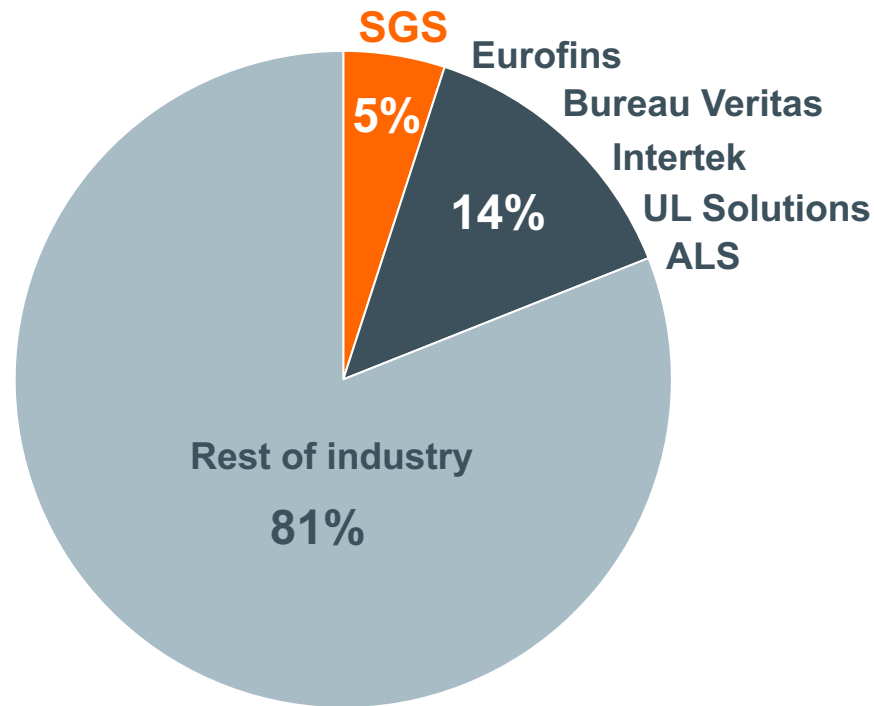


Vincenzo Torrisi

Head of M&A

Consolidating the highly fragmented and attractive TIC industry

2023 addressable TIC market: USD 160 billion

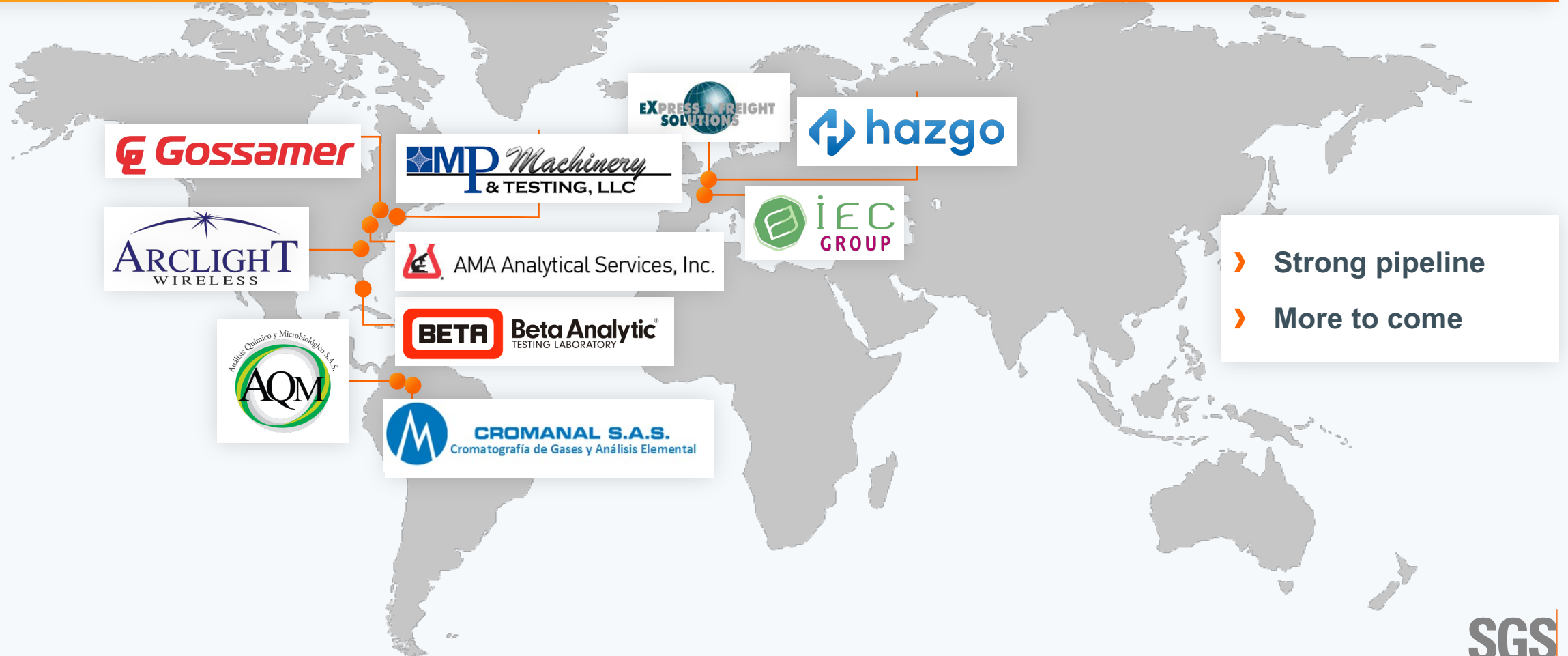


- › TIC industry prone to significant consolidation
- › Bolt-ons are key growth acceleration drivers:
 - Leadership in high-growth end-markets
 - Exposure to attractive regions
 - Targeted expertise and capabilities
 - Risk diversification
 - Speed to market

Target of 1% to 2% contribution to annual sales growth

Acquisitions to date

Annual sales over CHF 70 million. Average EV/EBITDA 2024E multiple of 7.8x



New execution process in place

Driven by regional management, supported by Corporate team



- › Local deal sourcing and end-to-end ownership
- › Thorough market screening, disciplined due diligence, faster approval process
- › Tailored deal structure
- › Well-defined integration process and actions, post-acquisition

Clear strategic and financial criteria

Strategic

- › Fast-growing and financially solid companies aligned with megatrends
- › Complementary, scalable services and technologies
- › Geographic footprint rebalancing
- › Synergistic companies which strengthen SGS earnings profile and balance sheet

Financial

- › Minimum mid to high single-digit sales growth (incl. cross-selling and geographic expansion)
- › AOI margin post-synergies in line with SGS targets, EPS accretive year 1
- › Attractive pay-back period and double-digit ROIC by year 5 after acquisition

Creating the global leader in cybersecurity

Gossamer

- › Cybersecurity evaluation leader in North America
- › Largest lab for Common Criteria evaluations globally
- › Niche market growing double-digits
- › 150+ clients
- › Strong expertise

Synergies

- › Geographic coverage
- › Complementarity with Brightsight
- › One-stop shop
- › Key accreditations
- › Customer-centricity
- › Cross-selling


**Expected synergies
above 30% of
standalone EBITDA**

Gossamer + Brightsight network



50+ security standards and schemes
700+ projects each year
40+ years' experience

Key takeaways



M&A is relaunched and bolt-on acquisitions will contribute 1% to 2% to annual sales growth

Highly synergistic and value-accretive acquisitions will continue to reinforce our earnings profile

Deals sourced locally and executed with financial discipline to ensure the full delivery of the acquisition business plan



Oil and Gas Site Inspection, Peru

When you need to be sure