

SGS delivers excellent 2024 results

Géraldine Picaud CEO

Marta Vlatchkova CFO

When you need
to be sure

Soil Collection and Analysis, Portugal

11 February 2025

SGS



2024 business highlights

Géraldine Picaud
CEO

Excellent 2024 results



Strong financial performance

- › Record sales of CHF 6 794 million, +2.6% compared to 2023
- › Strong organic sales growth of 7.5%
- › Excellent progression in adjusted operating income margin, up 60 basis points (bps) to 15.3% of sales
- › Outstanding free cash flow of CHF 748 million, up 24%
- › Earnings per share of CHF 3.10, up 3.3%
- › Industry-leading ROIC of 24%

Outlook 2025

- › 5% to 7% organic sales growth
- › 1% to 2% bolt-on contribution to annual sales growth
- › At least +30 bps improvement in AOI margin, in reported terms
- › Strong free cash flow generation

Delivering Strategy 27 at full speed

Growth

- › SGS is back to growth on reported terms
- › Successful relaunch of M&A
 - 11 acquisitions closed in 2024
 - 3 more announced in 2025
- › Close to CHF 100 million in incremental sales from sustainability services
- › Over CHF 30 million in incremental sales from digital trust

People, performance & agility

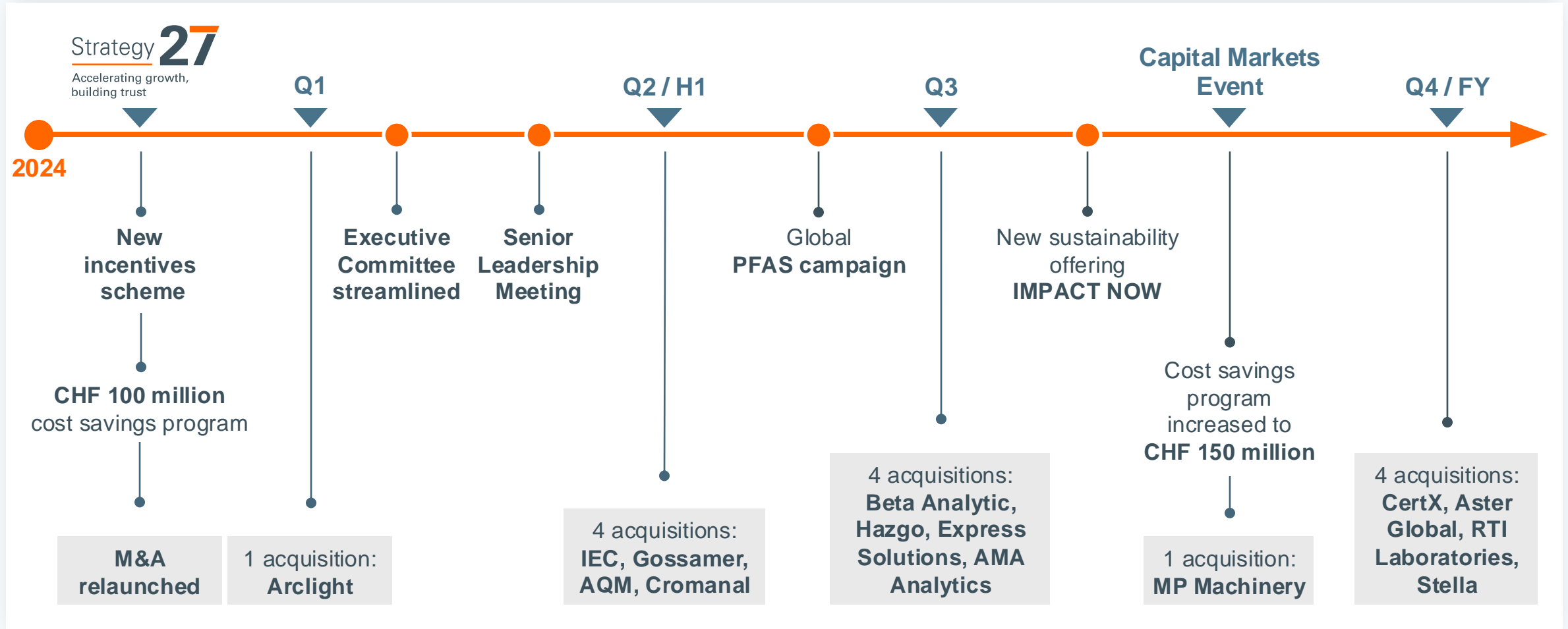
- › Accountability and performance culture implemented
- › Local management empowered
- › Fast execution of the CHF 150 million efficiency plans:
 - CHF 50 million savings accounted for in 2024
 - Efficiencies fully implemented at the end of 2025

Strong financial & ESG profile

- › AOI margin on track to reach at least 16.2% by 2027 (+150 bps improvement versus 2023)
- › Improvement in leverage¹, down to 1.8x versus 2.0x in prior year
- › Industry-leading ROIC to support additional value generation
- › Ranked #1 Professional Services company in the Dow Jones Sustainability Indices (DJSI)

¹ Net debt after leases / Adjusted EBITDA

2024, a year of strong progress



Eleven acquisitions in 2024, three in early 2025

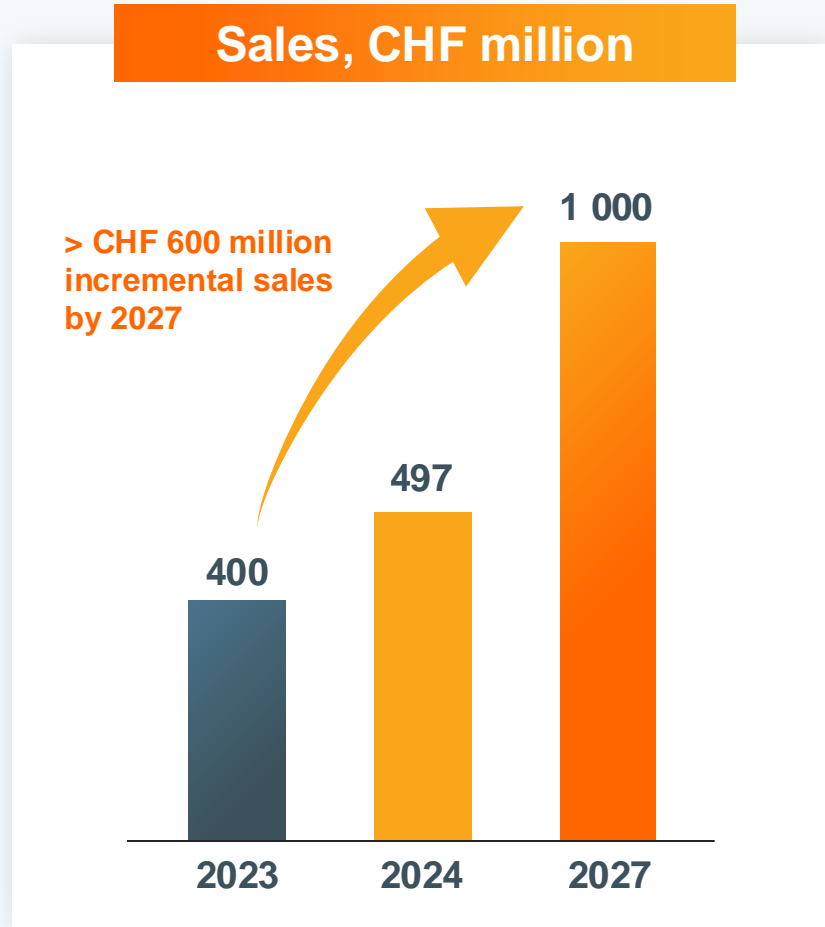
Representing total annual sales of CHF 83 million. Average EV/EBITDA 2024 multiple of 7.8x



- › 3 acquisitions in early 2025:
 - Aster Global
 - RTI Laboratories
 - Stella
- › Stronger-than-ever pipeline
- › More to come

• Growth: **Sustainability services**

Close to CHF 100 million in incremental sales in 2024



› New IMPACT NOW offering to support clients' sustainability needs

**IMPACT
NOW**

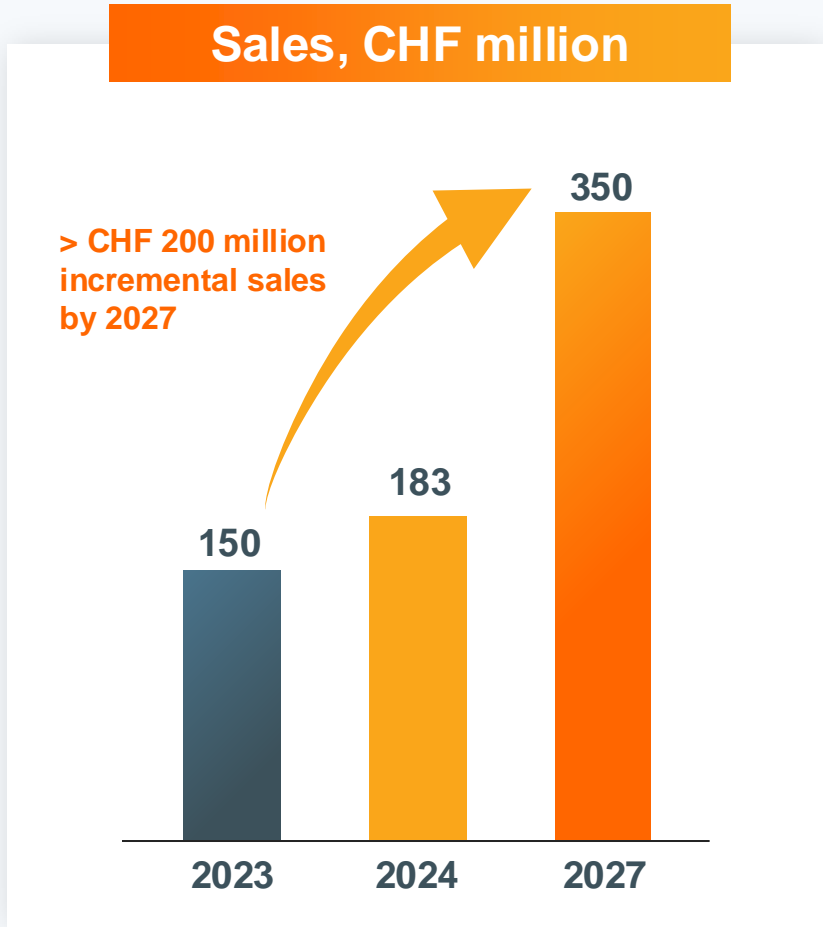
For sustainability

› Growth above market in 2024, leading to strong progress towards the 2027 target:

- **Climate** – strong double-digit growth led by greenhouse gas emissions verification and monitoring
- **Nature** – strong double-digit growth driven by 40% increase in PFAS testing
- **Circularity** – growth above 60% supported by waste recyclability in Europe
- **ESG Assurance** – double-digit growth led by increased demand in Asia Pacific and the development of new services

• Growth: **Digital Trust services**

Over CHF 30 million in incremental sales in 2024



- › Significant progress towards the 2027 target, with 22% growth in sales compared to prior year
- › Growth driven by high assurance cybersecurity evaluations, AI management systems certification and wireless
- › Reinforcing leadership in high assurance cybersecurity
- › Two acquisitions in North America, Gossamer and Arclight, and one in Europe, CertX

Strong performance fueled by Sustainability



Soil Sampling, Peru



33%
of Group sales

CHF million	2023	2024
Sales	2 190	2 261
Total change		3.2%
<i>of which organic</i>		8.3%
<i>of which scope</i>		-0.2%
<i>of which FX</i>		-4.9%
Adjusted operating income	248	287
Adjusted operating income margin	11.3%	12.7%

- › Continued double-digit organic growth in Environment boosted by PFAS with strong performance in North America and Europe
- › Double-digit organic growth in Safety services supported by increased demand for global industrial safety solutions
- › High single-digit organic growth in Projects & Advisory driven by large railway and mining projects in Latin America and supply chain for EEMEA
- › Continued strong organic growth in Industrial Testing partly offset by completion of low-margin contracts in non-destructive testing

A solid year driven by analytical testing



Carbon Capture Testing, UK



24%
of Group
sales

CHF million	2023	2024
Sales	1 583	1 612
Total change		1.8%
<i>of which organic</i>		7.6%
<i>of which scope</i>		0.0%
<i>of which FX</i>		-5.8%
Adjusted operating income	228	238
Adjusted operating income margin	14.4%	14.8%

- › Minerals boosted by strong trade and double-digit organic growth in critical battery metals testing in the Americas
- › High single-digit organic growth in Oil, Gas and Chemicals supported by inspection and laboratory testing services
- › Strong organic growth in Agriculture testing and inspection services, despite slowdown in Europe from the new crop season
- › Strong momentum for services supporting the energy transition

Positive momentum across all segments



Furniture Durability and Performance Testing, USA



19%
of Group sales

CHF million	2023	2024
Sales	1 246	1 282
Total change		2.9%
<i>of which organic</i>		8.2%
<i>of which scope</i>		-0.7%
<i>of which FX</i>		-4.6%
Adjusted operating income	262	268
Adjusted operating income margin	21.0%	20.9%

- › High single-digit organic growth in Connectivity driven by product safety in Asia Pacific and wireless in North America
- › Double-digit organic growth in Softlines led by strong volumes and sustainability
- › High single-digit growth in Hardlines fueled by new regulations and capabilities expansion
- › Strong organic growth in Government Services in EEMEA and Asia Pacific

Strong performance driven by Food



13%
of Group
sales

CHF million	2023	2024
Sales	857	878
Total change		2.5%
<i>of which organic</i>		5.2%
<i>of which scope</i>		0.9%
<i>of which FX</i>		-3.6%
Adjusted operating income	80	94
Adjusted operating income margin	9.3%	10.7%

- › Double-digit organic growth in Food with strong performance in all markets supported by regulation and food safety
- › Strong recovery in Pharma in H2 driven by bio-safety and bio-analysis testing in Europe and Asia Pacific
- › Cosmetics delivered solid performance supported by recovery in North America and Europe in H2
- › Expansion of laboratory activities in Food, Pharma and Cosmetics, in particular in North America

Organic growth led by Certification and ESG



ESG Assurance Project Planning, Turkey



11%
of Group
sales

CHF million	2023	2024
Sales	746	761
Total change		2.0%
<i>of which organic</i>		6.2%
<i>of which scope</i>		0.0%
<i>of which FX</i>		-4.2%
Adjusted operating income	153	153
Adjusted operating income margin	20.5%	20.1%

- › Double-digit organic growth in Certification, supported by medical devices and digital trust
- › Double-digit organic growth in ESG, driven by non-financial reporting assurance, social audits and greenhouse gas emissions verification
- › Temporary slowdown in Training in Asia Pacific
- › Consulting impacted by a high comparable



2024 financial performance

Marta Vlatchkova
CFO

Full year 2024 financial performance

Sales

CHF 6 794 million
+7.5% organic growth

Adjusted Operating Income

CHF 1 040 million
15.3% margin on sales

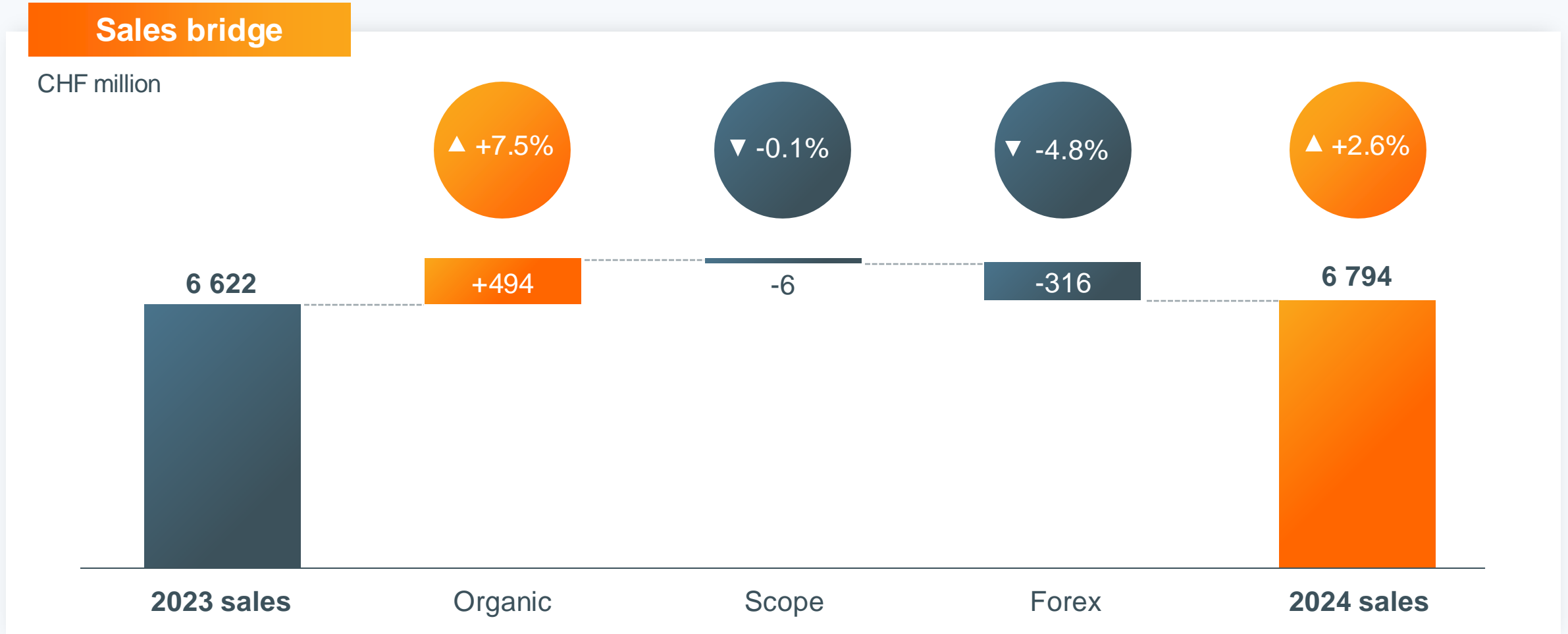
Reported Earnings Per Share

CHF 3.10
+3.3% versus prior year

Free Cash Flow

CHF 748 million
+23.8% versus prior year

Strong organic sales growth of 7.5%

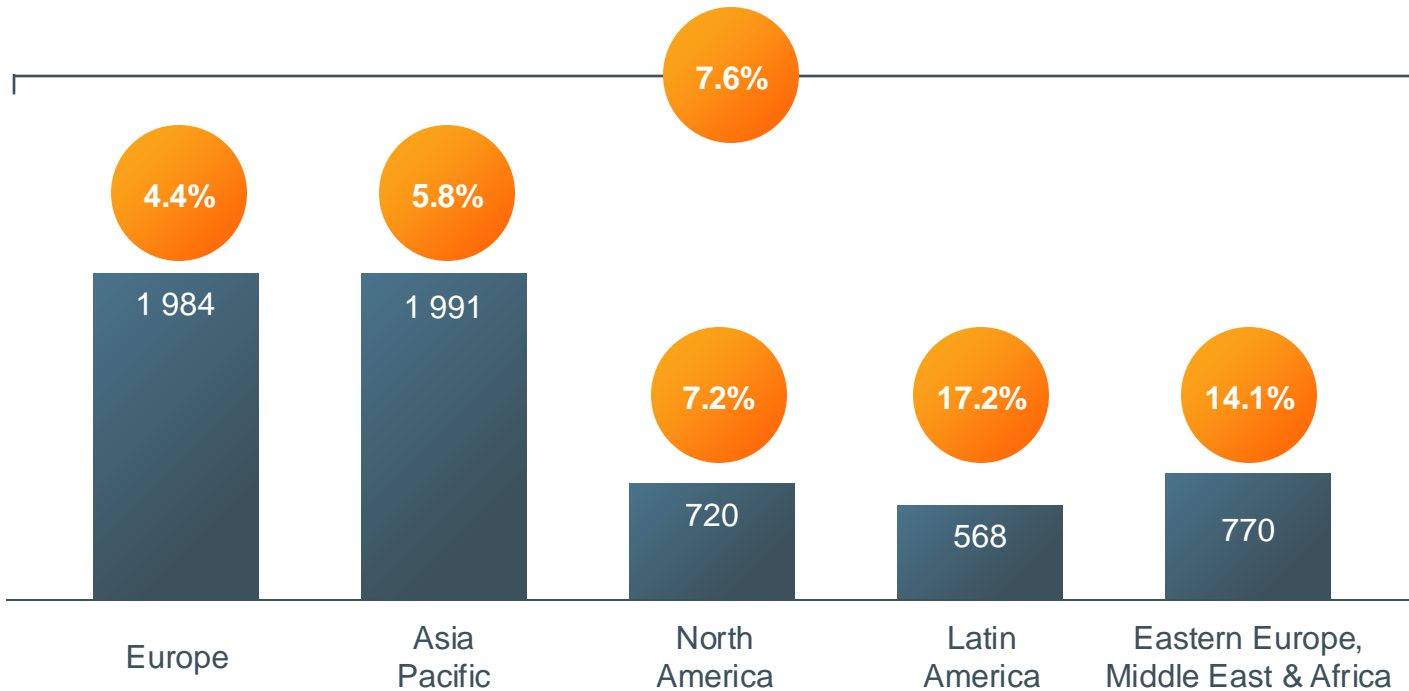


Strong organic sales supported by all operations

Sales by region

CHF million

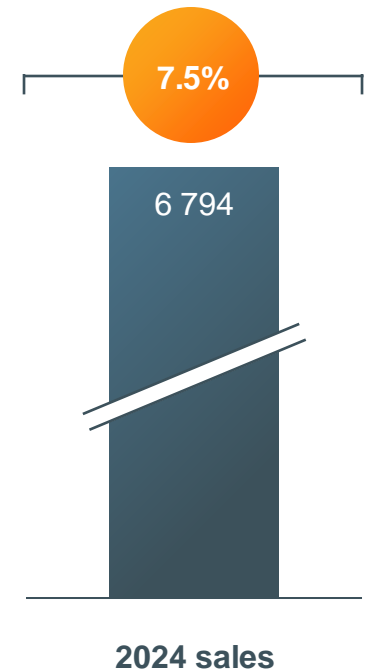
Testing & Inspection



Certification



SGS Group



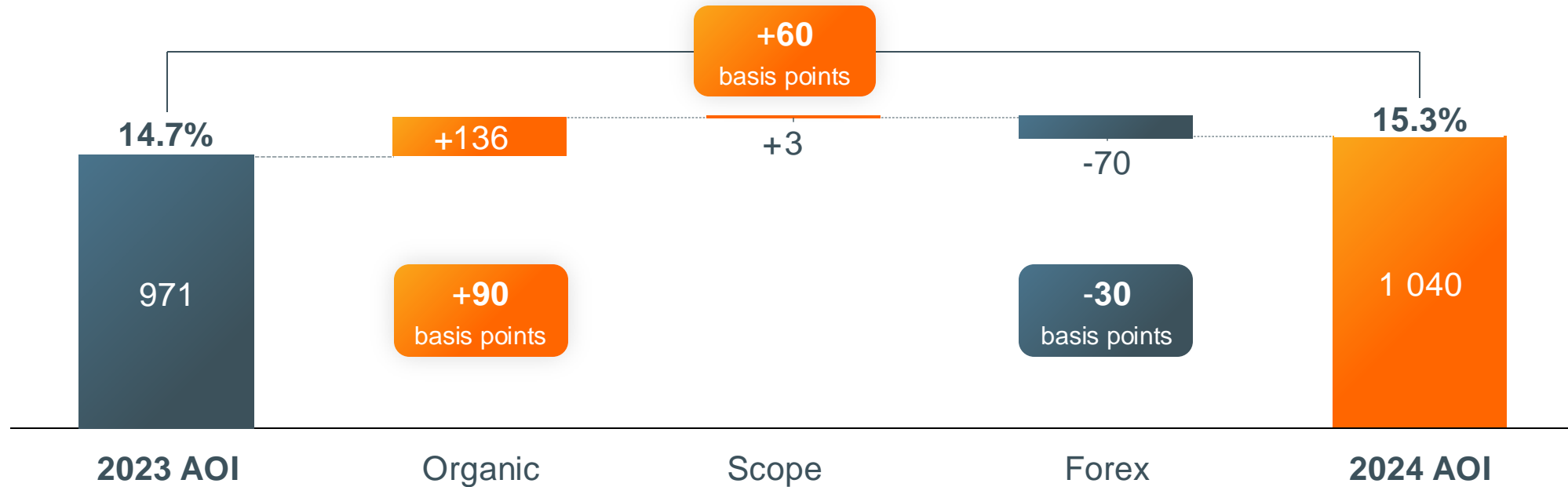
 Organic growth

2024 adjusted operating income (AOI)

Excellent progression of 60 basis points to 15.3%

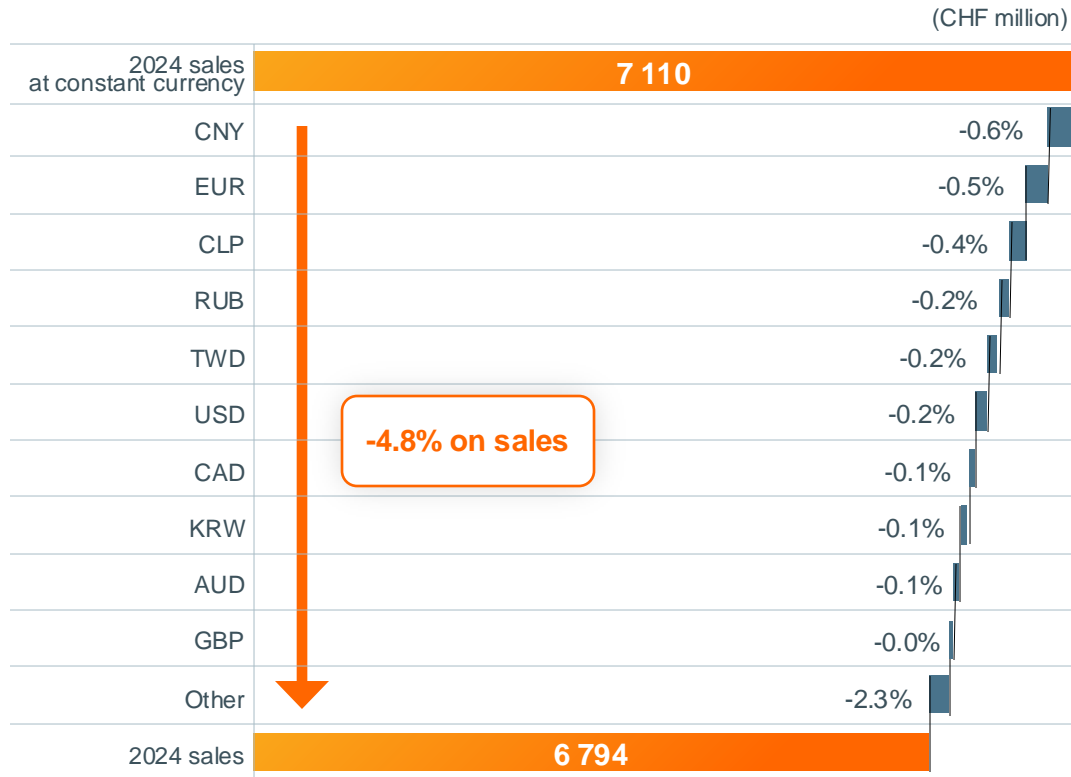
AOI margin bridge

CHF million

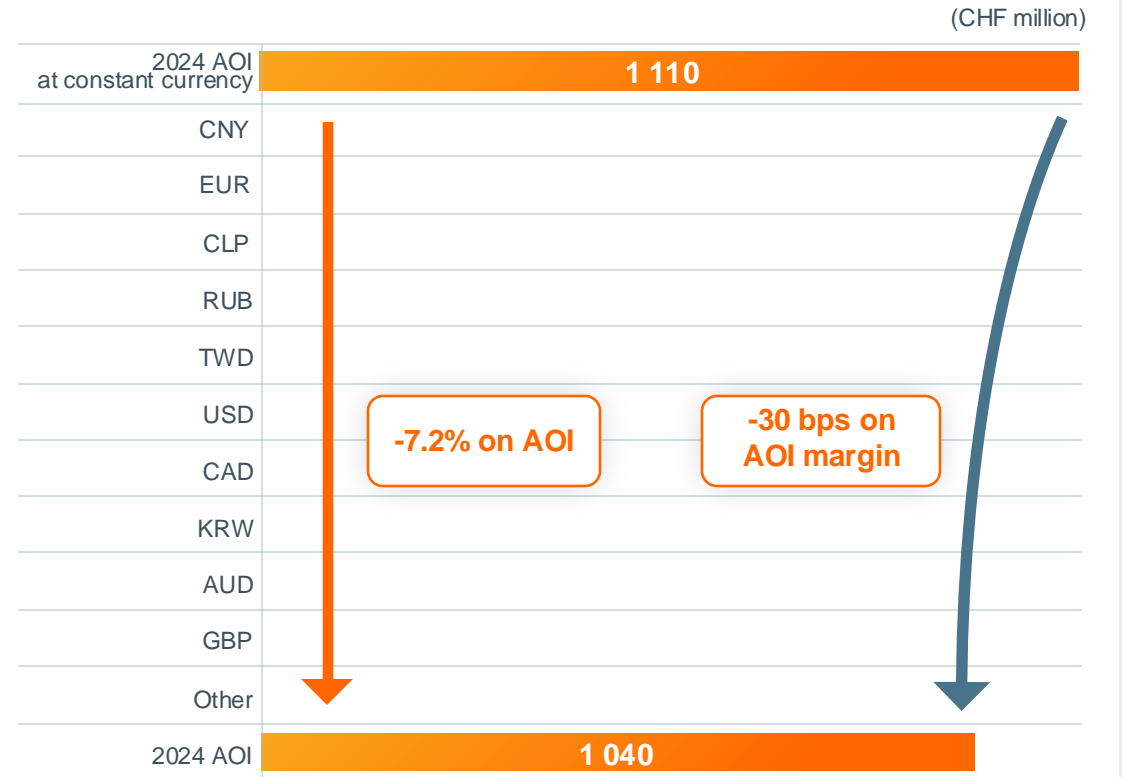


CHF strong against all major currencies

Currency impact on sales growth



Currency impact on adjusted operating income



Fast execution of efficiency plans

Leaner operating model

- › New organization
- › Corporate simplification
- › Country structure simplification
- › >90% saving plans initiated in 2024

100_m
CHF



Procurement savings

- › Contracts renegotiation
- › Consumables harmonization
- › Indirect spend optimization
- › Fully on track

50_m
CHF



CHF 50 million savings accounted for in 2024

CHF 150 million savings run rate reached at the end of 2025

Earnings per share of CHF 3.10, up 3.3%

CHF million	2023	2024	Change	
Sales	6 622	6 794	172	+ 2.6%
Adjusted operating income	971	1 040	69	+ 7.1%
Amortization and impairment of acquired intangibles	-73	-30	43	
Restructuring	-21	-82	-61	
Other non-recurring items and transaction costs	-20	-24	-4	
Operating income	857	904	47	+ 5.5%
Financial expenses & JVs	-55	-57	-2	
Profit before taxes	802	847	45	
Income taxes	-205	-222	-17	
<i>Effective tax rate</i>	26%	26%	0	
Net profit	597	625	28	
Attributable to non-controlling interests	-44	-44	0	
Net profit attributable to Group shareholders	553	581	28	
Reported EPS (CHF)	3.00	3.10	0.10	+ 3.3%

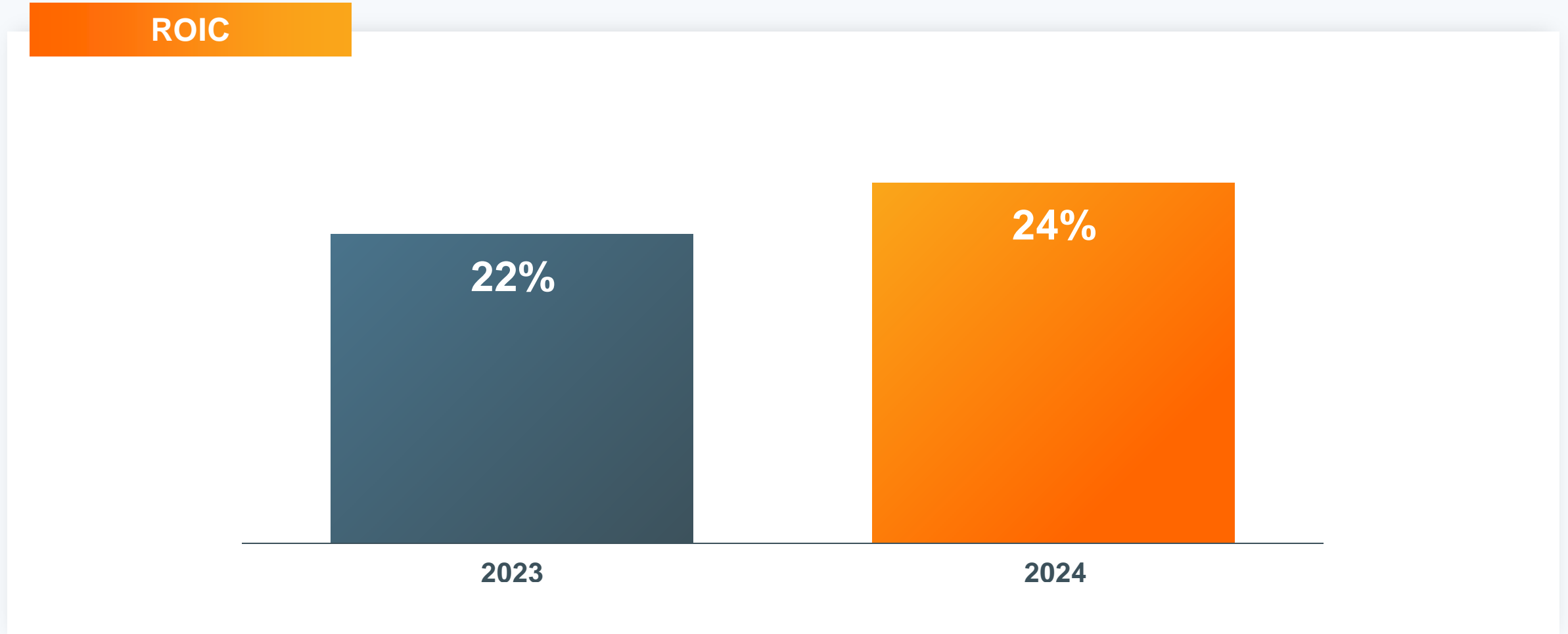
Outstanding free cash flow of CHF 748 million

CHF million	2023	2024	Change
EBITDA after restructuring	1 402	1 380	-22
Non-cash and non-operating items	19	44	25
Change in net working capital	-55	28	83
Taxes paid	-243	-228	15
Net Capex	-283	-239	44
Lease payments	-178	-176	2
Net interest paid	-58	-61	-3
Free cash flow	604	748	144
Cash conversion¹	49%	62%	+130 bps

+ 23.8%

¹ Cash conversion: Free cash flow / (EBITDA – Lease payments)

Industry-leading ROIC to support additional value generation



Strengthening financial profile

Leverage

Net debt after leases / Adjusted EBITDA



Attractive shareholder remuneration



Clinical Studies, USA

Proposed dividend

- › Attractive shareholder remuneration through stable dividend of CHF 3.20
- › Scrip dividend, optional shares or cash, to be proposed at the next Annual General Meeting (26 March 2025)

2027 ESG targets and 2024 performance

	Environment	Diversity	Education	Governance
2027 ESG target	Material progress towards 28% reduction in Scope 3 emissions ¹	At least one third of leadership positions held by women	7 million hours of training per year to employees, clients and communities	93% customer satisfaction score
2024 performance	2.2% reduction versus prior year	31.7%	7.4 million	91%

Member of

**Dow Jones
Sustainability**

Ranked #1 Professional Services company
in the Dow Jones Sustainability Indices (DJSI)

¹ versus 2019 baseline



Solar Panel Inspection, Portugal

Outlook

Géraldine Picaud
CEO

- Delivering Strategy 27: Accelerating growth, building trust

2025 outlook



- › 5% to 7% organic sales growth
- › 1% to 2% bolt-on contribution to annual sales growth
- › **At least +30 bps improvement** in adjusted operating income margin on sales, in **reported terms**
- › **Strong** free cash flow generation

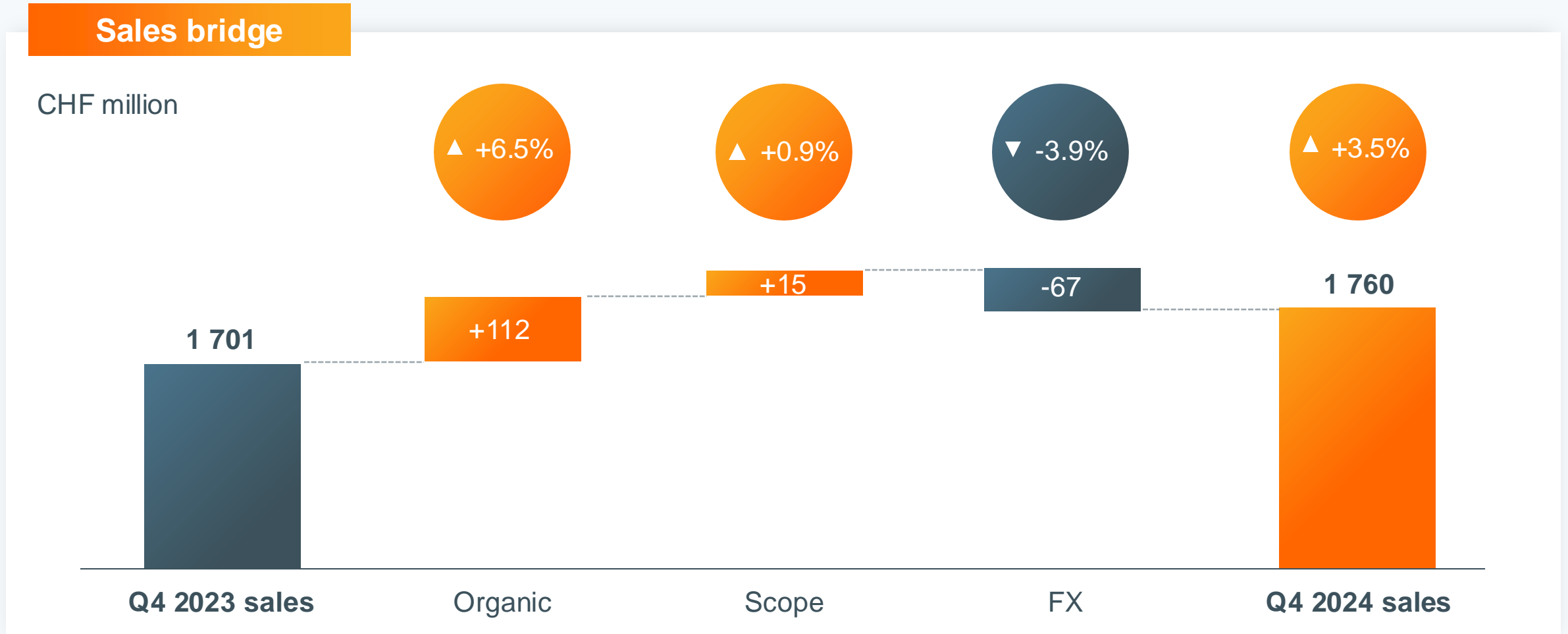
Q&A

Appendix

Organic growth led by C&P and H&N in Q4

CHF million	Sales	Organic growth
Industries & Environment (I&E)	580	4.7%
Natural Resources (NR)	410	6.2%
Connectivity & Products (C&P)	332	10.5%
Health & Nutrition (H&N)	234	9.2%
Business Assurance (BA)	204	3.4%
Total	1 760	6.5%

Strong organic sales growth of 6.5% in Q4



Reminder of 2027 targets

Sales	Adjusted operating income margin on sales	Free cash flow After leases and interests
5% to 7% organic growth	Significant improvement > 150 bps versus 2023	> 50% cash conversion
Annually	By 2027	By 2027

Financial calendar

Annual General Meeting
Geneva

26 March 2025

Q1 2025 sales update
Virtual

24 April 2025

H1 2025 results
Virtual

25 July 2025

Q3 2025 sales update
Virtual

23 October 2025

FY 2025 results
Zürich

11 February 2026

When you need to be sure

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