

When you need  
**to be sure**



Restricted Substance Testing, India

2025 half year results  
**Interim report**

**SGS**

# Half year 2025 highlights

## Sales

CHF 3 422 million

**+5.3%** organic<sup>1</sup>

## Adjusted operating income<sup>1</sup>

CHF 509 million

**14.9%** AOI margin<sup>1</sup> on sales

## Free cash flow<sup>2</sup>

excluding HQ disposal

CHF 208 million

**+34.2%**



Quantitative Analysis for Environmental Contaminants, Spain

<sup>1</sup> Refer to alternative performance measures of this report.

<sup>2</sup> Free cash flow<sup>1</sup> was CHF 288 million and included CHF 80 million of proceeds from the disposal of SGS's headquarters in Geneva.

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PFAS Contamination Testing, Sweden





Collected Soil Sample for Testing, Portugal



"We are proud to report strong results and fast execution of Strategy 27 - 'Accelerating growth, building trust'.

Marking a major step forward in our strategic agenda, we have signed an agreement to acquire Applied Technical Services, a leading US provider of testing, inspection, calibration, and forensics solutions. This will significantly enhance our North American footprint, give us access to complementary end-markets and unlock both cost and cross-selling synergies.

I would like to thank all the SGS teams for their dedication."



**Géraldine Picaud**  
Chief Executive Officer



# Strong H1 2025 results, Strategy 27 accelerated by ATS acquisition

- Sales of CHF 3 422 million, supported by organic<sup>1</sup> sales growth of 5.3%
- Strong improvement in adjusted operating income margin<sup>1</sup>, up 80 basis points to 14.9% of sales
- Excellent progression in free cash flow<sup>2</sup>, up 34% excluding the impact of the headquarters disposal
- 80% of target to at least double North America sales achieved with ATS acquisition<sup>3</sup>
- Fast delivery of CHF 150 million efficiency plans
- Outlook 2025 confirmed

## Chemical Analysis, China

<sup>1</sup> Refer to alternative performance measures of this report.

<sup>2</sup> Free cash flow<sup>1</sup> was CHF 288 million and included CHF 80 million of proceeds from the disposal of SGS's headquarters in Geneva.

<sup>3</sup> The transaction is subject to customary closing conditions and is expected to close by late 2025 / early 2026.

# 2025 half year review

## Financial Highlights

(CHF million)	H1 2024	H1 2025	Change	Organic <sup>1</sup> growth
<b>Sales</b>	<b>3 335</b>	<b>3 422</b>	<b>+2.6%</b>	<b>+5.3%</b>
Adjusted operating income <sup>1</sup>	471	509	<b>+8.1%</b>	<b>+11.1%</b>
<b>Adjusted operating income margin<sup>1</sup></b>	<b>14.1%</b>	<b>14.9%</b>		
Operating income (EBIT)	415	486	+17.1%	
Operating income margin	12.4%	14.2%		
<b>Profit attributable to equity holders of SGS SA</b>	<b>267</b>	<b>314</b>	<b>+17.6%</b>	
<b>Reported EPS (CHF)</b>	<b>1.44</b>	<b>1.64</b>	<b>+13.9%</b>	
<b>Free cash flow<sup>1</sup> excluding headquarters disposal</b>	<b>155</b>	<b>208</b>	<b>+34.2%</b>	

## Financial review

**Sales** reached CHF 3 422 million in the first half of 2025, up 2.6% compared to prior year. Solid **organic<sup>1</sup> growth** of 5.3% more than offset the adverse foreign exchange effect of -4.1%. Bolt-on activity accelerated, contributing to a positive net scope effect of 1.4%.

**Adjusted operating income<sup>1</sup>** reached CHF 509 million, an increase of 8.1% compared to prior year. The adjusted operating income margin<sup>1</sup> on sales increased strongly to 14.9%, up 80 basis points compared to prior year. This was primarily attributable to the cost savings plan which more than offset adverse foreign exchange effect of 20 basis points.

**Profit attributable to equity holders** increased significantly to CHF 314 million, up 17.6% resulting in **reported earnings per share** of CHF 1.64, up 13.9% from CHF 1.44 in June 2024.

**Free cash flow<sup>1</sup> excluding the headquarters disposal**, showed excellent progress, increasing 34.2% to CHF 208 million, compared to CHF 155 million in the prior year. This was driven by disciplined net working capital requirements and cash allocation. The CHF 80 million proceeds from the disposal of SGS's headquarters in Geneva led to a total free cash flow<sup>1</sup> of CHF 288 million.

**Net debt<sup>1</sup>** as at 30 June 2025 amounted to CHF 2 843 million including lease liabilities, an increase of CHF 173 million compared to December 2024. This was mainly due to the dividend distribution in April 2025. Compared to June 2024, net debt decreased by CHF 179 million.

<sup>1</sup> Refer to alternative performance measures of this report.

## Operational review

All divisions and regions contributed to the strong organic<sup>1</sup> growth of 5.3%.

- **Testing & Inspection** delivered 5.4% organic<sup>1</sup> growth, led by strong performance in Connectivity & Products and Health & Nutrition. Adjusted operating income margin<sup>1</sup> reached 14.5% for the division.
- **Business Assurance** delivered 4.4% organic<sup>1</sup> growth, driven by certification and sustainability services, including social audits and ESG assurance. Adjusted operating income margin<sup>1</sup> reached 17.9% for the division.

### Performance by end market

(CHF million)	H1 2025 sales	Organic <sup>1</sup> growth	Adjusted operating income <sup>1</sup>	Adjusted operating income margin <sup>1</sup>
Industries & Environment	1 129	+5.3%	136	12.0%
Natural Resources	801	+2.9%	103	12.9%
Connectivity & Products	672	+6.5%	150	22.3%
Health & Nutrition	440	+8.9%	52	11.8%
<b>Total Testing &amp; Inspection</b>	<b>3 042</b>	<b>+5.4%</b>	<b>441</b>	<b>14.5%</b>
<b>Business Assurance</b>	<b>380</b>	<b>+4.4%</b>	<b>68</b>	<b>17.9%</b>
<b>Total</b>	<b>3 422</b>	<b>+5.3%</b>	<b>509</b>	<b>14.9%</b>

### Sales by region

(CHF million)	H1 2025	Organic <sup>1</sup> growth
Europe	996	+1.1%
Asia Pacific	964	+6.5%
North America	403	+4.7%
Latin America	294	+13.4%
Eastern Europe, Middle East and Africa	385	+8.4%
<b>Total Testing &amp; Inspection</b>	<b>3 042</b>	<b>+5.4%</b>
<b>Business Assurance</b>	<b>380</b>	<b>+4.4%</b>
<b>Total</b>	<b>3 422</b>	<b>+5.3%</b>

<sup>1</sup> Refer to alternative performance measures of this report.



## Delivering Strategy 27 at full speed

### Growth

- Since the launch of Strategy 27, the Group has made significant progress in ramping up its Sustainability services. The IMPACT NOW for Sustainability platform has delivered strong growth of 19% in the first half of 2025, across all four pillars: Climate, Circularity, Nature, and ESG Assurance. SGS expects incremental sales of at least CHF 600 million from Sustainability by 2027, compared to 2023.
- In parallel, SGS has significantly scaled up its Digital Trust services. For instance, the Group strengthened its cybersecurity capabilities by opening a new Brightsight laboratory in Austria and a CertX lab in Canada. Sales from these services were up 20% in the first half of 2025. SGS expects incremental sales of at least CHF 200 million from Digital Trust by 2027, compared to 2023.
- The company sustained strong M&A momentum, executing twelve synergistic bolt-on acquisitions year-to-date.

### People, performance and agility

- The CHF 150 million efficiency plans announced in 2024 continued to be executed fast. CHF 50 million savings were realized last year, and an additional CHF 46 million<sup>1</sup> savings were accounted for in the first half of 2025. These efficiencies will be fully implemented by the end of 2025.
- The announced headquarters move to Zug in November 2025 will consolidate SGS's Swiss offices under one roof in a central, business-friendly location. This transition is expected to streamline the Group's structure, foster more agile and collaborative working practices, and reinforce SGS's culture of accountability.

### Strong financial and ESG profile

- The scrip dividend achieved a strong take-up rate of over 63%. This represents a clear endorsement of Strategy 27 and allows SGS to reward the loyalty of its shareholders while redirecting close to CHF 400 million of cash towards high impact growth opportunities.
- SGS was once again named among the World's Most Sustainable Companies by TIME and Statista, ranking as the top company in the Testing, Inspection and Certification industry. The 2025 list evaluated over 5 000 companies based on sustainability ratings, disclosure practices, environmental and social performance, and governance standards.
- The Group also ranked in the top 1% of the Professional Services industry in the S&P Global Sustainability Yearbook 2025. These recognitions reflect SGS's strong ESG performance and continued leadership in sustainable business practices.

## Mergers & Acquisitions

### Bolt-on activity: twelve acquisitions year-to-date in 2025

The Group announced twelve bolt-on acquisitions since the beginning of the year to accelerate growth and enhance profitability in key markets, particularly in North America and Europe. They represent combined sales of more than CHF 90 million on an annual basis.

Nine acquisitions were already announced during the first half of 2025. Today, SGS is pleased to announce the acquisition of three additional companies in high-growth, attractive segments:

- **Ecoloss**, a leading Dutch specialist in environmental emergency response and remediation services. It leverages deep technical expertise to contain environmental risks, ensure regulatory compliance, and safeguard ecosystems nationwide.
- **EFBE**, a leader in accredited mechanical testing for bicycles and e-bikes, with strong proprietary protocols and certified labs in Germany and Taiwan. This acquisition strengthens SGS's position in the fast-growing cycling industry, an area that aligns closely with global trends in sustainable mobility, health, and consumer safety. It also enhances SGS's specialized testing and engineering capabilities, while providing access to a high-value niche market supported by strong regulatory momentum and international demand.
- **Walsh**, a leading Peruvian consultancy specializing in environmental and social management. It provides integrated, science-based solutions across the infrastructure, mining, and energy sectors. Leveraging its multidisciplinary expertise, Walsh supports environmental sustainability while ensuring full regulatory compliance.

<sup>1</sup> At 2023 constant exchange rate.

**Bolt-on acquisitions to date**

	Closing date	Location	Business line	FTE
Aster Global	January 2025	USA	Business Assurance	25
Stella Operazioni Doganali	January 2025	Italy	Connectivity & Products	30
RTI Laboratories	February 2025	USA	Industries & Environment	30
Carpedia International	March 2025	Canada	Business Assurance	100
HidroMares Oceanografia	April 2025	Brazil	Industries & Environment	64
IMO Group	April 2025	Australia	Natural Resources	40
AWIA Umwelt GmbH	April 2025	Germany	Industries & Environment	38
Streamline Control	May 2025	Canada	Industries & Environment	60
H2Safety	June 2025	Canada	Industries & Environment	86
EFBE	June 2025	Germany	Connectivity & Products	17
Ecoloss	July 2025	Netherlands	Industries & Environment	26
Walsh	Expected July 2025	Peru	Industries & Environment	180

**Acquisition of Applied Technical Services (ATS), subject to customary approvals**

On 2 July 2025, SGS announced the signing of a definitive agreement to acquire the entire issued share capital of ATS, a leading provider of specialized Testing, Inspection, Calibration, and Forensics solutions in North America. ATS is expected to bring USD 460 million in sales and USD 95 million of EBITDA before synergies in 2026.

With close to 60 years of history, ATS is a resilient and diversified pure US player with a strong brand and service culture. It delivers solutions and services in regulated and high-growth end-markets such as Manufacturing, Aerospace & Defense, Power Generation & Distribution, and Insurance. Powered by a team of 2,100 skilled professionals and a network of 85 state-of-the-art facilities strategically located across the United States, ATS serves a large base of blue-chip clients across a broad range of industries.

The proposed transaction will strengthen SGS's position in the US with total annual sales to exceed USD 1.5 billion in North America. This marks a major milestone in SGS's ambition to more than double its sales in the region by 2027 compared to 2023. It will also allow SGS to expand into new attractive segments. The complementarity of the offers and customers opens significant opportunities for cross-selling.

This transaction is valued at USD 1,325 million (Enterprise Value on a debt-free, cash-free basis)<sup>1</sup> corresponding to a multiple of 11.2 times 2026 EBITDA including run rate synergies. A small portion of less than USD 100 million will be paid in SGS shares to some shareholders and key employees subject to a three-year lock up period. The remainder of the purchase price will be financed through cash and debt while maintaining the leverage around 2 times. EBITDA synergies of at least USD 30 million per year are expected on a run rate basis within 3 years of closing, driven by cost rationalization and cross-selling opportunities. The acquisition will be accretive on the EPS from the first year. It is also expected to enhance SGS's revenue growth and adjusted operating income margin, supported by the synergies.

The transaction is subject to customary closing conditions and is expected to close by late 2025 / early 2026.

<sup>1</sup> Before IFRS 16 Adjustment on operating leases of USD 65 million.

## Management changes

Damien Rousseau is appointed as Head of Business Assurance and member of the Executive Committee effective 1 September 2025. He succeeds Jeffrey McDonald who has decided to retire.

## Outlook 2025

SGS confirms its targets for 2025:

- 5% to 7% organic<sup>1</sup> sales growth
- 1% to 2% bolt-on contribution to annual sales growth
- At least 30 basis points improvement in adjusted operating income margin<sup>1</sup> on sales, in **reported terms**
- Strong free cash flow<sup>1</sup> generation

## Reminder of 2027 targets

The Group confirms the following objectives:

- Organic<sup>1</sup> sales growth of 5% to 7% annually
- Significant improvement of at least 150 basis points in adjusted operating income margin<sup>1</sup> on sales by 2027, versus 2023, in **reported terms**
- Cash conversion<sup>1</sup> to exceed 50% by 2027

## Conference call

A live webcast for analysts and investors will be held on 25 July 2025 at 10:00am CET.

Details of the webcast can be found below:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=yIX1XBik>

A recording of the webcast will be available later in the day.

<sup>1</sup> Refer to alternative performance measures of this report.



# Business line performance

## Testing & Inspection: Industries & Environment



(CHF million)	H1 2024 <sup>2</sup>	H1 2025
<b>Sales</b>	<b>1 101</b>	<b>1 129</b>
Total change		2.5%
<b>of which organic<sup>1</sup></b>		<b>5.3%</b>
of which scope		1.7%
of which FX		-4.5%
Adjusted operating income <sup>1</sup>	124	136
<b>Adjusted operating income<sup>1</sup> margin</b>	<b>11.3%</b>	<b>12.0%</b>

**Industries & Environment** delivered solid results, achieving 5.3% organic growth and a strengthened adjusted operating income margin of 12.0%, driven by robust performance in Safety and Environment.

- **Environment** achieved strong organic growth led by continued demand for sustainability and the tightening of regulatory requirements
- **Safety** services accelerated to deliver double-digit organic growth, driven by strong demand in the Americas
- **Projects & Advisory** benefited from strong performance in supervision and consulting projects in Latin America and Asia Pacific
- **Industrial Testing** grew moderately, with strong performance in construction material testing and calibration partly offset by completion of low-margin contracts

## Testing & Inspection: Natural Resources



(CHF million)	H1 2024 <sup>2</sup>	H1 2025
<b>Sales</b>	<b>819</b>	<b>801</b>
Total change		-2.2%
<b>of which organic<sup>1</sup></b>		<b>2.9%</b>
of which scope		-0.3%
of which FX		-4.8%
Adjusted operating income <sup>1</sup>	110	103
<b>Adjusted operating income<sup>1</sup> margin</b>	<b>13.4%</b>	<b>12.9%</b>

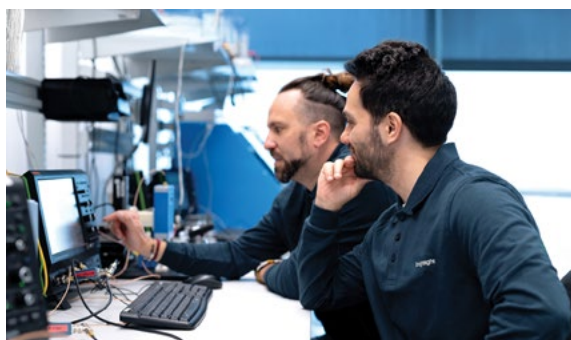
**Natural Resources** delivered resilient results with organic growth of 2.9% and adjusted operating income margin of 12.9%, reflecting steady performance across key segments.

- **Minerals** achieved solid growth, driven by trade services in Latin America and a strong pick-up of demand in North America through Q2
- Metallurgical testing delivered strong double-digit growth, supported by new contract wins in the Americas and Asia Pacific
- **Oil, Gas and Chemicals** grew moderately on the back of lower trading volumes related to current geopolitical uncertainties
- **Agriculture** remained broadly stable, with encouraging early signs of a stronger crop season in Europe

<sup>1</sup> Refer to alternative performance measures of this report.

<sup>2</sup> Minor reclassifications of H1 2024 sales and adjusted operating income have been performed to be fully comparable with current business line allocation.

## Testing & Inspection: Connectivity & Products



(CHF million)	H1 2024 <sup>2</sup>	H1 2025
<b>Sales</b>	<b>646</b>	<b>672</b>
Total change		4.0%
<b>of which organic<sup>1</sup></b>		<b>6.5%</b>
of which scope		1.5%
of which FX		-4.0%
Adjusted operating income <sup>1</sup>	135	150
<b>Adjusted operating income<sup>1</sup> margin</b>	<b>20.9%</b>	<b>22.3%</b>

**Connectivity & Products** delivered strong organic growth of 6.5% and significantly improved its adjusted operating income margin by 140 basis points to 22.3%, driven by excellent performance in Connectivity and Sustainability related services.

- **Connectivity** achieved high single-digit organic growth, supported by strong momentum in Digital Trust and large contract wins in wireless in North America and Asia Pacific
- **Softlines** recorded high single-digit organic growth, driven by rising consumer awareness and strong demand for eco-friendly products
- **Hardlines** delivered mid-single-digit organic growth, partly impacted by tariffs
- Solid organic growth in **Government services** was led by continued demand for product conformity assessment and customs services

## Testing & Inspection: Health & Nutrition



(CHF million)	H1 2024 <sup>2</sup>	H1 2025
<b>Sales</b>	<b>403</b>	<b>440</b>
Total change		9.2%
<b>of which organic<sup>1</sup></b>		<b>8.9%</b>
of which scope		2.3%
of which FX		-2.0%
Adjusted operating income <sup>1</sup>	34	52
<b>Adjusted operating income<sup>1</sup> margin</b>	<b>8.4%</b>	<b>11.8%</b>

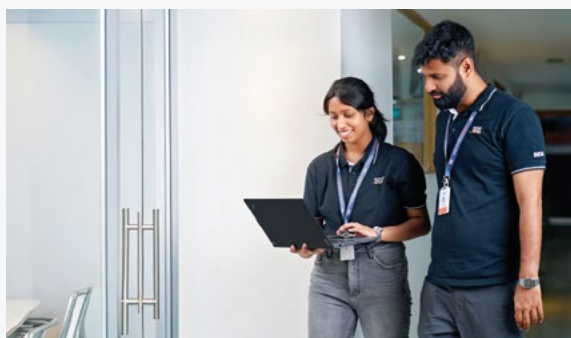
**Health & Nutrition** achieved excellent organic growth of 8.9% and increased adjusted operating income margin of 11.8%, supported by strong momentum in Food and improvement in Pharma.

- **Food** delivered double-digit organic growth, supported by increased demand for safety services across all regions and new nutritional labelling regulations in Asia Pacific
- **Pharma** reported strong organic growth, driven by increased drug testing and improvements in clinical pharmacology services in Europe
- **Cosmetics & Personal Care** benefited from solid organic growth, partly impacted by tariffs in Q2
- Recent acquisitions in Pharma in Latin America continued to deliver excellent performance

<sup>1</sup> Refer to alternative performance measures of this report.

<sup>2</sup> Minor reclassifications of H1 2024 sales and adjusted operating income have been performed to be fully comparable with current business line allocation.

## Certification: **Business Assurance**



(CHF million)	H1 2024	H1 2025
<b>Sales</b>	<b>366</b>	<b>380</b>
Total change		3.8%
<b>of which organic<sup>1</sup></b>		<b>4.4%</b>
of which scope		3.0%
of which FX		-3.6%
Adjusted operating income <sup>1</sup>	68	68
<b>Adjusted operating income<sup>1</sup> margin</b>	<b>18.6%</b>	<b>17.9%</b>

**Business Assurance** delivered 4.4% organic growth and an adjusted operating income margin of 17.9%, driven by Digital Trust and ESG assurance services.

- **Certification** recorded mid-single-digit organic growth, led by double-digit growth in medical devices, food and Digital Trust assurance
- **ESG** services continued to deliver double-digit organic growth, driven by rising demand for non-financial reporting assurance, social audits, and greenhouse gas emissions verification
- **Consulting** remained soft in North America due to ongoing market uncertainty and delayed investment decision
- Recent acquisitions in North America continued to contribute strongly to growth, reinforcing the Group's strategic expansion

<sup>1</sup> Refer to alternative performance measures of this report.



# Interim condensed consolidated financial statements

## Condensed consolidated income statement

For the period ended 30 June 2025 (unaudited)

(CHF million)	Notes	H1 2025	H1 2024
<b>Sales</b>	4	<b>3 422</b>	<b>3 335</b>
Salaries and wages		-1 720	-1 705
Subcontractors' expenses		-203	-202
Depreciation, amortization and impairment		-242	-240
Loss on business divestments	10	-22	-
Gain on HQ disposal	2	60	-
Other operating expenses		-809	-773
<b>Operating income (EBIT)</b>	4	<b>486</b>	<b>415</b>
Financial income		12	18
Financial expenses		-43	-49
Share of profit of associates and joint ventures		1	2
<b>Profit before taxes</b>		<b>456</b>	<b>386</b>
Taxes	6	-118	-99
<b>Profit for the period</b>		<b>338</b>	<b>287</b>
<i>Profit attributable to:</i>			
Equity holders of SGS SA		314	267
Non-controlling interests		24	20
<b>Basic earnings per share (in CHF)</b>	8	<b>1.64</b>	<b>1.44</b>
<b>Diluted earnings per share (in CHF)</b>	8	<b>1.64</b>	<b>1.43</b>

## Condensed consolidated statement of comprehensive income

For the period ended 30 June 2025 (unaudited)

(CHF million)	Notes	H1 2025	H1 2024
Actuarial (losses)/gains on defined benefit plans	14	-28	20
Income tax on actuarial (losses)/gains		4	-2
<b>Items that will not be subsequently reclassified to income statement</b>		<b>-24</b>	<b>18</b>
Exchange differences		-163	74
<b>Items that may be subsequently reclassified to income statement</b>		<b>-163</b>	<b>74</b>
Reclassification adjustment upon disposal of foreign operation	10	33	-
<b>Transfer of accumulated currency translation reserve to consolidated income statement</b>		<b>33</b>	<b>-</b>
<b>Other comprehensive (loss)/income for the period</b>		<b>-154</b>	<b>92</b>
Profit for the period		338	287
<b>Total comprehensive income for the period</b>		<b>184</b>	<b>379</b>
<i>Attributable to:</i>			
Equity holders of SGS SA		168	356
Non-controlling interests		16	23

## Condensed consolidated statement of financial position

For the period ended 30 June 2025

(CHF million)	Notes	June 2025 (unaudited)	December 2024 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		777	837
Right-of-use assets		510	548
Goodwill	9	1 795	1 783
Other intangible assets		310	304
Investments in joint ventures, associates and other companies		19	19
Deferred tax assets		210	213
Other non-current assets		170	199
<b>Total non-current assets</b>		<b>3 791</b>	<b>3 903</b>
<b>Current assets</b>			
Assets classified as held for sale		–	17
Inventories		54	55
Unbilled sales and work in progress		301	247
Trade receivables		957	991
Other receivables and prepayments		296	217
Current tax assets		91	109
Cash and cash equivalents		1 693	1 210
<b>Total current assets</b>		<b>3 392</b>	<b>2 846</b>
<b>Total assets</b>		<b>7 183</b>	<b>6 749</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		8	8
Reserves		736	844
Treasury shares		–103	–55
<b>Equity attributable to equity holders of SGS SA</b>		<b>641</b>	<b>797</b>
Non-controlling interests		102	80
<b>Total equity</b>		<b>743</b>	<b>877</b>
<b>Non-current liabilities</b>			
Loans and other financial liabilities	13	2 849	2 700
Lease liabilities		376	409
Deferred tax liabilities		62	73
Defined benefit obligations		64	64
Provisions		94	101
<b>Total non-current liabilities</b>		<b>3 445</b>	<b>3 347</b>
<b>Current liabilities</b>			
Trade and other payables		630	624
Contract liabilities		250	261
Current tax liabilities		183	186
Loans and other financial liabilities	13	1 159	612
Lease liabilities		152	159
Provisions		55	72
Other creditors and accruals		566	611
<b>Total current liabilities</b>		<b>2 995</b>	<b>2 525</b>
<b>Total liabilities</b>		<b>6 440</b>	<b>5 872</b>
<b>Total equity and liabilities</b>		<b>7 183</b>	<b>6 749</b>

## Condensed consolidated statement of changes in equity

For the period ended 30 June 2025 (unaudited)

(CHF million)	Share capital	Treasury shares	Share-based payment reserve	Cumulative translation adjustments	Cumulative (losses)/gains on defined benefit plans net of tax	Retained earnings and Group reserves	Attributable to:		
							Equity holders of SGS SA	Non-controlling interests	Total equity
<b>Balance at 1 January 2024</b>	<b>7</b>	<b>-271</b>	<b>164</b>	<b>-1 716</b>	<b>-163</b>	<b>2 438</b>	<b>459</b>	<b>69</b>	<b>528</b>
Profit for the period	–	–	–	–	–	267	267	20	287
Other comprehensive income for the period	–	–	–	71	18	–	89	3	92
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>71</b>	<b>18</b>	<b>267</b>	<b>356</b>	<b>23</b>	<b>379</b>
Dividends distributed <sup>1</sup>	–	–	–	–	–	-590	-590	-3	-593
Scrip effect on dividend distributed <sup>1</sup>	1	–	–	–	–	383	384	–	384
Share-based payments	–	–	8	–	–	–	8	–	8
Movement in non-controlling interests	–	–	–	–	–	-2	-2	2	–
Movement in treasury shares	–	-5	-33	–	–	21	-17	–	-17
<b>Balance at 30 June 2024</b>	<b>8</b>	<b>-276</b>	<b>139</b>	<b>-1 645</b>	<b>-145</b>	<b>2 517</b>	<b>598</b>	<b>91</b>	<b>689</b>
<b>Balance at 1 January 2025</b>	<b>8</b>	<b>-55</b>	<b>149</b>	<b>-1 706</b>	<b>-164</b>	<b>2 565</b>	<b>797</b>	<b>80</b>	<b>877</b>
Profit for the period	–	–	–	–	–	314	314	24	338
Other comprehensive income for the period	–	–	–	-122	-24	–	-146	-8	-154
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-122</b>	<b>-24</b>	<b>314</b>	<b>168</b>	<b>16</b>	<b>184</b>
Dividends distributed <sup>2</sup>	–	–	–	–	–	-604	-604	-4	-608
Scrip effect on dividend distributed <sup>2</sup>	–	–	–	–	–	382	382	–	382
Share-based payments	–	–	9	–	–	–	9	–	9
Movement in non-controlling interests <sup>3</sup>	–	–	–	–	–	-53	-53	10	-43
Movement in treasury shares	–	-48	-16	–	–	6	-58	–	-58
<b>Balance at 30 June 2025</b>	<b>8</b>	<b>-103</b>	<b>142</b>	<b>-1 828</b>	<b>-188</b>	<b>2 610</b>	<b>641</b>	<b>102</b>	<b>743</b>

1. On 25 April 2024, SGS distributed the 2023 dividend, totalling CHF 590 million, as follow:

- CHF 207 million in cash
- CHF 383 million in new shares. 4 964 934 new SGS shares were created, generating an increase of share capital of CHF 0.2 million.

2. On 24 April 2025, SGS distributed the 2024 dividend, totalling CHF 604 million, as follow:

- CHF 222 million in cash
- CHF 382 million in new shares. 5 274 023 new SGS shares were created, generating an increase of share capital of CHF 0.2 million.

3. Mostly recognition of put option liability arising from business combinations closed in H1 2025.



## Condensed consolidated cash flow statement

For the period ended 30 June 2025 (unaudited)

(CHF million)	Notes	H1 2025	H1 2024
Profit for the period		338	287
Non-cash and non-operating items		382	397
(Increase) in working capital		-174	-170
Taxes paid		-124	-117
<b>Cash flow from operating activities</b>		<b>422</b>	<b>397</b>
Purchase of property, plant and equipment and other intangible assets		-109	-136
Disposal of property, plant and equipment and other intangible assets		82	8
Acquisition of businesses	10	-113	-29
Proceeds from disposal of businesses		13	-
Cash paid on other non-current assets		-6	-2
Proceeds received from investments in joint ventures, associates and other companies		1	1
Interest received		12	16
<b>Cash flow used by investing activities</b>		<b>-120</b>	<b>-142</b>
Dividends paid to equity holders of SGS SA		-222	-207
Dividends paid to non-controlling interests		-4	-3
Transaction with non-controlling interests		-6	-
Cash paid on treasury shares		-63	-20
Proceeds from corporate bonds		499	-
Payment of corporate bonds		-	-250
Interest paid		-32	-42
Payment of lease liabilities		-87	-88
Proceeds from borrowings		155	60
Repayment of borrowings		-1	-1
<b>Cash flow used by financing activities</b>		<b>239</b>	<b>-551</b>
Effects of exchange rate changes on cash and cash equivalents		-58	15
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>483</b>	<b>-281</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>1 210</b>	<b>1 569</b>
Increase/(decrease) in cash and cash equivalents		483	-281
<b>Cash and cash equivalents at end of the period</b>		<b>1 693</b>	<b>1 288</b>

## Notes to the interim condensed consolidated financial statements

### 1. Activities of the Group

SGS SA and its subsidiaries (the "Group") operate around the world under the name SGS. The head office of the Group is located in Geneva, Switzerland. SGS is the global leader in testing, inspection and certification (TIC) services supporting international trade in agriculture, minerals, petroleum and consumer products. It also provides these services to governments, international institutions and customers engaged in the industrial, environmental and life sciences sectors.

### 2. Basis of preparation and significant events

#### Basis of preparation

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statements of the Group for the year-end 31 December 2024 that were prepared in compliance with the IFRS Accounting Standards.

Recent geopolitical events continue to impact the economy and financial markets. Many industries are facing challenges, including supply-chain disruption, inflation, deteriorating credit and liquidity concerns. Consequently, these 2025 interim condensed consolidated financial statements were prepared with particular attention to (i) the impairment of non-current assets, (ii) the appropriateness of the allowances for trade receivables, unbilled sales and work in progress, as well as (iii) the level of provision for risks.

#### Scrip dividend

The company's Annual General Meeting held on 26 March 2025 had offered its shareholders the possibility to receive the 2024 dividend in cash or in new SGS shares. Final terms are as follow:

- The scrip dividend take-up rate is 63.3% with the remaining 36.7% to be paid out in cash
- The reference share price was of CHF 76.30 and discount rate was 5% leading to a distribution value of CHF 72.49
- 5 274 023 new shares were created

The delivery of the new shares and the payment of the total CHF 222 million cash dividend took place on 24 April 2025.

#### Disposal of the HQ building

In line with the announced headquarters (HQ) move to Zug, the Group completed in H1 2025 the sale of its HQ building in Geneva for CHF 80 million. A gain on disposal of CHF 60 million was recorded in the interim condensed consolidated income statement.

### 3. Changes to the Group's accounting policies

The accounting policies used in the preparation and presentation of the interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements of the Group. There are no accounting pronouncements which have become effective from 1 January 2025 that have a significant impact on the Group's interim condensed consolidated financial statements.

IFRS 18, issued by the IASB in April 2024, replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. Due to the comprehensive nature of the standard, which primarily introduces new requirements for the presentation and disclosure of financial performance, including new defined subtotals in the statement of profit or loss and disclosures for management-defined performance measures, the Group is currently assessing the implications on its financial statement presentation and disclosures.

The other new and amended IFRS Accounting Standards and Interpretations issued by the IASB are not expected to have a material impact on the Group's consolidated financial statements. The Group does not intend to early adopt these standards.

### 4. Segment information

The information presented is disclosed by operating segment and focuses on sales and operating income because these are the performance measures used by the Group chief operating decision maker (i.e. the Executive Committee) to assess segment performance at half-year.

#### Analysis of operating income

(CHF million)	H1 2025	H1 2024
<b>Adjusted operating income<sup>1</sup></b>	<b>509</b>	<b>471</b>
Amortization and impairment of acquired intangibles	-22	-15
Restructuring costs	-16	-34
Loss on business divestments	-22	-
Transaction and integration costs	-8	-1
<i>Gain on HQ disposal</i>	<i>60</i>	<i>-</i>
<i>Other non-recurring items</i>	<i>-15</i>	<i>-6</i>
Other non-recurring items	45	-6
<b>Operating income</b>	<b>486</b>	<b>415</b>

<sup>1</sup> Refer to alternative performance measures of this report.

## Sales and operating income by segment

### H1 2025

(CHF million)	Sales	Adjusted operating income <sup>1</sup>	Amortization and impairment of acquired intangibles	Restructuring costs	Loss on business divestments	Transaction and integration costs	Other non-recurring items	Operating income by segment
Testing & Inspection	3 042	441	-16	-15	-22	-7	38	419
Certification	380	68	-6	-1	-	-1	7	67
<b>Total</b>	<b>3 422</b>	<b>509</b>	<b>-22</b>	<b>-16</b>	<b>-22</b>	<b>-8</b>	<b>45</b>	<b>486</b>

### H1 2024

(CHF million)	Sales	Adjusted operating income <sup>1</sup>	Amortization and impairment of acquired intangibles	Restructuring costs	Transaction and integration costs	Other non-recurring items	Operating income by segment
Testing & Inspection	2 969	403	-13	-32	-1	-6	351
Certification	366	68	-2	-2	-	-	64
<b>Total</b>	<b>3 335</b>	<b>471</b>	<b>-15</b>	<b>-34</b>	<b>-1</b>	<b>-6</b>	<b>415</b>

## Disclosure by business lines

Services delivered by the Group across its two operating segments are organized by business lines, reflecting their end-markets.

The Testing & Inspection operating segment includes the following business lines:

- Industries & Environment (I&E): end-markets include Field Services and Inspection, Technical Assessment and Advisory, Industrial and Public Health & Safety, Environmental Testing and Public Mandates
- Natural Resources (NR): end-markets include Trade and Inspection of Minerals, Oil and Gas and Agricultural Commodities, Laboratory Testing, Metallurgy and Consulting and Market Intelligence
- Connectivity & Products (C&P): end-markets include Electrical and Electronic goods, Softlines, Hardlines and Trade Facilitation
- Health & Nutrition (H&N): end-markets include Food, Crop Science, Health Science and Cosmetics & Hygiene

The operating segment Certification is one business line: Business Assurance (BA): end-markets include Management System Certification, Customized Audits, Consulting and Academy.

(CHF million)	H1 2025			H1 2024		
	Sales	Adjusted operating income <sup>1</sup>	Adjusted operating income margin <sup>1</sup>	Sales	Adjusted operating income <sup>1</sup>	Adjusted operating income margin <sup>1</sup>
Industries & Environment <sup>2</sup>	1 129	136	12.0%	1 101	124	11.3%
Natural Resources <sup>2</sup>	801	103	12.9%	819	110	13.4%
Connectivity & Products <sup>2</sup>	672	150	22.3%	646	135	20.9%
Health & Nutrition <sup>2</sup>	440	52	11.8%	403	34	8.4%
<b>Total Testing &amp; Inspection</b>	<b>3 042</b>	<b>441</b>	<b>14.5%</b>	<b>2 969</b>	<b>403</b>	<b>13.6%</b>
<b>Certification - Business Assurance</b>	<b>380</b>	<b>68</b>	<b>17.9%</b>	<b>366</b>	<b>68</b>	<b>18.6%</b>
<b>Total</b>	<b>3 422</b>	<b>509</b>	<b>14.9%</b>	<b>3 335</b>	<b>471</b>	<b>14.1%</b>

<sup>1</sup> Refer to alternative performance measures of this report.

<sup>2</sup> Minor reclassifications of H1 2024 sales and adjusted operating income have been performed to be fully comparable with current business line allocation.



**Sales to external customers by geographical area**

(CHF million)	H1 2025	%	H1 2024	%
Asia Pacific	1 124	33	1 134	34
Europe	1 127	33	1 105	33
North America	458	13	402	12
Eastern Europe, Middle East and Africa	403	12	396	12
Latin America	310	9	298	9
<b>Total</b>	<b>3 422</b>	<b>100</b>	<b>3 335</b>	<b>100</b>

**5. Revenue from contracts with customers**

(CHF million)	H1 2025		H1 2024	
	Services transferred at a point in time	Services transferred over time	Services transferred at a point in time	Services transferred over time
Testing & Inspection	81%	19%	80%	20%
Certification	93%	7%	89%	11%
<b>Total</b>	<b>82%</b>	<b>18%</b>	<b>81%</b>	<b>19%</b>

**6. Taxes**

In H1 2025, the income tax expense amounted to CHF 118 million (H1 2024: CHF 99 million). The income tax expense was recognized based on management estimated income tax rate expected for the full year, applied to the H1 profit before tax. The Group effective tax rate in H1 2025 was 26% (H1 2024: 26%).

**7. Share capital and treasury shares**

On 24 April 2025, 5 274 023 new SGS shares were issued through a capital increase for the scrip dividend. As at 30 June 2025, SGS SA has a share capital of CHF 7 791 091 (31 December 2024: CHF 7 580 130) fully paid. All shares, other than own shares, participate equally in the dividends declared by the Company and have equal voting rights.

	Shares in circulation	Treasury shares	Total shares issued	Total share capital (CHF million)
<b>Balance at 1 January 2024</b>	<b>184 311 115</b>	<b>3 064 685</b>	<b>187 375 800</b>	<b>7</b>
Treasury shares released into circulation	178 348	-178 348	-	-
Treasury shares purchased for equity compensation plans	-561 008	561 008	-	-
New shares issued from scrip dividend	4 964 934	-	4 964 934	1
Cancellation of treasury shares	-	-2 837 475	-2 837 475	-
<b>Balance at 31 December 2025</b>	<b>188 893 389</b>	<b>609 870</b>	<b>189 503 259</b>	<b>8</b>
Treasury shares released into circulation	156 226	-156 226	-	-
Treasury shares purchased for equity compensation plans	-758 002	758 002	-	-
New shares issued from scrip dividend	5 274 023	-	5 274 023	-
<b>Balance at 30 June 2025</b>	<b>193 565 636</b>	<b>1 211 646</b>	<b>194 777 282</b>	<b>8</b>

**8. Earnings Per Share**

	H1 2025	H1 2024
Profit attributable to equity holders of SGS SA (CHF million)	314	267
Weighted average number of shares (million)	191	186
<b>Basic earnings per share (CHF)</b>	<b>1.64</b>	<b>1.44</b>

	H1 2025	H1 2024
Profit attributable to equity holders of SGS SA (CHF million)	314	267
Diluted weighted average number of shares (million)	191	187
<b>Diluted earnings per share (CHF)</b>	<b>1.64</b>	<b>1.43</b>

## 9. Goodwill

(CHF million)	June 2025	June 2024
<b>At cost</b>		
<b>At 1 January</b>	<b>1 783</b>	<b>1 636</b>
Additions	93	18
Disposal	-5	-
Exchange differences	-76	65
<b>At end of the period</b>	<b>1 795</b>	<b>1 719</b>

As at 30 June 2025, there were no impairment indicators identified.

## 10. Acquisitions

### Acquisitions 2025

In H1 2025, the Group completed the following business combinations:

- 100% of Aster Global Environmental Solutions, Inc., an industry-leading company focused on validation and verification of greenhouse gas (GHG) emissions and offsets, as well as forestry, ecosystem, and corporate and social responsibility services based in the USA (effective 1 January 2025)
- 100% of Stella Operazioni Doganal, an independent customs operations and consulting company based in Italy (effective 1 January 2025)
- 100% of RTI Laboratories, a leading provider of environmental and materials testing services based in Detroit, Michigan, USA (effective 1 February 2025)
- 60% of Carpedia International, a Canadian-based consulting Group specialized in process and change management (effective 1 March 2025)
- 100% of Independent Metallurgical Operations Pty Ltd and Metallurgy Pty Ltd (collectively known as IMO), two leading providers of metallurgical consulting, testing, site operations, and technical services based in Perth, Australia (effective 1 April 2025)
- 100% of HidroMares Oceanografia, a Brazilian company active in the field of environmental monitoring and maritime solutions (effective 1 April 2025)
- 100% of AWIA Umwelt GmbH. AWIA Umwelt is based in Germany and offers services in the fields of waste management, soil remediation, air quality monitoring, and water treatment (effective 1 April 2025)
- 70% of Streamline Control, a Canadian-based company specialized in operational technology and digital transformation (effective 1 May 2025)
- 70% of H2Safety, a Calgary-headquartered Canadian leader in emergency management and operational safety solutions (effective 1 June 2025)
- 100% of EFBE GmbH, German and Taiwanese companies that operate Bicycle performance testing labs (effective 1 July 2025)

All the above transactions contributed CHF 18 million in sales and CHF 5 million in operating income in 2025. Had all acquisitions been effective 1 January 2025, the sales for the period from these acquisitions would have been CHF 39 million and the operating income would have been CHF 9 million.

The Group incurred transaction-related costs of CHF 8 million (June 2024: CHF 1 million) related to external legal fees and due diligence expenses. These expenses are reported within other operating expenses in the interim condensed consolidated income statement.

(CHF million)	Total fair value on acquisitions June 2025
Property, plant and equipment	9
Intangible assets	42
Trade receivable	10
Other current assets	2
Cash and cash equivalents	8
Current liabilities	-19
Non-current liabilities	-10
Non-controlling interests	-7
<b>Net assets acquired</b>	<b>35</b>
Goodwill	93
<b>Total purchase price</b>	<b>128</b>
Acquired cash and cash equivalents	-8
Consideration receivable/(payable)	-10
Prepayment on acquisitions	3
<b>Net cash outflow on acquisitions</b>	<b>113</b>

In compliance with IFRS 3, fair value on acquisition remains provisional until the final valuations of acquired assets and liabilities are completed, for a period of 12 months following the date of the acquisition, during which the Group can finalize the purchase price allocation.

The goodwill arising on these acquisitions relates mainly to the value of expected synergies and the value of the qualified workforce that do not meet the criteria for recognition as separable intangible assets. CHF 5 million (June 2024: 18 million) of the goodwill recognized is expected to be tax deductible.

Consideration payable relates mainly to commercial warranty clauses and the fair value of contingent payments on performance.

#### Divestments 2025

In H1 2025, the Group completed divestments of non-core businesses in EEMEA region, including SICTA (Vehicle inspection testing centres in Ivory Coast).

It resulted in a net loss of CHF 22 million, including CHF 33 million accumulated currency translation losses recycled from the currency translation reserve to the consolidated income statement.

#### Acquisitions 2024

In H1 2024, the Group acquired 100% of ArcLight Wireless Inc., a world-class leader in systems engineering, network services, technical outsourcing and field testing for the wireless industry in the United States (effective 1 May 2024).

This acquisition had no material impact on the Group interim condensed consolidated financial statements.

## 11. Credit risk management

Credit risk arises from the possibility that customers may not be able to settle their obligations as agreed. It arises principally from the Group's commercial activities. Trade receivables, unbilled sales and work in progress are subject to a policy of active risk management which focuses on the assessment of country risk, credit limits and approval procedures. Due to its large geographic base and number of customers, the Group is not exposed to material concentrations of credit risk on its trade receivables, unbilled sales and work in progress.

As at 30 June 2025, unbilled sales and work in progress amounted to CHF 301 million (December 2024: CHF 247 million) which is net of an allowance for expected credit losses of CHF 43 million (December 2024: CHF 36 million).

Set out below is the information regarding the credit risk exposure on the Group's trade receivables using a provision matrix based on aging of trade receivables as of invoice date at 30 June 2025:

(CHF million)	Expected credit loss range	Gross carrying amount	Expected credit loss
0 - 90 days	0%-5%	882	1
91 - 120 days	10%-25%	47	9
121 - 180 days	20%-50%	37	14
181 - 240 days	35%-75%	23	12
241 - 300 days	50%-75%	12	9
301 - 360 days	75%-100%	8	7
> 360 days	100%	78	78
<b>Total</b>		<b>1 087</b>	<b>130</b>

Set out below is the information regarding the credit risk exposure on the Group's trade receivables using a provision matrix based on aging of trade receivables as of invoice date at 31 December 2024:

(CHF million)	Expected credit loss range	Gross carrying amount	Expected credit loss
0 - 90 days	0%-5%	929	4
91 - 120 days	10%-25%	41	8
121 - 180 days	20%-50%	36	14
181 - 240 days	35%-75%	16	10
241 - 300 days	50%-75%	13	9
301 - 360 days	75%-100%	8	7
> 360 days	100%	80	80
<b>Total</b>		<b>1 123</b>	<b>132</b>

## 12. Fair value measurement recognized in the balance sheet

There was no transfer between fair value level categories during the period. Derivative liabilities (June 2025: CHF 3 million; December 2024: CHF 13 million) qualify as Level 2 fair value measurement category. Derivative consist of foreign currency forward contracts that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contract.

The corporate bonds qualify as fair value Level 1, which amounts to CHF 3 551 million (December 2024: CHF 3 044 million).

Other financial liabilities include CHF 78 million qualifying as fair value Level 3 (December 2024: CHF 40 million) for the put options to purchase non-controlling interests. The fair value is the the present value of the redemption amount derived from pre-determined EBITDA multiples. Subsequent changes in the valuation of the fair value of put options are recognized directly in equity attributable to owners, including the unwinding of the discount.

The remaining other financial liabilities qualify as Level 2, determined in accordance with generally accepted pricing models.

## 13. Loans and other financial liabilities

(CHF million)	June 2025	December 2024
Bank loans and commercial paper	361	209
Corporate bonds	3 525	3 027
Put options on non-controlling interests	78	40
Other financial liabilities	41	23
Derivatives	3	13
<b>Total</b>	<b>4 008</b>	<b>3 312</b>
Current	1 159	612
Non-current	2 849	2 700

### Liquidity risk management

In H1 2025, the Group issued two bonds: a CHF 255 million straight-bond maturing in 2032 and CHF 245 million straight-bond maturing in 2037.

In H1 2024, the Group reimbursed one bond maturing in February 2024, for a total amount of CHF 250 million.

## 14. Defined benefit obligations

SGS remeasured the defined benefit plans in Switzerland, the USA, and the UK as at 30 June 2025. The impact on the pension position for the first six months of 2025 was an actuarial loss of CHF 28 million recognized in other comprehensive income mainly driven by experience loss in Switzerland and partially offset by actuarial gain on change of financial assumptions in Switzerland and the UK (June 2024: CHF 20 million actuarial gain). In addition, a plan curtailment in Switzerland resulted in a net gain of CHF 2 million, recognized in the condensed consolidated income statement (June 2024: CHF 4 million curtailment gain).

## 15. Subsequent events

On 1 July 2025, SGS signed an agreement to acquire 100% of the interests in Applied Technical Services (ATS), a leading provider of Testing, Inspection, Calibration, and Forensics solutions in North America. The transaction, valued at USD 1.325 billion (enterprise value on a debt-free, cash-free basis), will be primarily settled in cash, with a minor portion paid in SGS shares. On a full-year basis, ATS is expected to contribute approximately USD 460 million in revenue and USD 95 million in EBITDA, before synergies. The acquisition is subject to customary closing conditions and is anticipated to be completed by late 2025 or early 2026.

On 1 July 2025, SGS completed the acquisition of Ecoloss Beheer B.V. ('Ecoloss'). Ecoloss is a Dutch group specialized in environmental emergency response and remediation services. The transaction is effective from 1 July 2025.

## 16. Approval of interim condensed consolidated financial statements and subsequent events

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on 23 July 2025.

## 17. Exchange rates

The main currencies for the Group were translated into Swiss Francs at the following exchange rates.

			Statement of financial position period-end rates		Income statement period average rates	
			June 2025	December 2024	June 2025	June 2024
Australia	AUD	100	52.28	56.24	54.68	58.55
Canada	CAD	100	58.43	62.63	61.17	65.46
Chile	CLP	100	0.08	0.09	0.09	0.09
China	CNY	100	11.14	12.36	11.89	12.32
Eurozone	EUR	100	93.61	94.03	94.12	96.13
Korea	KRW	100	0.06	0.06	0.06	0.07
Peru	PEN	100	22.49	24.06	23.45	23.71
Taiwan	TWD	100	2.74	2.75	2.71	2.79
United Kingdom	GBP	100	109.60	113.45	111.75	112.47
USA	USD	100	79.83	90.19	86.29	88.90



# Alternative Performance Measures

## Appendix to the 2025 half year results

For the period ended 30 June 2025

### Glossary

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The following document presents and defines the Group's alternative performance measures (APMs), not defined by IFRS which are used to evaluate financial and operational performance. Where relevant, a reconciliation to the information included in the Group IFRS consolidated financial statements is presented. Management deems these performance measures as a useful source of information when taking decisions and managing the operations. These alternative performance measures are disclosed in the integrated report, the half year report, the quarter reports and other external communications to investors, and are available following this link:

[www.sgs.com/en/investors/reports](http://www.sgs.com/en/investors/reports)

### Constant currency

The constant currency calculation is used in order to assess the period over period evolution of financial indicators without the currency impact. SGS calculates constant currency measures by translating the current year numbers at prior year average exchange rates (except for currencies with a devaluation of above 50% between the two comparable periods, for which the current year average rate is applied to the prior year baseline).

### Organic sales growth

Organic sales growth is used by management to evaluate the evolution of existing operations, excluding the changes in scope (impacts of business acquisitions and divestments) and currency fluctuations. This provides a 'like-for-like' comparison with the previous period in constant scope and constant currency, enabling deeper understanding of the business dynamics which contribute to the evolution of sales from one period to another.

- Scope: the results from acquisitions are excluded for the 12 months following the date of a business combination, while results generated by a divested unit are excluded for the 12 months prior to the divestiture
- Currency fluctuations: sales at constant currency are calculated by translating current year numbers at prior year average exchange rates (except for currencies with a devaluation of above 50% between the two comparable periods, for which the current year average rate is applied to the prior year baseline)

Organic sales are then divided by the prior period sales at constant scope to derive the organic growth percentage.

A numerical reconciliation of this APM is included below:

(CHF million)

Sales H1 2024	3 335
Scope effect from divestments	-8
Sales H1 2024 at constant scope	3 327
Organic growth	175
Scope effect from acquisitions	55
Sales H1 2025 at constant currency	3 557
Currency impact	-135
<b>Sales H1 2025</b>	<b>3 422</b>
<b>Organic growth</b>	<b>5.3%</b>

## Adjusted operating income

The adjusted operating income is provided to assess the underlying financial and operational performance of the Group by business line excluding the influence of items not directly attributable to operational performance. Adjusted operating income represents the operating income excluding:

- Amortization and impairment expenses on intangibles arising as a result of acquisitions
- Impairment charge on goodwill
- Restructuring costs including impairment charges arising from the execution of restructuring plans
- Gains and losses from business divestments
- Derivative gains and losses related to hedging currency translation of foreign operations
- Acquisition- and divestment-related expenses including integration costs
- Other non-recurring items may include non-operational items such as certain regulatory, compliance and legal costs and certain asset disposal and write-downs/impairments

(CHF million)	H1 2025	H1 2024
<b>Operating income</b>	<b>486</b>	<b>415</b>
Amortization and impairment of acquired intangibles	22	15
Restructuring costs	16	34
Loss on business divestments	22	–
Transaction and integration costs	8	1
Gain on HQ disposal	–60	–
Other non-recurring items	15	6
<b>Adjusted operating income</b>	<b>509</b>	<b>471</b>

## Adjusted operating income margin

The adjusted operating income margin is the adjusted operating income as a percentage of sales.

(CHF million)	H1 2025	H1 2024
Adjusted operating income	509	471
Sales	3 422	3 335
<b>Adjusted operating income margin</b>	<b>14.9%</b>	<b>14.1%</b>

## Earnings before interest, tax, depreciation and amortization (EBITDA)

EBITDA is an important performance measure as it depicts the underlying performance of the Group before tax and excluding non-cash charges of depreciation and amortization. It is a measure commonly used by the investment community.

EBITDA is defined as operating income before depreciation, amortization and impairment. It includes restructuring costs.

(CHF million)	H1 2025	H1 2024
<b>Operating income</b>	<b>486</b>	<b>415</b>
Depreciation, amortization and impairment	242	240
<b>EBITDA</b>	<b>728</b>	<b>655</b>

## Adjusted profit attributable to shareholders

Adjusted profit attributable to equity holders of SGS SA is the profit attributable to equity holders excluding:

- Amortization and impairment expenses on intangibles arising as a result of acquisitions
- Impairment charge on goodwill
- Restructuring costs, which consist of termination costs as well as impairment charges arising from the implementation of restructuring plans
- Gains and losses from divestments of businesses
- Derivative gains and losses related to hedging currency translation of foreign operations
- Acquisition- and divestment-related expenses including integration costs
- Other non-recurring items may include non-operational items such as certain regulatory, compliance and legal costs and certain asset disposal and write-downs/impairments
- The tax effect of all the elements mentioned above
- The non-controlling interests' effect of all the elements mentioned

(CHF million)	H1 2025	H1 2024
<b>Profit attributable to equity holders of SGS SA</b>	<b>314</b>	<b>267</b>
Amortization and impairment of acquired intangibles	22	15
Restructuring costs	16	34
Loss on business divestments	22	–
Transaction and integration costs	8	1
Gain on HQ disposal	–60	–
Other non-recurring items	15	6
Tax impact	–5	–11
Portion attributable to non-controlling interests	–1	–1
<b>Adjusted profit attributable to equity holders of SGS SA</b>	<b>331</b>	<b>311</b>

## Adjusted basic earnings per share (adjusted basic EPS)

While basic EPS reflects the earnings from operations for each share of SGS SA, adjusted basic EPS is the 'adjusted profit attributable to equity holders' (see above) divided by the average number of shares outstanding during the reporting period.

(CHF million)	H1 2025	H1 2024
<b>Adjusted profit attributable to equity holders of SGS SA</b>	<b>331</b>	<b>311</b>
Weighted average number of shares (million)	191	186
<b>Adjusted basic earnings per share (CHF)</b>	<b>1.73</b>	<b>1.67</b>

## Adjusted diluted earnings per share (adjusted diluted EPS)

While basic EPS reflects the earnings from operations for each share of SGS SA, adjusted diluted EPS is the 'adjusted profit attributable to equity holders' (see above) divided by the diluted weighted average number of shares outstanding during the reporting period.

(CHF million)	H1 2025	H1 2024
<b>Adjusted profit attributable to equity holders of SGS SA</b>	<b>331</b>	<b>311</b>
Diluted weighted average number of shares (million)	191	187
<b>Adjusted diluted earnings per share (CHF)</b>	<b>1.73</b>	<b>1.67</b>

## Free cash flow (FCF)

The free cash flow is deemed an important measure by management as it demonstrates the ability to generate cash after the investment in assets necessary to support the existing operating activities. In 2023, management embedded financial interests paid and financial interests received in the free cash flow calculation. It includes the cash effects of restructuring costs, and is calculated as follows based on amounts disclosed in the condensed consolidated cash flow statement.

(CHF million)	H1 2025	H1 2024
<b>Cash flow from operating activities</b>	<b>422</b>	<b>397</b>
Purchase of property, plant and equipment and other intangible assets	-109	-136
Disposal of property, plant and equipment and other intangible assets	2	8
Proceeds from HQ disposal	80	-
Lease payments	-87	-88
Interests paid	-32	-42
Interests received	12	16
<b>Free cash flow</b>	<b>288</b>	<b>155</b>

## Cash conversion

Cash conversion ratio provides management with a measurement of the Group's ability to convert operational results in cash. The ratio is calculated by comparing the free cash flow to the EBITDA (operating income before depreciation, amortization and impairment) minus lease payments.

## Net debt

Net debt represents the net level of financial debt contracted by SGS with external parties.

Amounts can be found in the condensed consolidated statement of financial position and the computation is as follows:

(CHF million)	June 2025	December 2024
<b>Cash and marketable securities</b>	<b>1 693</b>	<b>1 210</b>
Cash and cash equivalents	1 693	1 210
<b>Loans and other financial liabilities</b>	<b>4 536</b>	<b>3 880</b>
Non-current loans and other financial liabilities	2 849	2 700
Current loans and other financial liabilities	1 159	612
Non-current lease liabilities	376	409
Current lease liabilities	152	159
<b>Net debt</b>	<b>2 843</b>	<b>2 670</b>

## 2024 sales and adjusted operating income by end market

Minor reclassifications of H1 2024 sales and adjusted operating income have been performed to be fully comparable with current business line allocation.

(CHF million)	H1 2024 comparable with 2025 business allocation			H1 2024 published		
	Sales	Adjusted operating income	Adjusted operating income margin	Sales	Adjusted operating income	Adjusted operating income margin
Industries & Environment	1 101	124	11.3%	1 124	133	11.8%
Natural Resources	819	110	13.4%	799	111	13.9%
Connectivity & Products	646	135	20.9%	623	126	20.2%
Health & Nutrition	403	34	8.4%	423	33	7.8%
<b>Total Testing &amp; Inspection</b>	<b>2 969</b>	<b>403</b>	<b>13.6%</b>	<b>2 969</b>	<b>403</b>	<b>13.6%</b>
<b>Certification - Business Assurance</b>	<b>366</b>	<b>68</b>	<b>18.6%</b>	<b>366</b>	<b>68</b>	<b>18.6%</b>
<b>Total</b>	<b>3 335</b>	<b>471</b>	<b>14.1%</b>	<b>3 335</b>	<b>471</b>	<b>14.1%</b>







# Shareholder Information

## Key dates and events

<b>23 October 2025</b>	Q3 2025 sales update
<b>11 February 2026</b>	Full year 2025 results
<b>26 March 2026</b>	Annual General Meeting of Shareholders
<b>23 April 2026</b>	Q1 2026 sales update
<b>24 July 2026</b>	Half year 2026 results

## Headquarters information

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## Stock listing information

<b>Stock exchange trading</b>	SIX Swiss Exchange
<b>Stock exchange listing</b>	SGSN
<b>Common stock symbols</b>	Bloomberg: SGSN.SW Reuters: SGSN.S Telekurs: SGSN ISIN: CH1256740924 Swiss security number: 249745

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**When you need to be sure**

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