

## 2025 half year results

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

Ad hoc announcement pursuant to article 53 LR  
Geneva, 25 July 2025

- 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

Géraldine Picaud, Chief Executive Officer, commented:

*"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."*

## 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	+8.1%	+11.1%
<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>	

<sup>1</sup> Refer to alternative performance measures in the 2025 half year results interim 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

## 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 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.

## 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 & 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 in the 2025 half year results interim 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 on sgs.com.

<sup>1</sup> Refer to alternative performance measures in the 2025 half year results interim report

## Half year 2025 sales by end market

### 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 margin<sup>1</sup></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 compliance 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 margin<sup>1</sup></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 organic 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 organic 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 in the 2025 half year results interim 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 margin<sup>1</sup></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%, led 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 driven 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 margin<sup>1</sup></b>	<b>8.4%</b>	<b>11.8%</b>

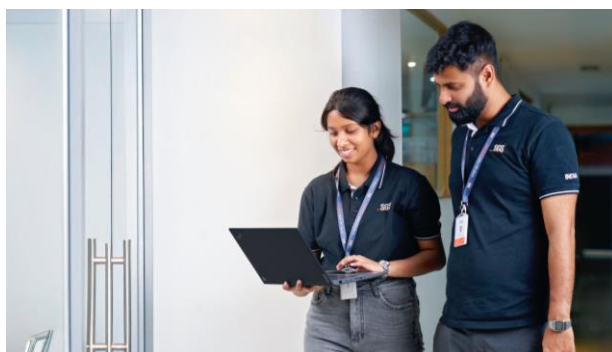
**Health & Nutrition** achieved excellent organic growth of 8.9% and increased adjusted operating income margin of 11.8%, supported by strong momentum in Food and improvement in Pharma.

- **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 research 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 in the 2025 half year results interim 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: **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 margin<sup>1</sup></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 emission verification
- **Consulting** remained soft in North America due to ongoing market uncertainty and delayed investment decisions
- Recent acquisitions in North America continued to contribute strongly to growth, reinforcing the Group's strategic expansion

### About SGS

SGS is the world's leading Testing, Inspection and Certification company. We operate a network of over 2,500 laboratories and business facilities across 115 countries, supported by a team of 99,500 dedicated professionals. With over 145 years of service excellence, we combine the precision and accuracy that define Swiss companies to help organizations achieve the highest standards of quality, compliance and sustainability.

Our brand promise – when you need to be sure – underscores our commitment to trust, integrity and reliability, enabling businesses to thrive with confidence. We proudly deliver our expert services through the SGS name and trusted specialized brands, including Brightsight, Bluesign, Maine Pointe and Nutrasource.

SGS is publicly traded on the SIX Swiss Exchange under the ticker symbol SGSN (ISIN CH1256740924, Reuters SGSN.S, Bloomberg SGSN:SW).

<sup>1</sup> Refer to alternative performance measures in the 2025 half year results interim report



# Shareholder Information

## Upcoming investor 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
<b>23 April 2026</b>	Q1 2026 sales update
<b>24 July 2026</b>	Half year 2026 results

## 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

## Investor and media contacts

<b>Ariel Bauer</b> Head of Communications, Investor Relations and Sustainability Tel: +41 79 863 49 23	<b>Livia Baratta</b> Deputy Head of Investor Relations Tel: +41 79 586 48 53
<b>Email:</b> <a href="mailto:sgs.investor.relations@sgs.com">sgs.investor.relations@sgs.com</a>	

## Headquarters information

### SGS SA

1 place des Alpes  
P.O. Box 2152  
CH – 1211 Geneva 1  
[www.sgs.com](http://www.sgs.com)

### Disclaimer

This material is provided for information purposes only and is not intended to confer any legal rights to you. This document does not constitute an invitation to invest in SGS shares. Any decisions you make in reliance on this information are solely your responsibility. 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.

**When you need to be sure**

SGS Headquarters  
1 Place des Alpes  
P.O. Box 2152  
1211 Geneva 1  
Switzerland

**sgs.com**

