



Ad hoc announcement pursuant to Art. 53 LR

Geneva, 2 July 2025

SGS has signed an agreement to acquire ATS, a major American player

SGS, the world's leading testing, inspection and certification company, announces that it has signed a definitive agreement to acquire the entire issued share capital of Applied Technical Services ("ATS"), a leading provider of specialized Testing, Inspection, Calibration and Forensics solutions in North America. ATS is expected to bring USD 460 million of 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)* 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.

Géraldine Picaud, CEO of SGS, commented:

"We are very happy to have signed the acquisition of Applied Technical Services. This transaction will significantly accelerate the execution of Strategy 27 by strengthening our presence in North America. ATS has exceptional teams, highly skilled with strong integrity and customer-oriented culture. By combining our forces in the US, we will deliver sustainable growth and synergies, and create lasting value for our shareholders. We are incredibly excited about the significant opportunities ahead."

* Before IFRS 16 Adjustment on operating leases of USD 65 million

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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). For more information visit www.sgs.com