

# Financial statements



Environmental Chemical Analysis, China



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# 1. Financial and business highlights

## Financial review

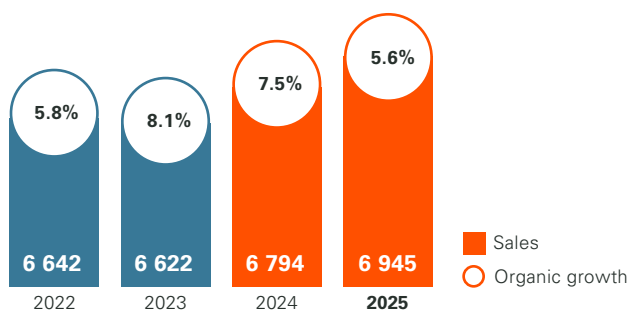
(CHF million)	2025	2024	Change in %	Change in organic %
<b>Sales</b>	<b>6 945</b>	<b>6 794</b>	<b>2.2</b>	<b>5.6</b>
<b>Adjusted Operating income</b>	<b>1 108</b>	<b>1 040</b>	<b>6.5</b>	<b>10.4</b>
Adjusted operating income margin	16.0%	15.3%		
<b>Operating income (EBIT)</b>	<b>1 014</b>	<b>904</b>	<b>12.2</b>	
Operating income margin	14.6%	13.3%		
<b>Profit attributable to equity holders of SGS SA</b>	<b>668</b>	<b>581</b>	<b>15.0</b>	
<b>Basic EPS (CHF)</b>	<b>3.48</b>	<b>3.10</b>	<b>12.3</b>	
<b>Basic EPS before HQ disposal (CHF)</b>	<b>3.21</b>	<b>3.10</b>	<b>3.5</b>	
<b>Free Cash Flow before HQ disposal</b>	<b>774</b>	<b>748</b>	<b>3.5</b>	
<b>Return on invested capital</b>	<b>24%</b>	<b>24%</b>		
<b>Net debt</b>	<b>2 566</b>	<b>2 670</b>		

Alternative performance measures used in this report are defined on pages 157 to 161.

- Record **Sales** of CHF 6 945 million in 2025, up 2.2% compared to prior year. A strong organic growth of 5.6% and 1.7% contribution from acquisitions more than offset the adverse foreign exchange effect of -5.1%.
- Record **Adjusted Operating Income** of CHF 1 108 million, an increase of 6.5% compared to prior year. The Adjusted operating income margin on sales improved by 70 basis points, to 16.0%. This excellent progression was supported by the full execution of the CHF 150 million efficiency plans announced in early 2024.
- Profit attributable to equity holders** amounted to CHF 668 million, an increase of 15.0%, driven by the improvement in Adjusted operating income and the gain on disposal of the Geneva headquarters building.
- Record **Free Cash Flow before HQ disposal** of CHF 774 million, an increase of CHF 26 million compared to 2024. This was primarily the result of stronger Adjusted operating income, leading to an excellent cash conversion of 57%, in line with 2024.
- Net debt** as of 31 December 2025 amounted to CHF 2 566 million including lease liabilities, a decrease of CHF 104 million compared to December 2024. It led to a reduction in leverage, from 1.8x to 1.7x.

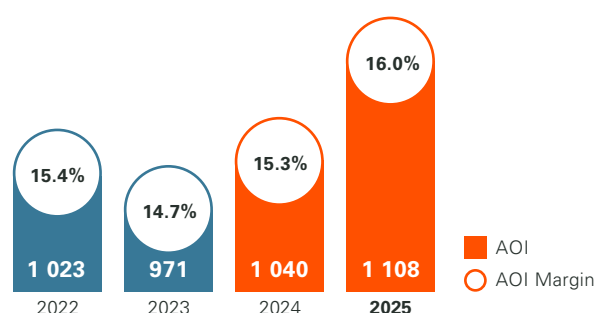
### Sales

CHF million



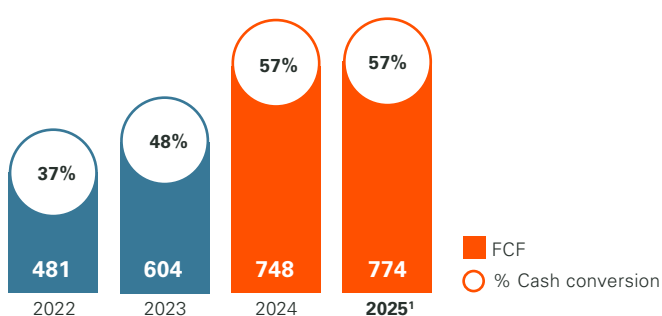
### Adjusted operating income (AOI)

CHF million



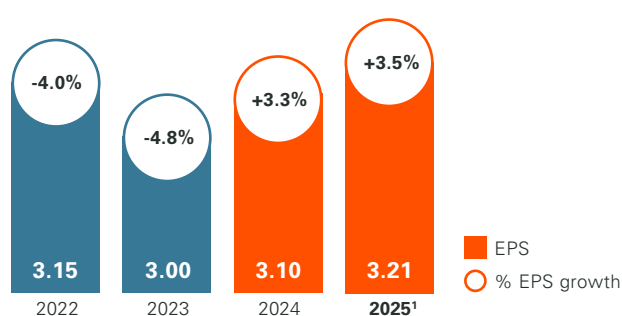
### Free Cash Flow (FCF)

CHF million



### Earnings per share (EPS)

CHF



1. Before HQ disposal.

## Business highlights – Testing & Inspection



### Industries & Environment

Strong growth driven by Safety and Inspection



Of group sales  
33%



Indoor Air Quality Testing, China

(CHF million)	2025	2024
<b>Sales</b>	<b>2 295</b>	<b>2 214</b>
Total change	3.7%	
<b>of which organic</b>	<b>6.5%</b>	
of which scope	2.1%	
of which FX	-4.9%	
Adjusted operating income	300	267
<b>Adjusted operating income margin</b>	<b>13.1%</b>	<b>12.1%</b>

- Continued strong momentum in **Safety**, with double-digit organic growth driven by strong demand in the Americas and EEMEA
- Inspection & Supervision** delivered strong organic growth supported by new project wins and robust execution in Latin America and Asia Pacific
- Strong performance in **Industrial Testing** in all regions supported by calibration and construction materials testing, partly offset by completion of low-margin contracts
- Solid organic growth in **Environment**, with sustained momentum in field monitoring and sustainability-related services



### Natural Resources

A solid year driven by metallurgy activities



Of group sales  
24%



Chemical Analysis, Peru

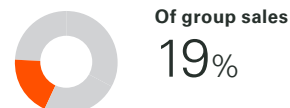
(CHF million)	2025	2024
<b>Sales</b>	<b>1 636</b>	<b>1 655</b>
Total change	-1.1%	
<b>of which organic</b>	<b>3.4%</b>	
of which scope	1.0%	
of which FX	-5.5%	
Adjusted operating income	223	238
<b>Adjusted operating income margin</b>	<b>13.6%</b>	<b>14.4%</b>

- Minerals** delivered solid growth led by trade services in Europe, Latin America and Asia Pacific
- Double-digit growth in metallurgical testing driven by gold, copper and critical minerals
- Oil, Gas and Chemicals** achieved solid growth reflecting sustained client activity and resilient demand in Asia Pacific and Latin America
- Agriculture** grew moderately, underpinned by strong activity in the Americas, while Europe remained soft

## Business highlights – Testing & Inspection continued

### Connectivity & Products

Positive momentum across all segments



Playground Safety Testing and Inspection, USA

(CHF million)	2025	2024
<b>Sales</b>	<b>1 352</b>	<b>1 329</b>
Total change	1.7%	
<b>of which organic</b>	<b>6.4%</b>	
of which scope	1.0%	
of which FX	-5.7%	
Adjusted operating income	308	287
<b>Adjusted operating income margin</b>	<b>22.8%</b>	<b>21.6%</b>

- Strong organic growth in **Connectivity**, led by product safety, continued EV momentum in Asia Pacific and wireless demand in North America
- Excellent organic growth in **Hardlines** benefiting from high demand for home appliances and supply chain shifting opportunities in Southeast Asia
- Strong organic growth in **Softlines** driven by performance testing in athleisure & wellness products and high demand for eco-friendly products
- Solid organic growth in **Government services**, led by anti-fraud and conformity assessment services

### Health & Nutrition

Strong performance driven by Food



Food Safety Testing, UK

(CHF million)	2025	2024
<b>Sales</b>	<b>882</b>	<b>835</b>
Total change	5.6%	
<b>of which organic</b>	<b>7.3%</b>	
of which scope	1.6%	
of which FX	-3.3%	
Adjusted operating income	124	95
<b>Adjusted operating income margin</b>	<b>14.1%</b>	<b>11.4%</b>

- Double-digit organic growth in **Food** driven by strong demand for contaminants, safety testing and advisory services
- Continued strong double-digit growth in nutraceutical and dietary supplements, underpinned by sustained demand for product certification
- Solid growth in **Pharma** led by clinical research in Europe and improving pipeline in the US, partly offset by softer drug development activity
- Solid organic growth in **Cosmetics & Personal Care** partly impacted by mid-year tariffs, followed by recovery in Q4

## Business highlights – Certification



### Business Assurance

Growth led by Sustainability and Digital Trust



Of group sales

11%



On-Site Compliance Review, Netherlands

(CHF million)

	2025	2024
<b>Sales</b>	<b>780</b>	<b>761</b>
Total change	2.5%	
<b>of which organic</b>	<b>4.2%</b>	
of which scope	3.0%	
of which FX	-4.7%	
Adjusted operating income	153	153
<b>Adjusted operating income margin</b>	<b>19.6%</b>	<b>20.1%</b>

- Continued double-digit growth in **Sustainability**, driven by strong demand for greenhouse gas emissions verification and supply chain audits
- **Food** and **Medical Devices** certification maintained double-digit growth, mainly driven by tightening regulatory requirements
- Strong double-digit growth in **Digital Trust** led by information security certification and robust performance of recently acquired businesses
- **Quality management systems** was impacted by a high comparable from a post-certification year. **Consulting** also remained soft

## 2. SGS Group consolidated financial statements

### Consolidated income statement

#### For the years ended 31 December

(CHF million)	Notes	2025	2024
<b>Sales</b>	4	<b>6 945</b>	<b>6 794</b>
Salaries and wages		-3 443	-3 427
Subcontractors' expenses		-424	-414
Depreciation, amortization and impairment	11 to 14	-485	-476
Loss on business divestments	10	-22	-
Gain on HQ disposal	11	60	-
Other operating expenses	5	-1 617	-1 573
<b>Operating income</b>	3	<b>1 014</b>	<b>904</b>
Financial income	6	37	34
Financial expenses	7	-91	-94
Share of profit of associates and joint ventures		2	3
<b>Profit before taxes</b>		<b>962</b>	<b>847</b>
Taxes	8	-245	-222
<b>Profit for the period</b>		<b>717</b>	<b>625</b>
<i>Profit attributable to:</i>			
Equity holders of SGS SA		668	581
Non-controlling interests		49	44
<b>Basic earnings per share (in CHF)</b>	9	<b>3.48</b>	<b>3.10</b>
<b>Diluted earnings per share (in CHF)</b>	9	<b>3.46</b>	<b>3.09</b>

### Consolidated statement of comprehensive income

#### For the years ended 31 December

(CHF million)	Notes	2025	2024
Actuarial gains/(losses) on defined benefit plans	23	3	-3
Income tax on actuarial gains	8	1	2
<b>Items that will not be subsequently reclassified to income statement</b>		<b>4</b>	<b>-1</b>
Losses on cash flow hedges		-5	-
Foreign currency translation differences on foreign operations		-204	12
Reclassification adjustment upon disposal of foreign operations	10	33	-
<b>Items that are or may be subsequently reclassified to income statement</b>		<b>-176</b>	<b>12</b>
<b>Other comprehensive (loss)/income for the period</b>		<b>-172</b>	<b>11</b>
Profit for the period		717	625
<b>Total comprehensive income for the period</b>		<b>545</b>	<b>636</b>
<i>Attributable to:</i>			
Equity holders of SGS SA		503	590
Non-controlling interests		42	46

## Consolidated statement of financial position

At 31 December

(CHF million)

	Notes	2025	2024
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	792	837
Right-of-use assets	12	543	548
Goodwill	13	1 894	1 783
Other intangible assets	14	319	304
Investments in joint ventures, associates and other companies		6	19
Deferred tax assets	8	194	213
Other non-current assets	15	200	199
<b>Total non-current assets</b>		<b>3 948</b>	<b>3 903</b>
<b>Current assets</b>			
Assets classified as held for sale		7	17
Inventories		55	55
Unbilled sales and work in progress	4	269	247
Trade receivables	16	980	991
Other receivables and prepayments	17	207	217
Current tax assets		86	109
Marketable securities		1	–
Cash and cash equivalents	18	2 330	1 210
<b>Total current assets</b>		<b>3 935</b>	<b>2 846</b>
<b>Total assets</b>		<b>7 883</b>	<b>6 749</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	21	8	8
Reserves		1 034	844
Treasury shares	21	–141	–55
<b>Equity attributable to equity holders of SGS SA</b>		<b>901</b>	<b>797</b>
Non-controlling interests		94	80
<b>Total equity</b>		<b>995</b>	<b>877</b>
<b>Non-current liabilities</b>			
Loans and other financial liabilities	22	3 505	2 700
Lease liabilities	12	403	409
Deferred tax liabilities	8	71	73
Defined benefit obligations	23	65	64
Provisions	24	115	101
<b>Total non-current liabilities</b>		<b>4 159</b>	<b>3 347</b>
<b>Current liabilities</b>			
Trade and other payables	25	600	624
Contract liabilities	4	262	261
Current tax liabilities		167	186
Loans and other financial liabilities	22	832	612
Lease liabilities	12	157	159
Provisions	24	77	72
Other creditors and accruals	26	634	611
<b>Total current liabilities</b>		<b>2 729</b>	<b>2 525</b>
<b>Total liabilities</b>		<b>6 888</b>	<b>5 872</b>
<b>Total equity and liabilities</b>		<b>7 883</b>	<b>6 749</b>

## Consolidated statement of cash flows

### For the years ended 31 December

(CHF million)	Notes	2025	2024
Profit for the period		717	625
Non-cash and non-operating items	19.1	757	799
Decrease in working capital	19.2	1	28
Taxes paid		-252	-228
<b>Cash flow from operating activities</b>		<b>1 223</b>	<b>1 224</b>
Purchase of property, plant and equipment and other intangible assets	11/14	-255	-251
Proceeds from disposals of property, plant and equipment and other intangible assets		5	12
Purchase of asset held for sale		-6	-
Proceeds from HQ disposal		80	-
Acquisition of businesses	10	-181	-193
Proceeds from disposal of businesses	10	13	-
Cash paid on other non-current assets		-4	-3
Proceeds received from investments in joint ventures, associates and other companies		1	1
Interest received		38	37
(Investment)/Proceeds from marketable securities		-1	4
<b>Cash flow used in investing activities</b>		<b>-310</b>	<b>-393</b>
Dividends paid to equity holders of SGS SA		-222	-207
Dividends paid to non-controlling interests		-50	-40
Transaction with non-controlling interests	19.3	-6	-
Cash paid on treasury shares	21	-100	-50
Proceeds from corporate bonds	19.3	1 430	-
Repayment of corporate bonds	19.3	-375	-250
Interest paid		-75	-98
Payment of lease liabilities	19.3	-175	-176
Proceeds from borrowings	19.3	-	7
Repayment of borrowings	19.3	-138	-380
<b>Cash flow from/(used in) financing activities</b>		<b>289</b>	<b>-1 194</b>
Effects of exchange rate changes on cash and cash equivalents		-82	4
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>1 120</b>	<b>-359</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		1 120	-359
<b>Cash and cash equivalents at end of year</b>	18	<b>2 330</b>	<b>1 210</b>

## Consolidated statement of changes in equity

For the years ended 31 December

Attributable to:

(CHF million)	Notes	Share capital	Treasury shares	Share-based payment reserve	Translation reserve	Cumulative (losses)/ gains on defined benefit plans net of tax	Cash flow hedge reserve	Retained earnings and Group reserves	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>-</b>	<b>2 438</b>	<b>459</b>	<b>69</b>	<b>528</b>
Profit for the period		-	-	-	-	-	-	581	581	44	625
Other comprehensive income for the period		-	-	-	10	-1	-	-	9	2	11
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-1</b>	<b>-</b>	<b>581</b>	<b>590</b>	<b>46</b>	<b>636</b>
Dividends distributed	21	-	-	-	-	-	-	-590	-590	-40	-630
Scrip effect on dividend distributed	21	1	-	-	-	-	-	383	384	-	384
Share-based payments	27	-	-	19	-	-	-	-	19	-	19
Movement in non-controlling interests		-	-	-	-	-	-	-18	-18	5	-13
Cancellation of treasury shares	21	-	250	-	-	-	-	-250	-	-	-
Movement in treasury shares	21	-	-34	-34	-	-	-	21	-47	-	-47
<b>Balance at 31 December 2024</b>		<b>8</b>	<b>-55</b>	<b>149</b>	<b>-1 706</b>	<b>-164</b>	<b>-</b>	<b>2 565</b>	<b>797</b>	<b>80</b>	<b>877</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>-</b>	<b>2 565</b>	<b>797</b>	<b>80</b>	<b>877</b>
Profit for the period		-	-	-	-	-	-	668	668	49	717
Other comprehensive income for the period		-	-	-	-164	4	-5	-	-165	-7	-172
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-164</b>	<b>4</b>	<b>-5</b>	<b>668</b>	<b>503</b>	<b>42</b>	<b>545</b>
Dividends distributed	21	-	-	-	-	-	-	-604	-604	-50	-654
Scrip effect on dividend distributed	21	-	-	-	-	-	-	382	382	-	382
Share-based payments	27	-	-	14	-	-	-	-	14	-	14
Movement in non-controlling interests	19.3	-	-	-	-	-	-	-95	-95	22	-73
Movement in treasury shares	21	-	-86	-14	-	-	-	4	-96	-	-96
<b>Balance at 31 December 2025</b>		<b>8</b>	<b>-141</b>	<b>149</b>	<b>-1 870</b>	<b>-160</b>	<b>-5</b>	<b>2 920</b>	<b>901</b>	<b>94</b>	<b>995</b>

## Notes to consolidated financial statements

### 1. Activities of the Group

SGS SA and its subsidiaries ('the Group') operate around the world under the name SGS. Since November 2025, the Group head office is located in Baar, Switzerland (2024: Geneva, Switzerland).

As the world's leading Testing, Inspection and Certification (TIC) company, SGS provides services that ensure quality, safety and compliance. Testing demonstrates that products and materials meet health, safety and regulatory requirements. Inspection assesses quantity and quality to help businesses comply with regulations. Certification confirms that products, services, processes and systems meet international and local standards.

### 2. Material accounting policies and exchange rates

#### Basis of preparation of the financial statements

The consolidated financial statements of the Group are stated in millions of Swiss Francs (CHF million). They are prepared from the financial statements of the individual companies within the Group with all significant companies having a year end of 31 December 2025.

The consolidated financial statements comply with the accounting and reporting requirements of the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Swiss law. The financial statements are prepared on an accruals basis and under the historical cost convention, modified as required for the revaluation of certain financial instruments.

There are no accounting pronouncements which have become effective from 1 January 2025 that have a significant impact on the Group's consolidated financial statements.

IFRS 18, issued by the IASB in April 2024, replaces IAS 1 Presentation of Financial Statements. IFRS 18 will not affect the recognition or measurement of items in the financial statements, but it might change what an entity reports as its "operating profit or loss", due to the classification of certain income and expense items between the five categories of the consolidated income statement. It might also change what an entity reports as operating activities, investing activities and financing activities within the statement of cash flows, due to the change in classification of certain cash flow items between these three categories of the cash flows statement.

The consolidated statement of cash flows presentation will change. It will start with operating income instead of net income, and certain cash flows are expected to be reclassified among the operating, investing, and financing activities categories. The Group is currently finalizing its

assessment of the impact of adopting IFRS 18, which will be effective January 1, 2027.

The other new and amended IFRS Accounting Standards and Interpretations issued by the IASB but not yet effective 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.

#### Basis of consolidation

##### Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Group. Control is achieved when the Group:

- Has power over the investee
- Is exposed, or has the right, to variable return from its involvement with the investee; and
- Has the ability to use its power to affect its return

The Company reassesses whether or not the Group controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The principal operating companies of the Group are listed on pages 155 to 156.

##### Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Initially they are measured at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

##### Transactions eliminated in consolidation

All intra-group balances and transactions, and any unrealized gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

##### Foreign currency transactions

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in the income statement.

### Consolidation of foreign companies

The assets and liabilities of each of the Group's companies are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The income statement of foreign entities is translated into the Group's reporting currency (Swiss francs) at the average exchange rates for the year, and the statement of financial position is translated at the exchange rates prevailing on 31 December.

Translation differences resulting from the application of this method are recognized in other comprehensive income and accumulated in the translation reserve. They are reclassified to profit or loss upon loss of control. Average exchange rates are used to translate the cash flows of foreign subsidiaries in preparing the consolidated statement of cash flows.

Goodwill arising on the acquisition of a foreign entity is recorded in the relevant foreign currency and is translated using the end of period exchange rate.

In countries with limited foreign currency availability and where several exchange rates are available, the Group has applied the rate at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

### Sales recognition

IFRS 15 Revenue from Contracts with Customers establishes a five-step model to account for sales arising from contracts with customers. Under IFRS 15, sales are recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring services to a customer. The standard requires entities to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group recognizes sales based on two main models: services transferred at a point in time and services transferred over time:

- The majority of SGS' sales are transferred at a point in time and recognized upon completion of performance obligations and measured according to the transaction price agreed in the contract. Once services are rendered, e.g. a report issued, the customer is invoiced and payment is due
- Services transferred over time mainly concern long-term contracts, where sales are recognized based on the measure of progress. When the Group has a right to consideration from a customer at the amount corresponding directly to the customer's value of the performance completed to date, the Group recognizes sales in the amount to which it has a right to invoice. In all other situations, the measure of progress is either based on observable output methods (usually the number of tests or inspections performed) or based on input methods such as the time incurred to date relative to the total expected hours

to the satisfaction of the performance obligation. These invoices are usually issued per contractually agreed installments and prices. Payments are due upon invoicing

### Segment information

In line with Strategy 27: Accelerating growth, building trust, the Group report two operating segments: Testing & Inspection and Certification. This reporting reflects the way the Group chief operating decision maker (i.e. the Executive Committee) reviews the operating results and allocates resources.

All segment sales reported are from external customers. Segment sales and operating income are attributed to countries based on the location in which the services are invoiced.

Capital additions represent the total cost incurred to acquire land, buildings and equipment as well as other intangible assets.

### Goodwill

In the case of business combinations, the acquired identifiable assets, liabilities and contingent liabilities are recorded at fair value. The difference between the consideration transferred and the fair value of net assets acquired is classified as goodwill.

Goodwill arising from business combinations is measured at cost less any accumulated impairment losses. The goodwill is allocated to a cash-generating unit or a group of cash-generating units (CGUs), that are expected to benefit, among others, from the synergies of the business combination.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected amounts recognized at that date.

On disposal of part or all of a business that was previously acquired, and which gave rise to the recording of acquisition goodwill, the relevant amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill acquired as part of business combinations is tested for possible impairment annually and whenever events or changes in circumstances indicate their value may not be fully recoverable.

For the purpose of impairment testing, the Group has adopted a uniform method for assessing goodwill recognized under the acquisition method of accounting. These assets are allocated to a cash generating unit or a group of cash generating units (CGU) which are expected to benefit from the business combination. The recoverable amount of a CGU or group of CGUs is determined through a value-in-use calculation.

If the value-in-use of the CGU or group of CGUs is less than the carrying amount of its net operating assets, then a fair value less costs to sell valuation is also performed with the recoverable amount of the CGU or the group of CGUs being the higher of its value-in-use and the fair value less costs to sell.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates, operating margins and expected changes to selling prices or direct costs during the period. Pre-tax discount rates used are based on the Group's weighted average cost of capital, adjusted for specific risks associated with the CGU's or group of CGUs' cash flow projections. The growth rates are based on industry growth forecasts.

Expected changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

For all CGUs or groups of CGUs, a value-in-use calculation is performed using cash flow projections covering the next five years and including a terminal growth assumption. These cash flow projections take into account the most recent financial results and outlook approved by management.

If the recoverable amount of the CGU or of the group of CGUs is less than the carrying amount of the unit's net operating assets, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Even if the initial accounting for an intangible asset acquired in the reporting period is only provisional, this asset is tested for impairment in the year of acquisition.

### Property, plant and equipment

Land is stated at historical cost and is not depreciated. Buildings and equipment are stated at historical cost less accumulated depreciation. Subsequent expenditures are capitalized only if they increase the future economic benefits embodied in the related item of property and equipment. All other expenditures are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

- Buildings 12-40 years
- Machinery and equipment 5-10 years
- Other tangible assets 5-10 years

### Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses. They are adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date, less any lease incentives received. Unless the Group

is reasonably certain to obtain ownership of the leased asset at the end of the lease term, recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

### Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The Group elected to use the practical expedient to account for each lease component and any non-lease components as a single lease component. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

In the case that the implicit rate cannot be readily determined, the Group uses an incremental borrowing rate considering the country and the lease duration. The rate is estimated by the combination of the reference rate, the financing spread and any asset-specific adjustment when required.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interests and reduced for the lease payments made. Subsequently, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset. The Group applies the short-term lease and low-value recognition exemptions. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

The Group determines the lease term as the non-cancellable term of the lease together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, for some of its leases, to lease the assets for additional terms. The Group applies judgment in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

## Other intangible assets

Intangible assets, including software, licenses, trademarks and customer relationships are capitalized and amortized on a straight-line basis over their estimated useful lives, normally not exceeding 20 years. The following useful lives are used in the calculation of amortization:

- Trademarks 5-20 years
- Customer relationships 4-20 years
- Computer software 3-5 years

Other intangible assets acquired as part of an acquisition of a business are capitalized separately from goodwill if their fair value can be measured reliably. Internally generated intangible assets are recognized if the asset created can be identified, it is probable that future economic benefits will be generated from it, the related development costs can be measured reliably and sufficient financial resources are available to complete the development. These assets are amortized on a straight-line basis over their useful lives, which usually do not exceed five years. All other development costs are expensed as incurred.

## Impairment of assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication of impairment. If indications of impairment are present, the assets are tested for impairment. If impaired, the carrying value of the asset is reduced to its recoverable value. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount of an asset is the greater of the fair value less cost of sale and its value-in-use. In assessing its value-in-use, the pre-tax estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

## Reversal of impairment losses

Where an impairment loss on assets other than goodwill subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but not in excess of the carrying amount that would have been recorded had no impairment loss been recognized. A reversal of an impairment loss is recognized as income immediately.

## Trade receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any non-collectible amounts. An expected credit loss allowance is made in compliance with the simplified approach using a provision matrix (expected credit loss model). This provision matrix has been developed to reflect the country risk, the

credit risk profile, as well as available forward looking and historical data. The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred such as:

- Significant financial difficulty of the customer; or
- It is becoming probable that the customer will enter bankruptcy or other financial reorganization

## Unbilled sales and work in progress

Unbilled sales are recognized for services completed but not yet invoiced and are valued at net selling price.

Work in progress is recognized for the partially finished performance of obligations under a contract. The measure of progress is either based on observable output methods or based on input methods. A margin is recognized based on actual costs incurred, provided that the project is expected to be profitable once completed. Similarly to receivables, an allowance for unbilled sales and work in progress is made in compliance with the simplified approach using a provision matrix (expected credit loss model).

## Cash and cash equivalents

Cash and cash equivalents include cash and deposits held with banks, with an original maturity of three months or less, and are subject to an insignificant risk of changes in value. Bank overdrafts are included within current loans.

## Derivative financial instruments and hedging

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognized at fair value and subsequently remeasured at fair value through the income statement (FVTPL). The fair value of forward exchange contracts is determined with reference to market prices at the balance sheet date.

## Corporate bonds

The corporate bonds issued by the Group are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

The Group may use financial instruments to economically hedge interest rate risks

relating to its corporate bonds. The changes in fair value of financial instruments is recognized in the income statement.

## Liabilities related to put options granted to holders of non-controlling interests

Written put options in favor of holders of non-controlling interests give rise to the recognition of a financial liability at the present value of the expected redemption amount. The redemption amount is determined by management's best estimate of the cash outflow required to settle the obligation on the exercise of the option, discounted by the Group's cost of debt. The financial liability is initially recorded with the corresponding entry within equity and in the absence of specific guidance in IFRS, subsequent changes in the valuation of the liability shall be recognized directly in equity attributable to owners, including the unwinding of the discount.

## Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking the hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective.

## Cash flow hedges

The effective portion of changes in the fair value of cross currency swaps that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss related to the ineffective or undesignated portion is recognized immediately in profit or loss, presented in the financial expenses line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to income statement in the period when the hedged item is recognized to income statement.

The change in fair value of the currency basis spread of cross currency swaps is separately accounted for as cost of hedging, recognized in other comprehensive income and accumulated in a separate component of equity.

## Fair value measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that

market participants act in their economic best interest.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 fair value measurements are those derived from the quoted price in active markets
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques as they cannot be derived from publicly available information. The assumptions and inputs used in the model take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions often do not exist. External valuers are involved for valuation for material assets and liabilities

### Capital management

Capital comprises equity attributable to equity holders, loans and other financial liabilities, lease liabilities and cash and cash equivalents.

The Board of Directors' policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence, and to sustain the future development of the business. The Board recommends the level of dividends to be distributed to ordinary shareholders on an annual basis. The Group maintains sufficient liquidity at the Group and subsidiary level to meet its working capital requirements, fund capital purchases and small and medium-sized acquisitions.

There were no changes in the Group's approach to capital management during the year.

The Group is not subject to any externally imposed capital requirements.

### Earnings per share

Basic earnings per share are calculated by dividing the Group's profit by the weighted average number of shares outstanding during the year, excluding treasury shares. For diluted earnings per share, the weighted average number of shares outstanding is adjusted assuming conversion of all potential dilutive shares. Group profit is also adjusted to reflect the after-tax impact of conversion.

### Treasury shares

Treasury shares are intended to be used to cover the Group's employee equity participation plan and as consideration for business combinations.

Treasury shares are reported as a deduction to equity. The difference between the original cost of treasury shares and the proceeds of subsequent sale or the share-based payment reserve is recorded as movements in retained earnings.

## Employee benefits

### Pension plans

The Group maintains several defined benefit and defined contribution pension plans in accordance with local conditions and practices in the countries in which it operates. Defined benefit pension plans are based on an employee's years of service and remuneration earned during a predetermined period. Contributions to these plans are normally paid into funds which are managed independently of the Group, except in rare cases where there is no legal obligation to fund.

In such cases, the liability is recorded in the Group's consolidated statement of financial position.

The Group's obligations towards defined benefit pension plans are determined by independent actuaries using the projected unit credit method. Remeasurement gains and losses are immediately recognized in the consolidated statement of financial position with the corresponding movement being recorded in the consolidated statement of comprehensive income.

Past service costs are immediately recognized as an expense. Net interest expense is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan. Payments to defined contribution plans are recognized as an expense in the income statement as incurred.

### Post-employment plans other than pensions

The Group operates some non-pension post-employment defined benefit schemes, mainly healthcare plans. The method of accounting and the frequency of valuations are similar to those used for defined benefit pension plans.

### Equity compensation plans

The Group provides additional benefits to certain senior executives and employees through equity compensation plans. An expense is recognized in the income statement for shares and equity-linked instruments granted to senior executives and employees under these plans.

### Provisions

The Group records provisions when: it has an obligation, legal or constructive, to satisfy a claim; it is probable that an outflow of Group resources will be required to satisfy the obligation; and a reliable estimate of the amount can be made.

In the case of litigation and claims relating to services rendered, the amount that is ultimately recorded is the result of a complex

process of assessment of a number of variables, and relies on management's informed judgment about the circumstances surrounding the past provision of services. It also relies on expert legal advice and actuarial assessments.

Changes in provisions are reflected in the income statement in the period in which the change occurs.

### Contract liabilities

Contract liabilities arise upon advance payments from clients and issuance of upfront invoices.

### Restructuring costs

The Group recognizes costs of restructuring against operating income in the period in which management has committed to a formal plan, the costs of which can be reliably estimated, and has raised a valid expectation in those affected that the plan will be implemented and the related costs incurred. Where appropriate, restructuring costs include impairment charges arising from the implementation of the formal plan.

### Taxes

Income taxes include all taxes based upon the taxable profits of the Group, including withholding taxes payable on the transfer of income from Group companies and tax adjustments from prior years. Taxes on income are recognized in the income statement except to the extent that they relate to items directly charged or credited to equity or other comprehensive income, in which case the related income tax effect is recognized in equity or other comprehensive income. Provisions of income and withholding taxes that could arise on the remittance of subsidiary retained earnings are only made where there is a current intention to remit such earnings. Other taxes not based on income, such as property taxes and capital taxes, are included within operating expenses.

Deferred taxes are provided using the full liability method. They are calculated on all temporary differences that arise between the tax base of an asset or liability and the carrying values in the consolidated financial statements except for non-tax-deductible goodwill and for those differences related to investments in subsidiaries where their reversal will not take place in the foreseeable future. Deferred income tax assets relating to the carry-forward of unused tax losses and tax credits are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Current income tax assets and liabilities are offset where there is a legally enforceable right to offset. Deferred tax assets and liabilities are determined based on enacted or substantively enacted tax rates in the respective jurisdictions in which the Group operates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

## Significant accounting estimates and judgments

### Use of estimates

The key assumptions concerning the future, and other key sources of estimation, at the balance sheet date that may have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

### Business combinations

In a business combination, the determination of the fair value of the identifiable assets acquired, particularly intangibles, and liabilities assumed, requires estimations which are based on all available information and in some cases on assumptions with respect to the timing and amount of future sales and expenses. The purchase price is allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The excess is reported as goodwill. As a result, the purchase price allocation impacts reported assets and liabilities, future net earnings due to the impact on future depreciation and amortization expense and impairment charges. The purchase price allocation is subject to a maximum adjustment period of 12 months, in conformity with IFRS 3.

### Expected credit losses

Trade receivables, unbilled sales and work in progress are presented net of expected credit loss allowance. These allowances for potential uncollected amounts are estimated in compliance with the simplified approach using a provision matrix (expected credit loss model), which has been developed to reflect the country risk, the credit risk profile, as well as available historical data. In addition, an allowance is estimated based on individual client analysis when collection is no longer probable.

### Impairment of goodwill

The key assumptions underlying the value-in-use include the expected future cash flows from the CGU or group of CGUs; the discount rate and the terminal growth rate.

### Estimations of employee post-employment benefits obligations

The Group maintains several defined benefit pension plans in accordance with local conditions and practices in the countries in which it operates. The related obligations recognized in the statement of financial position represent the present value of the defined benefit obligations calculated annually by independent actuaries. These actuarial valuations include assumptions such as discount rates, salary progression rates and mortality rates. These actuarial assumptions vary according to the local prevailing economic and social conditions.

## Income taxes

### Uncertain tax treatments

The Group is subject to income taxes in numerous jurisdictions and there are many transactions and calculations for which the ultimate tax determination is uncertain.

In assessing how an uncertain tax treatment may affect the determination of the taxable profit (tax loss), the Group assumes that a taxation authority will examine amounts and have full knowledge of all related information.

If the Group concludes it is not probable that a taxation authority will accept a particular tax treatment, the Group reflects the effect of each uncertainty in determining the taxable profit (tax loss) by using one of the following methods:

- The single most likely amount
- The sum of probability-weighted amount in a range of possible outcomes

The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due, including estimated interest and penalties where appropriate. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

### Recoverability of tax losses

The Group recognizes deferred tax assets for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the timing and extent of reversal of relevant taxable temporary differences and based on management estimate of income and expenses pertaining to the underlying subsidiary or tax group.

If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for individual subsidiaries and tax groups in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

## Legal and warranty claims on services rendered

The Group is subject to litigation and other claims. Management bases its judgment on the circumstances relating to each specific event, internal and external legal advice, knowledge of the industries and markets, prevailing commercial terms and legal precedent, and evaluation of applicable insurance cover where appropriate. The process of estimation is complex, dealing with uncertainty, requiring the use of informed estimates, actuarial assessment, evaluation of the insurance cover where appropriate and the judgment of management. The timing of cash outflows from pending litigation and claims is uncertain since it depends, in the majority of cases, on the outcome of administrative and legal proceedings. The Group's legal and warranty claims are reviewed, at a minimum, on a quarterly basis by a cross-functional representation of management. Any changes in these estimates are reflected in the income statement in the period in which the estimates change.

### Judgments

In the process of applying the entity's accounting policies described above, management has made the following judgment that has a significant effect on the amounts recognized in the financial statements:

Whether the Group is reasonably certain to exercise an extension option in connection with lease contracts.

## Exchange rates

The most significant currencies for the Group were translated at the following exchange rates into Swiss Francs:

			Statement of financial position period-end rates		Income statement period average rates	
			2025	2024	2025	2024
Australia	AUD	100	52.95	56.24	53.53	58.10
Canada	CAD	100	57.62	62.63	59.43	64.29
Chile	CLP	100	0.09	0.09	0.09	0.09
China	CNY	100	11.28	12.36	11.56	12.23
Eurozone	EUR	100	92.85	94.03	93.69	95.26
Korea	KRW	100	0.05	0.06	0.06	0.06
Peru	PEN	100	23.42	24.06	23.28	23.47
United Kingdom	GBP	100	106.55	113.45	109.42	112.49
Taiwan	TWD	100	2.51	2.75	2.67	2.74
USA	USD	100	78.85	90.19	83.11	88.04

## 3. Segment information

### Description of segments and principal activities

The information presented is disclosed by operating segment and focuses on sales, operating income, depreciation and amortization, capital expenditures, and salaries and wages because these are the performance measures used by the Group chief operating decision maker (i.e. the Executive Committee) to assess segment performance.

### Sales and operating income by segment

#### 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	6 165	955	-31	-43	-22	-15	22	866
Certification	780	153	-8	-2	-	-2	7	148
<b>Total</b>	<b>6 945</b>	<b>1 108</b>	<b>-39</b>	<b>-45</b>	<b>-22</b>	<b>-17</b>	<b>29</b>	<b>1 014</b>

#### 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	6 033	887	-28	-75	-11	-12	761
Certification	761	153	-2	-7	-1	-	143
<b>Total</b>	<b>6 794</b>	<b>1 040</b>	<b>-30</b>	<b>-82</b>	<b>-12</b>	<b>-12</b>	<b>904</b>

### Other disclosure by segment

(CHF million)	2025			2024		
	Salaries & wages	Depreciation, amortization and impairment	Capital addition	Salaries & wages	Depreciation, amortization and impairment	Capital addition
Testing & Inspection	3 070	461	250	3 063	459	246
Certification	373	24	5	364	17	5
<b>Total</b>	<b>3 443</b>	<b>485</b>	<b>255</b>	<b>3 427</b>	<b>476</b>	<b>251</b>

### Disclosure by business lines

Services delivered by the Group across its two operating segments continue to be 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 Environment, Safety, Project & Advisory and Industrial Testing.
- Natural Resources (NR): end-markets include Minerals, Agriculture and Oil, Gas, Chemicals (OGC).
- Connectivity & Products (C&P): end-markets include Connectivity, Softlines, Hardlines and Government Services.
- Health & Nutrition (H&N): end-markets include Food, Pharma and Cosmetics

The Certification operating segment is one business line: Business Assurance (BA). End-markets include Certification, ESG, Consulting and Training.

(CHF million)	2025			2024 <sup>1</sup>		
	Sales	Adjusted operating income	Adjusted operating income margin	Sales	Adjusted operating income	Adjusted operating income margin
Industries & Environment	2 295	300	13.1%	2 214	267	12.1%
Natural Resources	1 636	223	13.6%	1 655	238	14.4%
Connectivity & Products	1 352	308	22.8%	1 329	287	21.6%
Health & Nutrition	882	124	14.1%	835	95	11.4%
<b>Total Testing &amp; Inspection</b>	<b>6 165</b>	<b>955</b>	<b>15.5%</b>	<b>6 033</b>	<b>887</b>	<b>14.7%</b>
<b>Certification – Business Assurance</b>	<b>780</b>	<b>153</b>	<b>19.6%</b>	<b>761</b>	<b>153</b>	<b>20.1%</b>
<b>Total</b>	<b>6 945</b>	<b>1 108</b>	<b>16.0%</b>	<b>6 794</b>	<b>1 040</b>	<b>15.3%</b>

1. Following minor changes of classification of certain activities between business lines, the 2024 figures have been restated to ensure comparability with 2025.

### Sales from external customers by geographical area

(CHF million)	2025	%	2024	%
Asia Pacific	2 368	34	2 324	34
Europe	2 291	33	2 231	33
North America	848	13	827	12
Eastern Europe, Middle East and Africa	788	11	808	12
Latin America	650	9	604	9
<b>Total</b>	<b>6 945</b>	<b>100</b>	<b>6 794</b>	<b>100</b>

Sales in Switzerland from external customers for 2025 amounted to CHF 166 million (2024: CHF 161 million). Sales from external customers in China exceed 10% of the Group sales in 2025 and 2024.

### Major customer information

In 2025 and 2024, no external customer represented 5% or more of the Group's total sales.

### Specific non-current assets by geographical area

Specific non-current assets directly attributable to geographical segment mainly include property, land and equipment, right-of-use assets, goodwill and other intangible assets:

(CHF million)	2025	%	2024	%
Asia Pacific	587	16	596	17
Europe	1 876	52	1 890	53
North America	749	21	755	21
Eastern Europe, Middle East and Africa	114	3	137	4
Latin America	279	8	169	5
<b>Total specific non-current assets</b>	<b>3 605</b>	<b>100</b>	<b>3 547</b>	<b>100</b>

Specific non-current assets in Switzerland for 2025 amounted to CHF 147 million (2024: CHF 150 million). No country represented more than 20% of non-current assets in either 2025 or 2024.

### Reconciliation with total non-current assets

(CHF million)	2025	2024
Specific non-current assets as above	3 605	3 547
Deferred tax assets	194	213
Retirement benefit assets	145	138
Non-current loans to third parties	4	5
<b>Total</b>	<b>3 948</b>	<b>3 903</b>

### Average number of Full Time Equivalents (FTEs) by geographical area

(Average number of FTEs)	2025	2024
Asia Pacific	39 485	38 230
Europe	21 936	21 823
North America	5 845	5 699
Eastern Europe, Middle East and Africa	17 527	17 984
Latin America	16 302	15 446
<b>Total</b>	<b>101 095</b>	<b>99 182</b>
Number of FTEs at year end	102 804	99 483

## 4. Sales from contracts with customers

### Group's sales from contracts with customers by timing of recognition

(CHF million)	2025		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	80%	20%	80%	20%
Certification	94%	6%	93%	7%
<b>Total</b>	<b>82%</b>	<b>18%</b>	<b>82%</b>	<b>18%</b>

### Assets and liabilities related to contracts with customers

(CHF million)	2025	2024
Unbilled sales and work in progress	269	247
Trade receivables	980	991
Contract liabilities	262	261

Sales evolution, timing and project maturity are the main factors impacting assets and liabilities related to contracts with customers. In 2025, SGS has recognized sales of CHF 161 million related to contract liabilities at 31 December 2024. In 2024, the sales recognized from contract liabilities at 31 December 2023 amounted to CHF 178 million. Sales recognized from performance obligations satisfied in previous periods were immaterial in 2025 and 2024.

The remaining performance obligations (unsatisfied or partially satisfied) expected to be recognized for long-term contracts amount to CHF 1 342 million at 31 December 2025 (31 December 2024: CHF 1 356 million), of which CHF 749 million are expected to be recognized in sales within one year (31 December 2024: CHF 675 million), CHF 359 million between one year and two years (31 December 2024: CHF 380 million) and CHF 234 million after the next two years (31 December 2024: CHF 301 million).

As at 31 December 2025, the Group has unbilled sales and work in progress of CHF 269 million (2024: CHF 247 million) which is net of an allowance for expected credit losses of CHF 36 million (2024: CHF 36 million).

SGS is applying the practical expedient IFRS 15.121 and does not disclose unsatisfied or partially unsatisfied performance obligations from contracts with an original duration of one year or less, or where SGS may recognize sales from the satisfaction of the performance obligation in accordance with IFRS 15.B16. This paragraph permits as a practical expedient to exclude contracts where SGS has a right to payment for performance completed to date.

Assets recognized from costs to fulfill a contract in 2025 and 2024 were not significant, while amortization and impairment losses were nil.

## 5. Other operating expenses

(CHF million)	2025	2024 <sup>1</sup>
Consumables, repairs and maintenance	553	547
Travel costs	327	329
Rental expense, insurance, utilities and sundry supplies	158	153
External consultancy fees	129	135
IT expenses	134	136
Communication costs	34	42
Taxes – non income related	32	38
Allowance for expected credit losses	10	22
Gain on disposal of property, plant and equipment	–4	–2
Remeasurement gain on step acquisition	–34	–
Miscellaneous operating expenses	278	173
<b>Total</b>	<b>1 617</b>	<b>1 573</b>

1. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

## 6. Financial income

(CHF million)	2025	2024
Interest income	34	27
Foreign exchange gains/(losses)	–	3
Other financial income	3	4
<b>Total</b>	<b>37</b>	<b>34</b>

## 7. Financial expenses

(CHF million)	2025	2024
Interest expense	76	73
Fair value losses on derivatives	9	18
Other financial expenses	6	3
<b>Total</b>	<b>91</b>	<b>94</b>

## 8. Taxes

### Major components of tax expense

(CHF million)	2025	2024
Current taxes	256	255
Deferred tax (credit) relating to the origination and reversal of temporary differences	-11	-33
<b>Total</b>	<b>245</b>	<b>222</b>

The Group has operations in various countries that have different tax laws and rates. Consequently, the effective tax rate on consolidated income varies from year to year. A reconciliation between the reported income tax expense and the amount that would arise using the weighted average statutory tax rate of the Group is as follows:

### Reconciliation of tax expense

(CHF million)	2025		2024	
Profit before taxes	962		847	
<b>Tax at statutory rates applicable to the profits earned in the country concerned</b>	<b>185</b>	<b>19%</b>	<b>163</b>	<b>19%</b>
Tax effect of non-deductible or non-taxable items	12		10	
Tax effect on losses not currently treated as being recoverable in future years	17		17	
Tax effect on losses previously considered irrecoverable, now expected to be recoverable	-12		-1	
Non-creditable foreign withholding taxes	46		43	
Minimum taxes	4		5	
Prior period adjustments	-13		-4	
Rate changes	-		1	
Other <sup>1</sup>	6		-12	
<b>Tax charge</b>	<b>245</b>	<b>25%</b>	<b>222</b>	<b>26%</b>

1. Other includes the tax impact of internal legal reorganizations.

### Deferred tax after netting

(CHF million)	2025	2024
Deferred tax assets	194	213
Deferred tax liabilities	-71	-73
<b>Total</b>	<b>123</b>	<b>140</b>

### Components of deferred tax balances

(CHF million)	2025		2024	
	Assets	Liabilities	Assets	Liabilities
Right of use assets	-	108	-	114
Fixed assets	44	7	46	6
Trade receivable, unbilled sales and work in progress	26	15	23	10
Defined benefit obligation	1	14	7	24
Provisions and other <sup>2</sup>	153	27	145	16
Lease liabilities	112	-	117	-
Intangible assets	1	78	3	71
Tax losses carried forward	35	-	40	-
<b>Deferred taxes</b>	<b>372</b>	<b>249</b>	<b>381</b>	<b>241</b>

2. Other includes the tax impact of internal legal reorganizations.

## Net change in deferred tax assets

(CHF million)

Total

<b>Net deferred tax asset at 1 January 2024</b>	<b>112</b>
Acquisition of subsidiaries	-5
Credited to the income statement	33
Credited to other comprehensive income	2
Exchange differences and other	-2
<b>Net deferred tax asset at 31 December 2024</b>	<b>140</b>
Acquisition of subsidiaries	-13
Credited to the income statement	11
Credited to other comprehensive income	1
Exchange differences and other	-16
<b>Net deferred tax asset at 31 December 2025</b>	<b>123</b>

## Unrecognized tax losses

(CHF million)

2025

2024

Expiring in the next 3 years	43	37
Expiring in 4-10 years	23	26
Available without limitation	259	269
<b>Total unrecognized tax losses</b>	<b>325</b>	<b>332</b>

At 31 December 2025, the unrecognized deferred tax assets amount to CHF 80 million (2024: CHF 84 million).

At 31 December 2025, the retained earnings of subsidiaries and foreign incorporated joint ventures consolidated by the Group include approximately CHF 2 330 million (2024: CHF 2 190 million) of undistributed earnings that may be subject to tax if remitted to the parent company.

## Pillar Two

The Group is subject to income taxes in numerous jurisdictions and monitors developments which could affect the Group's tax liability. In particular, the Organisation for Economic Co-operation and Development (OECD) published the Global Anti-Base Erosion Model Rules (Pillar Two). The Pillar Two model framework introduced a global minimum tax rate concept of 15%, which is achieved through a system of top-up taxes in jurisdictions where tax rate would be lower.

The legislation was previously enacted in certain jurisdictions where the Group operates and is effective since 1 January 2024.

At 31 December 2025, current tax expense from Pillar Two legislation included less than CHF 1 million of top-up tax (2024: less than CHF 1 million).

In accordance with IAS 12 requirements, the Group applied the mandatory exception from accounting for deferred tax arising from Pillar Two.

## 9. Earnings per share and dividend per share

Basic earnings per share are calculated as follows:

	2025	2024
Profit attributable to equity holders of SGS SA (CHF million)	668	581
Weighted average number of shares (million)	192	188
<b>Basic earnings per share (CHF)</b>	<b>3.48</b>	<b>3.10</b>

Diluted earnings per share are calculated as basic earnings per share except that the weighted average number of shares only includes the dilutive effect of the Group's equity compensation plans detailed in note 28. For the year ended 31 December 2025, the Group calculated 1 059 156 dilutive potential shares (2024: 523 052):

	2025	2024
Profit attributable to equity holders of SGS SA (CHF million)	668	581
Diluted weighted average number of shares (million)	193	188
<b>Diluted earnings per share (CHF)</b>	<b>3.46</b>	<b>3.09</b>

The SGS Board of Directors will recommend to the Annual General Meeting (to be held on 26 March 2026) the approval of an optional scrip dividend of CHF 3.20 per share (2024: optional scrip dividend of CHF 3.20 per share).

## 10. Acquisitions and divestments

### Acquisitions 2025

In 2025, the Group completed the following significant business combinations for a total purchase price of CHF 282 million.

- 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 Carperia International, a Canadian-based consulting Group specializing 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 specializing 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 Ecoloss, a Dutch specialist in environmental emergency response and remediation services (effective 1 July 2025)
- 100% of EFBE GmbH, German and Taiwanese companies that operate bicycle performance testing labs (effective 1 July 2025)
- 100% of Walsh, a leading Peruvian consultancy specializing in environmental and social management (effective 1 August 2025)
- 100% of MPR Services, a U.S. provider of liquid and gas reclamation services, supporting energy companies with identifying and treating contaminants in their raw products (effective 1 August 2025)
- 100% of Fulcrum Robotics, an Australian specialist in aerial, marine and terrestrial drone-based inspection and robotic services for the industrial and environmental sectors (effective 1 September 2025)
- 10% additional stake in SGS Geosol, a leading Brazilian provider of geochemical, environmental and analytical laboratory services in mineral engineering. By acquiring an additional 10% stake from the 50% the Group already owned, SGS gained control over SGS Geosol (effective 1 September 2025). The transaction was accounted for as a step acquisition in accordance with IFRS 3 Business Combinations
- 100% of Tres60, a Chilean technology integrator for mining operations (effective 1 October 2025)
- 100% of Qualitest, a Canadian leader in welding engineering, mechanical testing, failure analysis and inspection services for key industrial sectors from manufacturing to infrastructure (effective 1 November 2025)
- 70% of Sami, a French startup based in Paris, which offers an all-in-one climate change and carbon accounting platform (effective 1 December 2025)
- 100% of Australian Superintendence Company (ASC), a leading specialist in agricultural quality assurance in Australia (effective 1 December 2025)

These companies were acquired for CHF 282 million and the total goodwill recognized on these transactions amounted to CHF 204 million.

All the above transactions contributed CHF 84 million in sales and CHF 19 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 167 million and the operating income would have been CHF 38 million.

### Acquisitions 2024

In 2024, the Group completed the following significant business combinations for a total purchase price of CHF 213 million.

- 100% of ArcLight Wireless Inc., a world-class leader in systems engineering, network services, technical outsourcing and field testing for the wireless industry, based in North Carolina, USA (effective 1 May 2024)
- 100% of Gossamer, a world-class provider of cybersecurity evaluation, testing and consulting services for connected services, headquartered in Maryland, USA (effective 1 August 2024)
- 100% of AQM and Cromanal, two key players in the Colombian pharmaceutical testing industry, headquartered in Bogota (effective 1 October 2024)
- 96.05% of Institut d'Expertise Clinique, a leading cosmetics Clinical Research Organization active in the field of advanced clinical testing solutions, headquartered in Lyon, France (effective 1 October 2024)
- 100% of Hazgo and Express Solutions, two Belgium-based companies specializing in supply chain services for sensitive products, including pharmaceuticals, chemical samples and dangerous goods (effective 1 October 2024)
- 100% of Beta Analytic, the global leader in Carbon 14 testing for governmental, academic and commercial organizations worldwide. Beta Analytic is based in Miami, Florida, USA (effective 1 November 2024)
- 100% of AMA Analytical Services, a Maryland-based specialist in environmental testing, with a focus on asbestos, metals and microbial analysis (effective 1 November 2024)
- 67.6% of CertX, a Swiss-based certification specialist in cybersecurity, artificial intelligence (AI), and functional safety (effective 1 December 2024)
- 100% of MP Machinery Testing, a company based in State College, Pennsylvania, USA, and active in the field of high material testing and analysis, specializing in the nuclear sector (effective 1 December 2024)

These companies were acquired for CHF 213 million and the total goodwill recognized on these transactions amounted to CHF 114 million.

All the above transactions contributed CHF 18 million in sales and CHF 4 million in operating income in 2024. Had all acquisitions been effective 1 January 2024, the sales for the period from these acquisitions would have been CHF 71 million and the operating income would have been CHF 18 million.

### Assets and liabilities arising from acquisitions

(CHF million)	SGS Geosol	Fair value on other acquisitions	Total fair value on acquisitions December 2025	Total fair value on acquisitions December 2024
Property, plant and equipment	13	19	32	21
Right-of-use assets	–	4	4	3
Intangible assets	16	58	74	69
Trade receivable	5	17	22	14
Other current assets	7	9	16	10
Cash and cash equivalents	9	13	22	17
Current liabilities	–7	–35	–42	–26
Non-current liabilities	–10	–19	–29	–8
Non-controlling interests	–13	–8	–21	–1
<b>Net assets acquired</b>	<b>20</b>	<b>58</b>	<b>78</b>	<b>99</b>
Goodwill	41	163	204	114
<b>Total purchase price</b>	<b>61</b>	<b>221</b>	<b>282</b>	<b>213</b>
Acquired cash and cash equivalents	–9	–13	–22	–17
Consideration payable	–	–32	–32	–10
Payment on prior year acquisitions	–	–	–	7
Step acquisition <sup>1</sup>	–47	–	–47	–
<b>Net cash outflow on acquisitions</b>	<b>5</b>	<b>176</b>	<b>181</b>	<b>193</b>

1. Including remeasurement gain of CHF 34 million and carrying value of the investment in associate for CHF 13 million.

In compliance with IFRS 3, fair value on acquisition remains provisional for a 12-month period following the date of 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 13 million (2024: CHF 75 million) of the goodwill recognized is expected to be tax deductible.

Consideration payable relates mainly to environmental and commercial warranty clauses and the fair value of contingent future earn-out payments. The Group incurred transaction-related costs of CHF 12 million (2024: CHF 12 million) related to external legal fees and due diligence expenses. These expenses are reported within other operating expenses in the consolidated income statement.

### Divestments 2025

In 2025, the Group completed divestments of non-core businesses in EEMEA region, including SICTA (vehicle inspection testing centers in Ivory Coast). It resulted in a net loss of CHF 22 million, including CHF 33 million accumulated currency translation losses recycled from the translation reserve to the consolidated income statement. Proceeds, net of cash disposed, were CHF 13 million.

### Divestments 2024

There was no divestment of businesses in 2024.

## 11. Property, plant and equipment

(CHF million)	Land & buildings	Machinery & equipment	Other tangible assets	Total
<b>2025</b>				
<b>At cost</b>				
At 1 January	425	2 276	670	3 371
Additions	30	124	84	238
Business combinations	15	16	1	32
Disposals	–	–71	–31	–102
Divestments of subsidiaries	–7	–6	–6	–19
Assets classified as held for sale	–2	–	–	–2
Exchange differences and other	–26	–130	–88	–244
At 31 December	435	2 209	630	3 274
<b>Accumulated depreciation and impairment</b>				
At 1 January	232	1 822	480	2 534
Depreciation	16	165	46	227
Impairment	–	9	4	13
Disposals	–	–69	–32	–101
Divestments of subsidiaries	–3	–5	–5	–13
Assets classified as held for sale	–1	–	–	–1
Exchange differences and other	–15	–129	–33	–177
At 31 December	229	1 793	460	2 482
<b>Net book value at 31 December 2025</b>	<b>206</b>	<b>416</b>	<b>170</b>	<b>792</b>

(CHF million)	Land & buildings	Machinery & equipment	Other tangible assets	Total
<b>2024</b>				
<b>At cost</b>				
At 1 January	427	2 188	659	3 274
Additions	25	129	76	230
Business combinations	14	7	8	29
Disposals	–6	–130	–46	–182
Assets classified as held for sale	–46	–	–	–46
Exchange differences and other	11	82	–27	66
At 31 December	425	2 276	670	3 371
<b>Accumulated depreciation and impairment</b>				
At 1 January	251	1 738	462	2 451
Depreciation	14	169	49	232
Impairment	–6	4	1	–1
Acquisition of subsidiaries	2	3	3	8
Disposals	–5	–128	–45	–178
Assets classified as held for sale	–29	–	–	–29
Exchange differences and other	5	36	10	51
At 31 December	232	1 822	480	2 534
<b>Net book value at 31 December 2024</b>	<b>193</b>	<b>454</b>	<b>190</b>	<b>837</b>

Included in the other tangible assets are leasehold improvements, office furniture and IT hardware, as well as construction-in-progress assets amounting to CHF 32 million (2024: CHF 33 million).

At 31 December 2025, the Group had commitments of CHF 29 million (2024: CHF 3 million) for the acquisition of land, buildings and equipment.

In 2025, the Group completed the sale of its HQ building in Geneva for CHF 80 million. A gain on disposal of CHF 60 million was recorded in the consolidated income statement.

## 12. Right-of-use assets and lease liabilities

(CHF million)	Right-of-use assets			Total	Lease liabilities
	Land & buildings	Machinery & equipment	Other tangible assets		
<b>At 1 January 2025</b>	<b>454</b>	<b>88</b>	<b>6</b>	<b>548</b>	<b>568</b>
Additions	148	56	1	205	198
Business combinations	3	1	–	4	4
Depreciation/impairment expense	–130	–49	–2	–181	–
Interest expense	–	–	–	–	20
Payment of lease liabilities and interests	–	–	–	–	–194
Exchange differences and other	–29	–3	–1	–33	–36
<b>At 31 December 2025</b>	<b>446</b>	<b>93</b>	<b>4</b>	<b>543</b>	<b>560</b>

Analyzed as:

2025

Current liabilities	157
Non-current liabilities	403
<b>Total</b>	<b>560</b>

(CHF million)	Right-of-use assets			Total	Lease liabilities
	Land & buildings	Machinery & equipment	Other tangible assets		
<b>At 1 January 2024</b>	<b>431</b>	<b>69</b>	<b>6</b>	<b>506</b>	<b>527</b>
Additions	143	66	3	212	203
Business combinations	3	–	–	3	3
Depreciation expense	–131	–47	–3	–181	–
Interest expense	–	–	–	–	19
Payment of lease liabilities and interests	–	–	–	–	–193
Exchange differences and other	8	–	–	8	9
<b>At 31 December 2024</b>	<b>454</b>	<b>88</b>	<b>6</b>	<b>548</b>	<b>568</b>

Analyzed as:

2024

Current liabilities	159
Non-current liabilities	409
<b>Total</b>	<b>568</b>

Included in machinery and equipment are mainly vehicles for CHF 83 million (2024: CHF 83 million).

The following table summarizes the main foreign currencies of the lease liabilities:

(CHF million)	2025	2024
Euro (EUR)	215	236
Chinese Renminbi (CNY)	61	64
US Dollar (USD)	52	71
Australian Dollar (AUD)	26	24
Taiwan Dollar (TWD)	24	22
Canadian Dollar (CAD)	17	20
Hong Kong Dollar (HKD)	14	2
British Pound Sterling (GBP)	12	14
Indian Rupee (INR)	9	11
Chilean Peso (CLP)	9	7
Korean Won (KRW)	6	7
Turkish Lira (TRY)	5	5
Swedish Krona (SEK)	5	6
Vietnamese Dong (VND)	5	3
Other	100	76
<b>Total</b>	<b>560</b>	<b>568</b>

(CHF million)

2025

2024

**IFRS 16 Other quantitative information**

Expense relating to short-term leases	2	4
Expense relating to leases of low value assets	2	2
<b>Total expense recognized in income statement</b>	<b>4</b>	<b>6</b>

The Group leases mainly offices, laboratory spaces and vehicles. During the year ended 31 December 2025, an additional CHF 4 million (2024: CHF 6 million) was recognized as an expense in the income statement.

**13. Goodwill**

(CHF million)

2025

2024

**At cost**

<b>At 1 January</b>	<b>1 783</b>	<b>1 636</b>
Business combinations	204	114
Fair value adjustments on prior year's acquisitions	5	–
Divestment	–5	–
Exchange differences	–93	33
<b>At end of the period</b>	<b>1 894</b>	<b>1 783</b>

**Impairment test for goodwill**

The Group chief operating decision maker (i.e. the Executive Committee) regularly reviews operating results and assesses its performance at operating segment level (Testing & Inspection and Certification). As part of its goodwill monitoring exercise, the Group chief operating decision maker implemented a monitoring on business line level (Industries & Environment (I&E), Natural Resources (NR), Connectivity & Products (C&P), Health & Nutrition (H&N) and Business Assurance). Therefore, for the purpose of impairment testing, the five business lines reflect the level of which the goodwill is monitored.

Goodwill impairment tests have been conducted for all goodwill balances allocated to the CGUs as described above. The Group tests goodwill for impairment on an annual basis.

The recoverable amount of the cash-generating units (CGUs) was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. For the subsequent years, the Group assumes a long-term growth rate of 1%, in line with market long-term inflation rates projections (2024: 1%), and stable operating margins depending on each CGU or group of CGUs.

The outcome of the impairment tests in 2025 was no impairment (2024: no impairment).

The goodwill allocation per CGU is presented below:

**Allocation of goodwill to CGUs or group of CGUs**

Goodwill allocated to the main CGUs or groups of CGUs, as of 31 December is broken down as follows:

(CHF million)	2025	2024
Industries & Environment	962	896
Natural Resources	123	104
Connectivity & Products	191	196
Health & Nutrition	470	488
Business Assurance	148	99
<b>Total</b>	<b>1 894</b>	<b>1 783</b>

**Pre-tax discount rate for the main CGUs or group of CGUs impairment testing**

	2025	2024
Industries & Environment	6.6%	7.4%
Natural Resources	6.8%	7.6%
Connectivity & Products	6.7%	7.6%
Health & Nutrition	6.4%	7.1%
Business Assurance	6.5%	7.2%

## 14. Other intangible assets

(CHF million)	Trademarks and other	Customer relationships	Computer software and other assets		Total
			Internally generated	Purchased	
<b>2025</b>					
<b>At cost</b>					
At 1 January <sup>1</sup>	88	474	254	183	999
Additions	–	–	11	6	17
Business combinations	6	65	2	1	74
Disposals	–10	–	–7	–5	–22
Exchange differences and other	–4	–25	–	–7	–36
At 31 December	80	514	260	178	1 032
<b>Accumulated amortization and impairment</b>					
At 1 January	72	246	208	169	695
Amortization	4	31	20	3	58
Impairment	4	–	–	2	6
Disposals	–10	–	–7	–5	–22
Exchange differences and other	–4	–15	–	–5	–24
At 31 December	66	262	221	164	713
<b>Net book value at 31 December 2025</b>	<b>14</b>	<b>252</b>	<b>39</b>	<b>14</b>	<b>319</b>

(CHF million)	Trademarks and other	Customer relationships	Computer software and other assets		Total
			Internally generated	Purchased	
<b>2024<sup>1</sup></b>					
<b>At cost</b>					
At 1 January	84	406	249	177	916
Additions	–	–	14	7	21
Acquisition of subsidiaries	5	62	–	2	69
Disposals	–3	–1	–9	–5	–18
Exchange differences and other	2	7	–	2	11
At 31 December	88	474	254	183	999
<b>Accumulated amortization and impairment</b>					
At 1 January	69	217	197	158	641
Amortization	4	25	18	11	58
Impairment	–	–	2	3	5
Disposals	–3	–1	–9	–5	–18
Exchange differences and other	2	5	–	2	9
At 31 December	72	246	208	169	695
<b>Net book value at 31 December 2024</b>	<b>16</b>	<b>228</b>	<b>46</b>	<b>14</b>	<b>304</b>

1. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

## 15. Other non-current assets

(CHF million)	2025	2024
Non-current loans or amounts receivable from third parties	4	5
Pension fund assets	145	138
Other	51	56
<b>Total</b>	<b>200</b>	<b>199</b>

Assets presented in the category "Other" are measured at fair value through profit and loss. Non-current loans or amounts receivable from third parties are measured at amortized cost.

Depending on the nature of the balances, currency and date of maturity, interest rates on long-term balances or loans to third parties range mainly between 0.0% and 20.0%.

In 2025, other non-current assets included deposits for guarantees and restricted cash of CHF 34 million (2024: CHF 37 million).

Typical examples of restricted cash are cash deposits for performance bonds, rentals and other operating obligations.

At 31 December 2025 and 2024, the fair value of the Group's other non-current assets approximates their carrying value.

## 16. Trade receivables

(CHF million)	2025	2024
Trade receivables	1 099	1 123
Allowance for expected credit losses	-119	-132
<b>Total</b>	<b>980</b>	<b>991</b>

The movement of allowance for expected credit losses is analyzed as follows:

(CHF million)	2025	2024
At 1 January	-132	-138
Acquisition of subsidiaries	-	-1
(Increase) in allowance recognized in the income statement	-10	-9
Utilizations	17	14
Exchange differences	6	2
<b>Total at 31 December</b>	<b>-119</b>	<b>-132</b>

## 17. Other receivables and prepayments

(CHF million)	2025	2024
Accrued income, prepayments	90	96
Derivative assets	4	3
Other receivables	113	118
<b>Total</b>	<b>207</b>	<b>217</b>

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties. Other receivables consist mainly of sales taxes and other taxes recoverable, as well as advances to suppliers.

## 18. Cash and cash equivalents

(CHF million)	2025	2024
Bank current accounts	1 365	816
Deposits on demand	965	394
<b>Total</b>	<b>2 330</b>	<b>1 210</b>

## 19. Cash flow statement

### 19.1. Non-cash and non-operating items

(CHF million)	Notes	2025	2024
Depreciation of property, plant and equipment	11	227	232
Impairment of property, plant and equipment and other intangible assets	11 and 14	19	4
Depreciation/impairment right-of-use asset	12	181	181
Amortization of intangible assets	14	58	58
ECL <sup>1</sup> on trade receivables, unbilled sales and work in progress		10	23
Net financial expenses	6 and 7	54	60
Increase/(decrease) in provisions and employee benefits		-9	5
Share-based payment expenses		16	19
Loss on business divestments	10	22	-
Gain on HQ disposal		-60	-
Gain on disposals of property, land and equipment		-4	-2
Share of results from associates and other entities		-2	-3
Taxes	8	245	222
<b>Non-cash and non-operating items</b>		<b>757</b>	<b>799</b>

1. Expected Credit Losses.

## 19.2. (Increase)/decrease in working capital

(CHF million)	2025	2024
(Increase) in unbilled sales and inventories	-33	-36
(Increase) in trade receivables	-44	-32
Decrease/(Increase) in other receivables and prepayments	31	-14
Increase/(Decrease) in trade and other payables	4	-21
Increase in other creditors and accruals	32	75
Increase in contract liabilities	11	31
Increase in other provisions	-	25
<b>Decrease in working capital</b>	<b>1</b>	<b>28</b>

## 19.3. Changes in liabilities arising from financing and investing activities

(CHF million)	Cash impact			Non cash impact				31 December
	1 January	Financing cash flows	Investing cash flows	Equity movement	Acquisition and disposals	New leases	Other movements <sup>1</sup>	
<b>2025</b>								
Corporate bonds	3 027	1 055	-	-	-	-	-16	4 066
Bank loans	209	-138	-	-	7	-	-2	76
Put options on non-controlling interests and other acquisition-related liabilities	52	-6	-	95	28	-	-6	163
Lease liabilities	568	-175	-	-	4	198	-35	560
Other financial liabilities	11	-	-	-	-	-	11	22
<b>Total</b>	<b>3 867</b>	<b>736</b>	<b>-</b>	<b>95</b>	<b>39</b>	<b>198</b>	<b>-48</b>	<b>4 887</b>

(CHF million)	Cash impact			Non cash impact				31 December
	1 January	Financing cash flows	Investing cash flows	Equity movement	Acquisition and disposals	New leases	Other movements <sup>1</sup>	
<b>2024<sup>2</sup></b>								
Corporate bonds	3 269	-250	-	-	-	-	8	3 027
Bank loans	558	-373	-	-	9	-	15	209
Put options on non-controlling interests and other acquisition-related liabilities	31	-	-7	16	11	-	1	52
Lease liabilities	527	-176	-	-	3	203	11	568
Other financial liabilities	15	-	-	-	-	-	-4	11
<b>Total</b>	<b>4 400</b>	<b>-799</b>	<b>-7</b>	<b>16</b>	<b>23</b>	<b>203</b>	<b>31</b>	<b>3 867</b>

1. Other movements mainly include currency effects.

2. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

CHF 95 million (2024: CHF 16 million) was recognized directly in Group reserves, comprising CHF 91 million (2024: CHF 16 million) from the recognition of put option liabilities related to the current year business combinations and CHF 4 million (2024: nil) from the remeasurement of put option liabilities arising from prior-years' business combinations.

## 20. Financial risk management

### Risk management framework

The Group's activities expose it primarily to market, credit and liquidity risk. Market risk includes foreign exchange, interest rate and equity price risks.

A robust and comprehensive Enterprise Risk Management (ERM) and Internal Control process is implemented throughout the Group, supported by effective systems and monitoring.

The Audit Committee oversees how management monitors compliance with the Group's risk management framework and is assisted in its oversight role by Internal Audit.

## Risk management activities

Currently, the Group has certain exposure to interest and credit risks and no exposure to equity price risk.

The Group uses foreign exchange contracts to manage the Group's exposure to fluctuations in foreign currency exchange rates.

These activities are carried out in accordance with the Group's policies and objectives in areas such as counterparty exposure and economic hedging practices. Counterparties to these agreements are major international financial institutions with high credit ratings and positions are monitored using market value and sensitivity analyses. The associated credit risk is therefore limited. These agreements generally include the exchange of one currency for a second currency at a future date.

The following table summarizes foreign exchange contracts outstanding at year end. The notional amount of derivatives summarized below represents the gross amount of the contracts and includes transactions, which have not yet matured. Therefore, the figures do not reflect the Group's net exposure at year end. The market value approximates the costs to settle the outstanding contracts. These market values should not be viewed in isolation but in relation to the market values of the underlying hedged transactions and the overall reduction in the Group's exposure to adverse fluctuations in foreign exchange rates.

(CHF million)	Notional amount		Market value	
	2025	2024	2025	2024
<b>Foreign exchange forward contracts</b>				
Currency:				
Australian Dollar (AUD)	-16	-11	-	-
Brazilian Real (BRL)	1	-3	-	-
Canadian Dollar (CAD)	-74	-12	-	-
Chilean Peso (CLP)	-	-3	-	-
Chinese Renminbi (CNY)	-	-28	-	-
Colombian Peso (COP)	-17	-24	-	-
Euro (EUR)	80	182	-1	-
British Pound Sterling (GBP)	-84	-128	-	-
Hong Kong Dollar (HKD)	46	29	-	-
Japanese Yen (JPY)	-1	-2	-	-
Kenyan Shilling (KES)	-	-	-	-
New Zealand Dollar (NZD)	-3	-5	-	-
Peruvian Sol (PEN)	14	19	-	-
Philippines Peso (PHP)	-10	-8	-	-
Polish Zloty (PLN)	-2	-6	-	-
Taiwan Dollar (TWD)	-10	-27	-	1
Turkish Lira (TRY)	3	4	-	-
US Dollar (USD)	77	-435	-1	-11
South African Rand (ZAR)	8	6	-	-
Other	-2	-12	-	-
<b>Total</b>	<b>10</b>	<b>-464</b>	<b>-2</b>	<b>-10</b>

## Sensitivity analyses

The estimated changes in the value of net foreign currency positions are based on an instantaneous 5% weakening of the Swiss Franc against all other currencies from the level applicable at 31 December 2025 and 2024 with all other variables remaining constant.

Sensitivity analysis is based on net hedged positions at 31 December 2025 and 2024. The net impact on the income statement would have been CHF 2 million (2024: CHF 2 million), mainly due to the USD. The impact on equity would be nil (2024: nil).

## 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 receivable, 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 receivable, unbilled sales and work in progress.

As at 31 December 2025, the Group has unbilled sales and work in progress of CHF 269 million (2024: CHF 247 million) which is net of an allowance for expected credit losses of CHF 36 million (2024: CHF 36 million).

Set out below is the information about 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 2025:

(CHF million)	Expected credit loss range	Gross carrying amount	Expected credit loss
0 - 90 days	0%-5%	910	1
91 - 120 days	10%-25%	42	8
121 - 180 days	20%-50%	36	13
181 - 240 days	35%-75%	18	10
241 - 300 days	50%-75%	10	5
301 - 360 days	75%-100%	8	7
> 360 days	100%	75	75
<b>Total</b>		<b>1 099</b>	<b>119</b>

Set out below is the information about 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>

As part of financial management activities, the Group enters into various types of transactions with international banks, usually with a credit rating of at least A. Exposure to these risks is closely monitored and kept within predetermined parameters. The Group does not expect any non-performance from these counterparties. The maximum credit risk to which the Group is theoretically exposed at 31 December 2025 is the carrying amount of financial assets including derivatives.

In addition, the Group has issued CHF 169 million (2024: CHF 188 million) financial guarantees to certain financial institutions that have provided credit facilities and foreign exchange lines to its subsidiaries. Management believes the likelihood that a material payment will be required under these guarantees is remote.

### Fair value measurement

Analysis of financial assets by class and category at 31 December 2025:

(CHF million)	Amortized cost		At fair value through P&L		Total	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash-equivalents	2 330	2 330	–	–	2 330	2 330
Trade receivables	980	980	–	–	980	980
Other receivables <sup>1</sup>	114	114	–	–	114	114
Unbilled sales and work in progress	269	269	–	–	269	269
Loans to third parties – non-current	4	4	–	–	4	4
Marketable securities	–	–	1	1	1	1
Derivatives	–	–	4	4	4	4
<b>Total financial assets</b>	<b>3 697</b>	<b>3 697</b>	<b>5</b>	<b>5</b>	<b>3 702</b>	<b>3 702</b>

1. Excluding VAT and other tax related items.

## Analysis of financial assets by class and category at 31 December 2024:

(CHF million)	Amortized cost		At fair value through P&L		Total	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash-equivalents	1 210	1 210	–	–	1 210	1 210
Trade receivables	991	991	–	–	991	991
Other receivables <sup>1</sup>	123	123	–	–	123	123
Unbilled sales and work in progress	247	247	–	–	247	247
Loans to third parties – non-current	5	5	–	–	5	5
Derivatives	–	–	3	3	3	3
<b>Total financial assets</b>	<b>2 576</b>	<b>2 576</b>	<b>3</b>	<b>3</b>	<b>2 579</b>	<b>2 579</b>

1. Excluding VAT and other tax related items.

Derivative assets (2025: CHF 4 million; 2024: CHF 3 million) 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. All outstanding derivative instruments qualify as Level 2 fair value measurement category, in accordance with the fair value hierarchy.

For all other items, their carrying amount is a reasonable approximation of the fair value.

## Analysis of financial liabilities by class and category at 31 December 2025:

(CHF million)	Amortized cost		Fair value				Total	
	Carrying amount	Fair value	At fair value through equity		At fair value through P&L		Carrying amount	Fair value
			Carrying amount	Fair value	Carrying amount	Fair value		
Trade payables	303	303	–	–	–	–	303	303
Other payables <sup>1</sup>	106	106	–	–	–	–	106	106
Bonds, bank loans and other financial liabilities	4 164	4 174	–	–	–	–	4 164	4 174
Put options on non-controlling interests and other acquisition-related liabilities	–	–	124	124	39	39	163	163
Lease liabilities	560	560	–	–	–	–	560	560
Derivatives	–	–	3	3	7	7	10	10
<b>Total financial liabilities</b>	<b>5 133</b>	<b>5 143</b>	<b>127</b>	<b>127</b>	<b>46</b>	<b>46</b>	<b>5 306</b>	<b>5 316</b>

Analysis of financial liabilities by class and category at 31 December 2024<sup>2</sup>:

(CHF million)	Amortized cost		Fair value				Total	
	Carrying amount	Fair value	At fair value through equity		At fair value through P&L		Carrying amount	Fair value
			Carrying amount	Fair value	Carrying amount	Fair value		
Trade payables	310	310	–	–	–	–	310	310
Other payables <sup>1</sup>	120	120	–	–	–	–	120	120
Bonds, bank loans and other financial liabilities	3 247	3 264	–	–	–	–	3 247	3 264
Put options on non-controlling interests and other acquisition-related liabilities	–	–	40	40	12	12	52	52
Lease liabilities	568	568	–	–	–	–	568	568
Derivatives	–	–	–	–	13	13	13	13
<b>Total financial liabilities</b>	<b>4 245</b>	<b>4 262</b>	<b>40</b>	<b>40</b>	<b>25</b>	<b>25</b>	<b>4 310</b>	<b>4 327</b>

1. Excluding VAT and other tax related items.

2. Certain comparative figures for 2024 have been reclassified to ensure consistency with the current-year presentation; these reclassifications had no impact on total amounts.

The corporate bonds qualify as fair value Level 1, which amounts to CHF 4 096 million (2024: CHF 3 044 million).

Put options on non-controlling interests and other acquisition-related liabilities qualify as level 3. The put options represents the estimated present value of the redemption amount to acquire the remaining non-controlling interests of acquisitions if the put/call option is exercised. Other acquisition-related liabilities represent deferred and contingent considerations. The fair value of put options and other acquisition-related liabilities is measured using contractually agreed calculation formulas (most frequently based on EBITDA and/or sales multiples) and management's estimate of the acquired entities meeting the agreed financial performance targets. The redemption amounts are discounted using the Group's cost of debt, when material. There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the fair value for these financial liabilities.

Derivative liabilities consist of foreign currency forward contracts and cross currency swaps that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contract. All outstanding derivative instruments qualify as Level 2 fair value measurement category, in accordance with the fair value hierarchy.

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

For all other items, their carrying amount is a reasonable approximation of the fair value.

### Liquidity risk management

The objective of the Group's liquidity and funding management is to ensure that all its foreseeable financial commitments can be met when due. Liquidity and funding are primarily managed by Group Treasury in accordance with practices and limits set in the risk management policies and objectives approved by the Board of Directors.

The nature of the Group's business requires keeping a significant part of the cash reserves in the operating units.

Due to the significant cash position, liquidity risk is limited. The Group has various committed and uncommitted bilateral credit facilities with its banks.

Undiscounted contractual maturities of financial liabilities including interest payments at 31 December 2025:

(CHF million)	Trade payables	Other payables <sup>1</sup>	Gross settled derivative financial instruments outflows	Gross settled derivative financial instruments inflows	Bonds, bank loans and other financial liabilities	Put options on non-controlling interests and other acquisition-related liabilities	Lease liabilities	Total
On demand or within one year	303	106	863	-868	866	25	173	1 468
Within the second year	-	-	-	-	1 030	35	125	1 190
Within the third year	-	-	-	-	302	72	86	460
Within the fourth year	-	-	-	-	402	-	60	462
Within the fifth year	-	-	-	-	765	31	41	837
After five years	-	-	-	-	1 341	-	121	1 462

1. Excluding VAT and other tax related items.

Undiscounted contractual maturities of financial liabilities including interest payments at 31 December 2024:

(CHF million)	Trade payables	Other payables <sup>1</sup>	Gross settled derivative financial instruments outflows	Gross settled derivative financial instruments inflows	Bonds, bank loans and other financial liabilities	Put options on non-controlling interests and other acquisition-related liabilities	Lease liabilities	Total
On demand or within one year	310	120	1 130	-1 142	622	4	173	1 217
Within the second year	-	-	-	-	741	19	133	893
Within the third year	-	-	-	-	950	25	91	1 066
Within the fourth year	-	-	-	-	190	4	60	254
Within the fifth year	-	-	-	-	364	-	42	406
After five years	-	-	-	-	499	-	113	612

1. Excluding VAT and other tax related items.

The Group economically hedges its foreign exchange exposure on a net basis. The net position of the gross settled derivative financial instruments of CHF -5 million (2024: CHF -12 million) represents the net nominal value expressed in CHF of the Group's foreign currency contracts outstanding at 31 December 2025.

### Interest rate risk management

The Group is exposed to fair value interest rate risk because the Group borrows funds at fixed interest rates. Where appropriate, the risk is managed by the Group using Interest Rate Swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

As at 31 December 2025, if interest rates were 100 basis points higher/lower, annual interest expense would increase/decrease by CHF 4 million (2024: CHF 2 million).

## 21. Share capital and treasury shares

	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 2024</b>	<b>188 893 389</b>	<b>609 870</b>	<b>189 503 259</b>	<b>8</b>
Treasury shares released into circulation	156 503	-156 503	-	-
Treasury shares purchased	-1 200 638	1 200 638	-	-
New shares issued from scrip dividend	5 274 023	-	5 274 023	-
<b>Balance at 31 December 2025</b>	<b>193 123 277</b>	<b>1 654 005</b>	<b>194 777 282</b>	<b>8</b>

### Scrip dividend 2024

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 were announced on 17 April 2025:

- The scrip dividend take-up rate was 63.30% with the remaining 36.70% 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

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

### Scrip dividend 2023

The Company's Annual General Meeting held on 26 March 2024 offered its shareholders the possibility to receive the 2023 dividend in cash or in new SGS shares. Final terms were announced on 22 April 2024:

- The scrip dividend take-up rate was 64.87% with the remaining 35.13% paid out in cash
- The reference share price was of CHF 82.00 and discount rate was 6% leading to a distribution value of CHF 77.08
- 4 964 934 new shares were created

Delivery of the new shares and payment of the total CHF 207 million cash dividend took place on 25 April 2024.

### Issued share capital

As at 31 December 2025, SGS SA has a share capital of CHF 7 791 091 (2024: CHF 7 580 130) fully paid. All shares, other than treasury shares, participate equally in the dividends declared by the Company and have equal voting rights.

### Treasury shares

On 31 December 2025, SGS SA held 1 654 005 treasury shares (2024: 609 870 shares). In 2025, SGS purchased 1 200 638 shares for CHF 100 million (2024: 561 008 shares for CHF 50 million).

The effect of treasury shares released into circulation upon vesting of equity-settled remuneration plans is recorded in the Treasury Share reserve at average cost with an impact of CHF 14 million (2024 : CHF 16 million).

On 30 August 2024, 2 837 475 shares were cancelled (CHF 250 million).

### Authorized and Conditional issue of share capital

SGS SA has conditionally increased its share capital by a nominal amount of CHF 1 100 000, divided into 27 500 000 registered shares with a par value of CHF 0.04 each. This conditional share capital increase is intended to procure the necessary shares to satisfy employee equity participation plans and option or conversion rights to be incorporated in convertible bonds or similar equity-linked instruments that the Board is authorized to issue. The right to subscribe to such conditional capital is reserved for beneficiaries of employee equity participation plans and holders of convertible bonds or similar debt instruments and therefore excludes shareholders' preferential rights of subscription. The Board is authorized to determine the timing and conditions of such issues, provided that they reflect prevailing market conditions. The term of exercise of the options or conversion rights may not exceed ten years from the date of issuance of the equity-linked instruments.

## 22. Loans and other financial liabilities

(CHF million)	2025	2024
Bank loans and commercial paper	76	209
Corporate bonds	4 066	3 027
Put options on non-controlling interests and other acquisition-related liabilities	163	52
Other financial liabilities	22	11
Derivatives	10	13
<b>Total</b>	<b>4 337</b>	<b>3 312</b>
Current	832	612
Non-current	3 505	2 700

In 2025, the Group continued to use its EUR 1 billion Euro Commercial Paper (ECP) program. As at 31 December 2025, the amount of commercial paper outstanding was for EUR 75 million or CHF 70 million (2024: EUR 215 million or CHF 202 million). Depending on the nature of the loan, currency and date of maturity, interest rates on long-term loans from third parties range between 0.00% and 21.3% and on short-term loans from third parties, between 0.00% and 42.50%.

Loans from third parties exposed to fair value interest rate risk amounted to CHF 4 142 million (2024: CHF 3 235 million) and loans from third parties exposed to cash flow interest rate risk amounted to less than CHF 0.1 million (2024: less than CHF 2 million).

SA issued the following corporate bonds listed on the SIX Swiss Exchange:

Date of issue	Face value in CHF million	Coupon in %	Year of maturity	Issue price in %	Redemption price in %
08.05.2015	225	0.875	2030	100.245	100.000
03.03.2017	375	0.550	2026	100.153	100.000
29.10.2018	175	1.250	2028	101.157	100.000
06.05.2020	325	0.950	2026	100.182	100.000
05.09.2022	350	1.700	2029	100.197	100.000
17.11.2023	240	2.000	2027	100.038	100.000
17.11.2023	260	2.300	2031	100.127	100.000
24.06.2025	245	1.450	2037	100.164	100.000
24.06.2025	255	1.000	2032	100.135	100.000

In order to finance the anticipated Applied Technical Services ('ATS') business combination, the Group issued a EUR 1 billion euro-bond in September 2025. SGS Finance BV (2024: SGS Nederland Holding BV) has issued the following corporate bonds, which are guaranteed by SGS SA and are listed on the Luxembourg Stock Exchange (bond issued in 2021) and on the SIX Swiss Exchange (bonds issued in 2025):

Date of issue	Face value in EUR million	Coupon in %	Year of maturity	Issue price in %	Redemption price in %
21.04.2021	750	0.125	2027	99.761	100.000
10.09.2025	500	3.125	2030	99.973	100.000
10.09.2025	500	3.750	2035	99.305	100.000

The currency composition of bank loans, corporate bonds and other financial liabilities is as follows:

(CHF million)	Bank loans and corporate bonds		Put options and other financial liabilities	
	2025	2024	2025	2024
Swiss Franc (CHF)	2 448	2 324	18	14
Euro (EUR)	1 689	906	27	4
Brazilian Real (BRL)	–	–	36	–
Singapore Dollar (SGD)	–	1	11	11
Argentinian Peso (ARS)	–	1	–	–
US Dollar (USD)	–	–	12	11
Turkish Lira (TRY)	3	4	–	–
Canadian Dollar (CAD)	–	–	65	23
Chilean Peso (CLP)	1	–	11	–
Other	1	–	6	–
<b>Total</b>	<b>4 142</b>	<b>3 236</b>	<b>185</b>	<b>63</b>

## 23. Defined benefit obligations

The Group mainly operates defined benefit pension plans in Switzerland, the USA, the UK, the Netherlands, Germany, Italy, France, Belgium, South Korea and Taiwan. Contributions to most plans are paid to pension funds that are legally separate entities.

The Group also operates post-employment benefit plans, principally healthcare plans, in the USA and Switzerland. They represent a defined benefit obligation at 31 December 2025 of CHF 6 million (2024: CHF 6 million). The method of accounting and frequency of valuation are similar to those used for defined benefit pension plans. Healthcare cost trend assumptions do not have a significant effect on the amounts recognized in the income statement.

There is a risk to the Group that adverse experience could lead to a requirement for the Group to make additional contributions to recover any deficit that arises.

The Group's material defined benefit plans are in Switzerland, the USA and the UK.

### Switzerland

The Group operates a retirement foundation in Switzerland jointly with employees. The assets and liabilities of the retirement foundation are held separately from the Group. The foundation board is equally composed of representatives of the employees and representatives of the employer. It covers all employees in Switzerland and provides benefits on a defined contribution basis.

Each employee has a retirement account to which they and the Group contribute at a rate set out in the foundation rules, based on a percentage of salary. Every year, the foundation decides the level of interest, if any, to apply to retirement accounts based on the agreed policy. At retirement, employees can elect either to withdraw all or part of the balance of their retirement account, or to convert it into annuities at pre-defined conversion rates.

As the foundation board is expected to eventually pay out all of the foundation's assets as benefits to employees and former employees, no surplus is deemed to be recoverable by the Group. Similarly, unless the assets are insufficient to cover minimum benefits, the Group does not expect to make any deficit contribution.

According to IFRS, the foundation has to be classified as a defined benefit plan due to underlying benefit guarantees and has to be accounted for on this basis.

The weighted average duration of the expected benefit payment is approximately 13 years (2024: 13 years).

The Group expects to contribute CHF 5 million to this plan in 2026.

The Group also operates an employer fund. The assets are held separately from the Group. This foundation has unilateral power to provide benefits and consequently has no obligations. Therefore, this foundation has no pension liabilities.

### United States of America

The Group operates a non-contributory defined benefit plan, which is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

The assets of the plan are held separately from the Group by the trustee-custodian and the plan's third-party pension administrator, who currently disburses payments directly to retirees or beneficiaries under the plan. Both the trustee-custodian and the administrator ensure adherence to ERISA rules.

Funding valuations are calculated on an actuarial basis and contributions are made as necessary. The funding target is to provide the plan with sufficient assets to meet future plan obligations.

The plan had, in past years, been frozen, ceasing the recognition of new benefit accruals. The Group reserves the right to make future changes to the benefit accrual structure of the plan.

Most recently, in March 2025, the plan entered into a pension buy-in transaction with an insurance company covering most of the benefits promised under the plan. Under this arrangement, plan assets were exchanged for an insurance policy that substantially matches the covered pension obligations, thereby reducing the plan's exposure to longevity and investment risks, while the plan remains responsible for benefit payments.

The weighted average duration of the expected benefit payment is approximately 9 years (2024: 9 years).

The Group does not expect to contribute anything to the plan in 2026.

### United Kingdom

The Group operates a defined benefit plan through a trust, with the assets of the plans held separately from the Group, and trustees who ensure the plan's rules are strictly adhered to. This plan has been closed to new entrants since 2002 and, effective 31 October 2020, all remaining participants ceased accruing any additional benefits in the defined benefit plan. Employees are now offered membership in defined contribution plans operated by the Group.

Funding valuations of the defined benefit plans are carried out and agreed between the Group and the plan trustees at least once every three years. The funding target is for the plans to hold assets equal in value to the accrued benefits based on projected salaries. As part of the valuation process, if there is a shortfall against this target, then the Group and trustees will agree on deficit contributions to meet this deficit over a specified period.

The weighted average duration of the expected benefit payments from the combined plans is approximately 13 years (2024: 13 years).

The Group does not expect to contribute anything to the plan in 2026.

### Other countries

The Group sponsors defined retirement benefits plans in other countries where the Group operates. No individual countries, other than those described above, are considered material and need to be separately disclosed. The Group expects to contribute CHF 7 million to those plans in 2026.

The assets and liabilities recognized in the statement of financial position at 31 December for defined benefit obligations and for post-employment benefit plans are as follows:

(CHF million)	CH	UK	USA	Other	Total
<b>2025</b>					
Fair value of plan assets	511	112	111	75	809
Present value of funded defined benefit obligation	-389	-93	-104	-82	-668
<b>Funded/(unfunded) status</b>	<b>122</b>	<b>19</b>	<b>7</b>	<b>-7</b>	<b>141</b>
Present value of unfunded defined benefit obligation	-5	-	-1	-48	-54
Unrecognized asset due to asset ceiling	-7	-	-	-	-7
<b>Net asset/(liability) at 31 December</b>	<b>110</b>	<b>19</b>	<b>6</b>	<b>-55</b>	<b>80</b>

(CHF million)	CH	UK	USA	Other	Total
<b>2024</b>					
Fair value of plan assets	506	120	129	77	832
Present value of funded defined benefit obligation	-401	-101	-119	-84	-705
<b>Funded/(unfunded) status</b>	<b>105</b>	<b>19</b>	<b>10</b>	<b>-7</b>	<b>127</b>
Present value of unfunded defined benefit obligation	-6	-	-2	-45	-53
<b>Net asset/(liability) at 31 December</b>	<b>99</b>	<b>19</b>	<b>8</b>	<b>-52</b>	<b>74</b>

The net asset of CHF 80 million (2024: net asset of CHF 74 million) includes CHF 145 million (2024: CHF 138 million) of pension fund assets recognized in the item other non-current assets (see note 15) and CHF 65 million (2024: CHF 64 million) of pension fund liability recognized in the item defined benefit obligation in the statement of financial position.

Amounts recognized in the income statement:

(CHF million)	CH	UK	USA	Other	Total
<b>2025</b>					
Service cost expense	3	-	-	5	8
Net interest (income)/expense on defined benefit plan	-1	-	-	1	-
Immediate recognition of experience losses arising over the year	-	-	-	3	3
<b>Total expense due to defined benefit obligation at 31 December</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>11</b>
<i>Expense charged in:</i>					
Salaries and wages	3	-	-	8	11
Financial expenses	-1	-	-	1	-
<b>Total expense due to defined benefit obligation at 31 December</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>11</b>

(CHF million)	CH	UK	USA	Other	Total
<b>2024</b>					
Service cost expense	4	-	-4	5	5
Net interest (income)/expense on defined benefit plan	-2	-	1	1	-
<b>Total expense due to defined benefit obligation at 31 December</b>	<b>2</b>	<b>-</b>	<b>-3</b>	<b>6</b>	<b>5</b>
<i>Expense charged in:</i>					
Salaries and wages	4	-	-4	5	5
Financial expenses	-2	-	1	1	-
<b>Total expense due to defined benefit obligation at 31 December</b>	<b>2</b>	<b>-</b>	<b>-3</b>	<b>6</b>	<b>5</b>

Amounts recognized in the statement of other comprehensive income:

(CHF million)	CH	UK	USA	Other	Total
<b>2025</b>					
Change in demographic assumptions	–	1	–	1	2
Change in financial assumptions	–15	–2	3	–1	–15
Experience adjustments on benefit obligations	28	–	2	1	31
Actual return on plan assets excluding net interest expense	–27	1	–3	1	–28
Change in unrecognized asset due to asset ceiling	7	–	–	–	7
<b>Total recognized in the statement of other comprehensive income at 31 December</b>	<b>–7</b>	<b>–</b>	<b>2</b>	<b>2</b>	<b>–3</b>

(CHF million)	CH	UK	USA	Other	Total
<b>2024</b>					
Change in financial assumptions	19	–13	–5	2	3
Experience adjustments on benefit obligations	11	–2	–1	2	10
Actual return on plan assets excluding net interest expense	–30	14	8	–	–8
Change in unrecognized asset due to asset ceiling	–	–	–	–2	–2
<b>Total recognized in the statement of other comprehensive income at 31 December</b>	<b>–</b>	<b>–1</b>	<b>2</b>	<b>2</b>	<b>3</b>

Change in unrecognized asset due to the asset ceiling:

In 2025, the Group recognized a CHF 7 million asset ceiling (2024: CHF nil million). The Group determines the maximum economic benefit by applying the common approach prescribed by IFRIC 14, and reflects the present value of reductions in future contributions to the plan. In making this estimate, assumptions used for future service costs are consistent with those used to determine the defined benefit obligation as at 31 December 2025.

Movements in the net asset/(liability) during the period:

(CHF million)	CH	UK	USA	Other	Total
<b>2025</b>					
<b>Net asset/(liability) at 1 January</b>	<b>99</b>	<b>19</b>	<b>8</b>	<b>–52</b>	<b>74</b>
Expense recognized in the income statement	–2	–	–	–9	–11
Remeasurements recognized in other comprehensive income	7	–	–2	–2	3
Contributions paid by the Group	6	–	–	8	14
<b>Net asset/(liability) at 31 December</b>	<b>110</b>	<b>19</b>	<b>6</b>	<b>–55</b>	<b>80</b>

(CHF million)	CH	UK	USA	Other	Total
<b>2024</b>					
<b>Net asset/(liability) at 1 January</b>	<b>96</b>	<b>17</b>	<b>6</b>	<b>–52</b>	<b>67</b>
Expense recognized in the income statement	–2	–	3	–6	–5
Remeasurements recognized in other comprehensive income	–	1	–2	–2	–3
Contributions paid by the Group	6	–	–	9	15
Exchange differences	–1	1	1	–1	–
<b>Net asset/(liability) at 31 December</b>	<b>99</b>	<b>19</b>	<b>8</b>	<b>–52</b>	<b>74</b>

Change in the defined benefit obligation is as follows:

(CHF million)	CH	UK	USA	Other	Total
<b>2025</b>					
Opening present value of the defined benefit obligation	407	101	121	129	758
Current service cost	6	–	–	6	12
Interest cost	4	5	5	4	18
Plan participants' contributions	4	–	–	1	5
Past service cost	–3	–	–	–1	–4
Actual net benefit payments	–37	–6	–10	–7	–60
(Gains)/losses due to changes in demographic assumptions	–	1	–	1	2
(Gains)/losses due to changes in financial assumptions	–15	–2	3	–1	–15
Experience differences	28	–	2	4	34
Exchange rate (gains)/losses	–	–6	–16	–6	–28
<b>Defined benefit obligation at 31 December</b>	<b>394</b>	<b>93</b>	<b>105</b>	<b>130</b>	<b>722</b>

(CHF million)	CH	UK	USA	Other	Total
<b>2024</b>					
Opening present value of the defined benefit obligation	400	111	139	125	775
Current service cost	6	–	–	5	11
Interest cost	5	6	8	4	23
Plan participants' contributions	4	–	–	1	5
Past service cost	–2	–	–	–	–2
Settlements	–	–	–20	–	–20
Actual net benefit payments	–37	–6	–9	–8	–60
Actual taxes paid	–	–	–	–1	–1
(Gains)/losses due to changes in financial assumptions	19	–13	–5	2	3
Experience differences	11	–2	–1	2	10
Exchange rate (gains)/losses	1	5	9	–1	14
<b>Defined benefit obligation at 31 December</b>	<b>407</b>	<b>101</b>	<b>121</b>	<b>129</b>	<b>758</b>

Change in fair value of plan assets is as follows:

(CHF million)	CH	UK	USA	Other	Total
<b>2025</b>					
Opening fair value of plan assets	506	120	129	77	832
Interest income on plan assets	5	5	5	3	18
Return on plan assets excluding amounts included in net interest income	27	–1	3	–1	28
Actual employer contributions	6	–	–	8	14
Actual plan participants' contributions	4	–	–	1	5
Actual net benefit payments	–37	–6	–10	–7	–60
Exchange differences	–	–6	–16	–6	–28
<b>Fair value of plan assets at 31 December</b>	<b>511</b>	<b>112</b>	<b>111</b>	<b>75</b>	<b>809</b>

(CHF million)	CH	UK	USA	Other	Total
<b>2024</b>					
Opening fair value of plan assets	496	128	145	75	844
Interest income on plan assets	7	6	7	3	23
Return on plan assets excluding amounts included in net interest income	30	-14	-8	-	8
Actual employer contributions	6	-	-	9	15
Actual plan participants' contributions	4	-	-	1	5
Actual net benefit payments	-37	-6	-9	-8	-60
Actual taxes paid	-	-	-	-1	-1
Settlements	-	-	-16	-	-16
Exchange differences	-	6	10	-2	14
<b>Fair value of plan assets at 31 December</b>	<b>506</b>	<b>120</b>	<b>129</b>	<b>77</b>	<b>832</b>

There are no reimbursement rights included in plan assets. The actual return on plan assets was a gain of CHF 46 million (2024: gain of CHF 31 million).

The major categories of plan assets at the balance sheet date are as follows:

(CHF million)	CH	UK	USA	Other	Total
<b>2025</b>					
Cash and cash equivalents	63	4	12	12	91
Equity securities	126	12	-	-	138
Debt securities	65	95	-	-	160
Assets held by insurance company	-	-	99	26	125
Properties	213	-	-	-	213
Investment funds	34	-	-	-	34
Other	10	1	-	37	48
<b>Total plan assets at 31 December</b>	<b>511</b>	<b>112</b>	<b>111</b>	<b>75</b>	<b>809</b>

(CHF million)	CH	UK	USA	Other	Total
<b>2024</b>					
Cash and cash equivalents	17	3	-	13	33
Equity securities	150	12	-	-	162
Debt securities	69	129	129	-	327
Assets held by insurance company	-	-	-	25	25
Properties	227	-	-	-	227
Investment funds	33	-	-	-	33
Other	10	-24	-	39	25
<b>Total plan assets at 31 December</b>	<b>506</b>	<b>120</b>	<b>129</b>	<b>77</b>	<b>832</b>

In 2025 and 2024, the Group did not occupy any property that was included in the plan assets.

Properties are rented at fair market rental rates. There are no SGS SA shares or any other financial securities used by the Group included in the plan assets.

The plan assets are primarily held within instruments with quoted market prices in an active market, with the exception of the property and insurance policy holdings.

The investment strategy in Switzerland is to invest, within the statutory and legal requirements, in a diversified portfolio with the aim of generating long-term returns, which will enable the board of the foundation to grow the accounts of the members of the pension fund, whilst taking on the lowest possible risk in order to do so.

In the USA, the result of the pension buy-in transaction, substantially all plan assets are held in an insurance policy. The residual amount is currently held in cash or cash equivalent instruments.

In the UK, the trustees review the investment strategy of the scheme and the plan on a regular basis to ensure that they remain appropriate. The last review for both the scheme and plan was recently undertaken and is in the process of being implemented.

Actuarial assumptions vary according to local prevailing economic and social conditions. The principal weighted average actuarial assumptions used in determining the cost of benefits for both 2025 and 2024 are as follows:

(Weighted average %)	CH	UK	USA	Other
<b>2025</b>				
Discount rate	1.3	5.6	5.2	3.7
Mortality assumption	LPP 2020, CMI 2019 1.25%	SPA03M103%/F99% CMI 2024 1.25%	PRI 2012 MP 2021	
Salary progression rate	1.5	–	–	3.1
Future increase for pension in payments	–	3.0	–	0.3
Healthcare cost trend assumed for the next year	–	–	6.4	–
Ultimate trend rate	–	–	4.5	–
Year that the rate reaches the ultimate trend rate			2030	

(Weighted average %)	CH	UK	USA	Other
<b>2024</b>				
Discount rate	1.0	5.5	5.5	3.5
Mortality assumption	LPP 2020, CMI 2019 1.25%	SPA03M103%/F99% CMI 2023 1.25%	PRI 2012 MP 2021	
Salary progression rate	1.5	2.6	–	3.1
Future increase for pension in payments	–	3.1	–	0.3
Healthcare cost trend assumed for the next year	–	–	6.4	–
Ultimate trend rate	–	–	4.5	–
Year that the rate reaches the ultimate trend rate			2030	

The weighted average rate for each assumption used to measure the benefits obligation is also shown above. The assumptions used to determine the end-of-year benefits obligation are also used to calculate the following year's cost.

In Switzerland, a decrease in the discount rate of 0.5% per annum would, all other things being equal, increase the obligation by CHF 25 million; a 0.5% increase in assumed salary would increase the obligation by CHF 1 million; and a one-year increase in members' life expectancy would increase the obligation by approximately CHF 10 million.

In the USA, a decrease in the discount rate of 0.5% per annum would, all other things being equal, increase the obligation by CHF 5 million; a 0.5% increase in assumed salary would not impact the obligation; and a one-year increase in members' life expectancy would increase the obligation by approximately CHF 2 million.

In the UK, a decrease in the discount rate of 0.5% per annum would, all other things being equal, increase the obligation by CHF 6 million; a 0.5% increase in assumed salary would not impact the obligation; and a one-year increase in members' life expectancy would increase the obligation by approximately CHF 4 million.

These sensitivities have been calculated to show the movement in the defined benefit obligation in isolation and assume no other changes in market conditions at the accounting date. This is unlikely in practice; for example, a change in discount rate is unlikely to occur without any movement in the value of the assets held by the plans.

The amount recognized as an expense in respect of defined contribution plans during 2025 was CHF 84 million (2024: CHF 87 million).

## 24. Provisions

(CHF million)	Legal and warranty claims on services rendered	Demobilization and reorganization	Other provisions	Total
<b>At 1 January 2025</b>	<b>40</b>	<b>74</b>	<b>59</b>	<b>173</b>
Charge to income statement	44	38	10	92
Acquisition of subsidiaries	–	–	4	4
Release to income statement	–8	–4	–8	–20
Payments	–11	–31	–2	–44
Exchange differences	–3	–7	–3	–13
<b>At 31 December 2025</b>	<b>62</b>	<b>70</b>	<b>60</b>	<b>192</b>

Analyzed as:	2025	2024
Current liabilities	77	72
Non-current liabilities	115	101
<b>Total</b>	<b>192</b>	<b>173</b>

A number of Group companies are subject to litigation and other claims arising out of the normal conduct of their business that can be best viewed as claims on services rendered. The claim provision represents the sum of estimates of amounts payable on identified claims and of losses incurred but not yet reported. They therefore reflect estimates of the future payments required to settle both reported and unreported claims. In the opinion of management, based on all currently available information, the provisions adequately reflect the Group's exposure to legal and warranty claims on services rendered. The ultimate outcome of these matters is not expected to materially affect the Group's financial position, operational results or cash flows.

Demobilization and reorganization provisions relate to present legal or constructive obligations of the Group towards third parties, such as termination payments to employees upon leaving the Group, which in some jurisdictions are a legal obligation. For specific long-term contracts, typically with two to five years' duration, the Group is required to dismantle infrastructure and terminate the services of personnel upon completion of the contract. These demobilization costs are provided for during the life of the contract. Experience has shown that these contracts may be either extended or terminated earlier than expected.

Other provisions include present legal or constructive obligations towards tax authorities for indirect tax exposure as well as other provisions towards third parties.

## 25. Trade and other payables

(CHF million)	2025	2024
Trade payables	303	310
Other payables	297	314
<b>Total</b>	<b>600</b>	<b>624</b>

Trade accounts and other payables principally comprise amounts outstanding for trade purchases and ongoing operating costs. At 31 December 2025 and 2024, the fair value of the Group's trade accounts and other payables approximates their carrying value.

## 26. Other creditors and accruals

(CHF million)	2025	2024
Employee-related accruals	329	329
Operating procurement and other accruals	305	282
<b>Total</b>	<b>634</b>	<b>611</b>

## 27. Contingent liabilities

In the normal course of business, the Group and its subsidiaries are parties to various lawsuits and claims. Management does not expect that the outcome of any of these legal proceedings will have a material adverse effect on the Group's financial position, operational results or cash flows.

## Guarantees and performance bonds

(CHF million)	2025	2024
Guarantees	170	199
Performance bonds	271	188
<b>Total</b>	<b>441</b>	<b>387</b>

The Group has issued unconditional guarantees of CHF 170 million (2024: CHF 199 million), as well as performance bonds and bid bonds of CHF 271 million (2024: CHF 188 million) to commercial customers on behalf of its subsidiaries. Management believes the likelihood that a material payment will be required under these guarantees is remote.

## 28. Equity compensation plans

Selected employees of the SGS Group are eligible to participate in equity compensation plans. The Group operates four types of schemes: Performance Stock Options (PSOs), Performance Share Units (PSUs) Restricted Share Units (RSUs) and Restricted Shares (RS).

The PSUs and RSUs vest after a three-year service period whereas PSOs vest after a four-year service period. The PSOs include non-market performance conditions and service conditions. The PSUs include market and non-market performance conditions as well as service conditions. The vesting of RSUs do not include any performance conditions. PSOs are exercisable at a price equal to the closing share price on the day before the date of grant during a period of four years from the date of the vesting. Only members of the Executive Committee are eligible for PSOs. For these three plans types, options and units are forfeited if the employee leaves the Group before vesting of the plan.

The RS vest immediately upon grant and are blocked for a period of three years. Only members of the Board of Directors and of the Executive Committee are eligible for this scheme.

### Grants 2025

A total of 271 534 PSUs under the long-term incentive plan 2025-2027 was granted to selected participants. The PSUs vest after a three-year performance period, 2025-2027, in March 2028, subject to performance conditions and to continuity of employment of the participants during the vesting period. The fair value of a PSU at grant date was CHF 58.43.

A total of 85 552 RSUs was granted to selected key employees under the RSUs plan 2025. The RSUs vest three years after the grant date. The fair value of a RSU at grant date, was CHF 72.15.

A total of 477 782 PSOs was granted to the Executive Committee members. The PSOs vest after a four-year period in March and September 2029, subject to non-market performance conditions and to continuity of employment of the participants during the vesting period. The fair value of a PSO at grant date was between CHF 9.02 and CHF 9.10 depending on the grant date.

A total of 48 670 RS was granted to members of the Board of Directors and to members of the Executive Committee. The Restricted Shares are blocked for a period of three years from the grant date, until May 2028. The fair value of a RS at grant date was CHF 86.72.

### Grants 2024

A total of 259 571 Performance Share Units (PSUs) under the long-term incentive plan 2024-2026 was granted to selected participants. The PSUs vest after a three-year performance period, 2024-2026, in March 2027, subject to performance conditions and to continuity of employment of the participants during the vesting period. The fair value of a PSU at grant date was CHF 66.13.

A total of 83 288 RSUs was granted to selected key employees under the RSUs plan 2024. The RSUs vest three years after the grant date. The fair value of a RSU at grant date, was CHF 75.66.

A total of 33 156 RS was granted to members of the Board of Directors and to members of the Executive Committee. The Restricted Shares are blocked for a period of three years from the grant date, until May 2027. The fair value of a RS at grant date was CHF 80.00.

### Performance share unit (PSU), restricted share unit (RSU) and performance stock options plans

Description	Vesting period from	Units outstanding at 31 December 2024	Granted	Forfeited	Vested	Units outstanding at 31 December 2025
SGS-PSU-22	February 25	163 900	–	–114 794	–49 106	–
SGS-PSU-23	March 26	207 010	–	–19 081	–	187 929
SGS-PSU-24	March 27	253 582	–	–21 209	–	232 373
SGS-PSU-25	March 28	–	271 534	–6 099	–	265 435
PSO-25	March 29 and September 29	–	477 782	–	–	477 782
SGS-RSU-22	April 25	59 750	–	–1 300	–58 450	–
SGS-RSU-23	April 26	78 614	–	–7 973	–197	70 444
SGS-RSU-24	March 27	81 702	–	–6 443	–80	75 179
SGS-RSU-25	March 28	–	85 552	–4 392	–	81 160
<b>Total</b>		<b>844 558</b>	<b>834 868</b>	<b>–181 291</b>	<b>–107 833</b>	<b>1 390 302</b>

The Group does not issue new shares to grant employees in relation to the equity-based compensation plans but uses treasury shares, acquired through share buyback programs.

In total, as of 31 December 2025, the equity overhang, defined as the total number of unvested share units (1 390 302 units) divided by the total number of outstanding shares (194 777 282 shares) amounted to 0.71%.

The Company's burn rate, defined as the number of equities granted (restricted shares and share units) granted in 2025 (834 868 units) divided by the total number of outstanding shares, was 0.43%.

The Group recognized during the year a total expense of CHF 15 million (2024: CHF 21 million) in relation to equity compensation plans.

Shares available (required) for future plans:

	Total
<b>At 1 January 2024</b>	<b>–813 851</b>
Repurchased shares	561 008
Granted SGS-RSU-24 plan	–83 288
Granted SGS-PSU-24 plan	–259 571
Shares for PSU forfeited	377 187
Shares for RSU forfeited	16 983
Shares used for Restricted Shares plan as settlement of Short-Term Incentive	–33 156
<b>At 31 December 2024</b>	<b>–234 688</b>
Repurchased shares	1 200 638
Granted SGS-RSU-25 plan	–85 552
Granted SGS-PSU-25 plan	–271 534
Granted PSO-25 plan	–477 782
Shares for PSU forfeited	161 183
Shares for RSU forfeited	20 108
Shares used for Restricted Shares plan as settlement of Short-Term Incentive	–48 670
<b>At 31 December 2025</b>	<b>263 703</b>

At 31 December the Group had the following shares available to satisfy various programs:

	2025 Total	2024 Total
Number of shares held	1 654 005	609 870
Shares allocated for 2022 RSU plan	–	–59 750
Shares allocated for 2022 PSU plan	–	–163 900
Shares allocated for 2023 RSU plan	–70 444	–78 614
Shares allocated for 2023 PSU plan	–187 929	–207 010
Shares allocated for 2024 RSU plan	–75 179	–81 702
Shares allocated for 2024 PSU plan	–232 373	–253 582
Shares allocated for 2025 RSU plan	–81 160	–
Shares allocated for 2025 PSU plan	–265 435	–
Shares allocated for 2025 PSO plan	–477 782	–
<b>Shares available/(required) for future equity compensation plans at 31 December</b>	<b>263 703</b>	<b>–234 688</b>

## 29. Related-party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Group, have been eliminated on consolidation and are not disclosed.

### Compensation to Directors and members of the Executive Committee

The remuneration of Directors and members of the Executive Committee during the year was as follows:

(CHF million)	2025	2024 <sup>1</sup>
Short-term benefits	14	20
Post-employment benefits	1	1
Share-based payments	14	10
<b>Total</b>	<b>29</b>	<b>31</b>

1. 2024 comparative have been restated to ensure comparability with 2025. This change is consistent with the change in methodology of disclosure of share-based payments using fair value in the Remuneration Report.

The Executive Committee participates in the equity compensation plans as disclosed in note 28.

The total compensation, including social charges, received by the Board of Directors amounted to CHF 2 634 000 (2024: CHF 2 654 000).

The total compensation (cash and shares/options), including social charges, received by the Executive Committee amounted to CHF 26 070 000 (2024: CHF 29 542 000).

The remuneration of Directors and members of the Executive Committee is determined by the Remuneration Committee. Additional information is disclosed in the Remuneration report.

During 2025 and 2024, no member of the Board of Directors or of the Executive Committee had a personal interest in any business transactions of the Group.

### Loans to members of governing bodies

As at 31 December 2025, no loan, credit or outstanding advance was due to the Group from members or former members of its governing bodies (unchanged from previous year).

### Transactions with other related parties

In 2025 and 2024, the Group did not engage in any activities that generated sales or incurred costs with other related parties.

During 2025 and 2024, no related trade receivable balances remained unpaid, nor were any expenses recognized for bad or doubtful debts owed by these related parties.

## 30. Significant shareholders

As at 31 December 2025, Groupe Bruxelles Lambert (acting directly and through Serena SARL, FINPAR IX and FINPAR X) held 14.34% (December 2024: 19.13%), UBS Fund Management (Switzerland) AG held 6.32% (December 2024: 6.32%), BlackRock Inc. held 5.21% (December 2024: 5.21%) and Swisscanto Fondsleitung AG held 3.01% (December 2024: below 3%) of the share capital and voting rights of the Company. At the same date, the Group held 0.849% of the share capital of the Company (December 2024: 0.32%).

## 31. Approval of financial statements

The Board of Directors is responsible for the preparation and presentation of the financial statements. These financial statements were authorized for issue by the Board of Directors on 10 February 2026, and will be submitted for approval on 26 March 2026 during the Annual General Meeting.

## 32. Subsequent events

### Acquisition of Applied Technical Services

On 12 January 2026, SGS completed the acquisition for 100% interests in Applied Technical Services (ATS), a leading provider of testing, inspection, calibration and forensics solutions in North America. The transaction will be accounted for as a business combination, effective 1 January 2026. To satisfy the purchase price, SGS transferred USD 1 296 million (CHF 1 029 million) in cash and 344 850 SGS shares for a fair value of CHF 33 million. The portion paid in cash included USD 518 million (CHF 411 million) for the repayment of ATS's existing debt which forms part of assumed liabilities.

The main assets acquired include but not limited to intangible assets (CHF 420 million), trade receivables (CHF 53 million), right-of-use assets (CHF 41 million) and property, plant and equipment (CHF 51 million). Main liabilities assumed include but not limited bank debt (CHF 422 million) and lease liabilities (CHF 41 million). These values are provisional and, in accordance with IFRS 3, the Group has a period of 12 months from the acquisition date to finalize the allocation of the purchase price.

### Other acquisitions

On 2 January 2026, SGS completed the acquisition of Information Quality (IQ), a leading provider of digital engineering, asset data & information management systems and reliability engineering based in Australia. The transaction is effective 1 January 2026.

On 2 January 2026, SGS completed the acquisition of Panacea Infosec India, a global leader in information security. The company is recognized for its expertise in payment security solutions supporting PCI/DSS standards, as well as cybersecurity, data protection and privacy services. The transaction is effective 1 January 2026.

On 6 January 2026, SGS completed the acquisition of MsMin, a Chilean company specialized in condition monitoring and asset integrity management services, with a strong focus on new inspection technologies such as special drones and rovers, XR and Lidar for conveyor belts. The transaction is effective 1 January 2026.

On 7 January 2026, SGS completed the acquisition of Murray-Brown Laboratories, a laboratory that specializes in analyzing food, ingredients and nutraceuticals for pathogens, potency and other chemical properties; in the state of Colorado, USA. The transaction is effective 1 January 2026.

On 9 February 2026, SGS completed the acquisition of the Cyanre Group (South Africa), a market leader in digital forensics, eDiscovery and cybersecurity. The transaction is effective 1 February 2026.



## Report of the statutory auditor to the General Meeting of SGS SA, Baar

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of SGS SA and its subsidiaries (the Group), which comprise the consolidated income statement and consolidated statement of comprehensive income for the year ended 31 December 2025, the consolidated statement of financial position as at 31 December 2025, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements (pages 96 to 134 and pages 155 to 156) give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

#### Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach



#### Overview

Overall group materiality: CHF 48 million

The entities addressed by our full scope audit work as well as specific scope audit contribute to 64% of the Group's sales.

As key audit matters the following areas of focus have been identified:

- Measurement of work in progress (WIP)
- Taxation

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## Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall group materiality</b>	CHF 48 million
<b>Benchmark applied</b>	Profit before tax
<b>Rationale for the materiality benchmark applied</b>	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.

We agreed with the Audit Committee that we would report to them misstatements above CHF 2.4 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

## Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Measurement of work in progress (WIP)

### Key audit matter

Work-in-progress balances are calculated and reported under the consolidated financial statement line entitled 'Unbilled sales and work in progress' the total of both amounting to CHF 269 million as of 31 December 2025 (CHF 247 million as of 31 December 2024)

Work in progress is recognized for the partially finished performance of obligations under a contract. The measure of progress is either based on observable output methods or based on input methods. A margin is recognized based on actual costs incurred, provided that the project is expected to be profitable once completed.

Assessing the degree of progress and estimating the expected margin require significant management judgment.

Given the significance and relevance for the consolidated financial statements, we deemed the measurement of work-in-progress as a key audit matter.

Refer to the corresponding accounting policy in Note 2 – Material accounting policies and exchange rates, and to Note 4 – Sales from contracts with customers in the notes to the consolidated financial statements.

### How our audit addressed the key audit matter

We reviewed the Group's sales recognition policy and obtained an understanding of how work-in-progress balances are accounted for. Our audit approach consisted of the following procedures, in particular:

- We assessed the design and implementation of the key controls relating to the monitoring of work-in-progress balances.
- We selected samples of work-in-progress balances and traced them to underlying contracts and invoices with customers.
- We obtained comfort over the degree of progress from discussions with project managers and performed reconciliations to actual amounts recognised in the financial statements in selected cases.
- We selected samples of work-in-progress balances recorded at the previous period-end and compared them to subsequent invoices and cash received from clients in order to evaluate the reliability of management's estimation process.
- We analysed the aging of the open balances and assessed the appropriateness of provisions recognised in accordance with the Group's provision grid.
- For entities with significant work-in-progress balances not included in our Group audit scope, we performed central procedures.

## Taxation

### Key audit matter

The Group is subject to taxation in many jurisdictions and management makes judgements about the incidence and magnitude of tax liabilities that are subject to the future outcome of assessments by the relevant tax authorities. Accordingly, the calculation of tax expense and the related liability are subject to inherent uncertainty.

To make these judgements, the Group has a structured process whereby management systematically monitors and assesses the existence, development and settlement of tax risks in each of its jurisdictions.

The Group's main tax risks are i) that the tax authorities might not accept the transfer prices applied and ii) potential adverse results of ongoing tax audits.

In accordance with its methodology, provisions for uncertain tax positions are calculated and included within current tax liabilities (CHF 167 million as at 31 December 2025).

Refer to the corresponding accounting policy in Note 2 - Material accounting policies and exchange rates and to Note 8 - Taxes in the notes to the consolidated financial statements.

### How our audit addressed the key audit matter

Our audit approach consisted of the following procedures, in particular:

- We evaluated management's process to assess the risk of tax liabilities in the different jurisdictions as a result of potential challenges to the tax positions.
- We gained an understanding of the Group's tax exposures in the different jurisdictions, and tested measurement and timing of recognition of provisions, when applicable.
- With the support of PwC internal tax experts, we examined the documentation outlining matters in dispute or at risk and the benchmarks relied upon for transfer pricing, we assessed the available evidence and challenged judgements made by management in support of the provisions recorded.



## Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet  
Licensed audit expert  
Auditor in charge

Laura Bucur  
Licensed audit expert

Geneva, 10 February 2026

## 3. SGS SA financial statements

### Income statement

For the years ended 31 December

(CHF million)	Notes	2025	2024
Dividends from subsidiaries		425	328
<b>Total operating income</b>		<b>425</b>	<b>328</b>
Other operating expenses		-8	-13
<b>Total operating expenses</b>		<b>-8</b>	<b>-13</b>
<b>Operating result</b>		<b>417</b>	<b>315</b>
Financial income	6	86	110
Exchange gain, net		2	-
Financial expenses	6	-65	-79
Disposal of subsidiaries, net		18	-
<b>Financial result</b>		<b>41</b>	<b>31</b>
Extraordinary gains/(losses)	7	16	-53
<b>Profit before taxes</b>		<b>474</b>	<b>293</b>
Taxes		-14	-11
<b>Profit for the period</b>		<b>460</b>	<b>282</b>

## Statement of financial position at 31 December

(Before appropriation of available retained earnings)

(CHF million)

	Notes	2025	2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1 057	15
Derivative assets		3	3
Amounts due from subsidiaries		317	375
Other receivables and prepayments		2	6
<b>Total current assets</b>		<b>1 379</b>	<b>399</b>
<b>Non-current assets</b>			
Loans to subsidiaries		1 509	2 021
Other financial assets		4	4
Other assets		–	1
Investments in subsidiaries		2 637	1 824
<b>Total non-current assets</b>		<b>4 150</b>	<b>3 850</b>
<b>Total assets</b>		<b>5 529</b>	<b>4 249</b>
<b>Shareholder's equity and liabilities</b>			
<b>Current liabilities</b>			
Derivative liabilities		7	13
Trade and other payables		–	8
Amounts due to subsidiaries		1 428	404
Corporate bonds	3	700	375
Accrued expenses		12	13
<b>Total current liabilities</b>		<b>2 147</b>	<b>813</b>
<b>Non-current liabilities</b>			
Amounts due to subsidiaries		693	702
Corporate bonds	3	1 750	1 950
Other non-current financial liabilities		3	–
<b>Total non-current liabilities</b>		<b>2 446</b>	<b>2 652</b>
<b>Shareholder's equity</b>			
Share capital	4 and 5	8	8
Legal reserve	4 and 5	34	34
Retained earnings	4 and 5	1 035	797
Treasury shares	4 and 5	–141	–55
<b>Total shareholder's equity</b>		<b>936</b>	<b>784</b>
<b>Total shareholder's equity and liabilities</b>		<b>5 529</b>	<b>4 249</b>

## Notes

SGS SA ('the Company') is the ultimate parent company of the SGS Group which owns and finances, either directly or indirectly, its subsidiaries and joint ventures throughout the world. Since November 2025, the head office is located in Baar, Switzerland (2024: Geneva, Switzerland).

The average number of employees in 2025 is less than 10 people for this company (2024: less than 10).

### 1. Significant accounting policies

The financial statements are prepared in accordance with accounting principles required by Swiss law (32nd chapter of the Swiss Code of Obligations).

#### Investments in subsidiaries

Investments in subsidiaries are valued individually at acquisition cost less an adjustment for impairment where required.

#### Foreign currencies

Balance sheet items denominated in foreign currencies are converted into Swiss Francs at year-end exchange rates with the exception of investments in subsidiaries which are valued at the historical exchange rate.

Foreign currency transactions are translated using the actual exchange rates prevailing during the year. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of assets and liabilities denominated in foreign currencies are recognized in the income statement.

#### Derivatives

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. Derivatives are accounted for on a mark-to-market basis.

Derivative financial instruments are initially recognized at fair value and subsequently remeasured at fair value through the income statement (FVTPL). The fair value of forward exchange contracts is determined with reference to market prices at the balance sheet date.

#### Dividends from subsidiaries

Dividends are treated as an appropriation of profit in the year in which they are ratified at the Annual General Meeting and subsequently paid, rather than as an appropriation of profit in the year to which they relate or for which they are proposed by the Board of Directors.

As a result, dividends are recognized as an income in the year in which they are received, on a cash basis. Dividends are recorded in the currency defined for each affiliate and converted at spot rate in the income statement.

#### Bonds

Bonds are recorded at nominal value.

#### Treasury shares

Treasury shares are intended to be used to cover the Group's employee equity participation plan and as consideration for business combinations.

Treasury shares are reported as a deduction to equity. Any gain or loss arising from the difference between the cost of treasury shares and the proceeds of any subsequent sale is recognized in retained earnings.

## 2. Subsidiaries

The list of principal Group subsidiaries appears in the annual report on pages 155 to 156.

In 2020, the Company acquired 80% of the capital of Ryobi Geotechnique Pte Ltd in Singapore. The share purchase agreement includes an option to acquire the remaining 20% of Ryobi Geotechnique Pte Ltd in 2026.

In 2024, the Company acquired 67.6% of the capital of CertX based in Switzerland. The share purchase agreement includes an option to acquire the remaining 32.4% of CertX in 2028.

## 3. Corporate bonds

The Company made the following bond issuances:

Date of issue	Face value in CHF million	Coupon in %	Year of Maturity	Issue price in %	Redemption price in %
03.03.2017	375	0.550	2026	100.153	100.000
06.05.2020	325	0.950	2026	100.182	100.000
<b>Short-term bonds</b>	<b>700</b>				
08.05.2015	225	0.875	2030	100.245	100.000
29.10.2018	175	1.250	2028	101.157	100.000
05.09.2022	350	1.700	2029	100.197	100.000
17.11.2023	240	2.000	2027	100.038	100.000
17.11.2023	260	2.300	2031	100.127	100.000
24.06.2025	255	1.000	2032	100.164	100.000
24.06.2025	245	1.450	2037	100.135	100.000
<b>Long-term bonds</b>	<b>1 750</b>				

As at 31 December 2025, two bonds in the above table are classified as short-term liabilities as the due date is less than a year.

The Company has listed all bonds on the SIX Swiss Exchange.

## 4. Total equity

(CHF million)	Share capital	Legal reserve	Reserve for treasury shares held by a subsidiary	Treasury shares	Retained earnings	Total
<b>Balance at 1 January 2024</b>	<b>7</b>	<b>34</b>	<b>21</b>	<b>-250</b>	<b>951</b>	<b>763</b>
Capital increase from scrip dividend	1	–	–	–	–	1
Dividends paid	–	–	–	–	-207	-207
Decrease in the reserve for treasury shares	–	–	-21	–	21	–
Cancellation of treasury shares	–	–	–	250	-250	–
Movement on treasury shares	–	–	–	-55	–	-55
Profit for the year	–	–	–	–	282	282
<b>Balance at 31 December 2024</b>	<b>8</b>	<b>34</b>	<b>–</b>	<b>-55</b>	<b>797</b>	<b>784</b>
Dividends paid	–	–	–	–	-222	-222
Movement on treasury shares	–	–	–	-86	–	-86
Profit for the year	–	–	–	–	460	460
<b>Balance at 31 December 2025</b>	<b>8</b>	<b>34</b>	<b>–</b>	<b>-141</b>	<b>1 035</b>	<b>936</b>

### Scrip dividend 2024

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 were announced on 17 April 2025:

- The scrip dividend take-up rate was 63.30% with the remaining 36.70% 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

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

### Scrip dividend 2023

The Company's Annual General Meeting held on 26 March 2024 offered its shareholders the possibility to receive the 2023 dividend in cash or in new SGS shares. Final terms were announced on 22 April 2024:

- The scrip dividend take-up rate was 64.87% with the remaining 35.13% paid out in cash
- The reference share price was of CHF 82.00 and discount rate was 6% leading to a distribution value of CHF 77.08
- 4 964 934 new shares were created

Delivery of the new shares and payment of the total CHF 207 million cash dividend took place on 25 April 2024.

## 5. Share capital

	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	-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 2024</b>	<b>188 893 389</b>	<b>609 870</b>	<b>189 503 259</b>	<b>8</b>
Treasury shares released into circulation	156 503	-156 503	–	–
Treasury shares purchased	-1 200 638	1 200 638	–	–
New shares issued from scrip dividend	5 274 023	–	5 274 023	–
<b>Balance at 31 December 2025</b>	<b>193 123 277</b>	<b>1 654 005</b>	<b>194 777 282</b>	<b>8</b>

### Issued share capital

The company's Annual General Meeting, held on 26 March 2025, offered shareholders the possibility to receive the 2024 dividend in cash or in new SGS shares. The scrip dividend take-up rate was 63.30% which led to the creation of 5 274 023 new shares, delivered on 24 April 2025.

As at 31 December 2025, the Company has a share capital of CHF 7 791 091 (2024: CHF 7 580 130) fully paid-in and divided into 194 777 282 (2024: 189 503 259) registered shares of a par value of CHF 0.04 (2024: CHF 0.04). All shares, other than treasury shares, participate equally in the dividends declared by the Company and have equal voting rights.

## Treasury shares

On 31 December 2025, SGS SA held 1 654 005 treasury shares directly.

In 2025, 156 503 shares were released into circulation and 1 200 638 were repurchased.

On 31 December 2024, SGS SA held 609 870 treasury shares directly. All shares from the affiliate company were transferred to SGS SA.

In 2024, 178 348 shares were released into circulation, 561 008 were repurchased and 2 827 475 were cancelled.

## 6. Financial income and financial expenses

(CHF million)

	2025	2024
Interest income 3 <sup>rd</sup> party	7	3
Interest income Group	77	106
Other financial income	2	1
<b>Financial income</b>	<b>86</b>	<b>110</b>
Interest expenses 3 <sup>rd</sup> party	-33	-30
Interest expenses Group	-20	-35
Fair value losses on derivatives	-7	-12
Other financial expenses	-5	-2
<b>Financial expenses</b>	<b>-65</b>	<b>-79</b>

## 7. Extraordinary gains/(losses)

The extraordinary results of CHF 16 million (2024: CHF -53 million) includes an extraordinary gain of CHF 9 million from the recovery of an investment in EEMEA. Additionally, there were impairments on investments in subsidiaries of CHF -3 million (2024: CHF -46 million) as well as reversals/(impairments) on loans to subsidiaries of CHF 10 million (2024: CHF -7 million).

## 8. Guarantees and comfort letters

(CHF million)

	2025 issued	2025 utilized	2024 issued	2024 utilized
Guarantees	4 017	1 900	3 164	1 143
Performance bonds	157	56	72	45
<b>Total</b>	<b>4 174</b>	<b>1 956</b>	<b>3 236</b>	<b>1 188</b>

The Company has unconditionally guaranteed or provided comfort to financial institutions providing credit facilities (loans and guarantee bonds) to its subsidiaries. In addition, it has issued performance bonds to commercial customers on behalf of its subsidiaries.

The Company is part of a VAT Group with other group companies in Switzerland.

## 9. Remuneration

### 9.1. Remuneration awarded to the Board of Directors

This section appears in the SGS Remuneration report paragraph 6 in the annual report on pages 75 to 79.

### 9.2. Remuneration awarded to the Executive Committee members

This section appears in the SGS Remuneration report paragraph 7 in the annual report on pages 80 to 87.

## 10. Shares and options held by members of governing bodies

### 10.1. Shares and options held by members of the Board of Directors

The following table shows the shares held by members of the Board of Directors as at 31 December 2025:

Name	Shares
C. Grieder	18 988
S. Atiya	4 627
P. Cheung	2 403
I. Gallienne	2 308
T. Hartmann	2 283
P. Kron	1 595
G. Picaud <sup>1</sup>	16 766
K. Sorenson	4 715
J. S. Vergis	2 403

1. G.Picaud, the CEO of the Group, was elected as a director at the AGM 2025; she will not receive any additional remuneration for this mandate.

The following table shows the shares held by members of the Board of Directors as at 31 December 2024:

Name	Shares
C. Grieder	16 712
J. Riedl	1 238
P. Cheung	1 732
K. Sorenson	3 946
I. Gallienne	1 713
S. Atiya	4 032
T. Hartmann	1 688
J. Vergis	1 732

## 10.2. Shares and options held by Executives

The following table shows the shares and restricted shares held by Executive Committee members as at 31 December 2025:

Name	Corporate responsibility	Restricted shares	Shares
G. Picaud	Chief Executive Officer	15 798	968
T. Abasov	Head of Eastern Europe, Middle East and Africa	5 387	25 094
S. Du	Head of Asia Pacific	7 180	5 780
D. Govender	Head of North America	4 151	16 952
E. Jokubauskas	Head of Industries & Environment and Natural Resources	1 215	2 901
C. Ly Wa Hoi	Head of Connectivity & Products and Health & Nutrition	4 018	10 558
R. Navazo	Head of Latin America	1 159	–
M. Oesch	Chief Legal Officer	1 601	–
D. Plaza	Chief Information Officer	601	243
M. Reid	Head of Europe	4 682	44 752
J. Roberts	Chief People Officer	212	–
D. Rousseau	Head of Business Assurance	–	–
M. Vlachkova	Chief Financial Officer	2 564	–

The following table shows the shares and restricted shares held by former senior management as at 31 December 2024:

Name	Corporate responsibility	Restricted shares	Shares
G. Picaud	Chief Executive Officer	192	920
T. Abasov	Head of Eastern Europe, Middle East and Africa	5 001	22 964
S. Du	Head of Asia Pacific	4 211	3 668
D. Govender	Head of North America	4 653	13 651
E. Jokubauskas	Head of Industries & Environment and Natural Resources	–	2 504
C. Ly Wa Hoi	Head of Connectivity & Products and Health & Nutrition	3 982	7 644
J. McDonald	Head of Business Assurance	5 356	10 023
R. Navazo	Head of Latin America	–	–
M. Oesch	Chief Legal Officer	–	–
D. Plaza	Chief Information Officer	–	–
M. Reid	Head of Europe	4 590	40 416
J. Roberts	Chief People Officer	–	–
M. Vlachkova	Chief Financial Officer	–	–

Details of the various plans are explained in the SGS Remuneration report.

## 11. Significant shareholders

As at 31 December 2025, Groupe Bruxelles Lambert (acting directly and through Serena SARL, FINPAR IX and FINPAR X) held 14.34% (December 2024: 19.13%), UBS Fund Management (Switzerland) AG held 6.32% (December 2024: 6.32%), BlackRock Inc. held 5.21% (December 2024: 5.21%) and Swisscanto Fondsleitung AG held 3.01% (December 2024: below 3%) of the share capital and voting rights of the Company.

At the same date, the Group held 0.849% of the share capital of the Company (December 2024: 0.32%).

## 12. Approval of financial statements and subsequent events

The Board of Directors is responsible for the preparation and presentation of the financial statements. These financial statements were authorized for issue by the Board of Directors on 10 February 2026 and will be submitted for approval by the Annual General Meeting to be held on 26 March 2026.

### Proposal of the Board of Directors for the appropriation of available retained earnings

(CHF)	2025	2024
Profit for the year	459 399 980	282 329 483
Balance brought forward from previous year	742 574 766	701 175 157
Dividend distributed <sup>1</sup>	-221 825 844	-207 576 155
Movement on Treasury Shares	-86 335 609	-54 396 478
Gains/(Losses) on Treasury Shares	34 882	-
(Transfer to)/Reversal from the reserve for treasury shares	-	21 042 758
<b>Total retained earnings available for appropriation</b>	<b>893 848 175</b>	<b>742 574 766</b>

1. No dividend is paid on own shares held directly or indirectly by SGS SA.

### Distribution to shareholders

The SGS Board of Directors will recommend to the Annual General Meeting (to be held on 26 March 2026) the approval of an optional scrip dividend of CHF 3.20 per share (CHF 618 million), subject to the approval of a capital increase, where shareholders can elect to receive the dividend in the form of shares or in cash. Shares will be sourced from the issuance of new shares in the proposed capital increase. The shares will be delivered at a discount, and the share dividend will be a tax- and cost-effective option for shareholders.

Depending on the choices of the shareholders the above total amount of retained earnings will be reduced:

- By CHF 3.20 for each share for which a cash dividend is paid in (no dividends are paid on treasury shares)
- By CHF 0.04 for each dividend share

The remaining amount will constitute the balance being carried forward.



## Report of the statutory auditor to the General Meeting of SGS SA, Baar

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of SGS SA (the Company), which comprise the income statement for the year ended 31 December 2025, the statement of financial position as at 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements presented on pages 140 to 146, comply with Swiss law and the Company's articles of incorporation.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Our audit approach



#### Overview

Overall materiality: CHF 55 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matter the following area of focus has been identified:

Valuation of investments in subsidiaries

#### Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<b>Overall materiality</b>	CHF 55 million
<b>Benchmark applied</b>	Total assets
<b>Rationale for the materiality benchmark applied</b>	We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the Company, which has limited operating activities and which mainly holds investments in subsidiaries and intra-group loans, is commonly measured, and it is a generally accepted benchmark for holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 2.75 million identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

#### Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of investments in subsidiaries

Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2025, SGS SA's investments in subsidiaries amount to CHF 2'637 million.</p> <p>Given the significance of this amount in the financial statements and because of the judgement used by management in determining its value, we consider the valuation of investments in subsidiaries a key audit matter. The Company measures individually the investment in each subsidiary at acquisition cost less adjustment for impairment where required. The Company conducts an annual risk assessment based on several impairment indicators to identify investments with an impairment risk.</p> <p>For those investments in subsidiaries with a higher identified risk of impairment, the recoverable amount is determined based on a five-year discounted cashflow forecast. The main judgements applied by management relate to revenue and margin growth throughout the period of the five-year plan,</p>	<p>We obtained the Company's work on the valuation of investments in subsidiaries, and we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of management's process over the valuation of investments in subsidiaries.</li> <li>• We tested the mathematical accuracy of the calculations, the reasonableness of the applied model, considered the appropriateness of the accounting treatment and reconciled the balances to the financial statements.</li> <li>• We challenged the appropriateness of management's process to identify impairment indicators by comparing the triggers used to common indicators such as historical profitability and capacity to pay dividends.</li> </ul>



Key audit matter	How our audit addressed the key audit matter
<p>the long-term growth rate beyond the detailed forecast period and the discount rate.</p> <p>An impairment is recognised if the recoverable amount of an individual investment is lower than its carrying value.</p> <p>The results of management's impairment testing indicated that some investments in subsidiaries were impaired. As a result, management recognised an impairment in the amount of CHF 3 million.</p> <p><b>Refer to Note 1 – Significant accounting policies and Note 7 - Extraordinary losses</b></p>	<ul style="list-style-type: none"> <li>We also performed testing by calculating revenue and operating profit multipliers based on the market capitalisation of the Group and comparing those to the respective multiples of the individual investments in subsidiaries.</li> </ul> <p>For those investments in subsidiaries with a higher identified risk of impairment, we critically assessed the reasonableness of the underlying key assumptions and judgements applied by performing the following procedures in particular:</p> <ul style="list-style-type: none"> <li>We assessed the quality of the five-year cashflow forecast projections by comparing forecasted revenue and margin growth to historical results as well as by holding discussions with group management to assess their intention and ability to execute the strategic initiatives.</li> </ul> <p>We evaluated, with the support of PwC's valuation specialists, the reasonableness of the discount rate and long-term growth rate applied to those future cash flows.</p>

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the remuneration report and our auditor's reports thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

Based on our audit according to article 728a para. 1 item 2 CO, we confirm that the Board of Directors' proposal complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Guillaume Nayet  
Licensed audit expert  
Auditor in charge

Louise Rolland  
Licensed audit expert

Geneva, 10 February 2026

## 4. Historical data

### SGS Group – five-year statistical data consolidated income statements

For the years ended 31 December

(CHF million)	2025	2024	2023	2022	2021
<b>Sales</b>	<b>6 945</b>	<b>6 794</b>	<b>6 622</b>	<b>6 642</b>	<b>6 405</b>
Salaries and wages	-3 443	-3 427	-3 316	-3 331	-3 180
Subcontractors' expenses	-424	-414	-400	-399	-385
Depreciation, amortization and impairment	-485	-476	-545	-521	-499
(Loss)/Gain on business disposals	-22	-	7	-	-
Gain on HQ disposal	60	-	-	-	-
Other operating expenses	-1 617	-1 573	-1 511	-1 493	-1 364
<b>Operating income</b>	<b>1 014</b>	<b>904</b>	<b>857</b>	<b>898</b>	<b>977</b>
Financial income	37	34	29	20	16
Financial expenses	-91	-94	-86	-71	-69
Share of profit of associates and joint ventures	2	3	2	2	-
<b>Profit before taxes</b>	<b>962</b>	<b>847</b>	<b>802</b>	<b>849</b>	<b>924</b>
Taxes	-245	-222	-205	-219	-269
<b>Profit for the year</b>	<b>717</b>	<b>625</b>	<b>597</b>	<b>630</b>	<b>655</b>
<i>Profit attributable to:</i>					
Equity holders of SGS SA	668	581	553	588	613
Non-controlling interests	49	44	44	42	42
<b>Average number of Full Time Equivalent</b>	<b>101 095</b>	<b>99 182</b>	<b>98 545</b>	<b>96 759</b>	<b>93 297</b>

## SGS Group – five-year statistical data consolidated statements of financial position

At 31 December

(CHF million)	2025	2024	2023	2022	2021
Property, plant and equipment	792	837	823	907	925
Right-of-use assets	543	548	506	577	605
Goodwill	1 894	1 783	1 636	1 755	1 778
Other intangible assets	319	304	275	350	382
Investments in joint-ventures, associates and other companies	6	19	16	20	26
Deferred tax assets	194	213	185	153	164
Other non current-assets	200	199	191	125	173
<b>Total non-current assets</b>	<b>3 948</b>	<b>3 903</b>	<b>3 632</b>	<b>3 887</b>	<b>4 053</b>
Assets classified as held for sale	7	17	–	–	–
Inventories	55	55	57	59	59
Unbilled sales and work in progress	269	247	223	210	175
Trade receivables	980	991	940	988	928
Other receivables and prepayments	207	217	213	223	204
Current tax assets	86	109	127	132	108
Marketable securities	1	–	–	–	–
Cash and cash equivalents	2 330	1 210	1 569	1 623	1 480
<b>Total current assets</b>	<b>3 935</b>	<b>2 846</b>	<b>3 129</b>	<b>3 235</b>	<b>2 954</b>
<b>Total assets</b>	<b>7 883</b>	<b>6 749</b>	<b>6 761</b>	<b>7 122</b>	<b>7 007</b>
Share capital	8	8	7	7	7
Reserves	1 034	844	723	954	1 118
Treasury shares	–141	–55	–271	–279	–8
<b>Equity attributable to equity holders of SGS SA</b>	<b>901</b>	<b>797</b>	<b>459</b>	<b>682</b>	<b>1 117</b>
Non-controlling interests	94	80	69	81	85
<b>Total equity</b>	<b>995</b>	<b>877</b>	<b>528</b>	<b>763</b>	<b>1 202</b>
Loans and other financial liabilities	3 505	2 700	3 040	2 833	2 889
Lease liabilities	403	409	384	442	481
Deferred tax liabilities	71	73	73	79	92
Defined benefit obligations	65	64	66	47	84
Provisions	115	101	91	96	90
<b>Total non-current liabilities</b>	<b>4 159</b>	<b>3 347</b>	<b>3 654</b>	<b>3 497</b>	<b>3 636</b>
Trade and other payables	600	624	634	671	687
Contract liabilities	262	261	221	228	221
Current tax liabilities	167	186	176	165	169
Loans and other financial liabilities	832	612	841	1 009	282
Lease liabilities	157	159	143	162	155
Provisions	77	72	41	58	60
Other creditors and accruals	634	611	523	569	595
<b>Total current liabilities</b>	<b>2 729</b>	<b>2 525</b>	<b>2 579</b>	<b>2 862</b>	<b>2 169</b>
<b>Total liabilities</b>	<b>6 888</b>	<b>5 872</b>	<b>6 233</b>	<b>6 359</b>	<b>5 805</b>
<b>Total equity and liabilities</b>	<b>7 883</b>	<b>6 749</b>	<b>6 761</b>	<b>7 122</b>	<b>7 007</b>

## SGS Group – five-year statistical share data

(CHF unless indicated otherwise)	2025	2024	2023	2022	2021
<b>Share information</b>					
<b>Registered shares</b>					
Number of shares issued	194 777 282	189 503 259	187 375 800	7 495 032	7 495 032
Number of shares with dividend rights	193 123 277	188 893 389	184 311 115	7 369 054	7 491 672
<b>Price</b>					
High	99	98	94	3 076	3 059
Low	71	70	72	2 002	2 595
Year-end	91	91	73	2 150	3 047
Par value	0.04	0.04	0.04	1	1
<b>Key figures by shares</b>					
Equity attributable to equity holders of SGS SA per share in circulation at 31 December	4.67	4.22	2.49	92.56	149.20
Basic earnings per share	3.48	3.10	3.00	78.86	81.91
Dividend per share ordinary <sup>1</sup>	3.20	3.20	3.20	80.00	80.00
Total dividend per share	3.20	3.20	3.20	80.00	80.00
<b>Dividends (CHF million)</b>					
Ordinary <sup>2</sup>	618	604	590	590	599
<b>Total</b>	<b>618</b>	<b>604</b>	<b>590</b>	<b>590</b>	<b>599</b>

1. Calculation of the basic earnings per share (weighted average for the year) is disclosed in note 9 of SGS Group Results.

2. The SGS Board of Directors will recommend to the Annual General Meeting (to be held on 26 March 2026) the approval of an optional scrip dividend of CHF 3.20 per share (CHF 618 million), subject to the approval of a capital increase, where shareholders can elect to receive the dividend in the form of shares or in cash. Shares will be sourced from the issuance of new shares in the proposed capital increase. The shares will be delivered at a discount, and the share dividend will be a tax- and cost-effective option for shareholders.

## SGS Group share information

### Share transfer

SGS SA has no restrictions as to share ownership, except that registered shares acquired in a fiduciary capacity by third parties may not be registered in the shareholders' register, unless a special authorization has been granted by the Board of Directors.

### Market capitalization

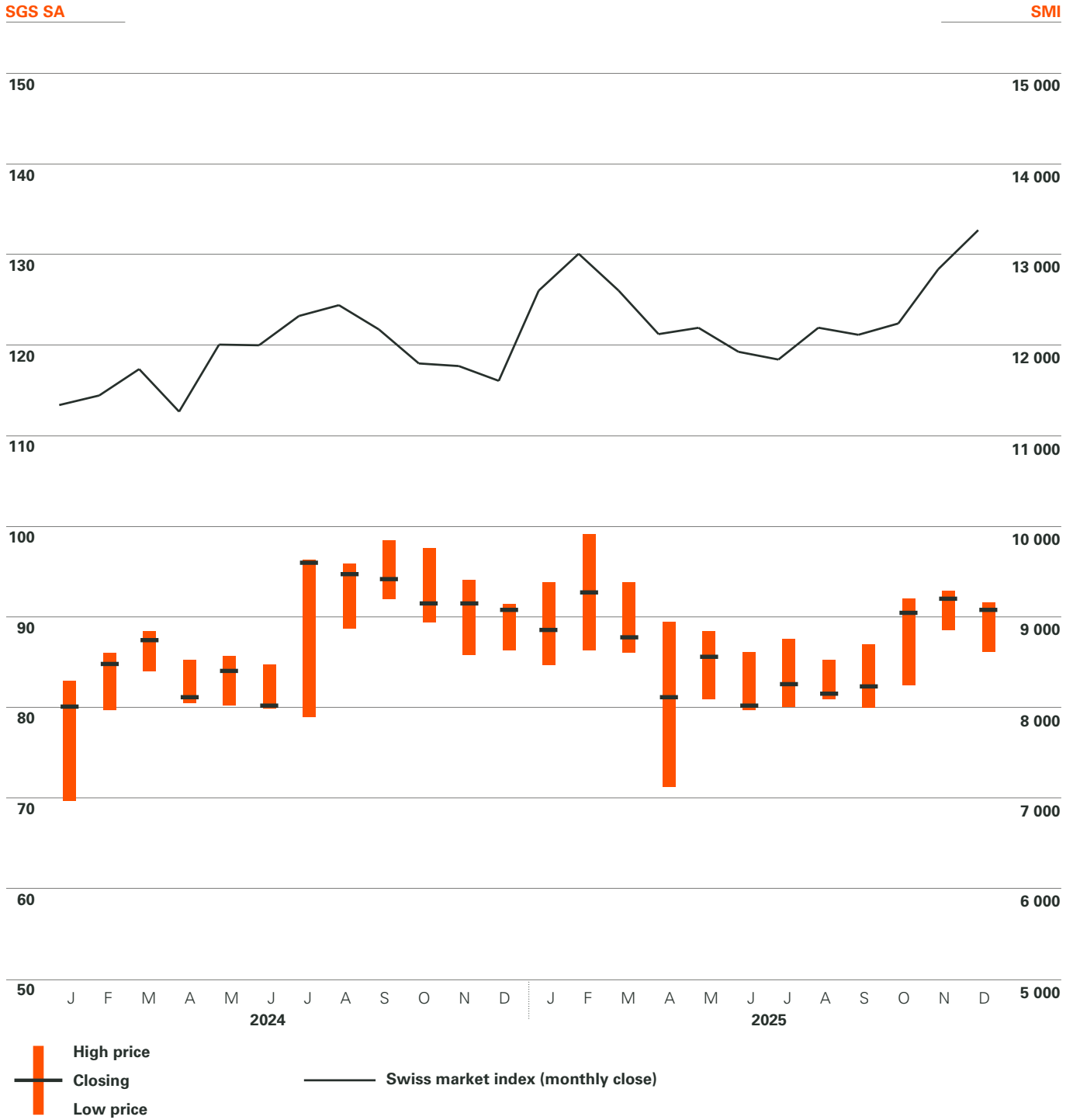
At the end of 2025 market capitalization was approximately CHF 17 547 million (2024: CHF 17 167 million). Shares are quoted on the SIX Swiss Exchange.

### Credit rating

(as of publication date of Integrated Report)

Rating agency	Long-term rating	Short-term rating
Moody's Investor Services	A3, negative outlook	P-2

## Closing prices for SGS and the Swiss market index (SMI) 2024-2025



## 5. List of significant subsidiaries

The disclosure of significant subsidiaries is limited to entities whose contribution to the Group consolidated financial statements in 2025 represent at least 0.5% of consolidated sales or 1% of consolidated assets as well as the material direct subsidiaries of SGS SA.

Country	Name and domicile	Issued capital currency	Issued capital amount	% held by Group	Direct/ indirect
Argentina	SGS Argentina S.A., Buenos-Aires	ARS	1 139 599 536	100	D
Australia	SGS Australia Pty. Ltd., Bentley	AUD	200 000	100	I
Australia	SGS Australia Holdings Pty. Ltd., Bentley	AUD	182 132 400	100	D
Belgium	SGS Belgium N.V., Antwerpen	EUR	35 995 380	100	I
Brazil	SGS Industrial – Instalações, Testes e Comissionamentos Ltda, Barueri -SP	BRL	91 266 840	100	D
Brazil	SGS do Brasil Ltda, Barueri-SP	BRL	740 537 262	100	D
Brazil	SGS Geosol Laboratórios S.A., Belo Horizonte	BRL	99 068 656	60	I
Cameroon	SGS Cameroun S.A., Douala	XAF	10 000 000	99.9	D
Canada	SGS Canada Inc., Mississauga	CAD	20 900 000	100	D
Chile	SGS Minerals S.A., Santiago de Chile	CLP	29 725 583 703	100	I
Chile	SGS Chile Limitada, Santiago de Chile	CLP	98 282 986 251	100	D
China	SGS-CSTC Standards Technical Services Co. Ltd., Beijing	USD	3 966 667	85	I
China	SGS-CSTC Standards Technical Services (Tianjin) Co., Ltd., Tianjin	CNY	3 000 000	85	I
China	SGS-CSTC Standards Technical Services (Shanghai) Co., Ltd., Shanghai	CNY	180 000 000	85	I
China	SGS-CSTC Standard Technical Services (Qingdao) Co., Ltd., Qingdao	CNY	20 000 000	85	I
Colombia	SGS Colombia S.A.S., Bogota	COP	161 546 166 040	100	D
France	SGS France SAS, Arcueil	EUR	3 976 579	100	I
Germany	SGS Germany GmbH, Hamburg	EUR	1 210 000	100	I
Germany	SGS Institut Fresenius GmbH, Taunusstein	EUR	7 490 100	100	I
Germany	SGS Analytics Germany GmbH, Fellbach	EUR	255 000	100	I
Germany	SGS-TÜV Saar GmbH, Sulzbach	EUR	750 000	74.9	I
Hong Kong	SGS Hong Kong Limited, Hong Kong	HKD	200 000	100	D
India	SGS India Private Ltd., Mumbai	INR	960 000	100	D
Italy	SGS ICS Italia S.r.l., Milan	EUR	33 000	100	D
Italy	SGS Italia S.p.A., Milan	EUR	2 500 000	100	D
Japan	SGS Japan Inc., Yokohama	JPY	100 000 000	100	D
Malaysia	SGS (Malaysia) Sdn. Bhd., Kuala Lumpur	RM	500 000	100	D
Mexico	SGS de Mexico, S.A. de C.V., Mexico	MXN	281 370 828	100	D
Netherlands	SGS Investment Management B.V., Spijkenisse	EUR	5 000	100	D
Netherlands	SGS Nederland B.V., Spijkenisse	EUR	250 000	100	I
New Zealand	SGS New Zealand Limited, Auckland-Onehunga	NZD	12 022 190	100	D
Peru	SGS del Perú S.A.C., Lima/Callao	PEN	91 901 082	100	D
Poland	SGS Polska Sp.z o.o., Warsaw	PLN	28 217 200	100	D
Russia	AO SGS Vostok Limited, Moscow	RUB	18 000 000	100	D

Country	Name and domicile	Issued capital currency	Issued capital amount	% held by Group	Direct/ indirect
Saudi Arabia	SGS Inspection Services Saudi Arabia Ltd., Jeddah	SAR	1 000 000	75	D
Singapore	SGS Testing & Control Services Singapore Pte Ltd., Singapore	SGD	32 100 000	100	D
Singapore	Ryobi Geotechnique International Pte Ltd., Singapore	SGD	1 500 000	80	D
South Africa	SGS South Africa (Proprietary) Limited, Johannesburg	ZAR	1 007 279 500	100	I
South Africa	SGS Technical Services (PTY) Ltd, Johannesburg	ZAR	775 279 000	100	D
South Korea	SGS Korea Co., Ltd., Seoul	KRW	15 617 540 000	100	D
Spain	General de Servicios ITV, S.A.U., Madrid	EUR	4 753 483	100	I
Spain	SGS Española de Control, S.A.U., Madrid	EUR	240 000	100	I
Spain	SGS Tecnos, S.A., Sociedad Unipersonal, Madrid	EUR	92 072 034	100	I
Sweden	SGS Analytics Sweden AB, Linköping	SEK	1 018 250	100	I
Switzerland	SGS Société Générale de Surveillance SA, Baar	CHF	100 000	100	D
Taiwan	SGS Taiwan Limited, Taipei	TWD	62 000 000	100	I
Thailand	SGS (Thailand) Limited, Bangkok	THB	20 000 000	100	D
Turkey	SGS Supervise Gözetme Etüd Kontrol Servisleri AS, Istanbul	TRY	266 550 000	100	I
Ukraine	SGS Ukraine, Foreign Enterprise, Odessa	USD	400 000	100	D
United Arab Emirates	SGS Gulf Limited Jebel Ali Free Zone – Dubai Branch	–	–	–	I
United Kingdom	SGS United Kingdom Limited, Ellesmere Port	GBP	8 000 000	100	I
United States	SGS North America Inc., Wilmington	USD	73 701 996	100	I
Vietnam	SGS Vietnam Ltd., Ho Chi Minh City	USD	288 000	100	D

## 6. Alternative performance measures

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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 at the following 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 to derive the organic growth percentage.

A numerical reconciliation of this APM is included below:

(CHF million)

Sales 2024	6 794
Scope effect from divestments	-22
Sales 2024 at constant scope	6 772
Organic growth	377
Scope effect from acquisitions	136
Sales 2025 at constant currency	7 285
Currency impact	-340
<b>Sales 2025</b>	<b>6 945</b>
<b>Organic growth</b>	<b>5.6%</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 expenses on goodwill
- Restructuring costs including impairment charges arising from the execution of restructuring plans
- Gains and losses from business divestments
- Acquisition- and divestment-related expenses including transaction and integration costs
- Other non-recurring items may include non-operational items such as certain regulatory, compliance and legal costs, certain asset write-downs/impairments and remeasurement gains on business combinations

(CHF million)	2025	2024
<b>Operating income</b>	<b>1 014</b>	<b>904</b>
Amortization and impairment of acquired intangibles	39	30
Restructuring costs	45	82
Loss on business divestments	22	–
Transaction and integration costs	17	12
Gain on HQ disposal	–60	–
Other non-recurring items	31	12
<b>Adjusted operating income</b>	<b>1 108</b>	<b>1 040</b>

## Adjusted operating income margin

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

(CHF million)	2025	2024
Adjusted operating income	1 108	1 040
Sales	6 945	6 794
<b>Adjusted operating income margin</b>	<b>16.0%</b>	<b>15.3%</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)	2025	2024
<b>Operating income</b>	<b>1 014</b>	<b>904</b>
Depreciation, amortization and impairment	485	476
<b>EBITDA</b>	<b>1 499</b>	<b>1 380</b>

## Adjusted earnings before interest, tax, depreciation and amortization (adjusted EBITDA)

Adjusted EBITDA is the EBITDA adjusted for the adjustments made for Adjusted operating income as defined above.

(CHF million)	2025	2024
<b>Operating income</b>	<b>1 014</b>	<b>904</b>
Depreciation, amortization and impairment	485	476
<b>EBITDA</b>	<b>1 499</b>	<b>1 380</b>
Restructuring costs <sup>1</sup>	42	76
Loss on business divestments	22	–
Transaction and integration costs	17	12
Gain on HQ disposal	–60	–
Other non-recurring items <sup>2</sup>	19	10
<b>Adjusted EBITDA</b>	<b>1 539</b>	<b>1 478</b>

1. Restructuring costs excluding impairment of fixed and intangible assets.

2. Other non-recurring items excluding impairment of fixed and intangible assets.

## Adjusted profit attributable to shareholders

Adjusted profit attributable to shareholders is the profit attributable to equity holders of SGS SA adjusted for the adjustments made for Adjusted operating income as defined above and:

- The tax effect of all the elements mentioned under Adjusted operating income
- The non-controlling interests' effect of all the elements mentioned under Adjusted operating income

(CHF million)	2025	2024
<b>Profit attributable to equity holders of SGS SA</b>	<b>668</b>	<b>581</b>
Amortization and impairment of acquired intangibles	39	30
Restructuring costs	45	82
Loss on business divestments	22	–
Transaction and integration costs	17	12
Gain on HQ disposal	–60	–
Other non-recurring items	31	12
Tax impact	–24	–26
Portion attributable to non-controlling interests	–3	–2
<b>Adjusted profit attributable to equity holders of SGS SA</b>	<b>735</b>	<b>689</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)	2025	2024
<b>Adjusted profit attributable to equity holders of SGS SA</b>	<b>735</b>	<b>689</b>
Weighted average number of shares (million)	192	188
<b>Adjusted basic earnings per share (CHF)</b>	<b>3.83</b>	<b>3.67</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)	2025	2024
<b>Adjusted profit attributable to equity holders of SGS SA</b>	<b>735</b>	<b>689</b>
Diluted weighted average number of shares (million)	193	188
<b>Adjusted diluted earnings per share (CHF)</b>	<b>3.81</b>	<b>3.66</b>

## Profit before HQ disposal

Adjusted profit before HQ disposal is the profit attributable to equity holders of SGS SA excluding the gain on the disposal of the Geneva headquarters' building, net of tax.

(CHF million)	2025	2024
<b>Profit attributable to equity holders of SGS SA</b>	<b>668</b>	<b>581</b>
Gain on HQ disposal	–60	–
Tax impact	9	–
<b>Profit attributable to shareholders before gain on HQ disposal</b>	<b>617</b>	<b>581</b>

## Basic earnings per share (EPS) before HQ disposal

Basic EPS is the Adjusted profit before HQ disposal divided by the average number of shares outstanding during the reporting period.

(CHF million)	2025	2024
<b>Profit attributable to shareholders before gain on HQ disposal</b>	<b>617</b>	<b>581</b>
Weighted average number of shares (million)	192	188
<b>Basic earnings per share before gain on HQ disposal</b>	<b>3.21</b>	<b>3.10</b>

## Diluted earnings per share (EPS) before HQ disposal

Diluted EPS is the Adjusted profit before HQ disposal divided by the diluted weighted average number of shares outstanding during the reporting period.

(CHF million)	2025	2024
<b>Profit attributable to shareholders before gain on HQ disposal</b>	<b>617</b>	<b>581</b>
Diluted weighted average number of shares (million)	193	188
<b>Diluted earnings per share before gain on HQ disposal</b>	<b>3.20</b>	<b>3.09</b>

## Free cash flow

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 consolidated cash flow statement.

(CHF million)	2025	2024
<b>Cash flow from operating activities</b>	<b>1 223</b>	<b>1 224</b>
Purchase of property, plant and equipment and other intangible assets	-255	-251
Proceeds from disposals of property, plant and equipment and other intangible assets	5	12
Proceeds from HQ disposal	80	-
Lease payments	-175	-176
Interests paid	-75	-98
Interests received	38	37
<b>Free cash flow</b>	<b>841</b>	<b>748</b>

## Free cash flow before HQ disposal

The Free cash flow before HQ disposal is the Free cash flow (see above) adjusted from the proceeds received upon disposal, tax paid on the gain on disposal and capital expenditures linked to the HQ move.

(CHF million)	2025	2024
<b>Free cash flow</b>	<b>841</b>	<b>748</b>
Proceeds from HQ disposal	-80	-
Taxes paid on HQ disposal gain	9	-
Capital expenditures on new HQ building	4	-
<b>Free cash flow before HQ disposal</b>	<b>774</b>	<b>748</b>

## Cash conversion

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

(CHF million)	2025	2024
<b>Adjusted EBITDA</b>	<b>1 539</b>	<b>1 478</b>
Lease payments	-175	-176
<b>Adjusted EBITDA minus lease payments</b>	<b>1 364</b>	<b>1 302</b>
Free cash flow before HQ disposal	774	748
<b>Cash conversion</b>	<b>57%</b>	<b>57%</b>

## Return on invested capital (ROIC)

Return on invested capital is a measure of performance that combines profitability and capital efficiency. Management is closely following this APM in order to evaluate capital allocation. ROIC is defined as net operating income after tax for the year divided by invested capital. Invested capital is the sum of the total equity, the net debt (as defined above), lease liabilities, long-term loan receivable and the net derivative position. The invested capital is adjusted for the timing of cash outflows of acquisitions.

The return on invested capital is calculated as follows, and amounts are reconciled to the consolidated statement of financial position as well as the consolidated income statement:

(CHF million)	2025	2024
Operating income	1 014	904
Share of profit of associates and JV	2	3
Gain on HQ disposal	-60	-
Group effective tax rate	25%	26%
<b>Net operating income before HQ disposal after tax</b>	<b>713</b>	<b>671</b>
<b>Invested capital</b>	<b>2 928</b>	<b>2 850</b>
Total equity	995	877
Net debt	2 566	2 670
Lease liabilities	-560	-568
Long-term loan receivables	-4	-5
Net derivatives liability (asset)	3	10
Adjustment for timing of acquisitions	-72	-134
<b>ROIC before HQ disposal</b>	<b>24%</b>	<b>24%</b>

## Net debt

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

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

(CHF million)	2025	2024
<b>Cash and marketable securities</b>	<b>2 331</b>	<b>1 210</b>
Marketable securities	1	-
Cash and cash equivalents	2 330	1 210
<b>Loans and other financial liabilities</b>	<b>4 897</b>	<b>3 880</b>
Non-current loans and other financial liabilities	3 505	2 700
Current loans and other financial liabilities	832	612
Non-current lease liabilities	403	409
Current lease liabilities	157	159
<b>Net debt</b>	<b>2 566</b>	<b>2 670</b>

## Leverage

Leverage is used by management to monitor and measure the Group's ability to repay its debt from profit earned. Leverage is calculated as net debt divided by Adjusted EBITDA. Amounts can be found in the alternative performance measures.

(CHF million)	2025	2024
Net debt	2 566	2 670
Adjusted EBITDA	1 539	1 478
<b>Leverage</b>	<b>1.7</b>	<b>1.8</b>