

SGS Virtual
Investor Days
2021



Roadmap 2023

May 27, 2021

Current trading and guidance

Jan-April Trading

- Constant FX revenue growth of 15%:
 - Organic growth of 10%
 - Acquisition growth of 5%
- Organic revenue flat vs 2019
- Adjusted Operating Income (AOI) is materially ahead of 2020 and profitability has increased compared to 2019

2021 Guidance

- Solid organic growth normalizing for the impact of Covid-19
- Improving the AOI margin
- Strong cash conversion
- Maintaining best-in-class organic return on invested capital
- Accelerating investment into our strategic focus area with M&A as a key enabler
- At least maintaining or growing the dividend

Our purpose

ENABLING A
BETTER, SAFER AND
MORE INTERCONNECTED
WORLD

A composite image featuring a microscope, a surveyor with a tripod-mounted instrument, a woman standing next to a globe, and a green printed circuit board (PCB) with a microchip.

How we operate

SGS business principles for success



Sustainability credentials



Enabling a better, safer and more interconnected world

How we measure our success - mid-term targets 2020-2023

▶ PLANET

Reducing our CO₂ emissions

Support the transition to a low carbon world by meeting our Science-Based Target of reducing our CO₂ emissions per revenue by 35%*

Sustainability Solutions

Support our customers on their journey to sustainability by increasing the proportion of revenue generated by our sustainability solutions to above 50%

Integrity Principles

Reduce the impact that our supply chain has on society by achieving 100% of our strategic suppliers trained on our integrity principles

Energy Efficiency

Increasing annually the number of energy efficiency measures in our 100 most energy intensive owned buildings

*Against a 2014 baseline, ** Against a 2019 baseline

▶ PERFORMANCE

High-single digit constant currency revenue CAGR

Driven by mid-single digit organic growth p.a. and a focus on M&A

> 10% Adjusted Operating Income CAGR

Strong EVA discipline

Maintain or grow the DPS

▶ PEOPLE

Ensuring Diversity

Nurture diversity and inclusion based on merit by ensuring equal opportunity to all employees and evolving our gender diversity to 30% women in leadership at CEO-3 positions

World Class Service (WCS)

Promote a culture of operational safety, efficiency and excellence through our WCS program: 20% of our WCS labs (2020 perimeter) reaching WCS Bronze award level

Supporting personal development

Support the personal development of our employees by increasing the completion rate of job-related training by 10%**

Positive impact on communities

Increase by 10%** our positive impact on our communities through employee volunteering, focusing on vulnerable groups including those affected by pandemics

2015-2020 plan milestones

Key achievements

<p>Asia</p> <p>No 1 with China reaching > 50% domestic revenue</p>	<p>Connectivity</p> <p>World class & most extensive wireless testing network</p>	<p>Consumer Products</p> <p>Leadership position in both HL and SL</p>	<p>Commodities</p> <p>Disposal of PSC to align with TIC megatrends</p>	<p>NWC</p> <p>Leading NWC from 5.2% rev in 2015 to -2.5% in 2020</p>
<p>E. Europe & Middle East</p> <p>5 consecutive years of high single-digit organic growth</p>	<p>Life Sciences</p> <p>Global network with unique Biopharma expertise</p>	<p>Environment</p> <p>Global network including acquisition of Synlab A&S</p>	<p>Food</p> <p>No 1 in Asia Fastest growth region</p>	<p>ROIC</p> <p>Best in class ROIC</p>

Value created

PLANET

Reduced CO₂ emissions**

40%

Corp. Sustainability in TIC industry

No. 1

PERFORMANCE

Market cap increased over 2016-2020 by

CHF 5.3bn

Return to shareholders through dividends or buybacks over 2016-2020 of

CHF 3.3bn

PEOPLE

Decreased the TRIR* by

45%

Increased the number of safety training hours by

132%

* incidents per 200,000 hours worked

** market-based emissions. It includes scope 1, 2 and 3.6 (business travel)

Aligning our business to the key TIC megatrends



Connectivity

Kn C&P D&I



Nutrition, Health & Wellness

H&N Kn C&P



Sustainability & Climate

H&N I&E NR Kn C&P D&I



Infrastructure

I&E Kn NR



Consumer Empowerment

H&N I&E NR Kn C&P D&I

Industries & Environment

Market size
CHF 70bn

Natural Resources

Market size
CHF 60bn

Connectivity & Products

Market size
CHF 40bn

Knowledge

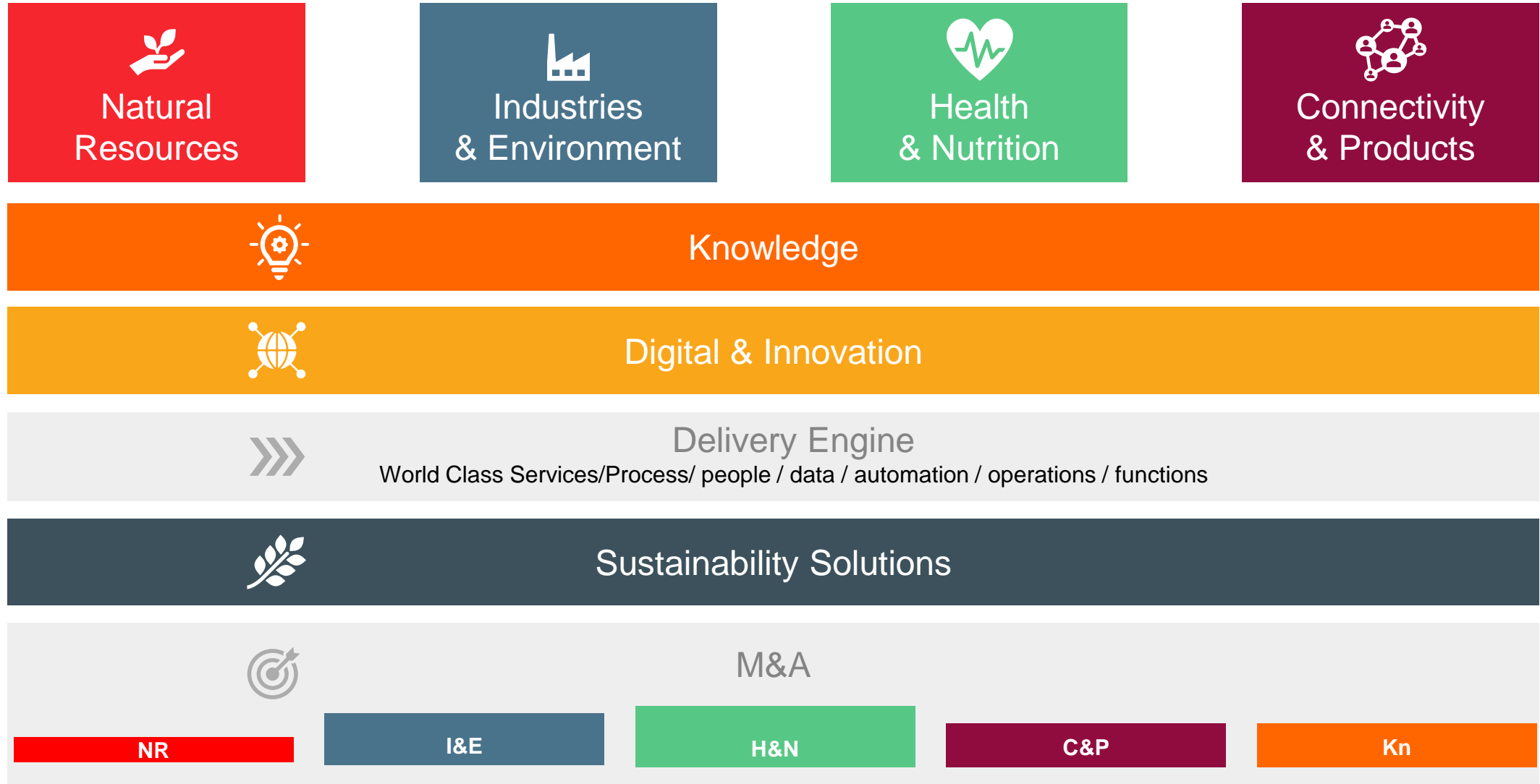
Market size
CHF 20bn

Health & Nutrition

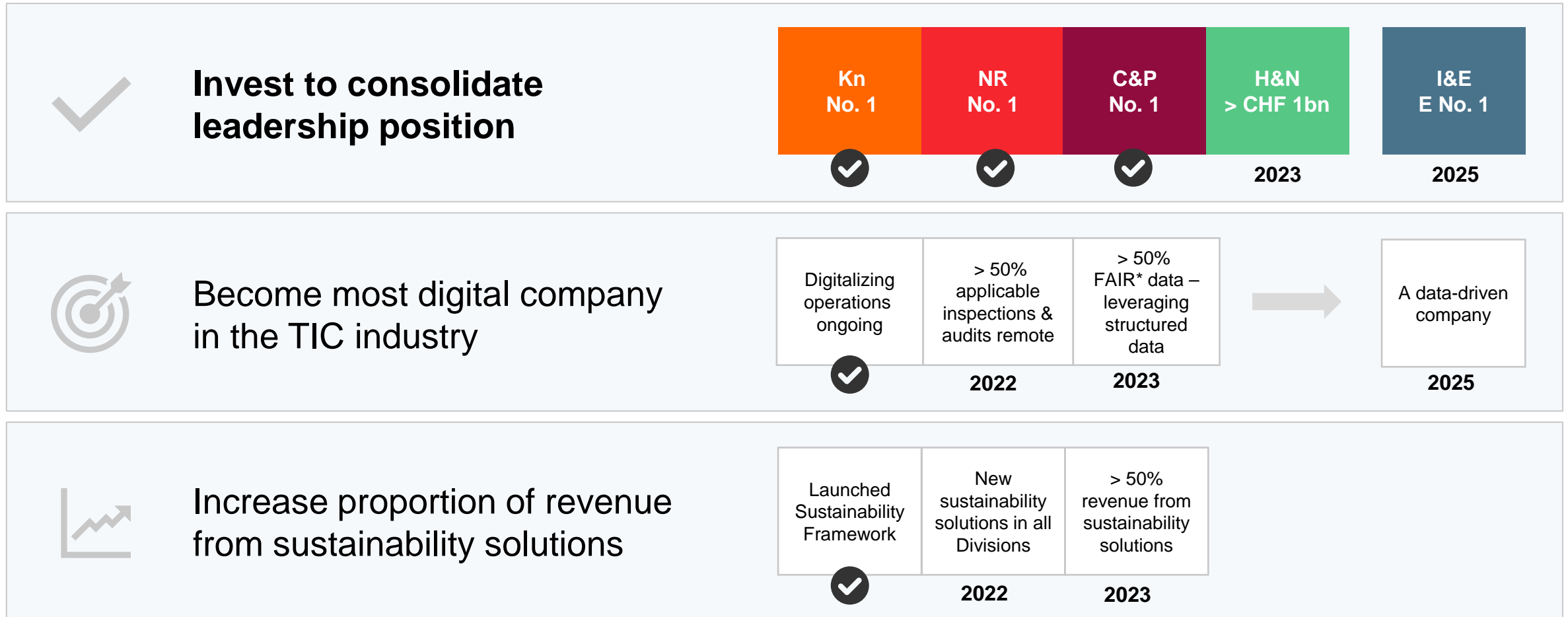
Market size
CHF 50bn

c. 50% outsourced

Our growth engine – 2023 and beyond



Objectives 2023 and beyond



* Findable, Accessible, Interoperable, Reusable

Objectives 2023 and beyond



Invest to consolidate leadership position



Become most digital company in the TIC industry



Increase proportion of revenue from sustainability solutions

Knowledge

- Certification remains core with new schemes driving demand
- Expand technical consulting network in Europe and Asia
- Build on sustainability competence through ESG Assurance Solutions
- Focus on digital solutions in Supplier Risk Management, powered by Transparency One
- > 20% revenue delivered by digital services and remote audits



2022

2023

* Findable, Accessible, Interoperable, Reusable

Objectives 2023 and beyond



Invest to consolidate leadership position



Become most digital company in the TIC industry



Increase proportion of revenue from sustainability solutions

Natural Resources

- Trade activities to remain core. A positive outlook for MIN & AGR while O&G currently under pressure
- Focus on petrochemical industries, which are recovering faster
- Develop new sustainability services for mid-term transformation of portfolio
- Optimize field and lab resources to generate network synergies
- > 50% trade back-office activities to operate on digital platforms (i.e. blockchain) by 2023 to enhance security and efficiency

* Findable, Accessible, Interoperable, Reusable

Objectives 2023 and beyond



Invest to consolidate leadership position



Become most digital company in the TIC industry



Increase proportion of revenue from sustainability solutions

Connectivity & Products

- Leverage connectivity market growth supported by proliferation of 5G technology and IoT devices
- Continue to build cybersecurity expertise as an integral part of our 'total solution'
- Focus on automotive and semiconductor industries as key opportunities
- SL/HL to remain core with service innovations
- Continue to lead the expansion of the domestic Chinese market
- New data services generating first revenue by 2022

* Findable, Accessible, Interoperable, Reusable

Objectives 2023 and beyond

Health & Nutrition



Invest to consolidate leadership position



Become most digital company in the TIC industry



Increase proportion of revenue from sustainability solutions

- Health Science (incl. Life) to become the largest business unit of H&N
- Focus on Biopharma and Analytical services
- Consolidate no. 1 position in Cosmetics supported by increasing regulatory controls
- Maintain no. 1 position in Food in Asia and expand global network and portfolio in Americas and Europe
- Enhance AI-enabled regulatory and compliance solutions in key H&N sectors

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Objectives 2023 and beyond



Invest to consolidate leadership position



Become most digital company in the TIC industry



Increase proportion of revenue from sustainability solutions

Industries & Environment

- Reassess portfolio focusing on TIC megatrends. Complement our expertise related to energy transition through M&A in renewables and specialty fields
- Further integrate Industries and Environmental expertise to provide integrated solutions
- Target leadership position in EHS services, supported by increasing regulatory requirements and enforcement
- Synlab A&S acquisition to accelerate the transition to high volume hub & spoke testing model

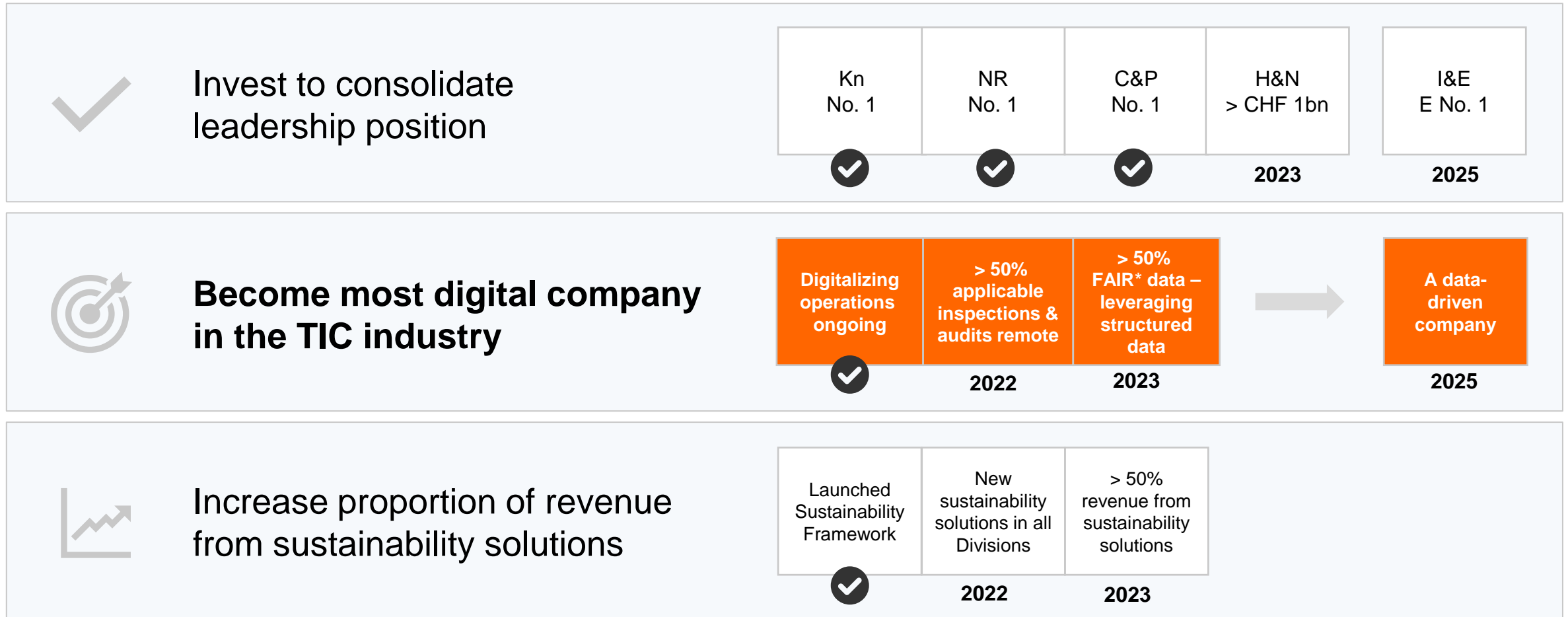


2022

2023

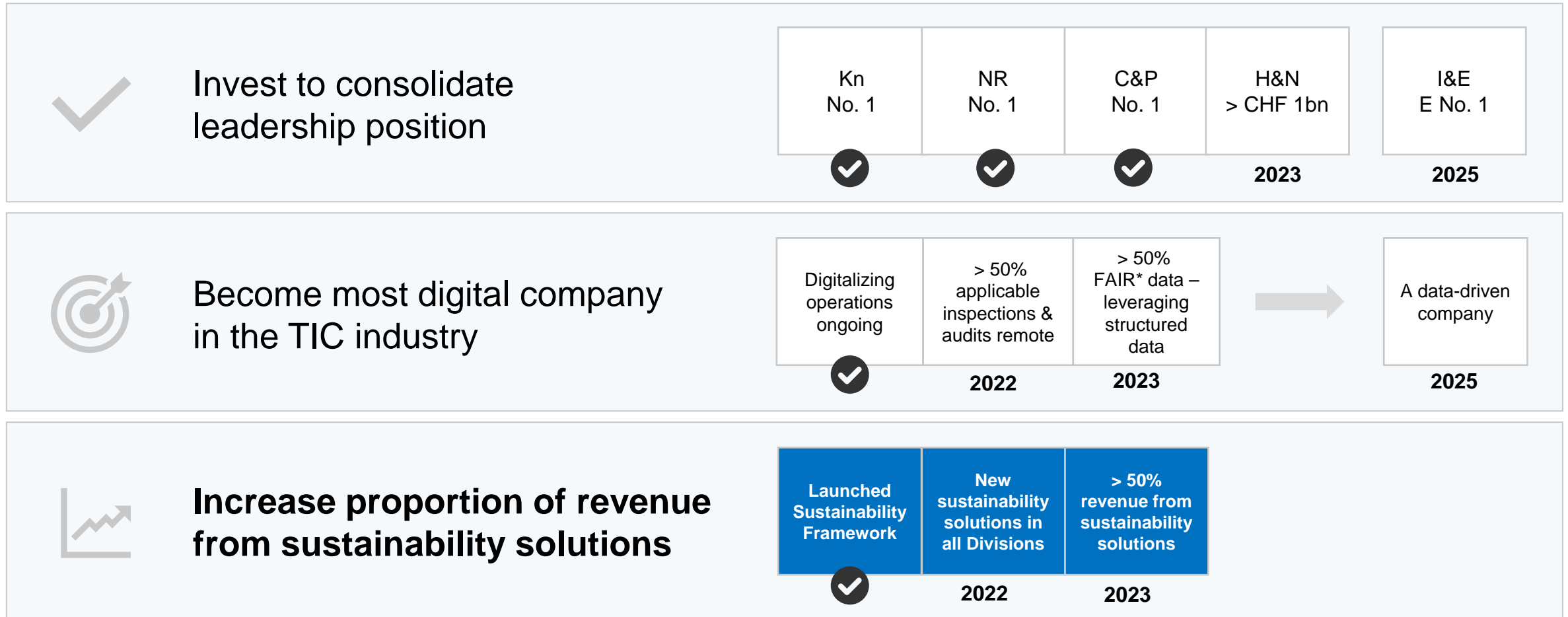
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Objectives 2023 and beyond



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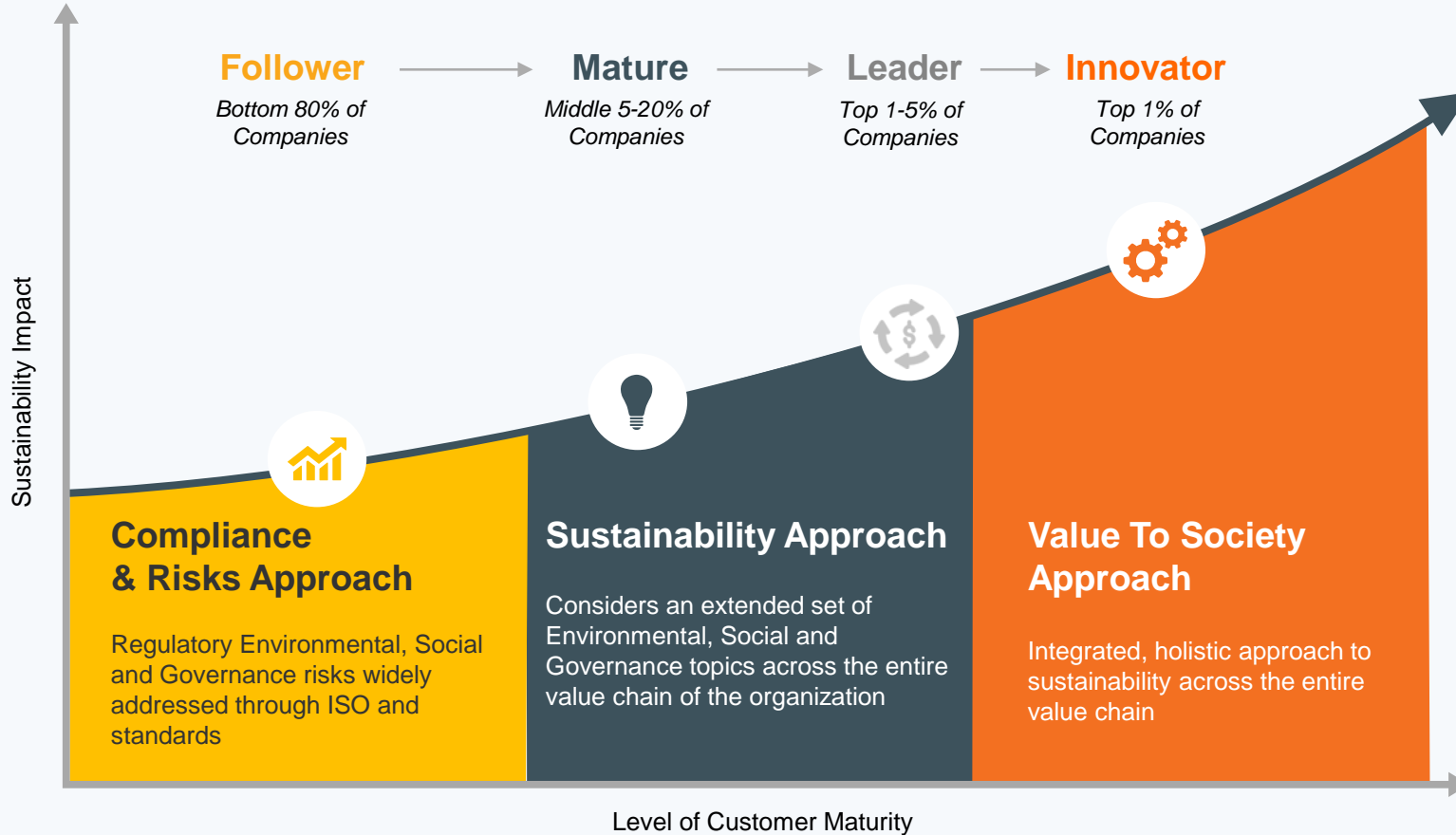
Objectives 2023 and beyond



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Supporting our customers on their journey to sustainability

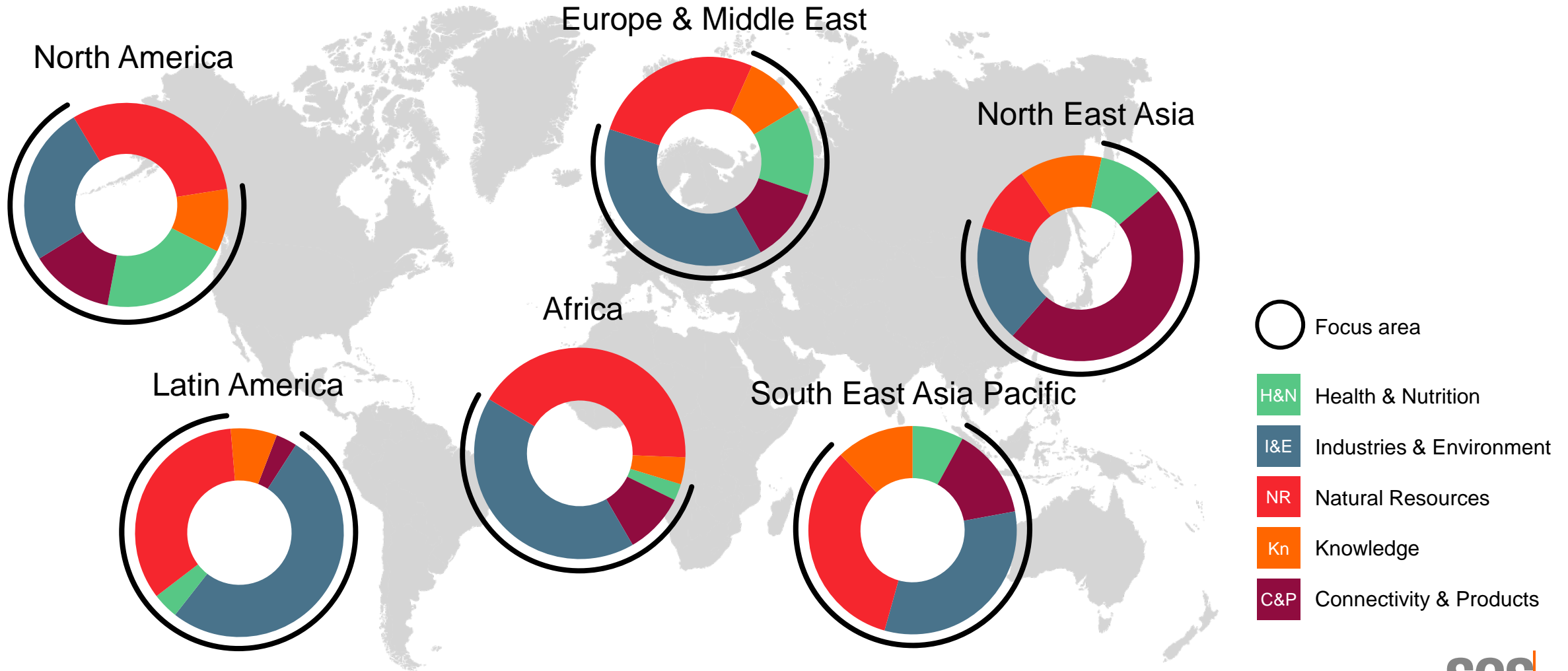
Customer evolution



Market and solutions evolution

- Driven by investors initially
- Regulators are starting to catch up responding to the climate crisis and consumer empowerment
- The regulatory journey is expected to be from self-declare/voluntary to third party verified/mandated
- An environmental crisis and significant consumer pressure driving changes in behavior

Key target markets to expand the global network



Operations Council

Frankie Ng*
Chief Executive Officer

REGIONS

Chief Operating Officers (COO)

Teymur Abasov

Eastern Europe & Middle East (EEME)
Based in Russia

Helmut Chik

North East Asia (NEA)
Based in Hong Kong

Fabrice Egloff

Africa & Western Europe (AWE)
Based in France

Luis Felipe Elias

Latin America (LATAM)
Based in Peru

Stephen Nolan

North America (NAM)
Based in the USA

Malcolm Reid

South East Asia & Pacific (SEAP)
Based in Singapore

Wim van Loon*

North & Central Europe (NCE)

DIVISIONS

Executive Vice Presidents (EVP)

Olivier Coppey*

Health & Nutrition (H&N)

Derick Govender*

Natural Resources (NR)

Charles Ly Wa Hoi

Connectivity & Products (C&P)
Based in France

Alim Saidov*

Industries & Environment (I&E)

CROSS-DIVISIONAL STRATEGIC UNITS

Jeffrey McDonald (EVP)

Knowledge (Kn)
Based in the USA

Siddi Wouters (SVP)

Digital & Innovation (D&I)
Based in the Netherlands

FUNCTIONS

Senior Vice Presidents (SVP)

Dominik de Daniel (CFO)*

Finance, M&A, IT and Procurement

Jose Maria Hernandez-Sampelayo*

Human Resources

Olivier Merkt*

Legal & Compliance

Toby Reeks*

Investor Relations, Corporate
Communications & Sustainability

* Based in Geneva

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