Strategy 27

Accelerating growth, building trust

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Attractive TIC industry

Four megatrends driving market demand

- **Powerful sustainability transition**

- **Innovation in digital capabilities & new technologies**

- **Near-shoring of supply chains**

- **Increasing regulation & public awareness**

**Higher demand** from ESG regulation and societal expectations

**Strong growth** driven by digital trust needs and technological changes

**New opportunities** from growing domestic demand and supply chain proximity

**Structural expansion** from tighter legislation and expectations for safety, health and well-being
Attractive TIC industry

Addressable market growth consistently exceeding GDP

Sources: TIC council, ISO association reports
Attractive TIC industry

Demand driven by regional market dynamics

Key growth drivers
- Digital/Tech
- Life science/Pharma
- Construction
- Environmental
- Low-carbon energy

North America 27%

Europe 28%

Asia Pacific 33%

Key growth drivers
- Food
- Digital/Tech
- Environmental
- Construction
- Low-carbon energy

Middle East & Africa 4%

Key growth drivers
- Food & agriculture
- Minerals

Key growth drivers
- Environmental
- Minerals
- Construction
- Low-carbon energy

Source: ISO, Company Annual Reports
Unique positioning within the TIC industry

SGS is the point of reference when you need to be sure

- Gold standard solutions provider in the industry, with 145 years of established history and experience
- Largest number of national accreditations globally to support customers in meeting their compliance needs and challenges
- Largest global network of restricted substances testing, pollutant identification and general chemistry
- Unique expertise capturing supply chain evolution
- Leading provider of digital trust services (cybersecurity, e-commerce compliance and data integrity)
Strategy 2027: Accelerating growth, building trust

Strategic priorities to create value based on three levers

**Growth**
1. Sustainability transition
2. Digital acceleration
3. Near-shoring of supply chains

**Performance & agility**
1. Accountability, performance and cash flow culture
2. New organization
3. Corporate simplification

**Strong financial profile**
1. Financial targets
2. Capital allocation
3. New corporate sustainability KPIs

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Sustainability transition

Capturing outstanding growth opportunities from sustainability

- **Carbon**: proven expertise in GHG emissions, from verification to gap assessments to advisory (for example, the Carbon Border Adjustment Mechanism)
- **Biodiversity**: comprehensive portfolio ranging from impact assessments to best practice implementation
- **Plastics**: unique expertise in achieving circularity (for example, microplastics testing solutions)
- **ESG assurance**: trusted partner in client sustainability journeys (for example, ESG reporting and supply chain mandates)
Digital acceleration

Demonstrated leadership in digital trust services

- 500+ Digital Trust experts and auditors across 40+ countries
- Leadership in cybersecurity evaluations & microchip testing
- Security evaluations to support compliance & risk management across the most complex sectors
- First AI certification ISO 42001 (Artificial Intelligence Management Systems) and strong partnerships with research institutes and leading technology companies
Near-shoring of supply chains
Rebalancing strong footprint and increasing proximity

Asia
- Leading position in Asia
- Strong demand from increased consumption of manufactured products

China’s upper-middle class as a % of all urban households¹

North America
- Attractive opportunities to grow in North America
- Significant sales expansion by 2027

Group sales in North America

Leveraging our global reach and local expertise
Demonstrated ability to follow trade flows and supply chains (Turkey, Vietnam)

¹ McKinsey Global Insights China Macro Model
Accountability, performance and cash flow culture

Promoting a high-performance culture

- Enhance P&L responsibility and accountability in the network
- New incentives based on Group performance targets including cash generation
- People strategy centered on learning & development, leadership and talent management
New organization

Leaner leadership to accelerate decision-making

Change in organization:

› Testing & Inspection managed locally, organized under five regions and supported by lean central resources for global contracts and technical expertise

› Certification (Business Assurance) managed as a global business unit while keeping strong synergies with the network

› Business leaders to be nominated from the existing organization, benefiting from strong expertise and experience in the company

› Focused Executive Committee of 12 members to be announced end of March
Corporate simplification

Optimize agility and returns

- Focus at the local level
- Eliminate duplicate responsibilities (double reporting lines) between regions and business lines
- Continuous internal process optimization especially through the roll out of digital labs program across the network
- Implement CHF 100 million cost reduction through simplification of organization and processes: new run rate reached at the end of 2025
Financial targets

Accelerating growth, building trust

- Sales:
  - 5%-7% organic growth annually

- Adjusted Operating Income margin on sales:
  - Significant improvement at least 1.5 percentage points by 2027

- Free cash flow:
  - > 50% cash conversion by 2027

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1 Free cash flow / (EBITDA – leases). Please refer to Alternative Performance Measures
Capital allocation

Key principles to finance Strategy 2027

Accelerating growth, building trust

<table>
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<tr>
<th>Resources</th>
<th>Use of funds</th>
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</thead>
<tbody>
<tr>
<td>› Solid multi-year cash flow</td>
<td>› Growth through accretive and synergetic acquisitions</td>
</tr>
<tr>
<td>› Financing through debt while keeping strong credit metrics</td>
<td>› Attractive shareholder remuneration through stable dividend</td>
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<td>› Scrip dividend to be proposed at the next AGM</td>
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New corporate sustainability KPIs

Ambitious 2027 sustainability targets

Environment
- Material progress towards 28% reduction in Scope 3 emissions

Social
- Diversity, equity and inclusion: At least one third of leadership positions held by women
- Education: 7 million hours of training per year to employees, clients and communities

Governance
- Responsible business: 93% customer satisfaction score
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