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Pharmaceutical Composition Testing, Switzerland

Third quarter 2025
sales update

SGS

Third quarter 2025 sales update

Strong performance in Q3: organic sales up 6.0%

Ad hoc announcement pursuant to article 53 LR
Geneva, 23 October 2025

- **Q3 sales of CHF 1 729 million, up 6% on an organic basis**
- **Launch of new global framework SGS DIGITAL TRUST**
- **Sustained bolt-on activity with 17 acquisitions completed year-to-date**
- **Outlook confirmed**

Géraldine Picaud, Chief Executive Officer, commented:

“Q3 was another strong quarter for SGS. Our excellent organic growth of 6.0% and scope effect of 1.9% underline the strength and resilience of our business model, as well as the disciplined execution of Strategy 27 - ‘Accelerating growth, building trust’. We will continue to drive its implementation at full speed, positioning the group in markets with the strongest momentum, driven by Sustainability, Digital Trust and the migration of global supply chains. Our sustained bolt-on acquisition strategy will keep fuelling the growth of tomorrow. I want to sincerely thank all our SGS teams for their commitment to performance and excellence.”

Sales review

Group sales

(CHF million)	Q3 2024	Q3 2025
Sales	1 699	1 729
Total change		1.8%
of which organic¹		6.0%
of which scope		1.9%
of which FX		-6.1%

Q3 2025 Group sales by division

	Organic ¹ growth	Sales (CHF million)
Asia Pacific	7.6%	511
Europe	4.5%	510
North America	3.9%	184
Eastern Europe, Middle East & Africa	3.8%	178
Latin America	14.1%	153
Testing & Inspection	6.3%	1 536
Business Assurance	3.7%	193
Total Group	6.0%	1 729

¹ Refer to alternative performance measures in the Appendix

Q3 2025 sales review

Sales reached CHF 1 729 million in Q3 2025, up 1.8% compared to prior year. Strong organic¹ growth of 6.0% and positive net scope effect of 1.9% more than offset the adverse foreign exchange effect of -6.1%.

Testing & Inspection delivered organic¹ sales growth of 6.3%, supported by all business lines.

Business Assurance achieved 3.7% organic¹ sales growth, with strong momentum in Sustainability impacted by underperformance in Consulting.

Sustainability services under our **IMPACT NOW** framework remained a key driver of growth, with major contracts signed across its four pillars: Climate, Circularity, Nature, and ESG Assurance. IMPACT NOW brings together SGS's comprehensive sustainability offering, delivering tailored solutions that help clients achieve measurable progress toward their sustainability goals.

Digital Trust also continued to be a significant driver of growth in the third quarter, supported by strong advancements in AI management certification and cybersecurity services. Building on this momentum, the Group launched '**SGS DIGITAL TRUST: Across technologies, services and organizations**', a new global framework that unites all digital trust services under one structured and consistent approach. Grounded in SGS's proven expertise, this framework strengthens and streamlines the Group's digital trust portfolio, helping organizations to navigate today's increasingly complex digital ecosystem with confidence. It is built around four strategic pillars: Connected Products & Technologies, Digital Services & Infrastructure, Data & Artificial Intelligence and Organizations & People. Each pillar reflects SGS's expertise in areas such as design validation, security evaluation, life cycle assurance, impartial oversight and continuous monitoring. Addressing all key dimensions of digital trust – including safety, cybersecurity, privacy, fairness, transparency, and sustainability – the framework supports a wide range of industries, including critical infrastructure, medical technology, mobility, consumer electronics, and wireless, as well as emerging sectors such as payments, digital identity, telecoms, space, and semiconductors.

Mergers & Acquisitions activity

The Group made seventeen bolt-on acquisitions since the beginning of the year to accelerate growth and profitability in key markets, especially in North America and Europe. They represent combined sales of more than CHF 150 million on an annual basis.

Building on the twelve acquisitions announced at the time of the half-year results, SGS has since added five more companies to its portfolio, further expanding its footprint in high-growth, strategically attractive segments:

- **MPR Services**, a U.S. provider of liquid and gas reclamation services, supporting energy companies with identifying and treating contaminants in their raw products. These innovative solutions clean solid materials, make them recyclable and reduce waste. The acquisition strengthens SGS's role in the energy transition by advancing cleaner technologies and improving environmental performance in industrial operations.
- **Fulcrum Robotics**, an Australian specialist in aerial, marine and terrestrial drone-based inspection and robotic services for the industrial and environmental sectors. This acquisition supports the Group's sustainability and innovation agenda by deploying advanced technologies that help reduce environmental risks and improve efficiency.
- **Geosol**, a leading Brazilian provider of geochemical, environmental and analytical laboratory services in mineral engineering. The acquisition of an additional stake giving control, strengthens the Group's capabilities in mineral analytics by enabling fully integrated lab-to-site solutions that improve efficiency and precision.
- **Tres60**, a Chilean technology integrator for mining operations. This acquisition strengthens SGS's presence in the sector value chain and supports its ambition to deliver data-driven, AI-enabled solutions that enhance operational performance and sustainability.
- **Qualitest**, a Canadian leader in welding engineering, mechanical testing, failure analysis and inspection services for key industrial sectors from manufacturing to infrastructure.

In addition, the closing process of **Applied Technical Services (ATS)** is on track with the transaction expected to close by late 2025 / early 2026. ATS is a leading provider of specialized Testing, Inspection, Calibration and Forensics solutions in North America and is expected to bring USD 460 million of sales and USD 95 million of EBITDA before synergies in 2026.

¹ Refer to alternative performance measures in the Appendix

Bolt-on acquisitions to date

	Closing date	Location	Business line	FTE
Aster Global	January 2025	USA	Business Assurance	25
Stella Operazioni Doganali	January 2025	Italy	Connectivity & Products	30
RTI Laboratories	February 2025	USA	Industries & Environment	30
Carpedia International	March 2025	Canada	Business Assurance	100
HidroMares Oceanografia	April 2025	Brazil	Industries & Environment	64
IMO Group	April 2025	Australia	Natural Resources	40
AWIA Umwelt GmbH	April 2025	Germany	Industries & Environment	38
Streamline Control	May 2025	Canada	Industries & Environment	60
H2Safety	June 2025	Canada	Industries & Environment	86
EFBE	June 2025	Germany	Connectivity & Products	17
Ecoloss	July 2025	Netherlands	Industries & Environment	26
Walsh	August 2025	Peru	Industries & Environment	180
MPR Services	August 2025	USA	Industries & Environment	36
Fulcrum Robotics	September 2025	Australia	Industries & Environment	16
Geosol	September 2025	Brazil	Natural Resources	950
Tres60	October 2025	Chile	Natural Resources	264
Qualitest	Expected November 2025	Canada	Industries & Environment	28

Outlook 2025

SGS confirms all its targets for 2025:

- 5% to 7% organic¹ sales growth
- 1% to 2% bolt-on contribution to annual sales growth
- At least 30 basis points improvement in adjusted operating income margin¹ on sales, in reported terms
- Strong free cash flow¹ generation

Conference call

A live webcast for analysts and investors will be held on 23 October 2025 at 10:00am CET.

Details of the webcast can be found below:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=qtCq3NqW&utm>

A recording of the webcast will be available later in the day on sgs.com.

¹ Refer to alternative performance measures in the Appendix

Sales by end-market

Testing & Inspection: Industries & Environment



(CHF million)	Q3 2025	9M 2025
Sales	574	1 703
Total change	5.3%	3.5%
of which organic¹	7.9%	6.2%
<i>of which scope</i>	3.4%	2.2%
<i>of which FX</i>	-6.0%	-4.9%

Industries & Environment delivered excellent organic¹ growth of 7.9% in Q3 2025, led by Safety.

- Continued high single-digit organic¹ growth in **Safety** was driven by strong demand in North America and Europe
- **Projects & Advisory** delivered strong growth from new project wins in Latin America and Asia Pacific
- **Industrial testing** delivered excellent results, reflecting solid execution and consistent performance across all regions
- **Environment** achieved moderate growth, with a softer summer period compensated by a marked increase in laboratory testing in September

Testing & Inspection: Natural Resources



(CHF million)	Q3 2025	9M 2025
Sales	405	1 206
Total change	-1.9%	-2.1%
of which organic¹	4.4%	3.3%
<i>of which scope</i>	0.7%	0.1%
<i>of which FX</i>	-7.0%	-5.5%

Natural Resources delivered solid organic¹ growth of 4.4% in Q3 2025.

- **Minerals** continued to be led by strong demand in critical minerals and metals in the Americas and Asia Pacific
- **Oil, Gas and Chemicals** delivered solid growth supported by increased sales and marketing efforts in Asia Pacific and North America
- Strong growth in **Agriculture** was mainly driven by a double-digit increase in the Americas and recovery in Europe
- Despite geopolitical uncertainties, our market leading global footprint continues to allow us to capture new trade route opportunities

¹ Refer to alternative performance measures in the Appendix

Testing & Inspection: Connectivity & Products



(CHF million)	Q3 2025	9M 2025
Sales	339	1 011
Total change	0.0%	2.6%
of which organic¹	6.2%	6.4%
<i>of which scope</i>	0.6%	1.2%
<i>of which FX</i>	-6.8%	-5.0%

Connectivity & Products posted strong organic¹ growth of 6.2% in Q3 2025, driven by Sustainability and Digital Trust.

- High single-digit organic¹ growth in **Connectivity** was driven by technology security in Asia Pacific and product safety in North America
- Solid organic¹ growth in **Softlines** was supported by high demand for eco-friendly products
- **Hardlines** delivered **high single-digit** organic¹ growth, benefiting from supply chain shifting opportunities across South-East Asia
- Mid-single-digit organic¹ growth in **Government services** was led by product conformity assessment and anti-fraud services

Testing & Inspection: Health & Nutrition



(CHF million)	Q3 2025	9M 2025
Sales	218	658
Total change	3.3%	7.2%
of which organic¹	6.2%	8.0%
<i>of which scope</i>	1.9%	2.1%
<i>of which FX</i>	-4.8%	-2.9%

Health & Nutrition delivered strong organic¹ growth of 6.2% in Q3 2025, driven by Food.

- Double-digit organic growth continued in **Food**, with strong demand for emerging contaminants testing and safety in all regions
- Strong double-digit growth was achieved in Nutraceutical and Dietary supplement product certification
- Moderate organic growth in **Pharma** was driven by Clinical research in Europe, partly offset by soft performance in drug development
- New project awards in **Cosmetics & Personal Care** during latter part of Q3 and expected to continue in Q4

¹ Refer to alternative performance measures in the Appendix

Certification: Business Assurance



(CHF million)	Q3 2025	9M 2025
Sales	193	573
Total change	1.0%	2.9%
<i>of which organic¹</i>	3.7%	4.1%
<i>of which scope</i>	2.6%	2.9%
<i>of which FX</i>	-5.3%	-4.1%

Business Assurance saw resilient organic¹ growth of 3.7%, led by Sustainability.

- Strong organic¹ growth was achieved in **Certification** in a post-recertification year, led by double-digit growth in medical devices, food and Digital Trust assurance
- Double-digit growth in **Sustainability** services was driven by greenhouse gas emissions verification, sustainability assurance and social audits
- **Consulting** remained soft, with several projects delays in North America
- Recent acquisitions made a strong contribution to overall growth

¹ Refer to alternative performance measures in the Appendix

Appendix

Alternative Performance Measures

For the period ended 30 September 2025

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 our 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 following this link: <https://www.sgs.com/en/investors/reports>

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 at constant scope to derive the organic growth percentage. A numerical reconciliation of this APM is included below:

(CHF million)

Sales Q3 2024	1 699
Scope effect from divestments	-7
Sales Q3 2024 at constant scope	1 692
Organic growth	102
Scope effect from acquisitions	40
Sales Q3 2025 at constant currency	1 834
Currency impact	-105
Sales Q3 2025	1 729

(CHF million)

Sales 9M 2024	5 034
Scope effect from divestments	-15
Sales 9M 2024 at constant scope	5 019
Organic growth	277
Scope effect from acquisitions	95
Sales 9M 2025 at constant currency	5 391
Currency impact	-240
Sales 9M 2025	5 151

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).

Adjusted operating income

The adjusted operating income is provided to assess the underlying financial and operational performance of the Group 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 disposals
- Acquisition- and divestment-related expenses including integration costs
- Other non-recurring items, e.g. non-operational items such as certain regulatory, compliance and legal costs and certain asset write-downs/impairments

Free cash flow

The free cash flow is deemed an important measure by management as it shows the ability to generate cash after the investment in assets necessary to support the existing operating activities.

The Group defines free cash flow as:

Net cash flow from operating activities,

Less net purchase of property, plant and equipment and of other intangible assets, Less lease payments,

Less interests paid, net of interests received.

Cash conversion

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

2024 sales by quarter

Minor reclassifications of 2024 sales have been performed to be fully comparable with current business line allocation.

Comparable with 2025 business allocation

(CHF million)	Q1	Q2	Q3	Q4	2024
Industries & Environment	515	586	545	568	2 214
Natural Resources	395	424	413	422	1 654
Connectivity & Products	305	341	339	344	1 329
Health & Nutrition	192	211	211	222	836
Business Assurance	170	196	191	204	761
Total	1 577	1 758	1 699	1 760	6 794

Published in 2024

(CHF million)	Q1	Q2	Q3	Q4	2024
Industries & Environment	526	598	557	580	2 261
Natural Resources	386	413	403	410	1 612
Connectivity & Products	294	329	327	332	1 282
Health & Nutrition	201	222	221	234	878
Business Assurance	170	196	191	204	761
Total	1 577	1 758	1 699	1 760	6 794

About SGS

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

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

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

Shareholder Information

Upcoming investor events

11 February 2026	Full year 2025 results
26 March 2026	Annual General Meeting
23 April 2026	Q1 2026 sales update
24 July 2026	Half year 2026 results
22 October 2026	Q3 2026 sales update

Stock listing information

Stock exchange trading	SIX Swiss Exchange
Stock exchange listing	SGSN
Common stock symbols	Bloomberg: SGSN.SW Reuters: SGSN.S Telekurs: SGSN ISIN: CH1256740924 Swiss security number: 249745

Investor and media contacts

Ariel Bauer Head of Communications, Investor Relations and Sustainability Tel: +41 79 863 49 23	Livia Baratta Deputy Head of Investor Relations Tel: +41 79 586 48 53
Email: sgs.investor.relations@sgs.com	

Headquarters information

SGS SA

1 place des Alpes
P.O. Box 2152
CH – 1211 Geneva 1

www.sgs.com

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

sgs.com

SGS