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Semiconductor Security Assessment, Netherlands

First quarter 2026
sales update



First quarter 2026 sales update

Record Q1 sales of CHF 1.75 billion

Ad hoc announcement pursuant to article 53 LR
Baar, 23 April 2026

- **Strong contribution of organic¹ sales growth at +5.3% and scope at +7.3%, partly offset by adverse foreign exchange of -8.7%**
- **Strong results delivered by ATS, integration fully on track**
- **Confirming leadership in Digital Trust**
- **Enhanced services by integrating Artificial Intelligence**
- **Outlook 2026 confirmed**

Géraldine Picaud, Chief Executive Officer, commented:

“SGS delivered record Q1 sales, reflecting the strength and diversity of its business portfolio. This demonstrates the consistent execution of Strategy 27. Over the quarter we have expanded our capabilities in Digital Trust, in particular with the acquisition of Granite River Labs Services. We are integrating AI in our offering, proposing new services to our clients and improving customer experience. With a clear focus on long-term structural growth drivers, a strengthened portfolio and a robust pipeline of bolt-on acquisitions, the Group confirms its outlook for 2026.”

Group sales

(CHF million)	Q1 2025	Q1 2026
Sales	1 681	1 747
Total change		3.9%
of which organic		5.3%
of which scope		7.3%
of which FX		-8.7%

Group sales by division

(CHF million)	Organic growth	Q1 2026
Asia Pacific	8.9%	502
Europe	2.4%	470
North America	1.4%	245
Eastern Europe, Middle East & Africa	2.0%	175
Latin America	8.5%	169
Testing & Inspection	5.0%	1 561
Business Assurance	7.4%	186
Total Group	5.3%	1 747

¹ Refer to Alternative Performance Measures in the Appendix

Q1 2026 sales review

Sales reached CHF 1 747 million in Q1 2026, up 3.9% compared to prior year. Strong organic growth of 5.3% and positive net scope effect of 7.3% more than offset the adverse foreign exchange effect of -8.7%.

Testing & Inspection delivered organic sales growth of 5.0%, supported by all business lines.

Business Assurance achieved 7.4% organic sales growth, with strong momentum in Sustainability services and Digital Trust assurance.

Leadership in Digital Trust

In **Digital Trust**, SGS continues to confirm its leadership. In the first quarter, it added key capabilities in Connectivity with the acquisition of Granite River Labs Services in North America, an expert in high-speed connectivity testing, and with the opening of a new state-of-the-art laboratory in the United Kingdom. It cemented its strong position in Artificial Intelligence by completing a major ISO/IEC 42001 AI certification project spanning 80 data centers. This demonstrates its position as a go-to player in supporting large-scale AI governance and strengthening trust in AI. It also launched new offerings in cybersecurity with the acquisition of Panacea Infosec in India, a consulting and certifying company recognized as an expert of the payment card industry and of Cyanre Group in South Africa, which delivers cyber-forensic services through software technologies.

Integrating Artificial Intelligence into SGS's offering

Artificial Intelligence is becoming an increasingly important value driver for SGS, both in enhancing client services and improving internal operations. The Group is embedding AI across its offering to improve customer experience and develop new solutions. Several functionalities are already implemented across our business lines and geographies, setting the foundations for future growth.

Mergers & Acquisitions

Building on the 5 acquisitions closed in early 2026 and announced at the time of the 2025 full-year results, SGS has added 4 more companies to its portfolio, further expanding its footprint in high-growth, high-margin segments:

- **Granite River Labs Services (USA)** – A North American specialist in validating high-speed wired data connections. This acquisition expands the Group's capabilities into the testing of digital infrastructure and complex systems enabling AI.
- **Trident (USA)** – A one-stop-shop solution provider of specialist inspection, maintenance, and engineering services for critical industrial equipment with a focus on the growing power utility and nuclear sectors.
- **OSGAPI (France)** – A provider of flood vulnerability diagnostics. This acquisition allows SGS to enter a growing segment driven by increasing regulatory and environmental pressures related to climate change.
- **Alverad (Hungary)** – A cybersecurity and operational technology specialist offering IT and cyber-risk services to help organizations assess and strengthen their digital security.

Together, bolt-on acquisitions announced to date in 2026 represent total annual sales of over CHF 65 million.

Bolt-on acquisitions to date

	Effective date	Location	Business line	FTE
Panacea Infosec	January 2026	India	Business Assurance	92
MsMin	January 2026	Chile	Industries & Environment	185
Murray-Brown Laboratories	January 2026	USA	Health & Nutrition	16
Information Quality	January 2026	Australia	Industries & Environment	111
Cyanre Group	February 2026	South Africa	Connectivity & Products	33
Granite River Labs Services	February 2026	USA	Connectivity & Products	231
Trident	February 2026	USA	Industries & Environment	22
OSGAPI	April 2026	France	Industries & Environment	21
Alverad	April 2026	Hungary	Industries & Environment	28

Successful scrip dividend

The company's Annual General Meeting held on 26 March 2026 offered its shareholders the possibility to receive the 2025 dividend in cash or in new SGS shares.

As announced on 21 April 2026, 61.35% of the dividend for the financial year 2025 was elected to be paid in the form of new SGS shares, with the remaining 38.65% to be paid out in cash. The delivery of the new shares and the payment of the total CHF 239 million cash dividend is planned to take place on 24 April 2026.

This represents a further strong endorsement of Strategy 27 and allows SGS to reward the loyalty of its shareholders while redirecting close to CHF 400 million of cash towards high-impact growth opportunities.

Outlook 2026

SGS confirms its 2026 outlook despite the situation in the Middle East:

- 5% to 7% organic sales growth
- 5% to 7% additional sales from acquisitions, including ATS
- \geq 16% Adjusted Operating Income¹ margin on sales, in reported terms
- > 50% cash conversion¹
- Capital Markets Event to be held in Europe on 17 and 18 November 2026

Conference call

A live webcast for analysts and investors will be held on 23 April 2026 at 10:00am CET.

Details of the webcast can be found below:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=LFtSjZOM>

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

¹ Refer to Alternative Performance Measures in the Appendix

Business line performance

Testing & Inspection: Industries & Environment



(CHF million)	Q1 2025	Q1 2026
Sales	546	618
Total change		13.2%
of which organic		6.3%
<i>of which scope</i>		16.2%
<i>of which FX</i>		-9.3%

Industries & Environment delivered excellent organic growth of 6.3% in Q1 2026, driven by Inspection projects and Safety:

- **Inspection & Supervision** projects delivered double-digit organic growth and **Safety** recorded strong performance in Latin America and Asia Pacific.
- **Industrial testing** delivered strong results, led by new projects and strong calibration services in Europe and Asia Pacific.
- Solid growth in **Environment** was driven by Industrial hygiene and field monitoring in North America, which compensated for a slower start in Europe.
- A strong contribution to sales growth from acquisitions, led by ATS, supported our ambition to more than double our sales in North America.

Testing & Inspection: Natural Resources



(CHF million)	Q1 2025	Q1 2026
Sales	406	411
Total change		1.2%
of which organic		4.2%
<i>of which scope</i>		3.9%
<i>of which FX</i>		-6.9%

Natural Resources delivered solid organic growth of 4.2% in Q1 2026 led by Minerals:

- **Minerals** delivered strong growth in the Americas, Asia Pacific and Southern Africa.
- Excellent performance was recorded in geochemistry as well as metallurgy and consulting, supported by gold and rare earth metals.
- **Oil, Gas and Chemicals** posted solid growth despite business disruptions from the Middle East in March.
- **Agriculture** grew moderately, with solid growth in North America.

Testing & Inspection: Connectivity & Products



(CHF million)	Q1 2025	Q1 2026
Sales	332	326
Total change		-1.8%
of which organic		6.3%
<i>of which scope</i>		2.0%
<i>of which FX</i>		-10.1%

Connectivity & Products posted strong organic growth of 6.3% in Q1 2026, led by Connectivity and Softlines:

- **Connectivity** posted high single-digit organic growth led by wireless testing and cybersecurity.
- **Softlines** also saw high single-digit organic growth, benefiting from a surge of PFAS testing driven by new European regulations.
- **Hardlines** recorded strong organic growth, driven by new contract wins.
- **Trade facilitation services** were slightly impacted by geopolitics and contract mix.

Testing & Inspection: Health & Nutrition



(CHF million)	Q1 2025	Q1 2026
Sales	218	206
Total change		-5.5%
of which organic		1.5%
<i>of which scope</i>		0.6%
<i>of which FX</i>		-7.6%

Health & Nutrition delivered an organic growth of 1.5% in Q1 2026:

- High single-digit organic growth in **Food** was driven by strong demand for food safety across all geographies.
- Strong momentum continued in health food and sports nutrition in Asia Pacific.
- **Pharma** recorded an improving performance in North America, offset by the phasing of projects in clinical testing in Europe.
- **Cosmetics & Personal Care** was impacted by delays in the start of client projects.

Certification: **Business Assurance**



(CHF million)	Q1 2025	Q1 2026
Sales	179	186
Total change		3.9%
<i>of which organic</i>		7.4%
<i>of which scope</i>		5.7%
<i>of which FX</i>		-9.2%

Business Assurance saw strong organic growth of 7.4%, led by Sustainability and Digital Trust:

- **Sustainability** recorded double-digit growth, driven by greenhouse gas emission verification and supply chain services.
- **Digital Trust** assurance also saw double-digit growth.
- **Certification** posted solid organic growth led by medical devices.
- Recent acquisitions contributed strong sales growth, partially offset by the planned disposal of our Consulting business in the US.

Appendix

Alternative Performance Measures

For the period ended 31 March 2026

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 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: Results from acquisitions are excluded for the 12 months following the date of a business combination, while results generated by a divested or discontinued operation are excluded for the 12 month period prior to the change in scope.
- 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 Q1 2025	1 681
Scope effect from divested / discontinued operations	-12
Sales Q1 2025 at constant scope	1 669
Organic growth	88
Scope effect from acquisitions	136
Sales Q1 2026 at constant currency	1 893
Currency impact	-146
Sales Q1 2026	1 747
Organic growth	5.3%

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 may include non-operational items such as certain regulatory, compliance and legal costs and certain asset write-downs/impairments and remeasurement gains on business combinations

Free cash flow

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. 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:

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.

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 over 100,000 dedicated professionals. With more than 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 a portfolio of trusted specialized brands, including Applied Technical Services, Brightsight, Bluesign 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

24 July 2026	Half year 2026 results
23 October 2026	Q3 2026 sales update
17-18 November 2026	Capital Markets Event
11 February 2027	FY 2026 results
24 March 2027	Annual General Meeting
23 April 2027	Q1 2027 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

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Disclaimer

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