WESTERN EUROPE

Pauline Earl
COO Western Europe

Investor Days 2018, Bordeaux



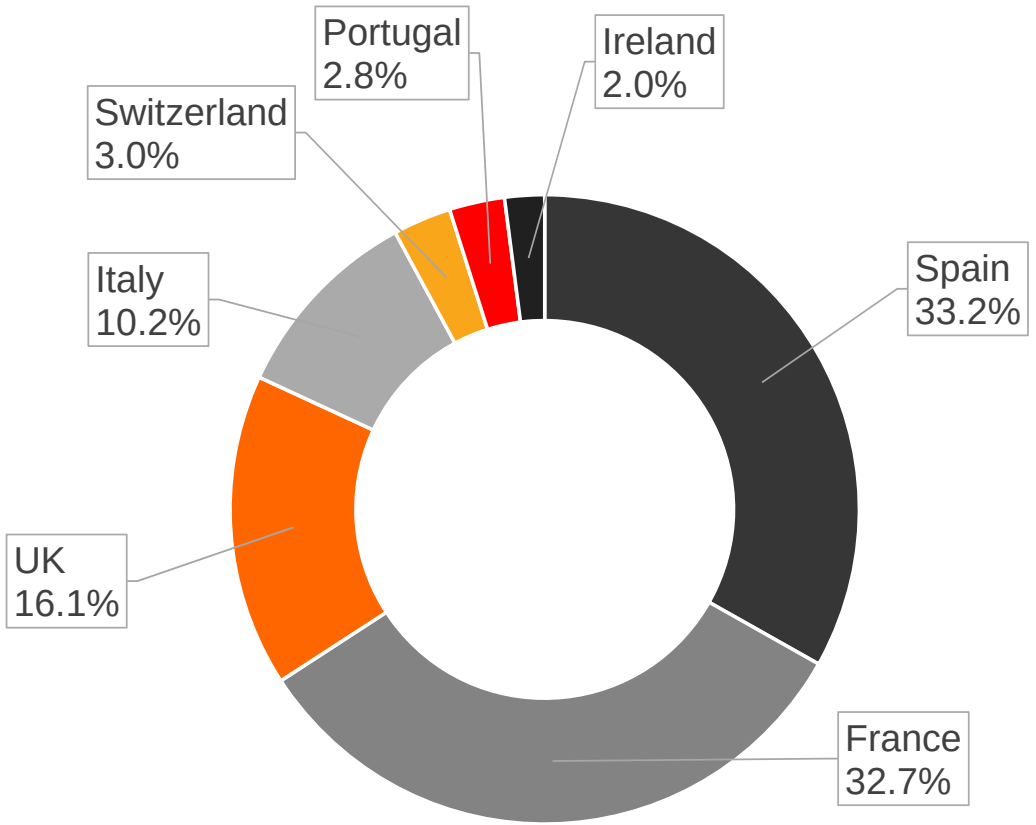
WHEN YOU NEED TO BE SURE

SGS



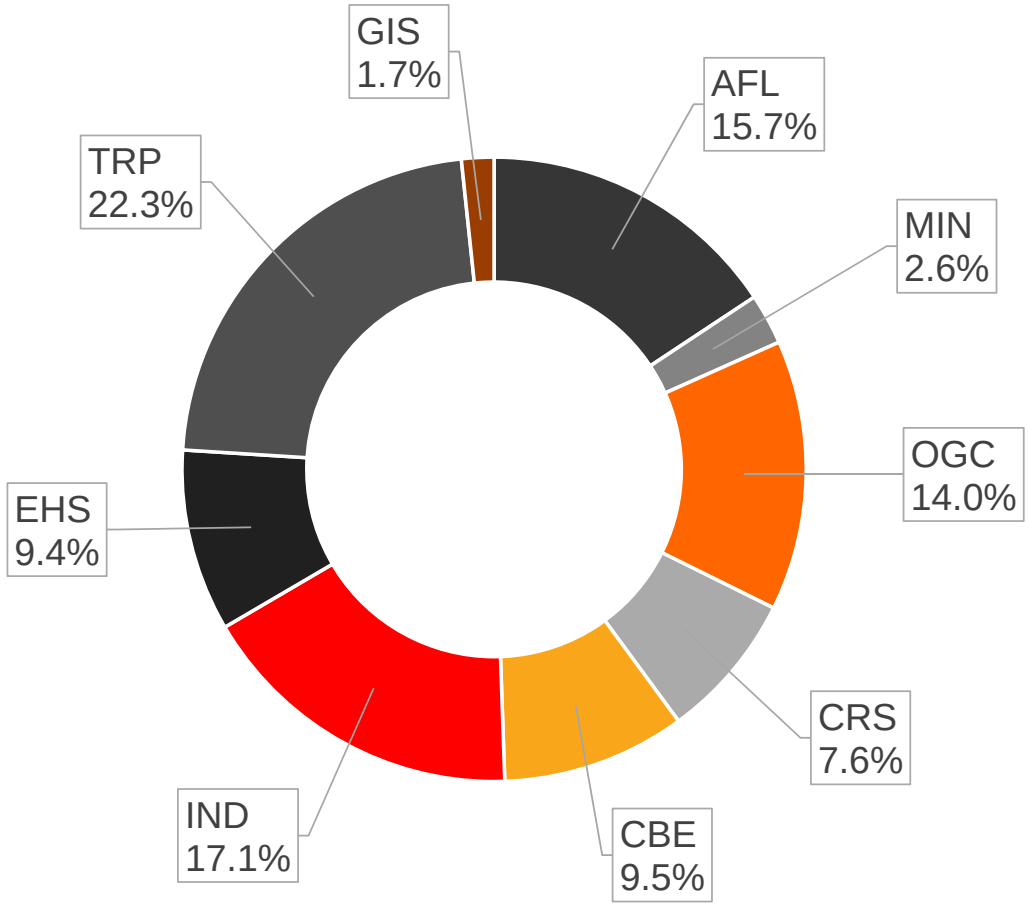
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WEU REVENUE % YTD AUGUST 2018



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WEU BY BUSINESS % YTD AUGUST 2018



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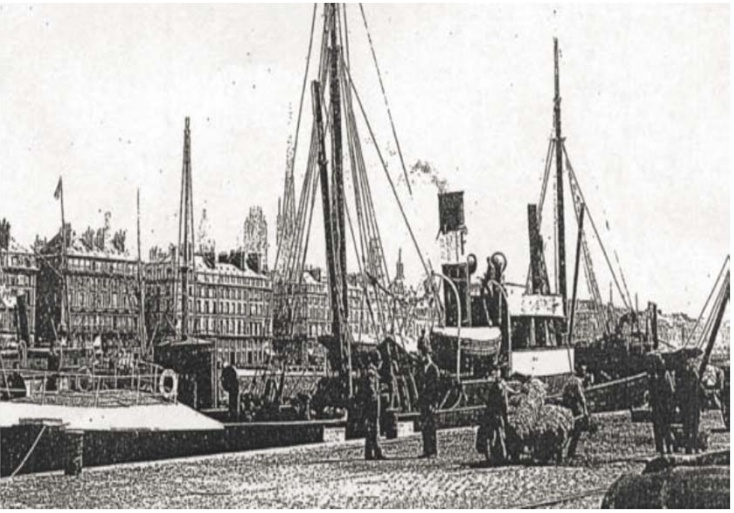
WEU – A STEADY PERFORMANCE



- Over the last number of years the region has demonstrated modest growth
- What's behind achieving a steady performance?
  - Political impacts
  - Economic impacts
  - Acquisitions
  - Contract wins
  - Contract losses
  - Investments
  - Divestments
  - Closures
  - Diversification
  - Technology

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SGS FOUNDED IN 1878 IN ROUEN, FRANCE







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CHANGING FACE OF FRANCE

2004

- Acquisition of Securitest - a network of 1700 statutory inspection franchises plus ACO - 40 owned inspection centres (TRP)
- Acquisition of Vernolab – oil condition monitoring (OGC)

2005

- Acquisition of ASF (Auto Sécurité France) network of 1700 franchises (TRP)

2006

- Acquisition of Aster and Cephac Life Sciences clinic and laboratory (LIFE)

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CHANGING FACE OF FRANCE

2010

- Acquisition of Amtech Medical, inspection of radiography equipment (IND)

2012

- Acquisition of ACE – off lease inspection (TRP)
- Acquisition of Sercovam Laboratory active in the testing of car components for manufacturers and now developing its presence in the aeronautic sector (TRP)



2013

- Acquisition of RDFI inspection centers (TRP)



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CHANGING FACE OF FRANCE

2014

- Closure of Aster clinic
- Acquisition of Courtray (CRS)

2015

- Acquisition of DLH (vehicle inspection centres) and LeBrigand active NDT in the aerospace sector (TRP)
- Opening of modernised OGC lab in Port de Bouc
- New CRS laboratory specialized in E&E testing launched in Aix-en-Provence







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CHANGING FACE OF FRANCE

SGS INVESTOR DAYS BORDEAUX 8-9 NOVEMBER 2018

2016

- LIFE, Clichy lab sold and moved to Villeneuve La Garenne
- TRP, Approved to operate ‘Le Code’ (Driver Theory Test)

2017

- AFL, 2 year contract with OAIC (Office Algérien d’Imports de Céréales) monitoring volume and quality of discharged wheat
  Confirmation obtained in 2018 for a further 2 years contract
  Coordination of all the traffic of wheat from the exporting countries through the SGS affiliates



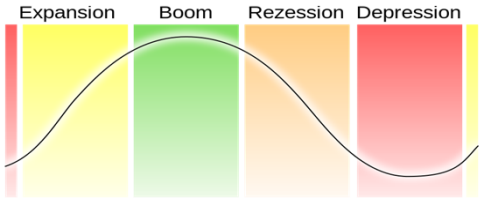
2018

- EHS, sold Stack Emissions activity
- Long term IND contracts re inspection of Nuclear Energy Plants plus more recent diversification into inspection during shutdown periods of submarines

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CHANGING FACE OF SPAIN

1991



- SGS in Spain had been mainly present in the Trade Business with HQ in Barcelona
- SGS purchased Tecnos - Spanish leader in Industrial inspection in both Spain and Mexico
  - Activities included Civil Engineering, Mechanical inspections etc.
- The ratio changed to 1/3 Traditional with the newly acquired entities representing 2/3 in Industry
- SGS also purchased the AGREHINSA Group which was active in EHS activities (Consultancy and Laboratory)

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CHANGING FACE OF SPAIN

1992

- After 1992 heavy investments, Spain went through a slowdown in its economy. SGS redefined its objectives in IND and EHS with significant restructuring

1995



- From 1995/96 economy improved again with various significant infrastructure projects. The growth rate was ~15%/year from 1997 - 2008 in IND and EHS
- Projects included:
  - New Airport Madrid Barajas
  - Road infrastructure
  - AVE (High Velocity Train)
  - Domiciliary Gas inspections on behalf of large distribution companies
  - Supervision of the installation of the natural gas pipes network in various cities of Spain
  - Supervision of the construction of the antennas for the mobile phone operators

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CHANGING FACE OF SPAIN

2008

- Recession from 2008
  - Diversification
  - Adaptation of cost structure

2010

- Acquisition of ITV's in mainland Spain plus Balearics and Canary Islands (TRP)





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CHANGING FACE OF SPAIN

SGS INVESTOR DAYS BORDEAUX 8-9 NOVEMBER 2018

2014

- Acquisition of GMR - homologation (TRP)

2017

- Modernisation of HO Madrid

2018

- Acquisition of AMS - calibration (TRP)







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CHANGING FACE OF UK

2000

Ireland won 10 year contract for statutory inspection (NCTS)



2001

Acquisition of Strath Services, PTO (OGC)

2004

Acquisition of Vernolab – OCM, Oil Condition Monitoring (OGC)

2006

Acquisition of Seven Layers – wireless testing (CRS)



2008

Acquisition of HWA Minerals testing laboratory



2009

Ireland lost NCTS contract to Applus

2010

LSS, acquisition of MScan Group (USA, Switzerland, Germany & UK)

Relocation of OCM to new building

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CHANGING FACE OF UK

2011

Acquisition of LGC Group (OGC) & Correl Rail (TRP) & Baseefa (CRS)

2012

Acquisition of Roplex (OGC) & Vitrology (LIFE) & EMICS (OGC)

2013

Acquisition of MIS Testing (IND) & MIS Environmental (EHS)

2015

Acquisition of SVA food testing and advisory services (AFL/CRS)

2016

Brexit vote



SVA Service and Value Assured



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CHANGING FACE OF UK

2017

Closure of MIN lab in Cornwall and LIFE lab in Wokingham

2018

Investment in relocation of Billingham OGC operations to Teesside & expansion of LIFE lab in Glasgow





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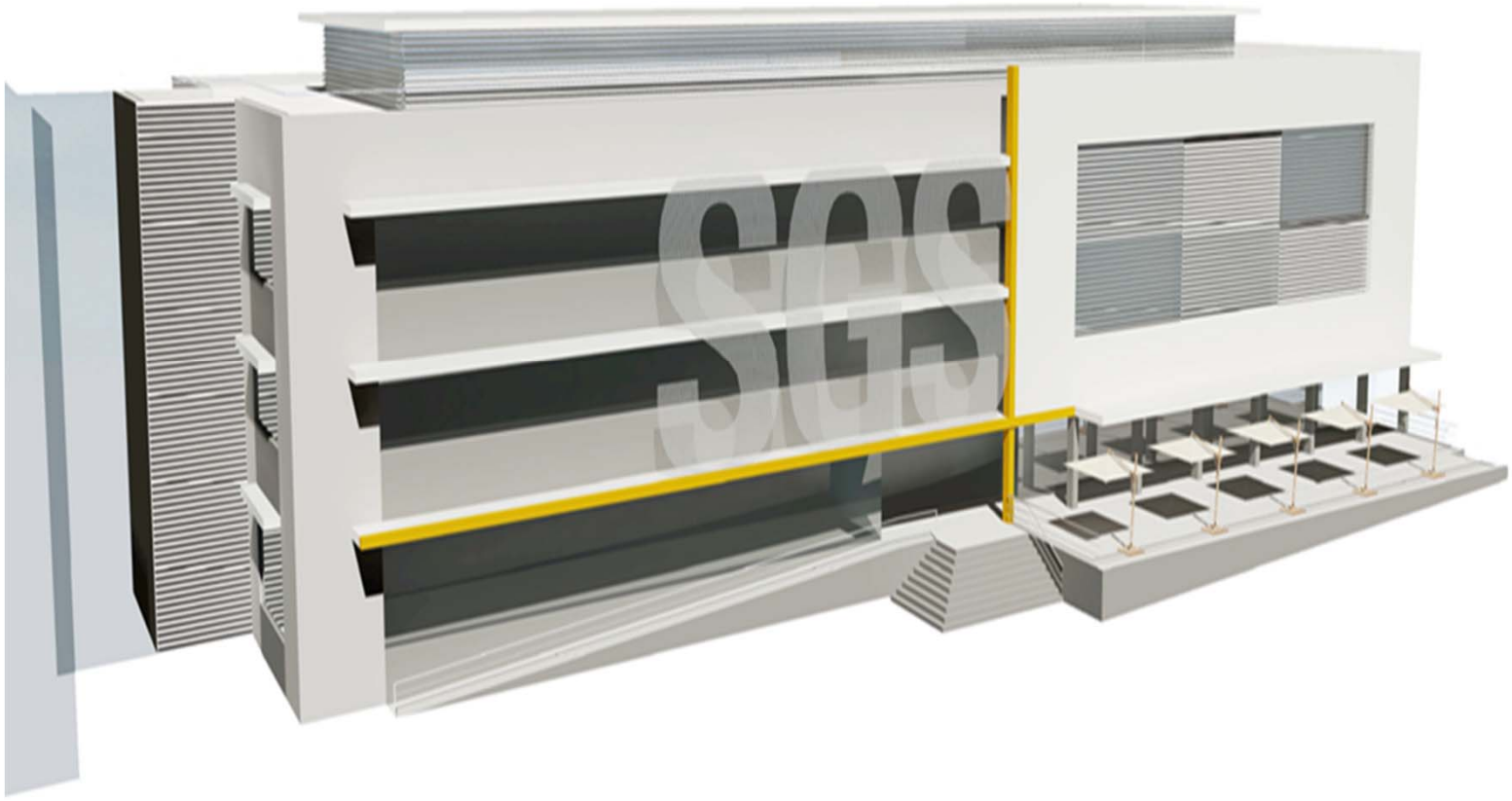
FUTURE EXPANSION - FRANCE





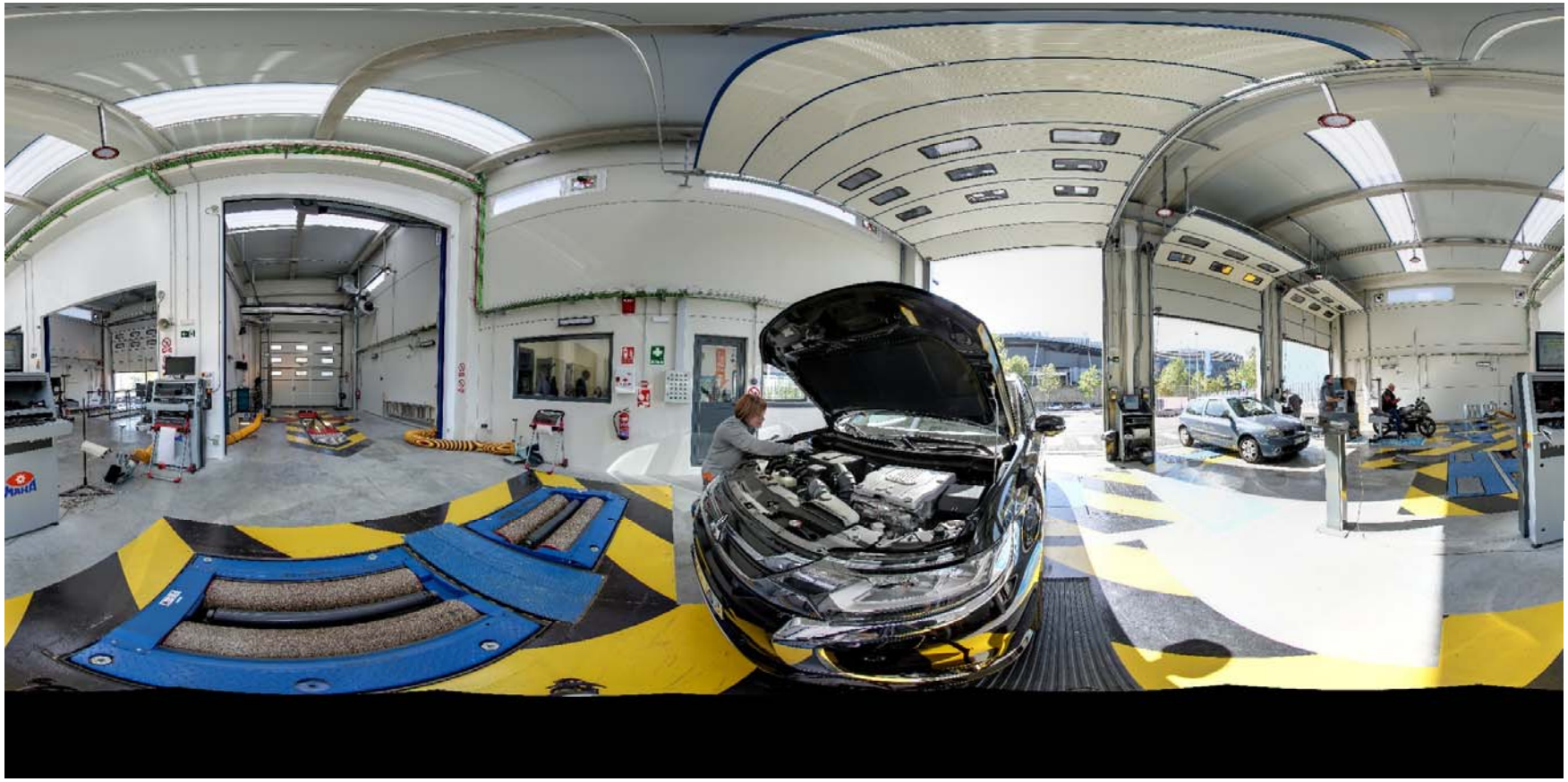
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FUTURE EXPANSION - PORTUGAL



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FUTURE – TRP STATUTORY INSPECTION



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FUTURE - CYBER SERVICES

SGS INVESTOR DAYS BORDEAUX 8-9 NOVEMBER 2018



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FUTURE – LABORATORY SERVICES

Apps
Tablet data entry providing information direct to laboratory

WIFI

Web Service
Receive the raw data and processes it for automatic integration to the LIMS

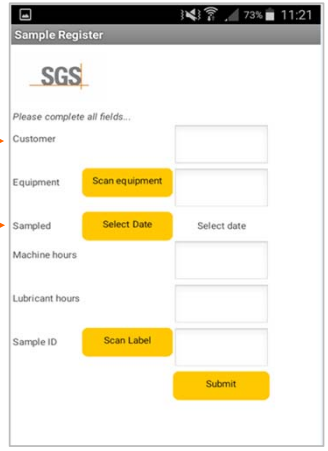
LAN ACCESS

LIMS TO APP





Sample with barcode and hidden RFID

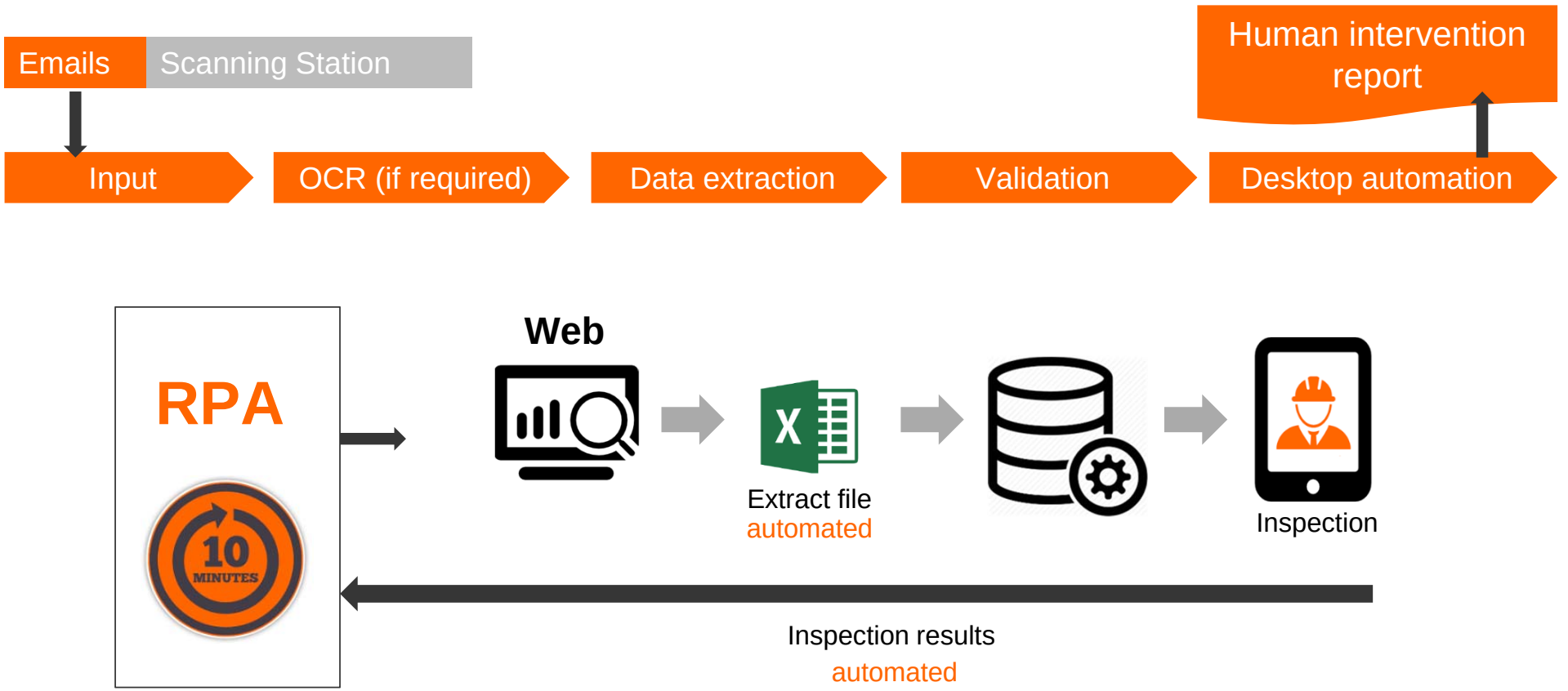


Web

LIMS

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FUTURE – BACK OFFICE & INSPECTION



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WHEN YOU NEED TO BE SURE

