

# Financial statements



Construction Site Inspection,  
Portugal

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# 1. Financial and business highlights

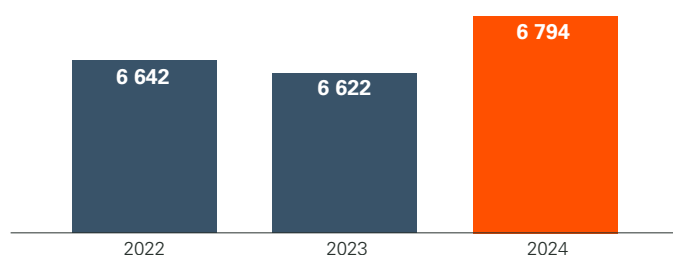
## Financial review

(CHF million)	2024	2023	Change in %	Change in organic <sup>1</sup> %
<b>Sales</b>	<b>6 794</b>	<b>6 622</b>	<b>2.6</b>	<b>7.5</b>
<b>Adjusted operating income<sup>1</sup></b>	<b>1 040</b>	<b>971</b>	<b>7.1</b>	<b>14.0</b>
Adjusted operating income margin <sup>1</sup>	15.3%	14.7%		
<b>Operating income (EBIT)</b>	<b>904</b>	<b>857</b>	<b>5.5</b>	
Operating income margin	13.3%	12.9%		
<b>Profit attributable to equity holders of SGS SA</b>	<b>581</b>	<b>553</b>	<b>5.1</b>	
<b>Basic EPS (CHF)</b>	<b>3.10</b>	<b>3.00</b>	<b>3.3</b>	
<b>Free cash flow<sup>1</sup></b>	<b>748</b>	<b>604</b>	<b>23.8</b>	
<b>Return on invested capital<sup>1</sup></b>	<b>24%</b>	<b>22%</b>		
<b>Net debt<sup>1</sup></b>	<b>2 670</b>	<b>2 839</b>		

- Sales** reached a record level of CHF 6 794 million in 2024, up 2.6% compared to prior year. A strong organic<sup>1</sup> growth of 7.5% was delivered across all operations, and more than offset the adverse foreign exchange effect of -4.8%. The successful M&A program relaunch resulted in 11 acquisitions contributing to growth in 2024, partially compensating 2023 disposals and resulting in a net scope effect of -0.1%.
- Adjusted operating income<sup>1</sup>** reached CHF 1 040 million, an increase of 7.1% compared to prior year. The adjusted operating income margin<sup>1</sup> on sales improved by 60 basis points, to 15.3%. Full speed execution of Strategy 27 resulted in CHF 50 million savings already accounted for (70 basis points margin improvement), while negative foreign exchange effect reduced in comparison to prior year to 30 basis points.
- Profit attributable to equity holders** was CHF 581 million, an increase of 5.1%, despite restructuring costs of CHF 82 million. It resulted in a basic earnings per share of CHF 3.10, against CHF 3.00 in 2023.
- Free cash flow<sup>1</sup>** generation was outstanding, up 23.8% to reach CHF 748 million. It marked a significant improvement compared to CHF 604 million in prior year, driven by lower net working capital requirements and focused cash allocation.
- Net debt<sup>1</sup>** at 31 December 2024 amounted to CHF 2 670 million including lease liabilities, a decrease of CHF 169 million compared to December 2023. It led to a reduction in leverage<sup>1</sup>, from x2.0 to x1.8.

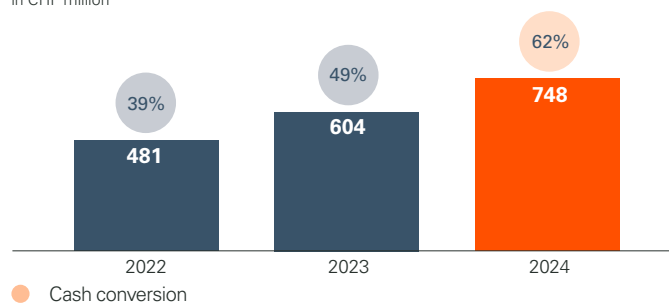
### Sales

in CHF million



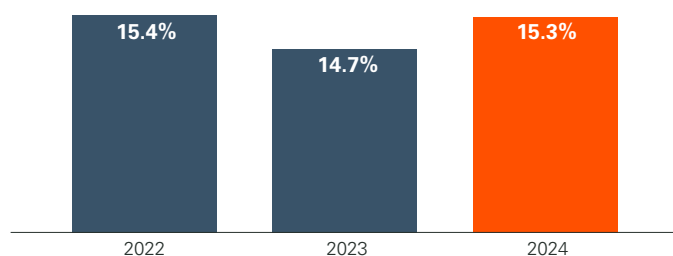
### Free cash flow

in CHF million



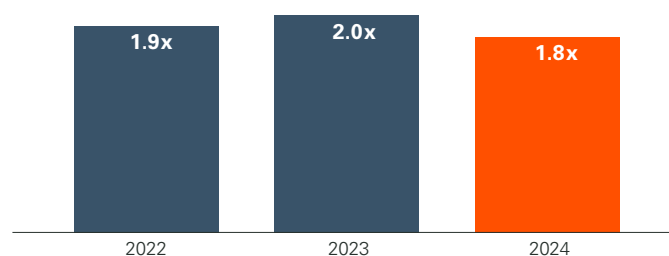
### Adjusted operating income margin

in % of sales



### Leverage

Net debt/Adjusted EBITDA



1. Refer to alternative performance measures of this report.

## Business highlights

### Testing & Inspection: Industries & Environment



(CHF million)	2024	2023
<b>Sales</b>	<b>2 261</b>	<b>2 190</b>
Total change	3.2%	
<b>of which organic<sup>1</sup></b>	<b>8.3%</b>	
of which scope	–0.2%	
of which FX	–4.9%	
Adjusted operating income <sup>1</sup>	287	248
<b>Adjusted operating income margin<sup>1</sup></b>	<b>12.7%</b>	<b>11.3%</b>

Delivered an organic growth of 8.3% and an adjusted operating income margin of 12.7%:

- Continued double-digit growth in Environment boosted by PFAS with strong performance in North America and Europe
- Double-digit growth in Safety services supported by increased demand for global safety solutions
- High single-digit growth in Projects & Advisory driven by large railway and mining projects in Latin America and supply chain for Eastern Europe, Middle East & Africa
- Continued strong growth in Industrial Testing partly offset by completion of low-margin contracts in non-destructive testing

### Testing & Inspection: Natural Resources



(CHF million)	2024	2023
<b>Sales</b>	<b>1 612</b>	<b>1 583</b>
Total change	1.8%	
<b>of which organic<sup>1</sup></b>	<b>7.6%</b>	
of which scope	0.0%	
of which FX	–5.8%	
Adjusted operating income <sup>1</sup>	238	228
<b>Adjusted operating income margin<sup>1</sup></b>	<b>14.8%</b>	<b>14.4%</b>

Delivered an organic growth of 7.6% and an adjusted operating income margin of 14.8%:

- Minerals boosted by strong trade and double-digit growth in critical battery metals testing in the Americas
- High single-digit growth in Oil, Gas and Chemicals supported by inspection and laboratory testing services
- Strong growth in Agriculture testing and inspection services, despite slowdown in Europe from the new crop season
- Strong momentum for services supporting the energy transition

1. Refer to alternative performance measures of this report.



## Testing & Inspection: Connectivity & Products



(CHF million)	2024	2023
<b>Sales</b>	<b>1 282</b>	<b>1 246</b>
Total change	2.9%	
<b>of which organic<sup>1</sup></b>	<b>8.2%</b>	
of which scope	–0.7%	
of which FX	–4.6%	
Adjusted operating income <sup>1</sup>	268	262
<b>Adjusted operating income margin<sup>1</sup></b>	<b>20.9%</b>	<b>21.0%</b>

Delivered a strong organic growth of 8.2% and an adjusted operating income margin of 20.9%:

- High single-digit growth in Connectivity driven by product safety in Asia Pacific and wireless in North America
- Double-digit growth in Softlines led by strong volumes and sustainability
- High single-digit growth in Hardlines fueled by new regulations and capabilities expansion
- Strong organic growth in Government Services in Eastern Europe, Middle East & Africa and Asia Pacific

## Testing & Inspection: Health & Nutrition



(CHF million)	2024	2023
<b>Sales</b>	<b>878</b>	<b>857</b>
Total change	2.5%	
<b>of which organic<sup>1</sup></b>	<b>5.2%</b>	
of which scope	0.9%	
of which FX	–3.6%	
Adjusted operating income <sup>1</sup>	94	80
<b>Adjusted operating income margin<sup>1</sup></b>	<b>10.7%</b>	<b>9.3%</b>

Delivered an organic growth of 5.2% and an adjusted operating income margin of 10.7%:

- Double-digit organic growth in Food with strong performance in all markets supported by regulation and food safety
- Strong recovery in Pharma in H2 driven by bio-safety and bio-analysis testing in Europe and Asia Pacific
- Cosmetics delivered solid performance supported by recovery in North America and Europe in H2
- Expansion of laboratory activities in Food, Pharma and Cosmetics, in particular in North America

1. Refer to alternative performance measures of this report.