



SGS is the world leader in inspection, verification, testing and certification

GBL data as of June 30, 2018

| | |
|--|-------|
| Capital held by GBL (%) | 16.60 |
| Market value of the investment (EUR million) | 2,893 |
| Voting rights (%) | 16.60 |
| Contribution to GBL's portfolio (%) | 15.08 |

Half-year results 2018

- Group revenue grew by 6.5% (constant currency basis), of which 5.6% was organic. Positive organic growth was achieved across the entire business portfolio, as the group continues to build its offering to customers.
- The adjusted operating income reached CHF 481 million, versus CHF 441 million in prior year (constant currency basis), an increase of 9.2% (constant currency basis).
- The adjusted operating income margin increased from 14.2% in prior year to 14.6% (constant currency basis). This reflects an underlying margin improvement observed in most businesses, led by market recovery in Minerals and efficiency gains in Government & Institutions and Environment, Health & Safety.
- Operating income came in at CHF 411 million in H1 2018, down 2.6% on a constant currency basis and stable on a reported basis (+ 0.2%) compared with last year. Operating income includes the impact of a CHF 47 million non-recurring provision related to Brazil.
- Profit attributable to equity holders reached CHF 274 million for the period, a decrease of 3.9% over the prior year (constant currency basis), and a decrease of 0.7% compared with CHF 276 million disclosed in June 2017.
- The group's net debt position amounted to CHF 1,146 million, comparable to the CHF 1,136 million as of June 30, 2017.
- Cash flow from operating activities reached CHF 316 million, a decrease of CHF 13 million due to a net working capital increase, to support the strong organic growth of the business, and increased taxes paid. Net investments in fixed assets were CHF 140 million and the group completed 7 acquisitions for a total cash consideration of CHF 41 million.

Key financial data

| (in CHF million) | 06/30/2018 | 12/31/2017 | 06/30/2017 ⁽¹⁾ |
|---------------------------------------|------------|------------|---------------------------|
| Revenue | 3,306 | 6,349 | 3,104 |
| Adjusted EBITDA | 625 | 1,247 | 585 |
| Adjusted operating income | 481 | 969 | 441 |
| Operating income (EBIT) | 411 | 894 | 422 |
| Profit attributable to equity holders | 274 | 621 | 285 |
| Net debt | 1,146 | 698 | 1,136 |

(1) Pro forma income statement on a constant currency basis