BRINGING QUALITY, SAFETY AND SUSTAINABILITY TO LIFE

Bernstein Conference
25 September 2019

André Lacroix
CEO
AGENDA

1. Intertek 5X5 differentiated strategy for growth
2. Innovation driving our 5x5 growth strategy
3. Sustainable performance
INTERTEK 5X5 DIFFERENTIATED STRATEGY FOR GROWTH
A PURPOSE-LED VISION:
TO MAKE THE WORLD A BETTER, AND SAFER PLACE

**OUR PURPOSE**
Bringing Quality, Safety and Sustainability to Life

**OUR VISION**
To be the world’s most trusted partner for Quality Assurance

**OUR VALUES**
- We are a global family that values diversity
- We always do the right thing. With precision, pace and passion
- We trust each other and have fun winning together
- We own and shape our future
- We create sustainable growth. For all
THE QUALITY ASSURANCE INDUSTRY IS EVOLVING FROM TIC TO ATIC

TESTING, INSPECTION & CERTIFICATION PROVIDES QUALITY & SAFETY CONTROLS

RISK BASED QUALITY ASSURANCE

ASSURANCE PROVIDES AN END-TO-END ASSESSMENT OF QUALITY & SAFETY PROCESSES

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ATTRACTIVE QUALITY ASSURANCE GROWTH PROSPECTS

GLOBAL ATIC MARKET

$50BN
Currently outsourced

$200BN
Currently in-house

Untapped potential

GROWTH OPPORTUNITY

01 CUSTOMER RETENTION
02 CUSTOMER PENETRATION
03 ATIC CROSS-SELLING
04 NEW CUSTOMER WINS
05 CUSTOMER OUTSOURCING
OFFERING A SUPERIOR CUSTOMER SERVICE WITH OUR TQA DIFFERENTIATED VALUE PROPOSITION

Our Customer Promise
Intertek Total Quality Assurance expertise delivered consistently with precision, pace and passion, enabling our customers to power ahead safely

TQA END-TO-END SYSTEMIC APPROACH TO QUALITY ASSURANCE

Assurance
Assurance ensures our customers identify and mitigate the intrinsic risk in their operations, supply chain and quality management systems

Testing
Testing is evaluating how products and services meet and exceed quality, safety, sustainability and performance standards

Inspection
Inspection is validating the specifications, value and safety of raw materials, products and assets

Certification
Certification is certifying that products and services meet trusted standards
INTERTEK TQA SERVICES ARE MISSION CRITICAL FOR OUR CLIENTS TO OPERATE SAFELY

Growing corporate complexity
Higher quality expectations
Vocal consumers on social media
Increased regulatory demands
Greater focus on sustainability

TQA = ASSURANCE + TESTING + INSPECTION + CERTIFICATION
A GOOD TO GREAT 5X5 STRATEGY FOR GROWTH

5x5 Strategic Goals

1. Fully engaged employees working in a safe environment
2. Superior customer service in Assurance, Testing, Inspection and Certification
3. Margin accretive revenue growth based on GDP+ organic growth
4. Strong cash conversion from operations
5. Accretive, disciplined capital allocation policy

5 Strategic Priorities

- Differentiated TQA Brand Proposition
- Superior Customer Service
- Effective Sales Strategy
- Growth and Margin Accretive Portfolio
- Operational Excellence

5 Enablers

- Living Our Customer Centric Culture
- Disciplined Performance Management
- Superior Technology
- Energising Our People
- Delivering Sustainable Results
INTERTEK IS UNIQUELY POSITIONED TO DELIVER TIC SOLUTIONS

44,000+ EMPLOYEES

GLOBAL MARKET LEADER IN ASSURANCE

3,000 AUDITORS

90,000+ AUDITS

100+ COUNTRIES

GLOBAL MARKET LEADER IN TIC

1,000+ LABS & OFFICES

80+ LANGUAGES

Systemic approach to Quality and Safety

Our Sectors

Products | Trade | Resources

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SELECTIVE M&A IN ATTRACTIVE GROWTH AND MARGIN SECTORS

£300m+ Added in Annual Revenue from Acquisitions Since 2015

DISCIPLINED CAPITAL ALLOCATION IN ATTRACTIVE GROWTH AND MARGIN SECTORS
INNOVATION DRIVING OUR 5X5 GROWTH STRATEGY
INNOVATIVE SOLUTIONS TO ACCELERATE GROWTH

BREAKTHROUGH INNOVATIONS
Ground-breaking solutions to create new markets

INNOVATIONS IN ADJACENT SEGMENTS
Expanding into fast growing and high margin areas

INNOVATIONS FROM THE CORE
Building on the strengths of existing products and services

SUPPORTING OUR CUSTOMERS TO THRIVE IN AN INCREASINGLY COMPLEX WORLD
INNOVATIONS FROM THE CORE TO STRENGTHEN EXISTING SERVICES

Innovations From the Core

- i2Q Inspection Solution
- Global Sanitation Authorised Materials Database
- STEM Toys Certification
- Voice of the Consumer
- 360° Brand Assurance and E-Reputation
- Unique Oligonucleotide Expert Centre
- Protecting Producers against Fish Fraud
- Proprietary Toys Breathing Apparatus
- Remote Vibration Monitoring

Products

- Fuel Tank Inspection Robot
- Stockpile Measurement
- Caleb Brett
- iDocs
- Mobile Testing
- Mobile Crop Quality Toolkit
- Rapid Response to Extreme Weather Events
- ScanCal Laser Scanning
- Rapid Protein Analysis for Soya Exports

Trade

- Drones for Asset Inspection
- Greenlink Interconnector Project
- Microwave Interferometry
- Ultrasonic Sensors with Aware™
- Extreme Conditions Simulation
- Helicopter Underwater Escape Simulations
- Pioneering the Use of Spectroscopy
- Concrete Sensors
- PipeAware™ 2.0

Resources

Net Promoter Score

0–1 and 1–100 Innovation

Strengthening our existing services

Trusted customer relationships
Interpret uses near infrared spectrum analysis to predict the physical properties of crude oil.

Intertek PipeAware™ is a software solution that allows customers to access their asset inspection data in real-time.

Intertek’s Cybersecurity Services address the growing cyber threats as part of a systemic risk mitigation approach.

Intertek have partnered with the American Center for Mobility on their 500-acre autonomous vehicle proving grounds.

Virtual Audits
Our Virtual Audit solution, allows us to deliver our audits faster and with a wider audience of observers.

Intertek KJ Tech offers road testing, allowing auto manufacturers to understand how their vehicles perform in real life situations.
**Intertek Total Quality Assurance** helps clients to manage the complexity of their supply chains through an end-to-end approach to quality assurance. Intertek provides superior customer service with an industry leading portfolio of Assurance, Testing, Inspection and Certification solutions.

**Intertek InLight™** provides the platform, expertise and people to enable organisations to better understand their supply chain risks and protect their brand.

**Intertek Total Sustainability Assurance** is a pioneering initiative that provides an end-to-end, independent, systemic sustainability programme from both an operational and corporate perspective.

**Intertek Alchemy** offers SaaS solutions delivering training to ensure employee consistency and compliance in the fast growing food industry.
SUSTAINABILITY IS THE MOVEMENT OF OUR TIME

Image: Wesha, CC BY-SA 3.0
WE ARE AT A TIPPING POINT.
BROAD-BASED AND EVER HIGHER STAKEHOLDER EXPECTATIONS ON CORPORATE SUSTAINABILITY

• **Governments/regulators** are embracing *legislation* to drive sustainable goals
• **Consumers and investors** are rewarding sustainable and values-based businesses
• **Employees** increasingly want to work for corporations and brands that are committed to sustainability
• Stakeholders are **not accepting brands’ social and environmental claims at face value**
• Businesses that have long been committed to social and environmental causes want to **prove that they are more genuine, authentic advocates** of stakeholder benefits than others
• Strong advocacy of **the young generation** to save the planet: 26% of the world is under 15 years of age...the young generation is **100% of the future**
74% of c-suite level respondents agree that customers and other stakeholders are demanding that companies do more in relation to sustainability.

67% of respondents from publicly quoted companies recognise that they now face significant pressure to improve their sustainability performance.

71% of respondents agree that ‘There are too many sustainability expectations and reporting standards, which leads to confusion’.

76% agree that ‘We take on risk by not assessing our full supply chain’.

92% acknowledge some of their supply chain would receive a poor sustainability report if it was fully audited.

76% consider ‘An end to end audit programme that would assess, benchmark and independently verify for your entire sustainability footprint’ would be appealing.

Research with UK companies was conducted online from 30 Aug to 3 Sept 2019 with n=550 business leaders.
WE HAVE EXPANDED OUR TQA OFFERING INTO SUSTAINABILITY OVER THE YEARS

DEPTH AND BREADTH OF OPERATIONAL SUSTAINABILITY SOLUTIONS
SUSTAINABLE PERFORMANCE
TRACK RECORD OF SHAREHOLDER VALUE CREATION

Revenue (£m)

- FY 08: 1,004
- FY 09: 1,237
- FY 10: 1,374
- FY 11: 1,749
- FY 12: 2,054
- FY 13: 2,184
- FY 14: 2,093
- FY 15: 2,166
- FY 16: 2,567
- FY 17: 2,769
- FY 18: 2,801

10y CAGR 10.8%

Cash Generated from Operations (£m)

- FY 08: 194
- FY 09: 278
- FY 10: 271
- FY 11: 289
- FY 12: 333
- FY 13: 379
- FY 14: 387
- FY 15: 442
- FY 16: 543
- FY 17: 579
- FY 18: 581

10y CAGR 11.6%

Adjusted EPS (p)

- FY 08: 67.1
- FY 09: 81.5
- FY 10: 89.4
- FY 11: 107.2
- FY 12: 131.2
- FY 13: 138.6
- FY 14: 132.1
- FY 15: 140.7
- FY 16: 167.7
- FY 17: 191.6
- FY 18: 198.3

10y CAGR 11.4%

Dividend (p)

- FY 08: 20.8
- FY 09: 25.5
- FY 10: 28.1
- FY 11: 33.7
- FY 12: 41.0
- FY 13: 46.0
- FY 14: 49.1
- FY 15: 52.3
- FY 16: 62.4
- FY 17: 71.3
- FY 18: 99.1

10y CAGR 16.9%

INTERTEK RANKS 3RD HIGHEST IN THE FTSE100 IN DIVIDEND PROGRESSION SINCE THE IPO IN 2002
## Attractive Structural Growth Drivers

<table>
<thead>
<tr>
<th>Products</th>
<th>Trade</th>
<th>Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>60% of Revenue</strong></td>
<td><strong>23% of Revenue</strong></td>
<td><strong>17% of Revenue</strong></td>
</tr>
<tr>
<td>Increased number of Brands &amp; SKUs</td>
<td>Population growth</td>
<td>Long term demand for energy</td>
</tr>
<tr>
<td>Increased regulation</td>
<td>Development of regional trade</td>
<td>Supply chain risk management</td>
</tr>
<tr>
<td>Improvements in safety, performance and quality</td>
<td>Increased focus on traceability</td>
<td>Sustainability of energy supply</td>
</tr>
<tr>
<td><strong>76% of Group profit based on GDP agnostic growth drivers</strong></td>
<td><strong>18% of Group profit based on global trade growth</strong></td>
<td><strong>6% of Group profit based on global growth drivers in the energy sector</strong></td>
</tr>
<tr>
<td>Faster innovation cycle</td>
<td>GDP growth</td>
<td>Investment in infrastructure</td>
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<tr>
<td>Increased consumer focus on sustainable products</td>
<td>Growth in transport infrastructure</td>
<td>Growth in alternative energy</td>
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<tr>
<td>Increased corporation focus on risk management</td>
<td>Growth in port infrastructure</td>
<td>Focus on health &amp; safety</td>
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- **76% of Group profit based on GDP**
- **18% of Group profit based on global trade**
- **6% of Group profit based on global growth drivers in the energy sector**

### GDP+ Growth outlook: GDP+ Organic revenue growth in real terms
INTERTEK HIGH QUALITY EARNINGS MODEL

Our Services

- Assurance
- Testing
- Inspection
- Certification

Our Sectors

- Products
- Trade
- Resources

GDP+

- GDP+ Organic revenue growth in real terms
- Margin accretive revenue growth
- Strong free cash flow

Intertek Virtuous Economics

- Investments in attractive growth and margin sectors with Capex / M&A
- Disciplined capital allocation

Our Mid- to Long-Term Value Creation

- GDP growth
- Long-term growth
## Disciplined Performance Management Calendar

<table>
<thead>
<tr>
<th>Weekly</th>
<th>Monthly</th>
<th>Quarterly</th>
<th>Yearly</th>
<th>5 Year Plan</th>
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<tbody>
<tr>
<td>Financial Metrics</td>
<td>Operational Metrics</td>
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<tr>
<td>Revenue Growth</td>
<td>Marketing Leads</td>
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<tr>
<td>Pricing Power</td>
<td>Health and Safety</td>
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<tr>
<td>Margin</td>
<td>Customer Retention</td>
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<tr>
<td>Working Capital</td>
<td>Sales Funnel</td>
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<tr>
<td>ROCE</td>
<td>Customer Acquisitions</td>
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<tr>
<td>Capital Allocation</td>
<td>Back Log Management</td>
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<tr>
<td>Cash Conversion</td>
<td>Employee Turnover</td>
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<tr>
<td>Cost</td>
<td>Net Promoter Score</td>
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<tr>
<td>Customer Profitability</td>
<td>Operational Excellence</td>
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<tr>
<td>Investments in Growth</td>
<td>Site Capacity Utilisation</td>
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CAPITAL LIGHT BUSINESS MODEL

Operating Margin¹

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<th>FY 17</th>
<th>FY 18</th>
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<tr>
<td>FY 17</td>
<td>16.9%</td>
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<td>FY 18</td>
<td>17.2%</td>
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Free Cash Flow¹

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<th>FY 17</th>
<th>FY 18</th>
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<tbody>
<tr>
<td>FY 17</td>
<td>£342m</td>
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<tr>
<td>FY 18</td>
<td>£351m</td>
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Working Capital % of Revenue

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<tr>
<th></th>
<th>FY 17</th>
<th>FY 18</th>
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<tr>
<td>FY 17</td>
<td>5.0%</td>
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<tr>
<td>FY 18</td>
<td>3.9%</td>
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Return on Invested Capital¹,²

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<td>FY 18</td>
<td>26.9%</td>
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Note: (1) Adjusted (2) Excluding Alchemy
EVER BETTER... EVER STRONGER

- Industry leader in a growing global $250bn ATIC market
- Scale positions in attractive end-markets in 100+ countries
- Unique Total Quality Assurance value proposition offering superior customer service
- High quality compounder earnings model
- Ever Better operational discipline making Intertek Ever Stronger