Intertek Group plc ("Intertek" or "the Group"), a leading Total Quality Assurance provider to industries worldwide, today releases its November Trading Update for the period from 1 January to 31 October 2020 ("period"). All comparative comments in this statement reflect comparisons with the corresponding period during 2019. The Group’s full year results to 31 December 2020 will be announced on 2 March 2021.

**Revenue Rebound in Products and Trade Globally**

- Increased ATIC activities supporting our clients to resume their operations with leading TQA¹ innovative solutions
- Revenue rebound in the July-October period in Products and Trade in all regions, 93% of Group earnings²
- Sequential Margin progress in H2 driven by productivity gains from improved revenues and disciplined performance management
- Strong free cash flow, disciplined capital investments in high growth and high margin segments and sustainable returns to shareholders with dividend payments of £170m in 2020 (final 2019 and interim 2020)
- High quality and cash generative earnings model with a strong balance sheet: on track to deliver a resilient FY 2020 financial performance with a net debt³ of £570-590m, lower than 2019
- Strongly positioned for growth with increased corporate and society needs for quality, safety and sustainability Assurance solutions

| Like for Like ("LFL") year-on-year revenue growth at constant rates |
|------------------|------------------|------------------|------------------|------------------|
|                  | % of Group earnings² | Jan-April 2020 | May-June 2020 | July-Oct 2020 | YTD 2020 |
| Group            | 100%               | (4.9%)          | (13.4%)        | (6.3%)         | (7.3%)   |
| Products         | 81%                | (6.6%)          | (12.4%)        | (4.0%)         | (6.8%)   |
| Trade            | 12%                | (5.9%)          | (18.1%)        | (10.1%)        | (10.2%)  |
| Resources        | 7%                 | 2.4%            | (10.7%)        | (9.6%)         | (5.2%)   |

**André Lacroix: Chief Executive Officer statement**

"In the second half of the year, we have benefited from a rebound in Assurance, Testing, Inspection and Certification activities in all regions and we are on track to deliver a resilient full year 2020 financial performance, with sequential margin progress in H2, a year-end net debt of £570-590m, lower than 2019, demonstrating the strength of our high quality and highly cash generative earnings model despite an unprecedented global pandemic.

With our leading and innovative Total Quality Assurance solutions, we are supporting our clients to resume their operations as they benefit from an easing of lockdown restrictions in most of their markets. In the last four months, we saw a strong revenue rebound in our Products and Trade divisions, which together represent 93% of the Group’s earnings², while trading conditions remain challenging in the Resources sector.

We are making good progress on margin, based on productivity gains resulting from sequential revenue increases and our disciplined approach to performance management. Our operational focus on cash is delivering strong free cash flow and we continue to take a disciplined approach to capital allocation, investing in high growth and high margin sectors, as well as implementing our progressive dividend policy.

I am very proud of the energy, agility and innovation of our colleagues around the world that has enabled us to navigate a difficult 2020 with the appropriate measures on health and safety, customer service, cost controls, cash management and employee engagement. My sincere thanks to all of my colleagues.

All of us at Intertek are truly energised by the Quality Assurance growth opportunities moving forward as the Covid-19 global pandemic has made the case for Total Quality Assurance clearer and stronger for our clients. Indeed, the exciting structural growth drivers in the $250 billion global Quality Assurance Market pre-Covid-19, now include a wide array of new opportunities in many areas, including more outsourcing opportunities. These opportunities to help foster a better and safer world for post-Covid-19 are compelling, and range from:

- Safer, more diversified supply chains with greater traceability, improved intelligence and increased resilience
- A lower carbon economy, stay-local lifestyles, more remote working, distance learning and online shopping
- Better personal safety, higher health, hygiene and wellbeing standards and greater investment in healthcare

That is why we have invested in attractive growth segments and rapidly brought to market a range of innovations to support the emerging needs of our clients to help them address their operational and supply chain challenges. From the launch of Protek, the world’s first industry-agnostic end-to-end Health, Safety and Wellbeing assurance program, to CarbonClear, the world’s first assurance program that certifies the upstream carbon intensity per barrel of oil, our passionate commitment to innovation is what enables us to deliver sustainable shareholder value through the cycle.

With our industry leading ATIC capability and expertise, innovation and insight, Intertek is uniquely positioned to seize the compelling growth opportunities and to benefit from the GDP+, like-for-like revenue growth prospects in the Quality Assurance Industry in the medium to long-term. In short, the pandemic has brought to life as never before the importance of Intertek’s purpose-led role in society."

¹Total Quality Assurance ²Based on H1 2020 operating profit ³Financial net debt, prior to any material movements in FX or M&A
Revenue Performance

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<th>10 months – January to October</th>
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Contacts

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Analysts’ Call

A live audiocast for analysts and investors will be held today at 7.45am UK time; +44 (0) 20 3003 2666 (Link to audiocast). Details can be found at http://www.intertek.com/investors/ together with a pdf copy of this report. A recording of the audiocast will be available later in the day.

Intertek is a leading Total Quality Assurance provider to industries worldwide. Our network of more than 1,000 laboratories and offices and over 44,000 people in more than 100 countries, delivers innovative and bespoke Assurance, Testing, Inspection and Certification solutions for our customers’ operations and supply chains.

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

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**Products Divisional Review**

In the last four months, our Products business delivered a LfL revenue decline of 4.0% at constant rates, a strong improvement compared to the LfL revenue decline of 12.4% in the May-June period, resulting in a YTD LfL revenue decline of 6.8%. The strong revenue momentum improvement in the last four months was driven by a rebound in ATIC activities across most of our business lines: Softlines, Hardlines, Electrical and Connected World, Business Assurance, Food and Chemicals & Pharma.

- In the July-October period, our **Softlines** business delivered a mid-single digit decline in LfL revenue, resulting in a double digit decline in LfL revenue on a YTD basis. In the last four months, our global Softlines business benefited from continuous growth in ecommerce, increased demand for testing protective equipment and the reduction in the lockdown restrictions in some of our markets. However, our performance was impacted by continued store closures in Western Europe and North America and some retailers delaying the launch of new products due to the disruption of their supply chains in the first half of the year.

- Our **Hardlines** business saw improved momentum in the four month period July-October with a low single digit decline in LfL revenue, resulting in a high single digit decline in LfL revenue on a YTD basis. In the last four months, our Hardlines business benefited from continuous growth in e-commerce, increased consumer demand for home furniture and toys and the easing of lockdown restrictions in some of our markets, while closures of stores in Western Europe and North America continued.

- Our **Electrical & Connected World** business delivered good LfL revenue growth in the July-October period resulting in a stable LfL revenue performance on a YTD basis. In the last four months, our Electrical and Connected World business saw an increased level of ATIC activities driven by increased demand for higher regulatory standards in energy efficiency, the strong growth in testing and certification of medical devices, the increased testing requirements for 5G and a greater corporate focus on Cyber security.

- Our **Business Assurance** business delivered a stable LfL revenue performance in the July-October period resulting in a mid-single digit decline in LfL revenue on a YTD basis. The easing of lockdown restrictions in the last four months has driven a rebound in the number of ISO audits in some of our operations, while we continue to benefit from attractive growth in supply chain assurance, the continuous focus on ethical supply, the increased needs of corporations for sustainability assurance and the strong growth in our People Assurance segment.

- Our **Building & Construction** business delivered a mid-single digit LfL revenue decline in the last four months, resulting in a low single digit LfL revenue decline on a YTD basis. We continue to benefit from the growing demand for more environmentally friendly and higher quality buildings, as well as strong investments in large infrastructure projects, although the temporary reduction of building and construction activities we saw in Q2 due to lockdown restrictions in some of our North America markets continued in the July-October period.

- Our **Transportation Technologies** business delivered a double digit LfL revenue decline in the four month period to October, resulting in a double digit negative LfL revenue on a YTD basis. The lower demand for testing activities we saw in Western Europe and North America in Q2 continued in the July-October period which was partially offset by the continued investments of our clients in new powertrains to lower CO2/NOx emissions and increase fuel efficiency.

- Our **Food** business delivered a good LfL revenue growth performance in the last four months resulting in a stable LfL revenue performance on a YTD basis. In the last four months, we benefited from the resumption of the supply operations of our clients in most markets, from sustained demand for food safety testing activities and increased demand for hygiene and safety audits in factories, hospitality and retail locations.

- In the last four months, we saw a high single digit LfL decline in revenue in our **Chemicals & Pharma** business, resulting in a double digit LfL decline in revenue on a YTD basis. In the last four months, we saw an improvement in demand for regulatory assurance and chemical testing in some of our operations in North
America and Western Europe while, given the importance of Covid-19, the Pharma industry continues to reprioritise their R&D investments, delaying testing projects for our laboratories.

**Full Year growth outlook**

In 2020, we expect to deliver a mid-single digit decline in LfL revenue at constant currency in our Products division.

**Mid- to long- term growth outlook**

Our Products division will benefit from mid- to long-term structural growth drivers, including brand and SKU expansion, a faster innovation cycle, increased focus on safety, performance & quality, demands for smart products, a higher demand for healthy and sustainably sourced products, and the growth of the middle class within emerging markets.

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**Trade Divisional Review**

In the last four months, our Trade business delivered a LfL revenue decline of 10.1% at constant rates, a strong improvement compared to the LfL revenue decline of 18.1% in the May-June period, resulting in a YTD LfL decline in revenue of 10.2%. This strong improvement in revenue momentum in the last four months was driven by a rebound in ATIC activities in Caleb Brett and AgriWorld.

- **Our Caleb Brett** business saw improved momentum in the four month period July-October with a high single digit decline in LfL revenue, resulting in a high single digit LfL revenue decline on a YTD basis. In the last four months, our Caleb Brett business benefited from an improvement of global mobility and a rebound of the global economy in Q3. Caleb Brett is the global leader in the Crude Oil and refined Products global trading markets with 7,600 employees and 275 operations.

- **Our Government & Trade Services** business provides certification services to governments in the Middle East and Africa to facilitate the import of goods into their markets, based on acceptable quality and safety standards. We saw a double digit decline in LfL revenue in the four month period to October and on a YTD basis, due to the disruption of manufacturing in China in Q1 and the lockdown activities in the Middle East and Africa impacting cross-border trade flows in both Q2 and Q3.

- **Our AgriWorld** business delivered robust LfL revenue growth in the last four months resulting in solid LfL revenue growth on a YTD basis. Following a stable performance in H1 2020, we saw an increase in demand for inspection activities driven by an easing of the lockdown restrictions in most of our markets. AgriWorld provides inspection activities to ensure that the global food supply chain operates fully and safely.

**Full Year growth outlook**

In 2020, we expect our Trade division to deliver a high single digit decline in revenue at constant currency.

**Mid- to long- term growth outlook**

Our Trade division will continue to benefit from population growth and social mobility, GDP growth, the development of regional trade, improvements in transport infrastructure, the increased need for end-to-end traceability and the increased focus on Operational Sustainability.
Resources Divisional Review

In the last four months, our Resources business delivered a LfL revenue decline of 9.6% at constant rates, broadly in-line with the LfL revenue decline of 10.7% in the May-June period, resulting in a YTD LfL revenue decline of 5.2%.

- In the last four months we saw a reduction in Exploration and Production investments by our clients in some of our markets such that our Capex Inspection services business delivered a high single digit negative LfL revenue performance in the last four months, resulting in a low single digit LfL revenue decline on a YTD basis.

- We saw a double digit negative revenue performance in Opex Maintenance services in the four month period to October, as well in H1 2020, as the lockdown restrictions and the cost saving initiatives of our clients have impacted the demand for our inspection services.

- We delivered robust revenue growth in our Minerals business in both the four month period to October and on a YTD basis, as we saw increased demand for testing and inspection activities.

Full Year growth outlook

In 2020, we expect our Resources division to deliver a mid-single digit decline in revenue at constant currency.

Mid- to long- term growth outlook

Our Resources division will grow in the medium- to long-term as we benefit from population growth and social mobility, investment in Exploration & Production, Storage and Transportation, Total Energy and diversified portfolios, accelerated transition to renewable energies, increased focus on Operational Sustainability, and digital supply chain management.

Innovation

Intertek has been the pioneer of our industry across the world for 130 years. We have a proven track record of innovating and anticipating the growing needs of our clients, constantly evolving and improving our customer proposition to meet their changing needs and the changing world around us. Importantly, this entrepreneurial spirit among our people is a fundamental aspect of our differentiated '5x5' strategy for growth.

Today, our truly systemic, end-to-end Assurance, Testing, Inspection and Certification services enable our clients to operate safely and with complete peace of mind. This is what we call Intertek Total Quality Assurance and it is this approach which has ideally placed us to support our clients in recent months.

Since day one of the pandemic, we have focused on both our defensive and offensive initiatives, increasing the frequency of communication with our clients to make sure we quickly understand their needs. We have rapidly brought to market a range of innovations to support the emerging needs of our clients, along with innovative customer services across many industries to help our clients address their operational and supply chain challenges.

In our Products business, we launched a truly pioneering innovation called Protek, the world’s first industry-agnostic, end-to-end health, safety and wellbeing assurance programme for people, workplaces and public spaces, offering audits, training, inspection, verification and certification solutions.

Our view, supported by our most recent research, is that Health, Safety and Wellbeing in the workplace, in public places, on public transport, and at home is the number one concern for the entire world. Based on Intertek’s unique approach to total quality, Protek safeguards people, systems and processes, facilities, materials and surfaces, and products.
Protek People Assurance provides an on-demand, e-learning and certification programme to help our clients deliver essential employee training on key health and safety topics. Specific learning and certification solutions include modules on how to use face masks, gloves and PPE, and courses on food safety, hygiene, cleaning and prevention.

Our Protek Business Assurance solutions provide an end to end audit of operating procedures and systems enabling our clients to demonstrate their commitment to the wellbeing of their employees and their consumers.

Protek Facilities Assurance offers HSE Audit and Inspection solutions for all types of facilities, from hotels, restaurants and retail outlets to schools, transportation hubs and manufacturing sites where consumers and employees will look for visible safety verification.

Protek Materials & Surfaces provides complete testing solutions to ensure spaces, materials and surfaces are safe for employees and customers in the workplace and public spaces.

The reactions of our clients around the world to Protek has been very strong, as Protek is very much in line with what the world needs, right now. For example, earlier this year the CEO of Club Med, specialists in luxury all-inclusive holidays, posted a personal “welcome back” video message to its guests, reassuring them of the health and safety measures which have been implemented at their resorts by Intertek’s Protek solution.

Intertek InLight 2.0 adds new and enhanced features to our unique market-leading supply chain compliance solution, enabling organisations to manage increasingly complex supply chain risks. With the support of InLight 2.0, customers can turn potential disruptions and compliance irregularities to their competitive advantage with captured market share and operational efficiencies.

Our Alchemy Playbook app, which can be used on any mobile device, makes it incredibly easy to deliver consistent and accurate training, while helping clients to optimise their resources and increase productivity.

As more industries undergo profound shifts at an even faster pace, the need for creative solutions underpinned by research, design and quality assurance expertise, has never been more relevant. Our Maison Centre of Excellence in Italy, our new innovative experiential space where science meets luxury, will bring together – virtually or face-to-face - forward-thinking fashion brands, industry leaders, academics and a host of textile industry participants to collaborate and to take bold new ideas and turn them into reality.

In our Trade business, where speed is of the essence, Intertek Inview is our unique remote auditing and inspection solution, which connects clients in real-time via a live video stream to our team of technical experts. And we have developed Fast Tek, a comprehensive Trade solution for our key global accounts, providing expedited certification enabling clients to move their goods more quickly through global supply chains.

Our Caleb Brett business, which provides cargo inspection, analytical assessment, calibration and related research and technical services to the world’s petroleum and biofuels industries, has joined VAKT, an innovative post trade management platform. We have increased the availability of our Remote Video Inspection solution for our oil and gas customers to ensure business continuity of critical vendor inspection services during the current health and safety site restrictions.

Our clients will also benefit from our state-of-the-art fuel testing technology as environmental regulations become more demanding, with Caleb Brett’s new Cetane Rating Engine, the only one of its kind in China for determining and certifying the ignition quality of diesel fuel.

In our Resources business, in a ground-breaking development for the Oil & Gas industry, we recently launched CarbonClear, the world’s first assurance program that certifies the upstream carbon intensity per barrel of oil. Bringing unique and independent clarity on the carbon impact of cradle-to-gate operations across all aspects of Oil & Gas exploration and production, CarbonClear provides producers with continuous opportunities to reduce their carbon emissions and participate in the transition to a low carbon economy.

As the contribution of alternative energy sources increases, we have also developed an end-to-end assurance solution dedicated to offshore windfarm projects, supporting with site selection and characterisation, feasibility studies, survey
and installation oversight, environmental impact assessments and scoping studies, metocean assessments, and risk management for a variety of offshore developments.

Our Minerals team has also developed a unique batching method to considerably speed up the X-Ray diffraction assessments of iron ores by processing the ores with set phases and a pre-set refinement strategy, delivering faster and more cost-effective results for our customers. These exciting innovations are in addition to the many services we have developed rapidly in response to the pandemic:

- Priority testing service for life-saving medical equipment like ventilators, leveraging our global leadership
- End-to-end testing and certification capacity for protective clothing and other PPE equipment
- Increased testing capacity and express service for hand sanitisers and surface disinfectants
- Support to the Pharma industry for Vaccine development
- Support to the Oil & Gas industry addressing the Covid-19 related challenges
- Cyber security audit solution related to home working conditions
- Support to various governments in their Covid-19 safety efforts

**M&A**

We continue to look at M&A opportunities in attractive high-margin and high-growth areas.

With its strong balance sheet, Intertek is well positioned to seize the attractive external growth opportunities in a very fragmented industry and we continue to make progress with our M&A strategy.

**Outlook**

Despite an unprecedented global pandemic, the resilience of our results demonstrates the attractive nature of our industry, Intertek’s high quality and highly cash generative earnings model, as well as the effectiveness of our '5x5' differentiated strategy for growth.

We are on track to deliver a resilient FY 2020 performance, with a mid-single digit LfL revenue decline at constant rates, a margin reduction YoY, and a net debt of £570-590m, lower than 2019 (before any M&A and any significant movement in currencies). Based on the actual currency figures for the first 10 months of the year and the current spot rate for the remainder of the year, the average sterling rate applied to the full year results of 2019, would provide circa a 150 basis point reduction at both the revenue and operating profit level.

We are confident about the structural growth prospects in the global Quality Assurance market, which have become even more compelling over recent months as health, safety, wellbeing and sustainability grow in importance for companies and individuals alike.

Moving forward, we are well positioned to seize these attractive growth opportunities, underpinned by the increased complexities of corporate supply chains and the associated challenges of maintaining a high level of quality assurance end-to-end.

- ENDS-

  The 2020 November Trading Statement Audiocast CEO Script will be available after the call at

  [www.intertek.com/investors/](http://www.intertek.com/investors/)