

REVENUE GROWTH ACCELERATION, MARGIN PROGRESSION AND HIGHER ROIC

2023 HALF YEAR RESULTS PRESENTATION

28 July 2023





CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

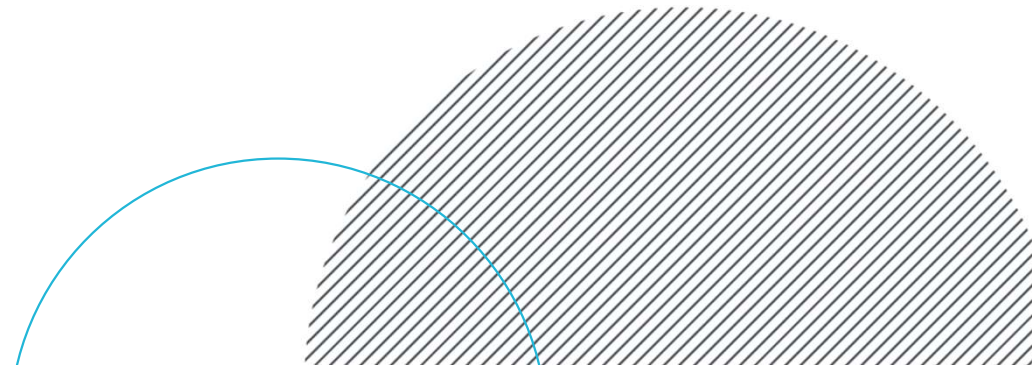
This presentation contains certain forward-looking statements with respect to the financial condition, results, operations and business of Intertek Group plc.

These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future.

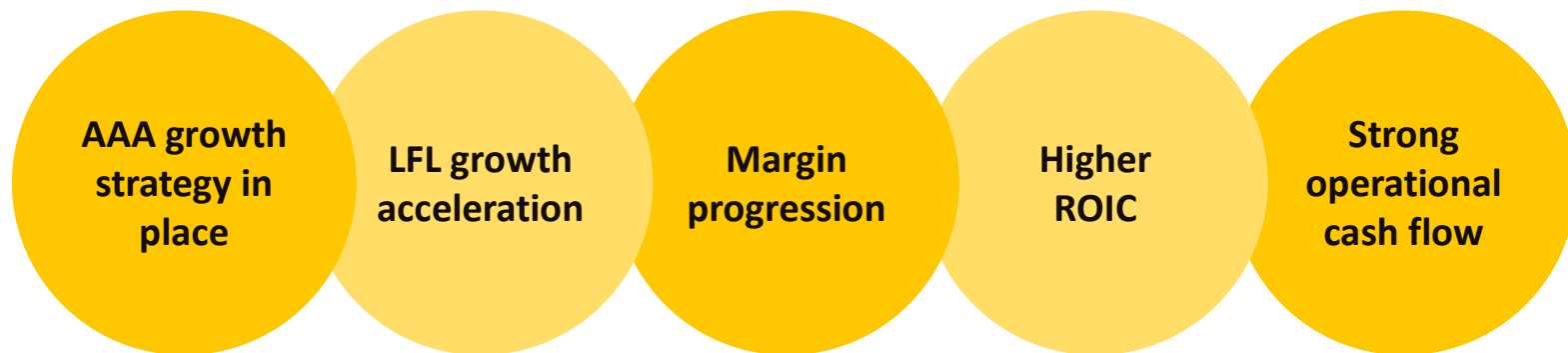
There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

Nothing in this presentation should be construed as a profit forecast.

28 July 2023



KEY TAKEAWAYS





01

Performance
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02

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05

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ROBUST FINANCIAL PERFORMANCE IN H1 23



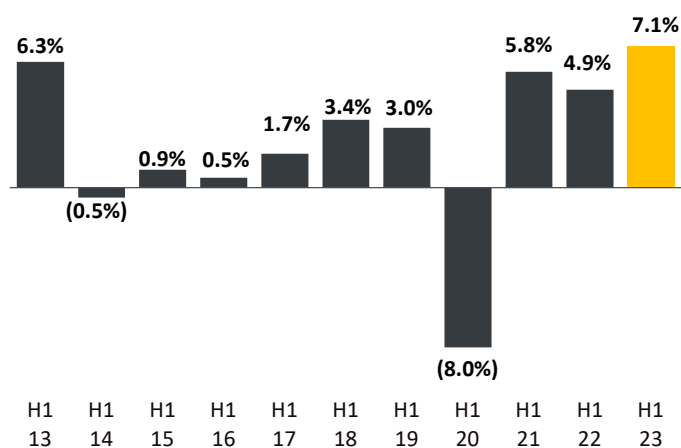
	H1 23	H1 22	YoY (Actual rates)	YoY (Constant rates)
Revenue	£1,640.0m	£1,491.7m	9.9%	8.3%
Like-for-like revenue	£1,621.7m	£1,491.7m	8.7%	7.1%
Operating Profit ¹	£245.4m	£217.3m	12.9%	13.3%
Operating Margin ¹	15.0%	14.6%	40bps	70bps
EPS ¹	95.2p	86.5p	10.1%	10.6%
ROIC	19.3%	16.8%	260bps	120bps
Adjusted Cash Flow from Operations	£270.5m	£238.1m	13.6%	
Free Cash Flow ¹	£79.6m	£95.8m	(16.9%)	
Capex and M&A	£68.9m	£41.1m	67.6%	
Interim Dividend	37.7p	34.2p	10.1%	
Financial Net debt / EBITDA ¹	1.1x	1.3x		

Note: (1) Before separately disclosed items.

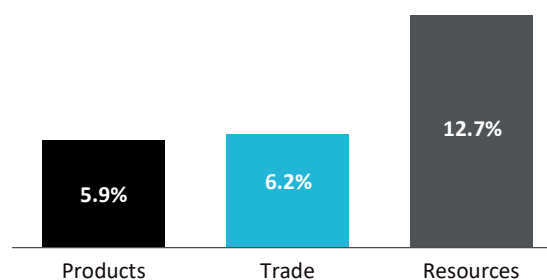
LFL REVENUE GROWTH ACCELERATION



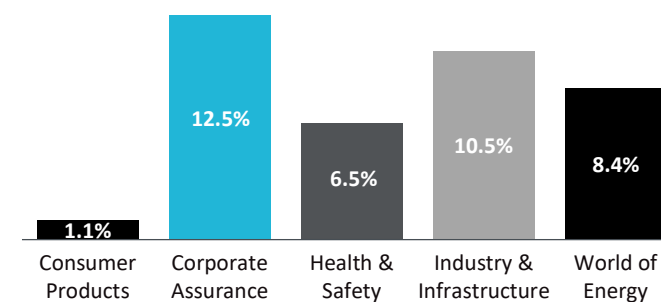
LFL growth¹ at constant currency



H1 LFL growth² by division



H1 LFL growth² by division



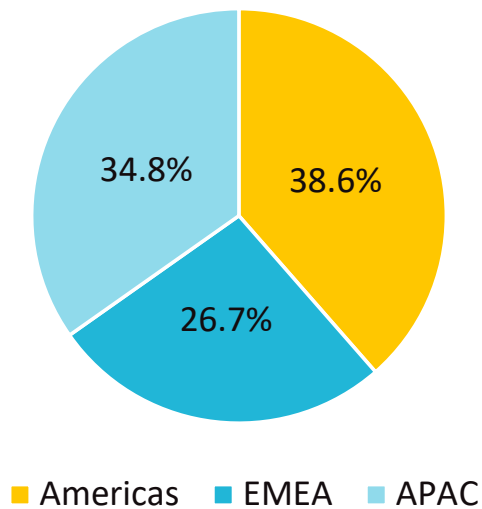
LFL REVENUE GROWTH IN CHINA 7.3%, LFL REVENUE GROWTH OUTSIDE CHINA 7.0%

Note: (1) Organic revenue at constant currency between 2013 and 2020. (2) At 2023 constant currency rates.

BROAD-BASED GROWTH GEOGRAPHICALLY



H1 23 revenue by region

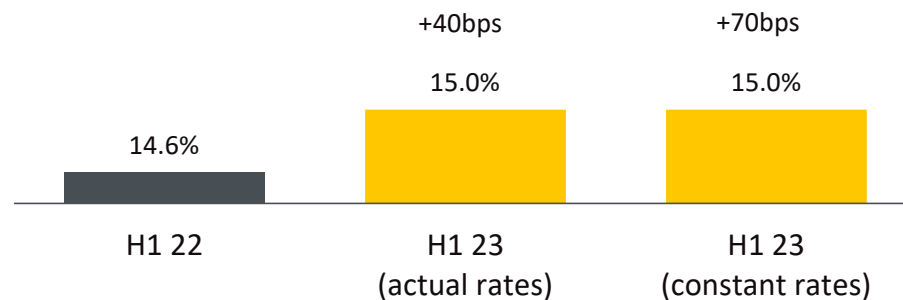


Region	H1 23 revenue YoY (actual rates)	H1 23 revenue YoY (constant rates)
Americas	12.7%	7.8%
EMEA	8.0%	7.6%
APAC	8.5%	9.4%
Total	9.9%	8.3%

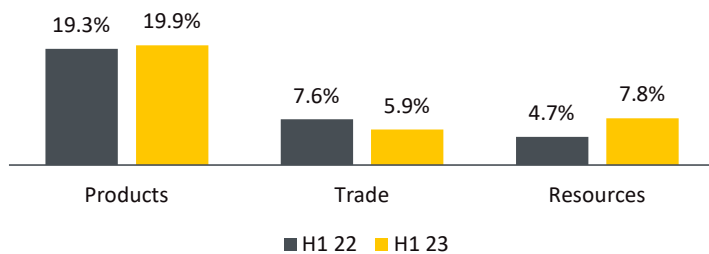
MARGIN PROGRESSION



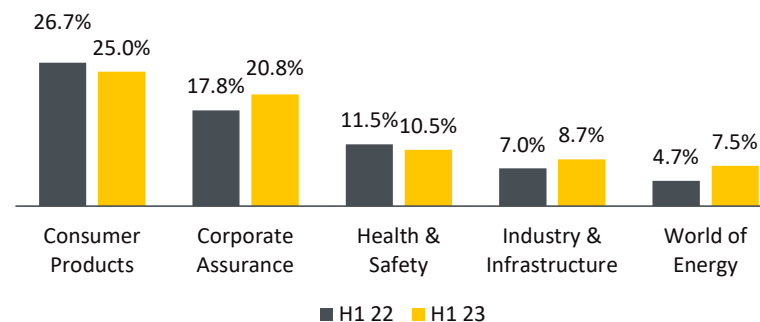
Adjusted Operating Margin¹



Adjusted Operating Margin¹



Adjusted Operating Margin¹



2022 & 2023 COST REDUCTION PLAN: Restructurings c£37m, Annual Savings £19m, 2023 Impact £7-8m

(1) Before separately disclosed items.



RECENT ACQUISITIONS PERFORMING WELL

intertek
SAI GLOBAL

Australia | May 2021

Corporate Assurance

- ✓ **Leading provider of assurance services**
- ✓ Increases presence in complementary geographic markets – Australia, US, Canada, UK, China
- ✓ Expands service capabilities in attractive end markets including food, agriculture and QSR
- ✓ Increases exposure to growing global ATIC addressable market

jla  **CONTROLE ANALÍTICO**

Brazil | July 2021 and April 2023

Health & Safety

- ✓ **Providers of food and environmental testing in Brazil**
- ✓ Entry to high-growth testing markets in an attractive region
- ✓ JLA's scale and service offering is complementary to Intertek's existing Assurance-led proposition
- ✓ Controle complements our leading food and agri total quality assurance solutions in Brazil by expanding our presence and service offering in the environmental testing mark

 **CEA**
CLEAN ENERGY ASSOCIATES

USA | July 2022

World of Energy

- ✓ **Provider of assurance services to solar energy markets**
- ✓ Expands services offering within the World of Energy to provide total quality assurance solutions for solar photovoltaic and energy storage products and installations
- ✓ Highly complementary to our existing solar energy offerings in product testing and certification and in-field inspections



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KEY P&L FINANCIALS



	H1 2023	YoY (Actual rates)	YoY (Constant rates)
Revenue	£1,640.0m	9.9%	8.3%
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EPS ¹	95.2p	10.1%	10.6%

Note: (1) Before separately disclosed items

CASH FLOW & NET DEBT



£m @ actual exchange rates	H1 2023	H1 2022
Adjusted operating profit¹	245.4	217.3
Depreciation/amortisation	89.7	87.2
Change in working capital	(75.3)	(74.4)
Other ²	10.7	8.0
Adjusted cash flow from operations	270.5	238.1
Capex	(51.4)	(41.1)
Income taxes paid	(56.0)	(50.8)
Other ³	(83.5)	(50.4)
Adjusted free cash flow	79.6	95.8
Financial net debt	791.3	859.1
Financial net debt/Adjusted EBITDA (rolling 12 months)	1.1x	1.3x

Notes:

(1) Before separately disclosed items; (2) Comprises: special pension payments, add back equity settled transactions and other non-cash items; (3) Comprises: tax paid, proceeds from sale of PPE and lease liability repayment

FINANCIAL GUIDANCE



	FY 2023 Guidance
Net finance cost (pre-fx)	£40-42m
Effective tax rate	25.5%-26.5%
Minority interest	£22-23m
Diluted shares (as at 30 June 2023)	162.1
Capex	£115-125m
Financial Net Debt ¹	£630-680m

Note: (1) Net debt guidance before any material change in FX rates and any M&A



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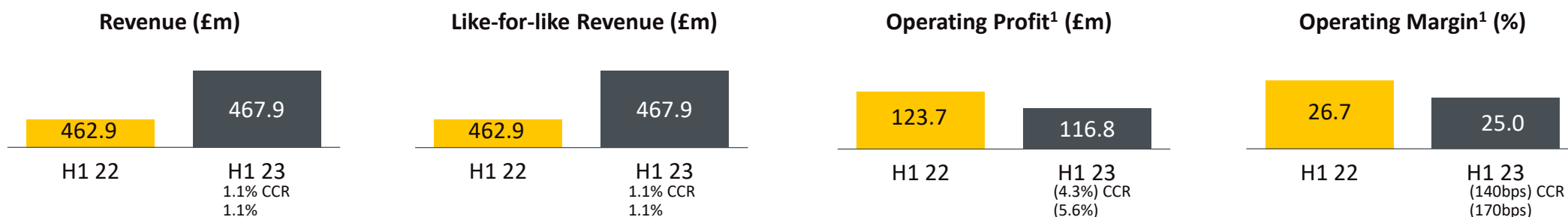
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LOW-SINGLE DIGIT LFL GROWTH IN CONSUMER PRODUCTS



	HY 22 Actual LFL	HY 23 Actual LFL	Growth Drivers		
Softlines	Mid-single digit	Low-single digit	Increased number of Brands & SKUs	Supply chain expansion in new markets	Increased demand in chemical testing
Hardlines	Low-single digit	Low-single digit	Innovation from our customers leveraging wireless technology	Increased demand for chemical testing	Innovative inspection technology
Electrical & Connected World	Low-single digit	Mid-single digit	Electrical appliance innovations to provide better efficiency and connectivity		Increased demand for IoT Assurance services, including cyber security
Government & Trade Services	High-single digit negative	Double digit negative	Award of new contracts	GDP growth	Population growth

Note: (1) Adjusted, before separately disclosed items

FY23 OUTLOOK: LOW-SINGLE DIGIT LFL REVENUE GROWTH AT CONSTANT CURRENCY

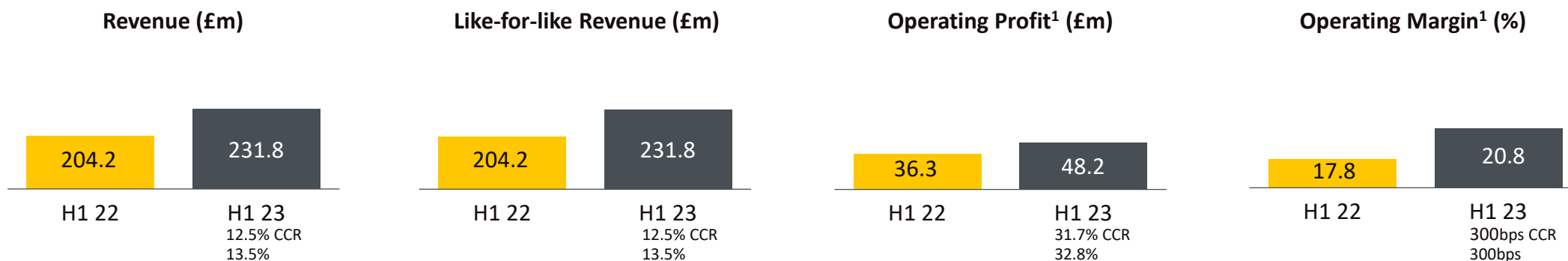
MARGIN ACCRETIVE
INNOVATION

toxclear
Detoxing fashion supply chains

Global Market Access
One-stop digital knowledge portal

intertek
hydrogen.
Safely into the future

DOUBLE-DIGIT LFL GROWTH IN CORPORATE ASSURANCE



	HY 22 Actual LFL	HY 23 Actual LFL	Growth Drivers		
Business Assurance	Double digit	Double digit	Increased focus of corporations on supply chain and risk management	ISO standards upgrades	Increased consumer and government focus on ethical and sustainable supply
Assuris	Mid-single digit	Mid-single digit	Increased focus of corporations on supply chain and risk management	ISO standards upgrades	Increased consumer and government focus on ethical and sustainable supply

Note: (1) Adjusted, before separately disclosed items

FY23 OUTLOOK: HIGH-SINGLE DIGIT LFL REVENUE GROWTH AT CONSTANT CURRENCY

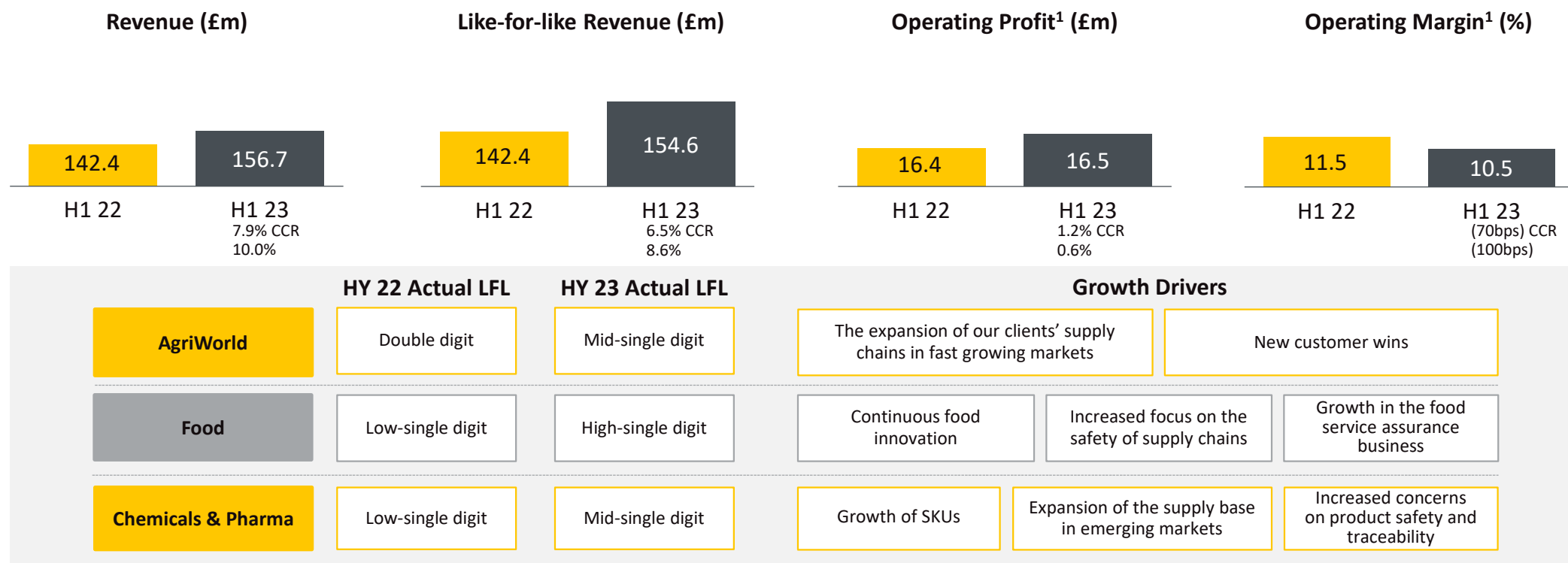
MARGIN ACCRETIVE
INNOVATION

inlight
Enhanced supply chain visibility

green+d
Sustainable product development

**circular
assure**
Circular Economy
Solutions For Plastics

MID-SINGLE DIGIT LFL GROWTH IN HEALTH AND SAFETY



Note: (1) Adjusted, before separately disclosed items

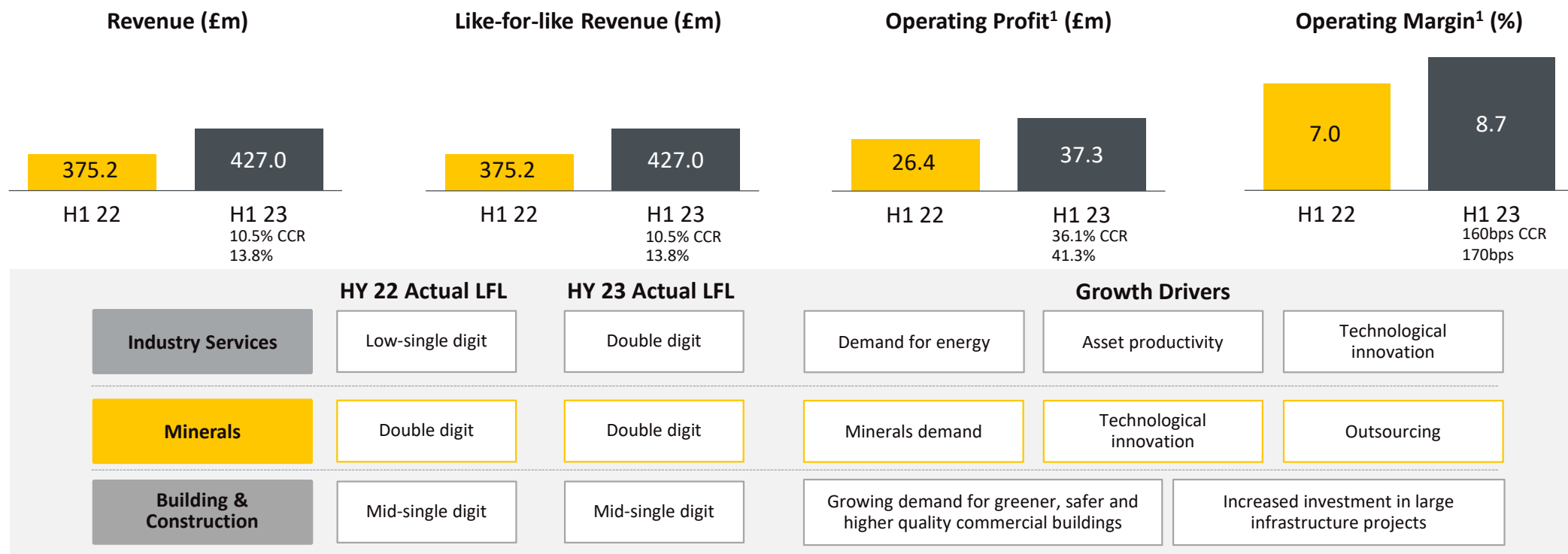
FY23 OUTLOOK: MID-SINGLE DIGIT LFL REVENUE GROWTH AT CONSTANT CURRENCY

MARGIN ACCRETIVE
INNOVATION

crystek
Honey Crystallisation Analysis

Controle Analítico
Environmental analysis, Brazil

DOUBLE-DIGIT LFL GROWTH IN INDUSTRY AND INFRASTRUCTURE



Note: (1) Adjusted, before separately disclosed items

FY23 OUTLOOK: HIGH-SINGLE DIGIT LFL REVENUE GROWTH AT CONSTANT CURRENCY

**MARGIN ACCRETIVE
INNOVATION**

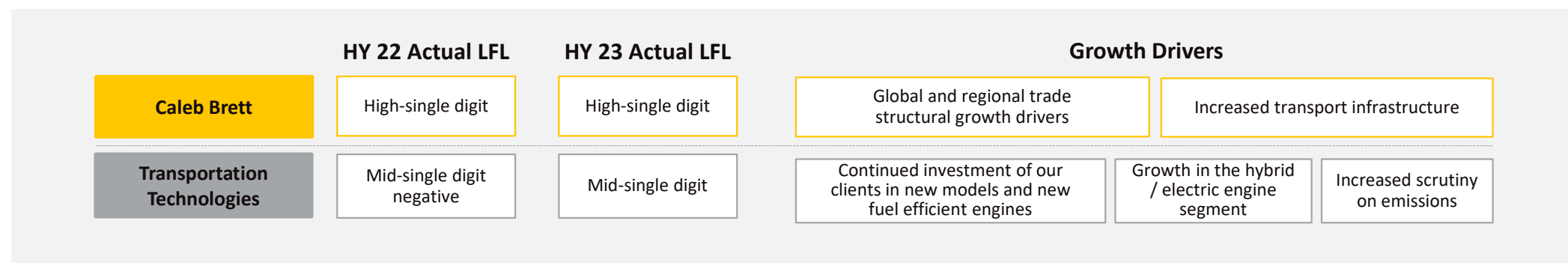
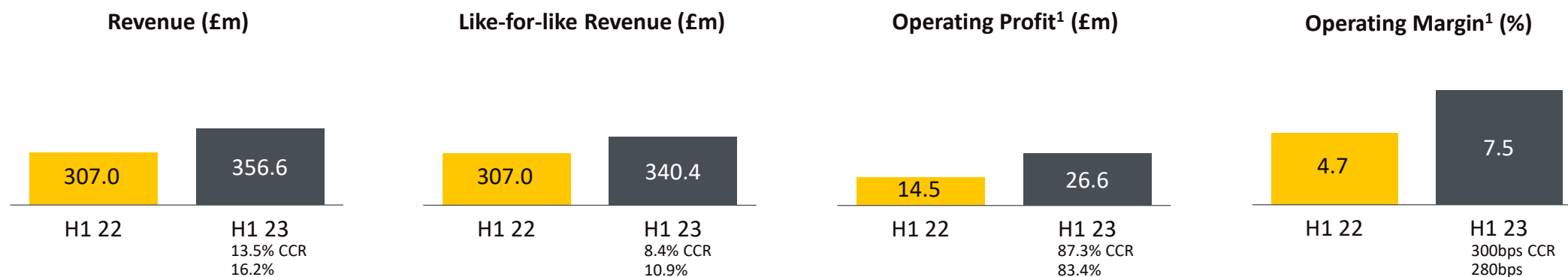
Digital Twin

Asset management solution leveraging Intertek AWARE

MiQ

Independent audit of methane emissions and grading

HIGH-SINGLE DIGIT LFL GROWTH IN WORLD OF ENERGY



Note: (1) Adjusted, before separately disclosed items

FY23 OUTLOOK: HIGH-SINGLE DIGIT LFL REVENUE GROWTH AT CONSTANT CURRENCY

**MARGIN ACCRETIVE
INNOVATION**

Zero Petroleum

Partnership in development of synthetic fuel

EV Centre of Excellence

Accelerating to Net Zero



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OUR GOOD TO GREAT JOURNEY CONTINUES



Metric ¹	2014 ²	2022	Change
Revenue	£2,093m	£3,193m	53%
EBITDA	£400.9m	£700.6m	75%
Operating Profit	£324.6m	£520.1m	60%
Operating Margin	15.5%	16.3%	80bps
Diluted earnings per share	132.1p	211.1p	60%
Dividend	49.1p	105.8p	115%
WC as % Revenue	9.3%	(1.5%)	(10.8ppts)
Free cash flow	£202m	£386m	91%
ROIC	16.3%	18.0%	170bps
Net Debt/EBITDA	1.6x	1.1x	(0.5x)



Note (1): On an adjusted basis, (2) 2014 metrics are on an IAS17 basis

**Faster growth for our
ATIC solutions**





Being the best for every stakeholder. **All the time**



OUR AAA GROWTH STRATEGY IS LASER FOCUSED

3 STRATEGIC PRIORITIES

SCIENCE-BASED TQA
CUSTOMER EXCELLENCE

+

BRAND PUSH
& PULL

+

WINNING
INNOVATIONS

3 STRATEGIC ENABLERS

10X PURPOSE-BASED
ENGAGEMENT

+

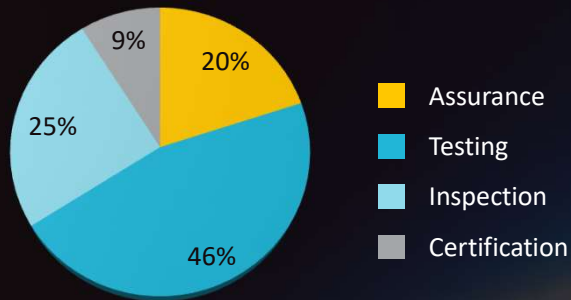
SUSTAINABILITY
EXCELLENCE

+

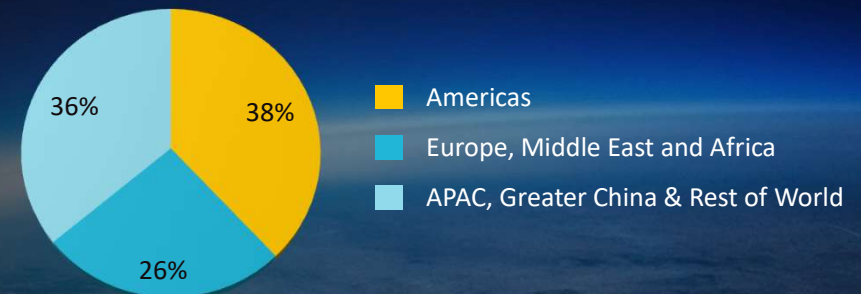
MARGIN ACCRETIVE
INVESTMENTS

HIGH-QUALITY PORTFOLIO POISED FOR FASTER GROWTH

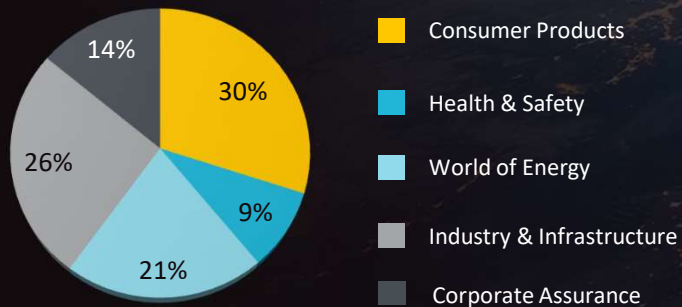
ATIC



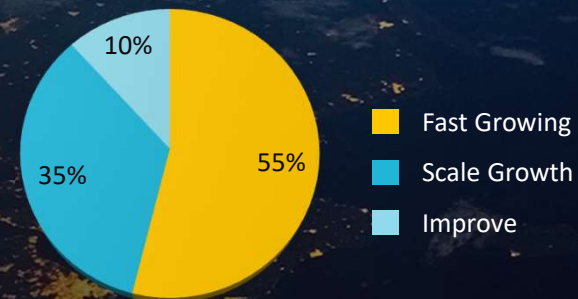
REGIONS



GLOBAL BUSINESS LINES



COUNTRY BUSINESS LINES



Note: % of revenue by segment based on the 22 revenue actuals

MSD LFL ATIC REVENUE GROWTH OPPORTUNITY


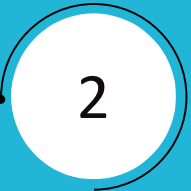



	Consumer Products	Corporate Assurance	Health & Safety	Industry & Infrastructure	World of Energy
	<i>Better, safer and more sustainable products</i>	<i>Sustainable businesses + more resilient supply chains</i>	<i>Healthier, safer and sustainable lives</i>	<i>Better, safer and greener infrastructure</i>	<i>Better and greener fuels and renewable energy</i>
GBLs	Softlines, Hardlines, Electrical & CW, GTS	Business Assurance, Assuris	Agri, Food, Chemicals & Pharma	Industry Services, Minerals, Building & Construction	Caleb Brett, Transportation Technologies, CEA
2022 revenue/ % of Group	£964m 30%	£450m 14%	£302m 9%	£815m 26%	£662m 21%
LfL growth	Low to mid single digit	High single to double digit	Mid to high single digit	Mid to high single digit	Low to mid single digit
Growth drivers	<ul style="list-style-type: none"> • Growth in Brands, SKUs & ecommerce • Regulation • Sustainability • Technology • Growing middle classes 	<ul style="list-style-type: none"> • Sustainability • Supply chain resilience • Enterprise Cyber-security • People Assurance • Regulatory Assurance 	<ul style="list-style-type: none"> • Healthier Foods • Growing populations • Sustainable food sourcing • Regulations • New molecules 	<ul style="list-style-type: none"> • Energy consumption • Energy transition • Population growth • Infrastructure investment • Greener buildings 	<ul style="list-style-type: none"> • Renewable energy • Energy consumption • Population Growth & social mobility • EV/Hybrid • Greener fuels

MID TO LONG TERM GROWTH OUTLOOK: MID SINGLE DIGIT LIKE FOR LIKE REVENUE GROWTH AT CCY

TARGETING RETURN TO 17.5% PEAK MARGIN AND BEYOND



INTERTEK ENABLERS		
	We have the tools and processes in place to drive margin accretive revenue growth	<ul style="list-style-type: none">• Superior operating platform• Group initiatives combined with site level ownership• 5x5 data advantage• Performance management discipline• Cost discipline: fixed & variable• Incentive structures
	Significant span of performance productivity opportunities remain	<ul style="list-style-type: none">• Strong progress over last 8 years• Operating over c.450 country / business line operating units• Span opportunity within business line and by region across all metrics• Team-led planning for 10Xcellence to close span• Driving performance in 3D: vs. PY, Budget and Best in Class
	We pursue an accretive portfolio investment strategy	<ul style="list-style-type: none">• Premium operator with strong pricing position• Discipline maintenance capex processes to operate with state-of-the-art facilities• Growth capex to support innovation pipeline• M&A focus on high growth, high margin sectors• Selective restructuring to drive productivity initiatives

AAA INTERTEK VIRTUOUS ECONOMICS



ACCRETIVE DISCIPLINED CAPITAL ALLOCATION

01

Capex and working capital investment to support organic growth
(target c.5% of revenue in capex)

02

Sustainable shareholder returns through payment of progressive
dividends based on a target payout ratio of c.50%

03

M&A focused on strong growth and margin prospects in businesses with leading market
positions or in new attractive growth areas, geographies or services

04

Leverage target of 1.3-1.8x Net debt/EBITDA¹ (IFRS 16) with potential to return excess
capital to shareholders, always subject to organic/inorganic capital requirements and
prevailing macro environment



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GROUP OUTLOOK 2023

MSD LFL Revenue growth at CCY

Consumer Products: LSD

Corporate Assurance: HSD

Health and Safety: MSD

Industry and Infrastructure: HSD

World of Energy: HSD

Margin progression year-on-year

Strong free cash flow

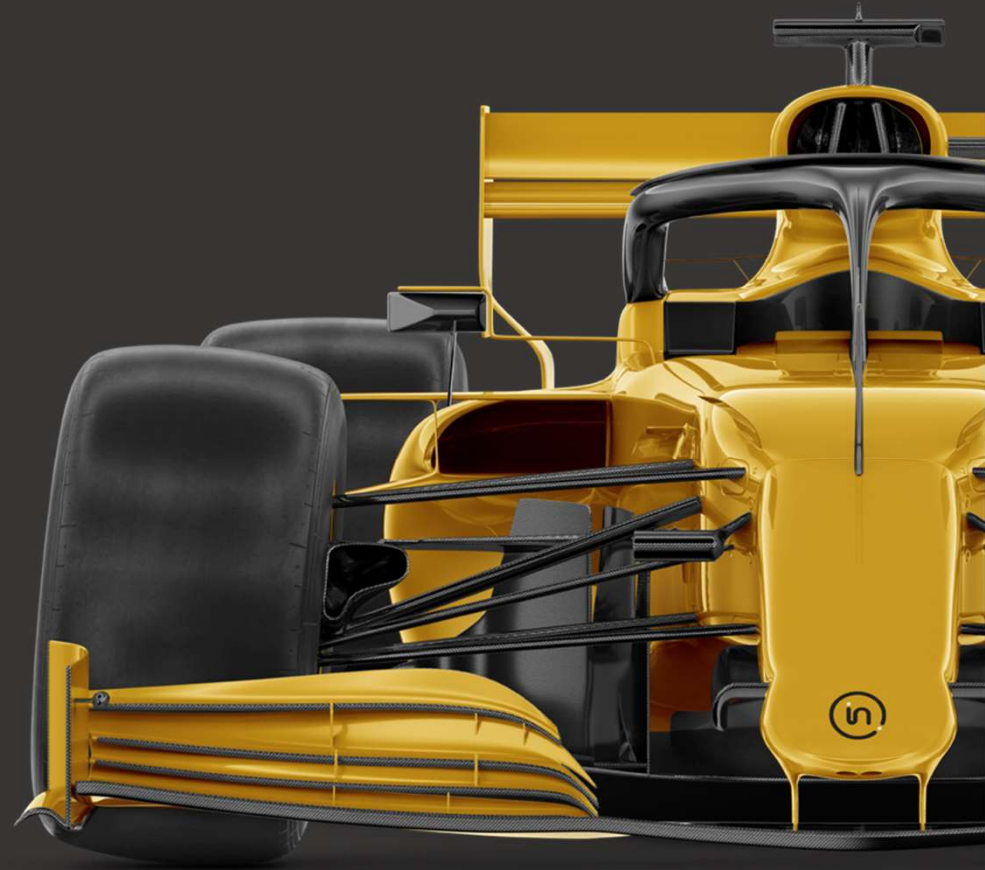
Capex: £115- 125m

Financial net debt: £630 -680m¹

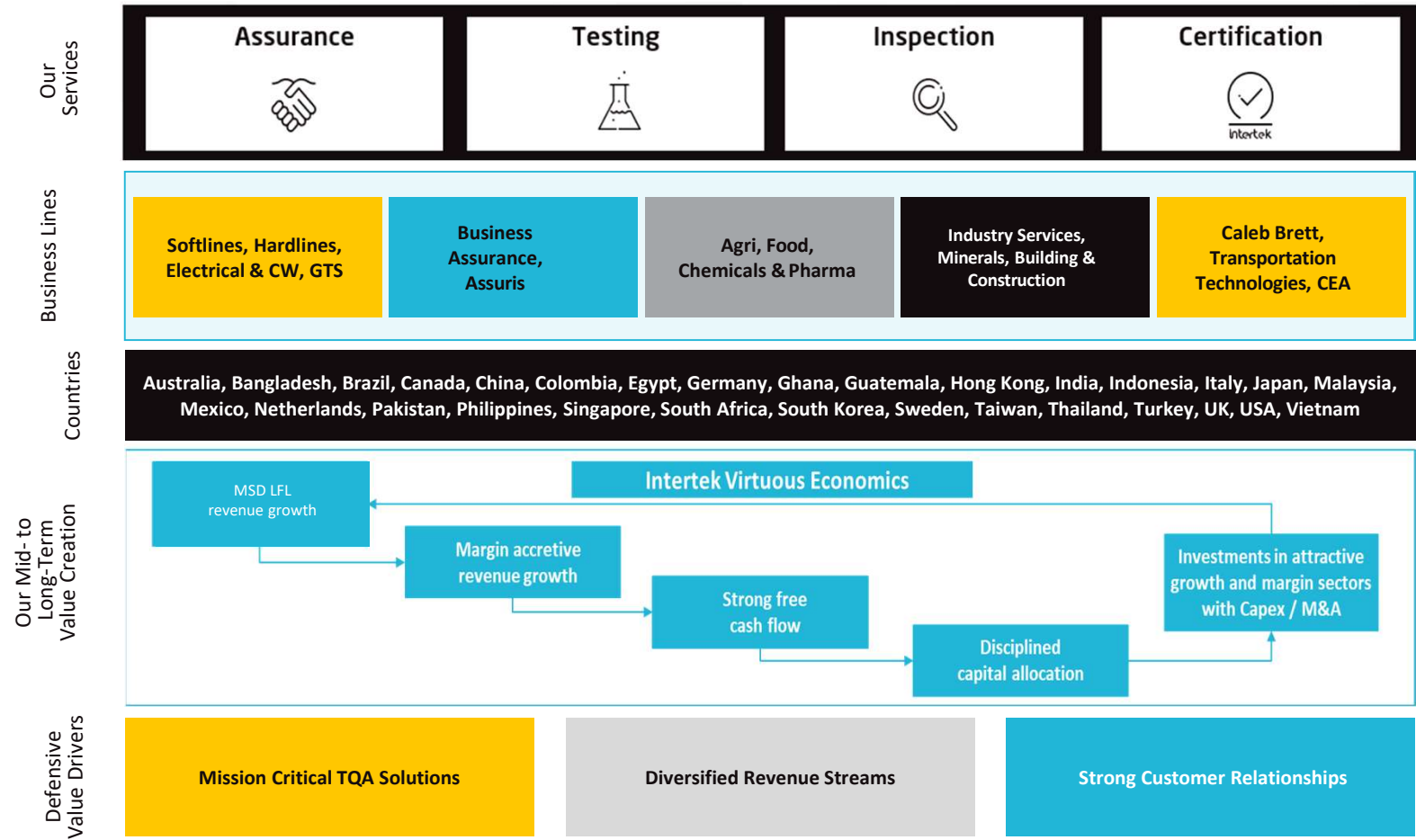
Note: (1) Net debt guidance before any material change in FX rates and any M&A



SIGNIFICANT
VALUE GROWTH
OPPORTUNITY



HIGH QUALITY GROWTH PORTFOLIO



APPENDIX



H1 23 - PRODUCTS, TRADE, RESOURCES



	Revenue				LFL Revenue				Adjusted operating profit				Adjusted operating margin			
	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)	H1 23 £M	H1 22 £M	YoY % (actual rates)	YoY % (constant rates)
Product	1,023.0	951.0	7.6%	5.9%	1,023.0	951.0	7.6%	5.9%	203.5	183.2	11.1%	10.8%	19.9%	19.3%	60bps	90bps
Trade	325.7	299.6	8.7%	6.9%	323.6	299.6	8.0%	6.2%	19.1	22.7	(15.9%)	(10.7%)	5.9%	7.6%	(170bps)	(110bps)
Resources	291.3	241.1	20.8%	19.3%	275.1	241.1	14.1%	12.7%	22.8	11.4	100.0%	98.3%	7.8%	4.7%	310bps	310bps
Group	1,640.0	1,491.7	9.9%	8.3%	1,621.7	1,491.7	8.7%	7.1%	245.4	217.3	12.9%	13.3%	15.0%	14.6%	40bps	70bps

PROFORMA



£m IFRS 16 basis and growth at actual rates	2019				
	Full Year	Jan-Apr	H1	Jul-Oct	Full Year
Group					
Revenue	2,987.0	951.3	1,491.7	1,140.7	3,192.9
Revenue growth %		11.2%	13.2%	18.6%	14.6%
Adjusted OP	524.2		217.3		520.1
Adjusted OP margin %	17.5%		14.6%		16.3%
Consumer Products					
Revenue	951.9	293.2	462.9	338.4	964.2
Revenue growth %		5.2%	6.1%	9.6%	6.3%
Adjusted OP	275.0		123.7		268.5
Adjusted OP margin %	28.9%		26.7%		27.8%
Corporate Assurance					
Revenue	265.0	128.1	204.2	160.1	450.0
Revenue growth %		54.5%	59.9%	41.1%	44.6%
Adjusted OP	51.3		36.3		95.5
Adjusted OP margin %	19.4%		17.8%		21.2%
Health and Safety					
Revenue	284.4	92.4	142.4	107.7	302.3
Revenue growth %		8.3%	9.0%	12.4%	9.7%
Adjusted OP	29.8		16.4		40.7
Adjusted OP margin %	10.5%		11.5%		13.5%
Industry and Infrastructure					
Revenue	779.3	237.4	375.2	299.0	814.4
Revenue growth %		7.6%	10.6%	22.9%	15.7%
Adjusted OP	77.4		26.4		71.9
Adjusted OP margin %	9.9%		7.0%		8.8%
World of Energy					
Revenue	706.4	200.2	307.0	235.5	662.0
Revenue growth %		6.7%	8.1%	17.8%	12.5%
Adjusted OP	90.7		14.5		43.5
Adjusted OP margin %	12.8%		4.7%		6.6%

The Intertek logo is centered on a yellow background with thin, light-yellow diagonal lines. The word "intertek" is written in a bold, lowercase, sans-serif font. The letter 'i' is unique, featuring a white dot above it.

intertek

Total Quality. Assured.