



GOVERNMENTS & INSTITUTIONS: TRANSFORMATION AND INNOVATION

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Investor Days, 27-28 October 2016

WHEN YOU NEED TO BE SURE



REVENUE DIVERSIFICATION

PRESENT

- Highly dependent on trade with governments in Africa
- Increased competition on traditional trade services

Africa (45%)



Trade (85-90%)



TRADE FACILITATION

COMPLIANCE AGENT

2020

- Towards a balanced portfolio
- Diversification of footprint, client base and services

Africa (35%)



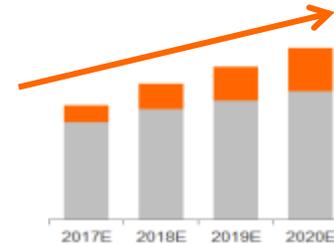
Trade (60-65%)





■ Ensure growth

- Organic
- Acquisitions



■ Diversification

- Geography:
 - Different clients in more developed markets
 - Services for businesses willing to use trade compliance requirement to improve efficiency, productivity
- Portfolio: diversify service offering

■ Main drivers:

- Consulting services
- Innovation and digitalisation

- Layer 4 (Ukraine)
- Forestry (Liberia and Congo, DFID)
- Subcontractor to other large consulting companies
- Single Window (Nepal)
- Indonesia Port

SGS ASSISTS NEPAL TO LAUNCH ITS FIRST TRADE PORTAL



-Single-point of access for all trade, economic and regulatory information

-Funded by the World Bank

- Operated by the Nepal Trade and Export Promotion Centre (TEPC)

-Configured with the assistance of SGS

-Pilot launched on 27th September 2016

▪ 20/50 million metric tons of electronic waste disposed globally
 ▪ Estimated 1.3 million tons of electrical products exported to Africa and Asia

■ SGS Renovo: e-waste management solutions

- Several contracts signed
- Revenue expected from 2017



Launched

■ SGS Dtect

- 100% scanning enabler (US Customs)
- Remote analysis
- Predictive analytics: build image of container from customs declaration – IP protected



Launched

■ SmartPort: GIS port solutions

- MOU signed with Port of Valencia (FV)
- Development of SGS/FV joint services offering



Pre-Launch



FV deliveries

R&D:

- 209 global projects
- 87 software solutions
- 15 industrial prototypes
- 9 hardware solutions
- 8 databases and simulators

Training:

28,932 hours for 7,310 student

Network:

Projects and partners in 58 countries

- Strategic partner: Fundacion Valenciaport (FV)
- Innovative solutions for port communities recognised globally:
 - R&D on port management
 - Experts and trainers
- International innovation projects funded by EU, Work Bank, Inter-American Bank of Development and Spanish Ministry
- Resulting growth for Port of Valencia:
 - Busiest port in the Mediterranean
 - Fifth largest in Europe
- Joint offering – a unique blend of knowhow and global reach: pragmatic and effective solutions for any port in the world

In Partnership with:





PORT SOLUTIONS
ADVANCED PORT INTEGRATION



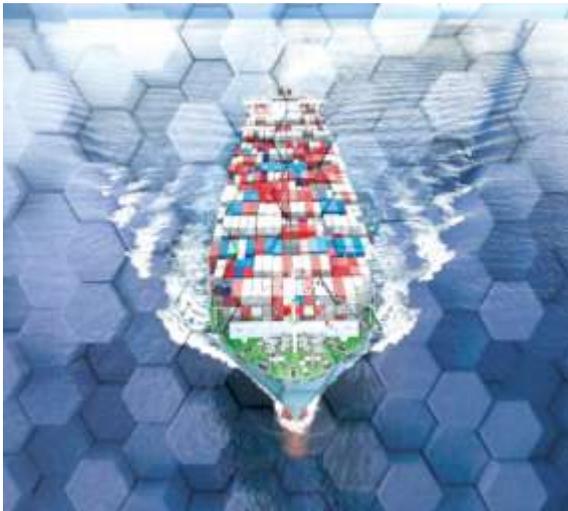
- Business strategy
 1. Design new range of services for port authorities' needs
 - Infrastructure & Asset management
 - Traffic management
 - Safety & Security
 - Energy & Environment
 2. Acquire long-term SGS clients through preliminary consulting mandates executed by FV
 - SGS / FV to provide bundled "SmartPort" services
 3. Support strategy to offer services in more advanced economies

- Marketing and sales strategy
 - Develop joint marketing material
 - Valencia Lab to showcase bundled services
 - Prioritize services based on port archetypes

- 6 modules identified:
 1. Planning, Quality & Management
 2. Operations & Logistics Technologies
 3. Security & Safety
 4. Professional Excellence
 5. Energy Management
 6. Environmental Management

- Each module is composed of:
 - **Consulting:** Assessment, benchmarking, audit of organisation and structure; formulating strategic plans, policies and procedures
 - **Operations & Services:** Solution deployment and operations on a medium to long term basis

- Joint sales efforts have provided significant leads:
 - **Asia** (Indonesia, Philippines): **one consultancy contract signed**
 - **Americas** (Argentina): **contracts in negotiation**
 - **Europe** (Spain customs): based on new joint services offering





- FV developed **Smart Energy Management System (SEAMS)**
- Real time monitoring of ports equipments and asset base
- Big data algorithm allowing to acquire device information and adapt operating model in real time
- Key benefits: improve energy performance and optimize logistics process flows
- Pilot in place in Valencia



MISSION 2020

**UNDER
CONTROL**

TAKE OFF COMPLETED

WHEN YOU NEED TO BE SURE

SGS