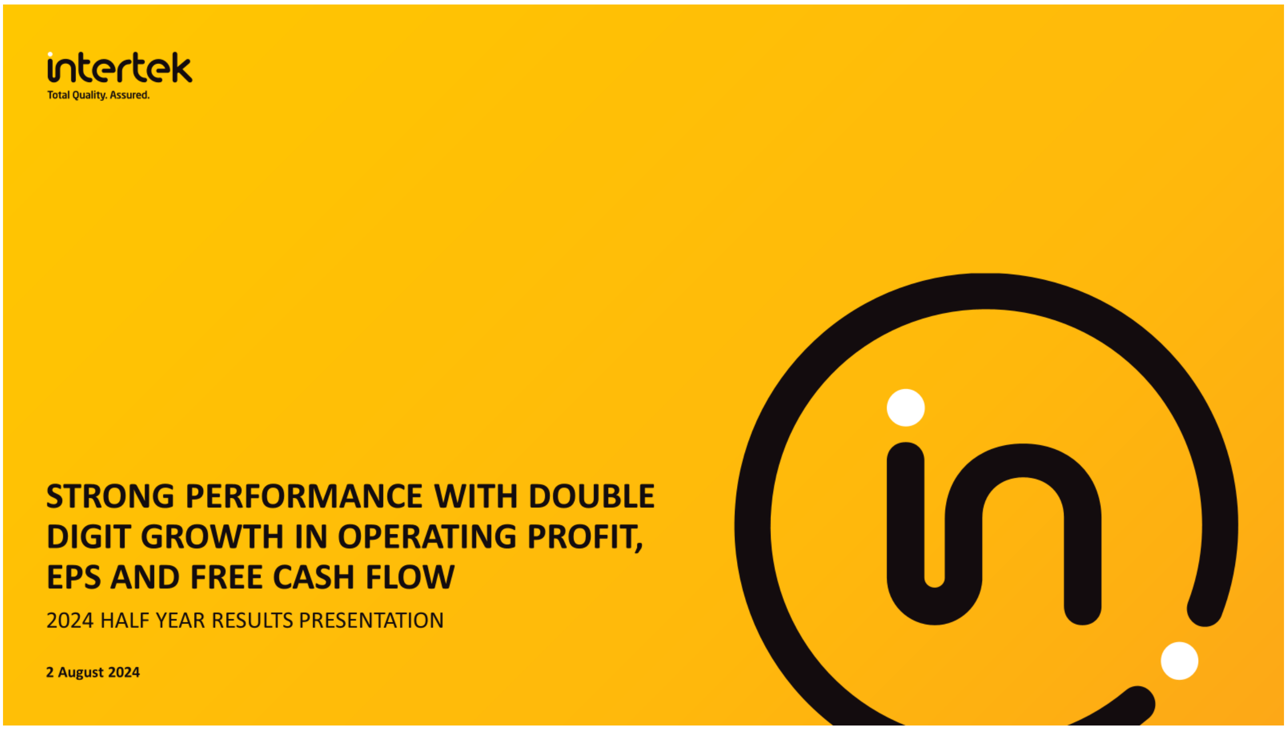
AUDIOCAST 9.30AM UK – 2 August 2024
2024 Half Year Results Script

Introduction



Good morning to you all and thanks for joining us on our call.

I have with me Colm Deasy, our CFO and Denis Moreau our VP of Investor Relations.

I would like to start our call today recognising all my colleagues for having delivered a strong performance in the first half of the year with double digit growth in operating profit, EPS and free cash flow.

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.

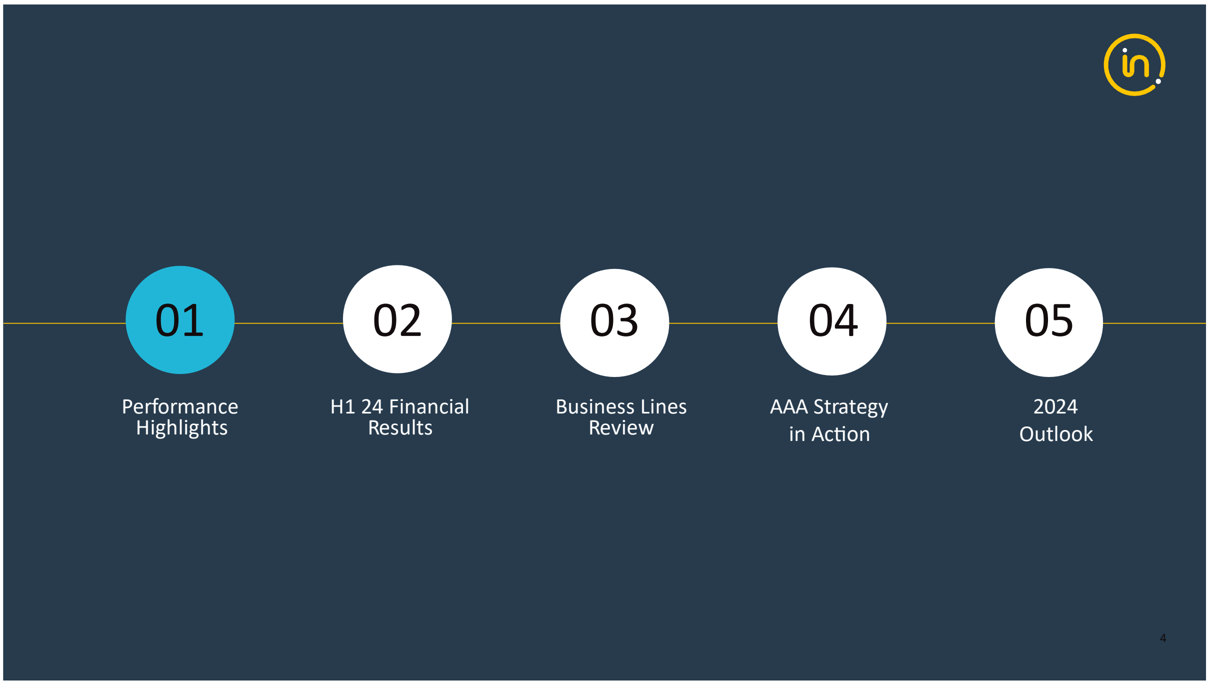
Nothing in this presentation should be construed as a profit forecast.

2 August 2024

Here are the key take aways from our call today:

- We have delivered a broad-based LFL revenue growth of 6.1% at constant currency.
- We saw a strong margin performance with a YoY improvement of 110bps at constant currency.
- That resulted in a double-digit EPS growth of 17.5% at constant currency.
- Excellent cash conversion of 118% drove our free cash flow, up YoY by circa 14%.
- We continued to make progress on ROIC which was up by 220bps at constant currency to 20%.
- In line with our new dividend policy pay-out ratio of 65%, interim dividend up by 43%
- We expect a strong performance in the second half of 24.
- The implementation of our AAA differentiated strategy for growth is on track.

Performance Highlights



Let’s start with our performance highlights.

STRONG PERFORMANCE

	H1 24	H1 23	YoY (Constant rates)	YoY (Actual rates)
Revenue	£1,669.5m	£1,640.0m	6.6%	1.8%
Like-for-like revenue	£1,659.6m	£1,637.5m	6.1%	1.3%
Operating Profit[1]	£265.1m	£245.4m	14.2%	8.0%
Operating Margin[1]	15.9%	15.0%	110bps	90bps
EPS[1]	104.9p	95.2p	17.5%	10.2%
ROIC	20.4%	19.3%	220bps	110bps
Free Cash Flow[1]	£90.6m	£79.6m		13.8%
Interim Dividend	53.9p	37.7p		43.0%
Financial Net debt / EBITDA[1]	1.0x	1.1x		

Note: (1) Before separately disclosed items.

We have delivered a strong financial performance in the first half of 2024 with:

- Group revenue up 6.6% at constant rates and 1.8% at actual rates
- LFL revenue growth of 6.1% at constant rates
- Operating profit up 14% at constant rates and 8.0% at actual rates
- 15.9% operating margin up 110bps at constant rates and up by 90bps at actual rates
- EPS growth of 17.5% at constant rates and 10% at actual rates
- ROIC of 20.4% up 220bps at constant rates and up 110bps at actual rates
- An excellent free cash flow of £91m, up YoY by 14%
- The interim dividend is 53.9p, up year on year by 43.0%
- Our balance sheet remains strong with a net debt to EBITDA ratio of 1.0x.

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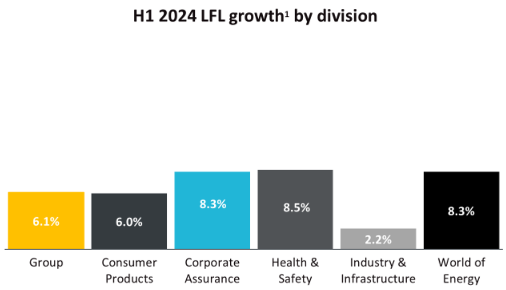
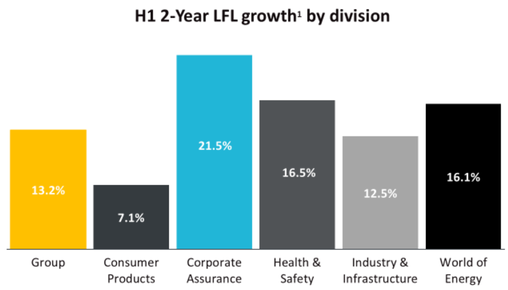
BROAD BASED LFL REVENUE GROWTH[1] OF 6.1%





13.2% TWO-YEAR LFL REVENUE GROWTH[1]

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Note: (1) At 2024 constant currency

Let’s now discuss our LFL revenue growth at constant rates which at 6.1% was broad based with:

- Consumer Products up by 6.0%
- Corporate Assurance up by 8.3%
- Health and Safety up by 8.5%
- Industry and Infrastructure up by 2.2%
- World of Energy up by 8.3%

Our LFL revenue growth was driven by both volume and price.

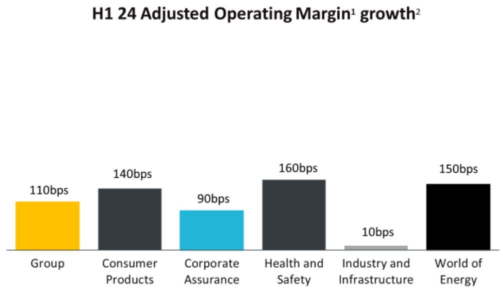
We have enjoyed an acceleration of our underlying LFL growth in May-June. Adjusting for the two fewer working days in the period, our LFL growth was close to 9% in May-June and 7.7% for H1 24.

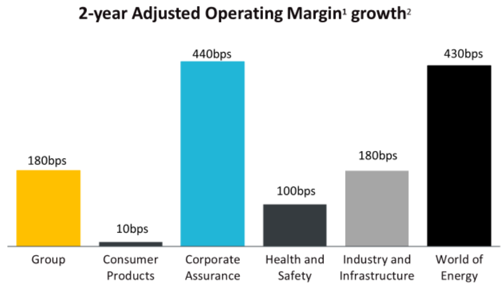
It’s great to see the demand for our ATIC solutions accelerating with a 2-year revenue growth of 13.2%.

The JLA, CEA, PlayerLync and Base Met Labs acquisitions we have made to scale up our portfolio in high growth and high margin sectors are performing well.

The consolidation opportunities in our industry are significant, and we will continue to invest in inorganic growth.

STRONG MARGIN PERFORMANCE +110BPS[2]





COST REDUCTION PROGRAMME DELIVERED SAVINGS OF £5M IN H1 24 - £11M EXPECTED IN 2024

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Note: (1) Before separately disclosed items. (2) at constant currency

Margin accretive revenue growth is central to the way we deliver value, and our disciplined performance management has resulted in a margin progression of 110bps at constant rates to 15.9%.

We benefitted from mix, pricing, fixed cost leverage linked to growth, productivity improvements and our restructuring programme while continuing to invest in our ATIC capability for growth.

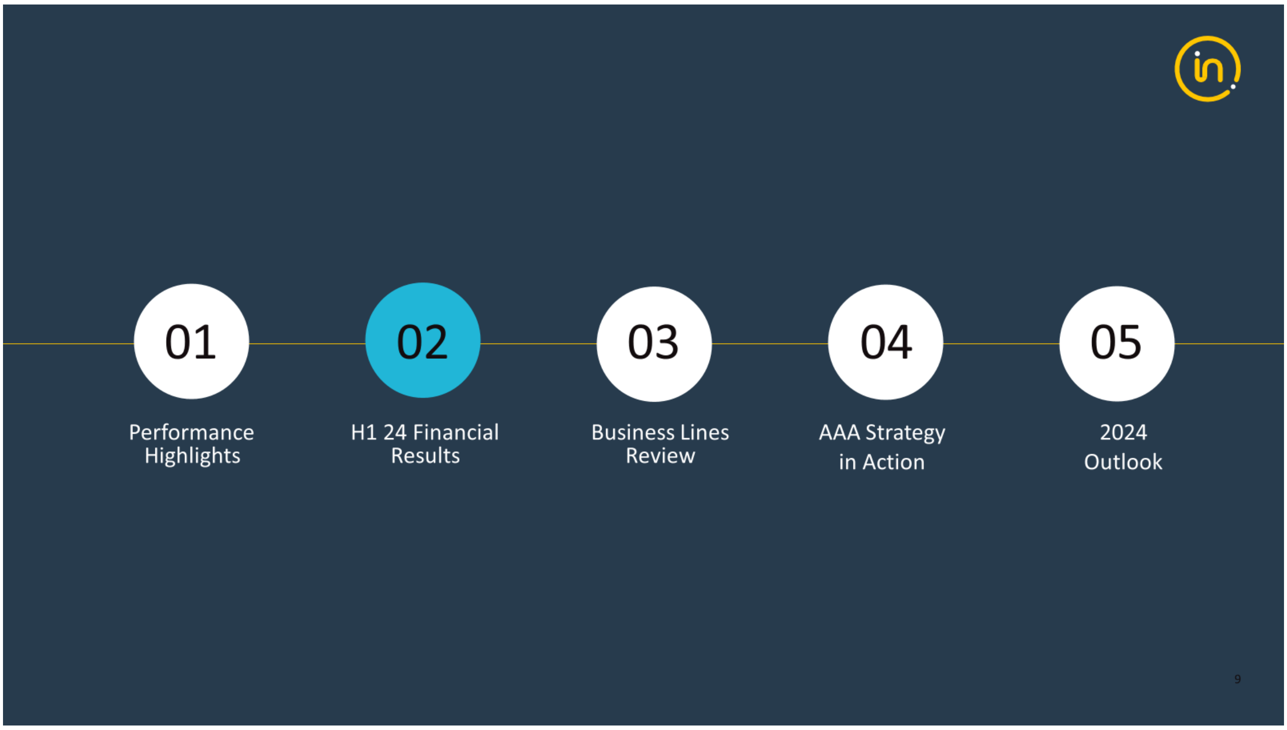
Looking at our performance by division, we made good progress improving margin by more than 100bps in three of the five divisions.

Last year, we announced a multi-year cost reduction programme to target productivity opportunities based on operational streamlining and technology upgrade initiatives.

The implementation of this programme is on track, and after having delivered a cost reduction benefit of £13m in 2023, we expect a full year benefit of £11m in 2024 based on £5m in H1 and £6m in H2.

The compounding effect of all our margin initiatives has enabled us to deliver a 2-year margin progress of 180bps.

H1 24 Financial Results



I will now handover to Colm to discuss our H1 results in detail.

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KEY P&L FINANCIALS

	H1 2024	YoY (Constant rates)	YoY (Actual rates)
Revenue	£1,669.5m	6.6%	1.8%
Like-for-like revenue	£1,659.6m	6.1%	1.3%
Operating Profit[1]	£265.1m	14.2%	8.0%
Operating Margin[1]	15.9%	110bps	90bps
EPS[1]	104.9p	17.5%	10.2%

Note: (1) Before separately disclosed items

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Thank you, André.

In H1 2024, the Group delivered a strong financial performance.

Total revenue growth was 6.6% at constant currency and 1.8% at actual rates as Sterling strengthened compared to major currencies that impacted our revenue growth by (480bps).

Operating profit at constant rates was up 14.2% to £265.1 million, delivering a margin of 15.9%, up year-on-year by 110bps at constant currency and 90bps at actual rates. Diluted earnings per share were 104.9p, growth of 17.5% at constant rates and 10.2% at actual rates.

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CASH FLOW & NET DEBT

£m @ actual exchange rates	H1 2024	H1 2023
Adjusted operating profit[1]	**265.1**	**245.4**
Depreciation/amortisation	80.1	89.7
Change in working capital	(89.9)	(75.3)
Other[2]	12.1	10.7
Adjusted cash flow from operations	**267.4**	**270.5**
Capex	(55.6)	(51.4)
Income taxes paid	(59.1)	(56.0)
Other[3]	(62.1)	(83.5)
Adjusted free cash flow	**90.6**	**79.6**
Financial net debt	**708.2**	**791.3**
Financial net debt/Adjusted EBITDA (rolling 12 months)	1.0x	1.1x

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

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Our cash conversion was strong, and we delivered an Adjusted free cash flow of £90.6m up year on year by 14%.

We finished H1 24 with financial net debt of £708.2m, which is down year on year and represents a financial net debt to adjusted EBITDA ratio of 1.0x.

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FINANCIAL GUIDANCE

	FY 2024 Guidance
Net finance cost (pre-fx)	£41-43m
Effective tax rate	25%-26%
Minority interest	£23-24m
Diluted shares (as at 30 June 2024)	162.3m
Capex	£135-145m
Financial Net Debt[1]	£510-560m

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

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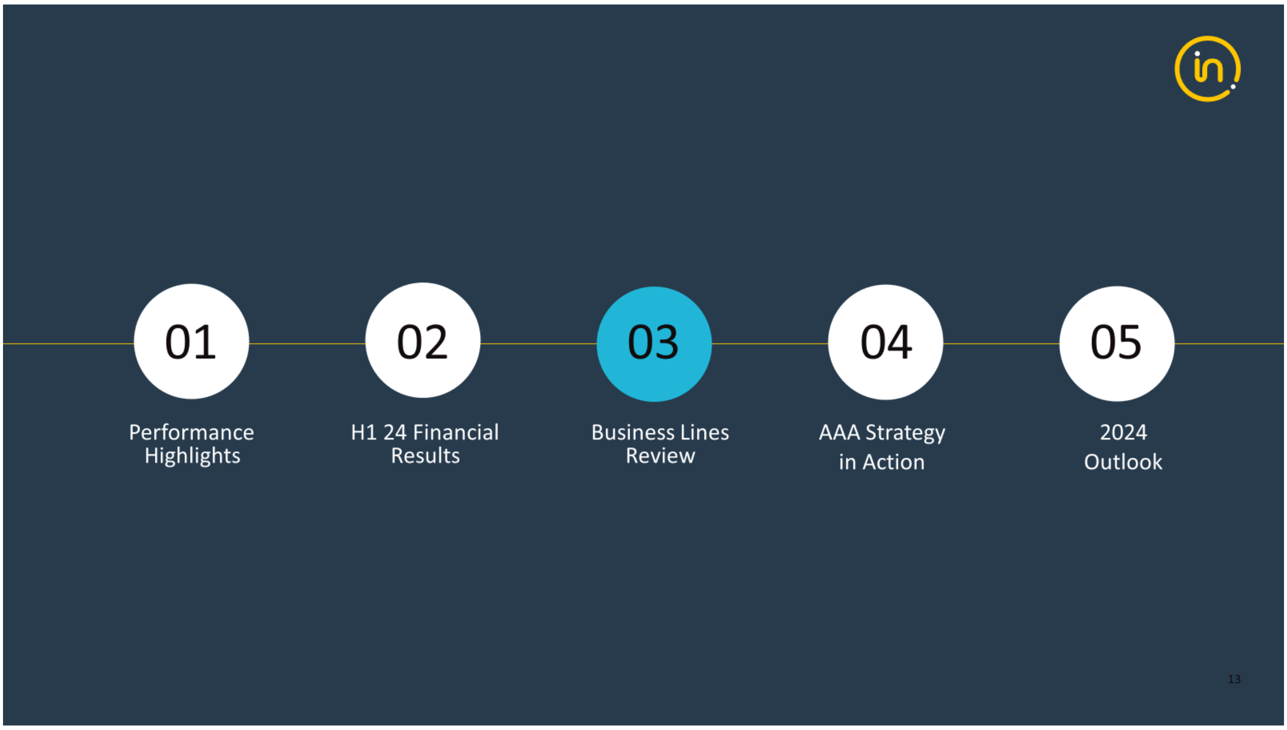
Now turning to our financial guidance for 2024.

We expect net finance costs to be in the range of £41-43m. We expect our effective tax rate to be between 25%-26%, our minority interest to be between £23-24m, and capex investment to be in the range of £135-145m.

Our financial net debt guidance, excluding future change in FX rates or M&A is £510- 560m.

I will now hand back to André.

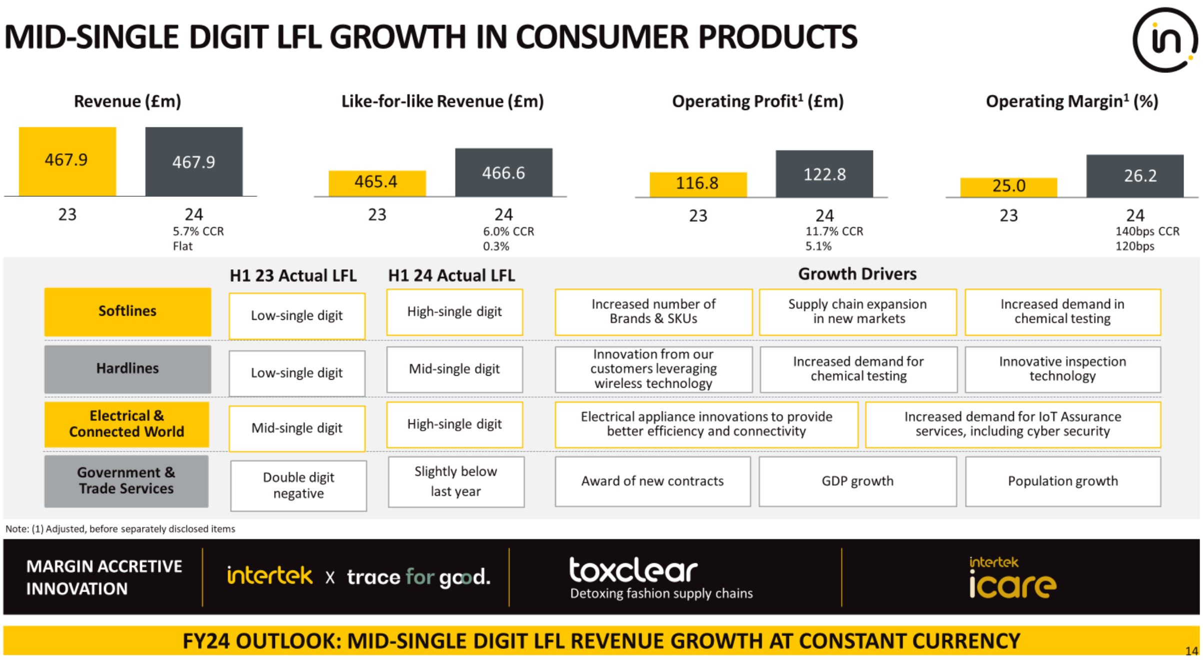
Business Lines Review



Thank you, Colm

I will now summarise our performance by division.

All comments I will make in this section will be at constant rates.



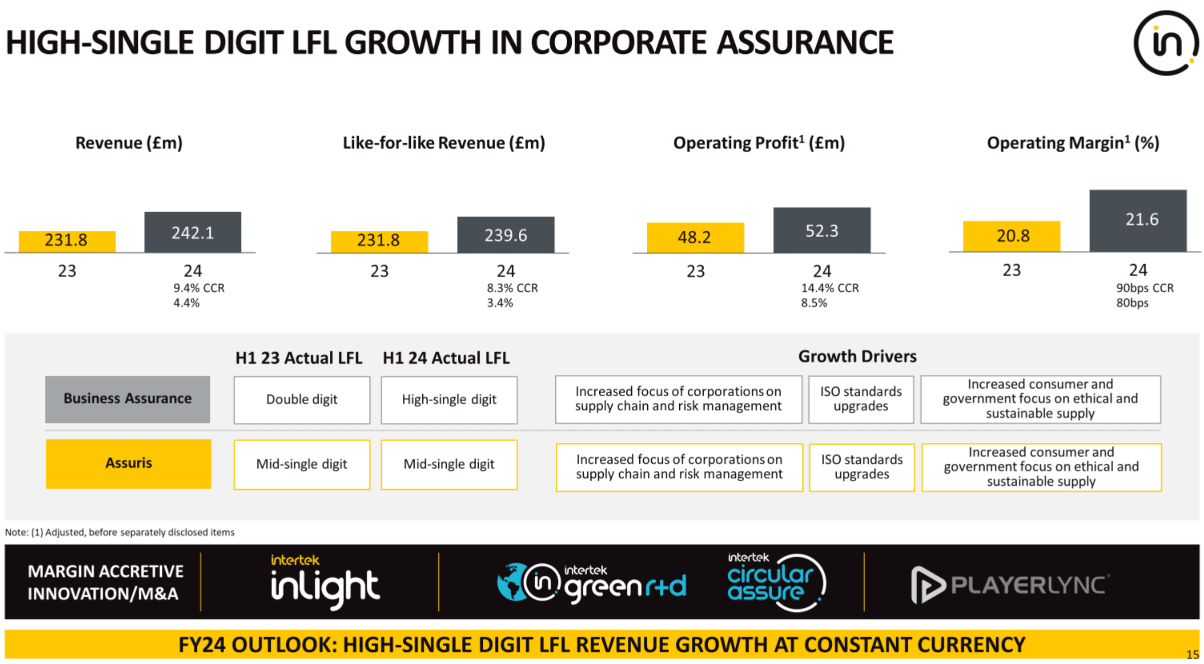
Our Consumer Products-related business delivered a revenue of £468m, up 6% year on year.

Our mid-single digit LFL performance was driven by:

- High-single digit LFL in Softlines
- Mid-single digit LFL in Hardlines
- High-single digit LFL in Electrical & Connected World business
- LFL being slightly below last year in GTS

Operating profit increased 12% to £123m with margin of 26.2%, up by 140bps.

In 2024, we continue to expect our Consumer Products division to deliver mid-single digit LFL revenue growth.



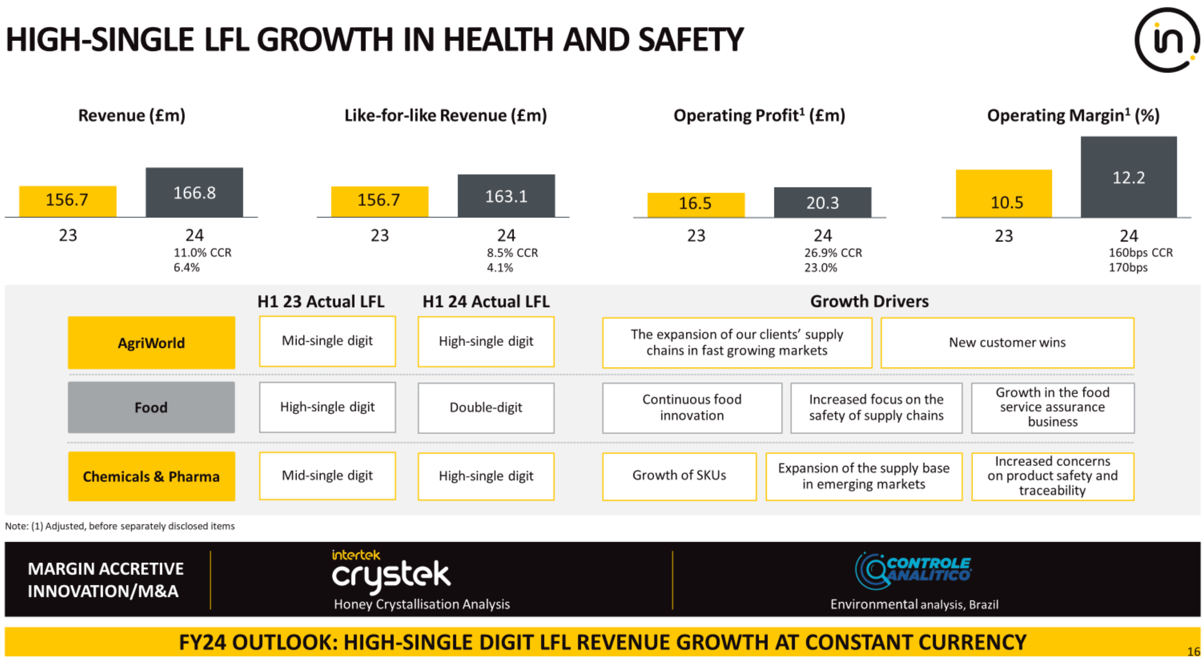
We grew revenue in our Corporate Assurance-related business by 9.4% to £242.1m.

Our high-single digit LFL performance was driven by:

- High-single-digit LFL in Business Assurance
- Mid-single-digit LFL in Assuris

Operating profit of £52m was up year on year by 14% with a margin of 21.6%, an improvement of 90bps.

FY24 expectations for our Corporate Assurance division are unchanged at high-single digit LFL revenue growth.



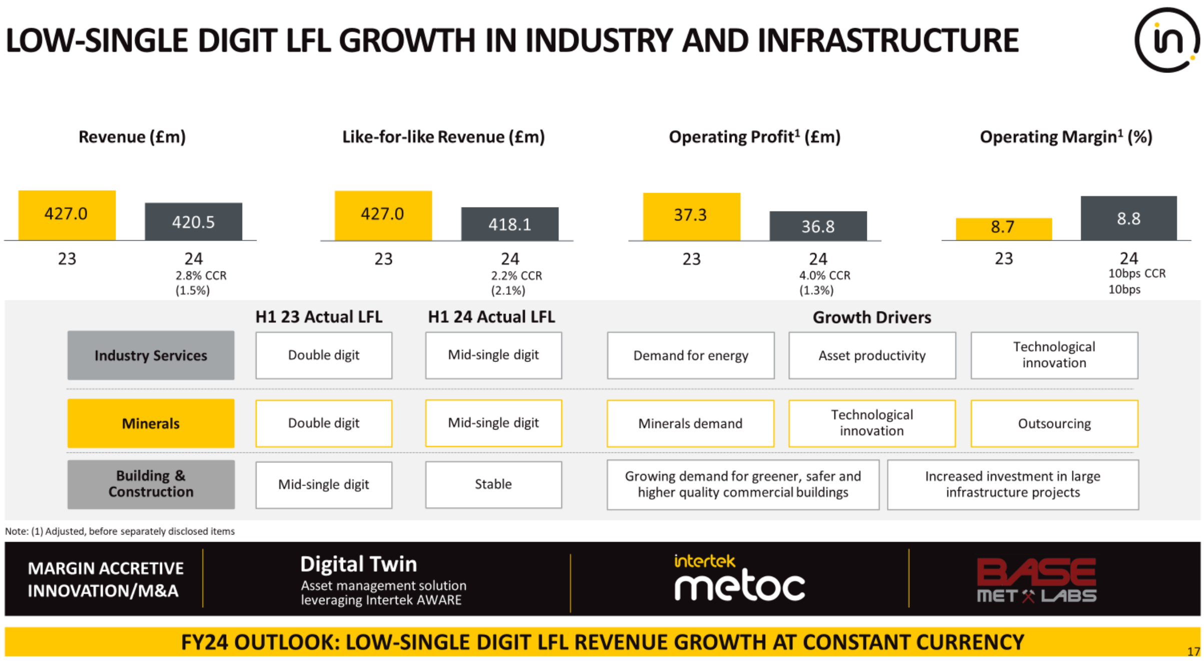
Our Health and Safety-related business delivered revenues of £167m, an increase of 11%.

Our high-single digit LFL revenue growth performance was driven by:

- High-single digit LFL in Agriworld and Chemicals & Pharma
- Double digit LFL in Food

Operating profit rose 27% to £20m with a margin of 12.2% up YoY by 160bps.

Our Health and Safety division guidance is unchanged, and we expect to deliver high-single digit LFL in FY24.



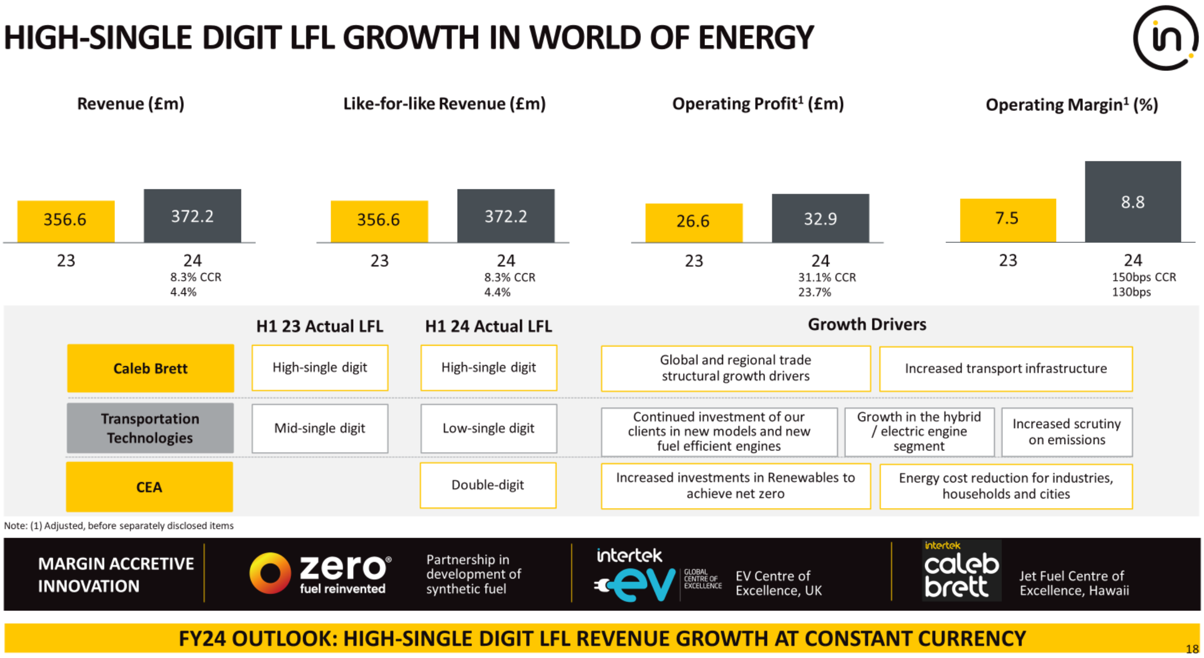
Our Industry & Infrastructure business reported revenues of £420.5m, an increase of 2.8%.

Our low-single digit LFL revenue growth performance was driven by:

- Mid-single digit LFL in Industry Services
- Mid-single digit LFL in Minerals and
- Stable LFL in Building & Construction

Operating profit of £37m was up 4% with a margin of 8.8%, up 10bps compared to last year.

In 2024, we expect our Industry and Infrastructure related businesses to deliver low-single digit LFL revenue growth, given the slow-down in large infrastructure projects in the USA.



Revenue in our World of Energy-related businesses were £372m, 8% higher than last year.

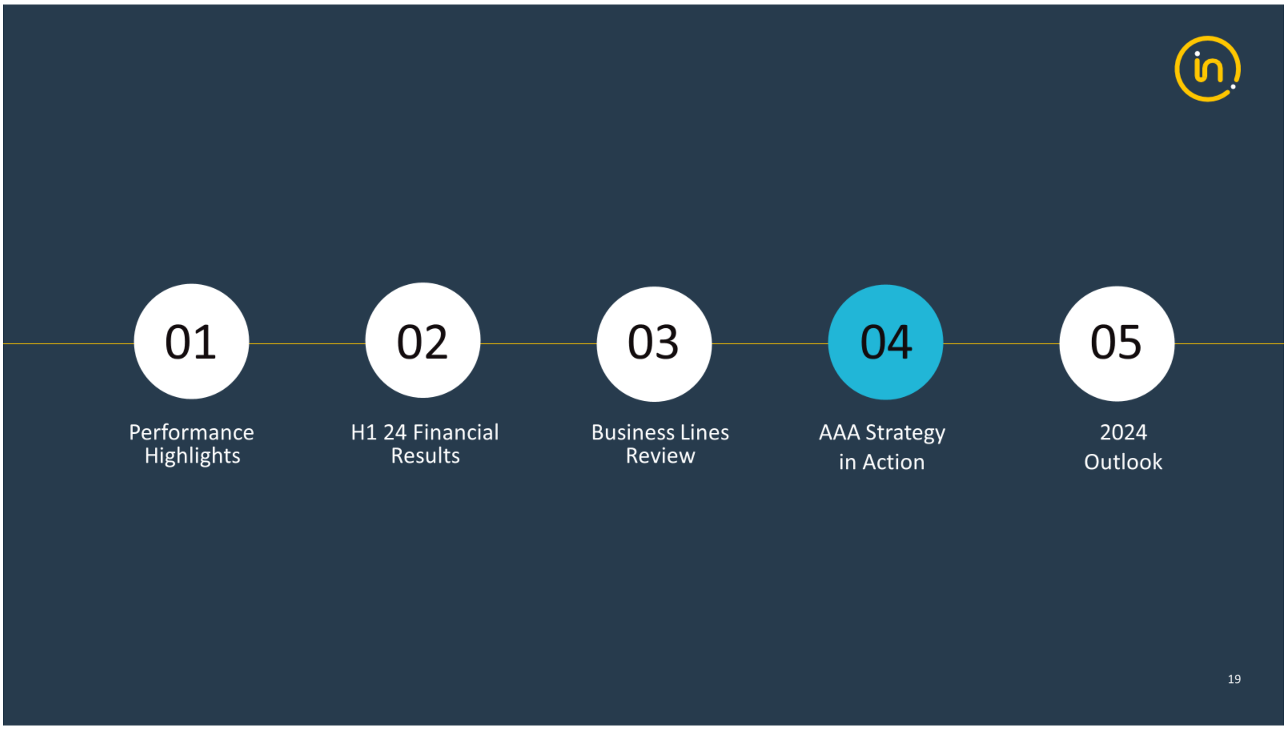
Our high-single digit LFL revenue growth was driven by:

- High-single digit LFL with Caleb Brett
- Low-single digit LFL in our TT business
- Double digit LFL in our CEA business

Operating profit was £33m, up 31%, margin rose 150bps to 8.8%.

In 2024, we continue to expect our World of Energy division to deliver high-single digit LFL revenue growth.

AAA Strategy in Action



At our capital markets event last year, we shared with you our AAA differentiated strategy for growth to unlock the significant value growth opportunity ahead.

In March, I gave you an update on why we expect faster LFL revenue growth for our ATIC solutions, how we will deliver our 17.5%+ margin target, and how our high-quality earnings model will deliver sustainable value creation.

Today, we would like to give you an update on three important investment areas to execute our AAA growth strategy:

- The supply chains of our clients are never static, and we will discuss how we are investing in our global ATIC Capability to seize the exciting growth opportunities ahead.
- Sustainability is the movement of our time, and we will explain how we have built an industry-leading approach to address the complex sustainability needs of our clients.
- The digitisation of our ATIC value proposition is important and we will talk about how we are using technology to build a Tek-based customer service advantage.

Supply chains never stand still, and we have seen several structural changes in the operations of our clients in the last few decades.

Our mantra at Intertek is to always anticipate where our clients are taking their supply chains using the circa 6,000 interviews we do with our customers every month, investing in our global ATIC capability.

Our global footprint and our capital-light business model make us very agile, giving us the ability to move fast if we need to build additional ATIC capability for our clients in existing or new markets.

Over the years, we have invested in many markets to expand our global footprint.

This is how we have built a strong presence in Vietnam, India, Bangladesh, Cambodia, Egypt, Türkiye, Greece, Morrocco, Guatemala, Brazil, Colombia, and Mexico.

There have been a lot of discussions about brands exiting their manufacturing footprint in China.

We only have seen a handful of brands doing so as changing production location is high-risk decision for any business.

China has a track record of manufacturing excellence, with good customer service as well as planned long-term investments in new sectors such as energy storage, solar panels and EV's.

That's why the Chinese export economy in 2023 was 37% larger than in 2019 and 46% in H1 24.

We operate a strong business in China that has demonstrated its ability to deliver mid-single digit LFL revenue growth over the years including in H1 24.

What we have seen, is companies pursuing a China+1 strategy which consists of building their supply chains for new businesses, in a new country, to operate a more diversified footprint.

This has resulted in additional manufacturing investments in countries like Vietnam, Cambodia, India, and Bangladesh, while China has invested in new sectors.

We also have seen investments in nearshoring to reduce the time to market and Co2 emissions, with the main beneficiaries being Egypt, Türkiye, Portugal, Morocco, Guatemala and Mexico.

Finally, we are seeing onshoring investments in the renewables sector with manufacturing investments in energy storage, solar, and wind which are strategic sectors for the energy security of the European and North American markets.

Over the last three years, we have invested £330m in capex, to support our clients supply chains in APAC, EMEA and the Americas, and this year we plan to invest another £135-145m.

I would like now to give you a sense of the investments we have made to expand our global ATIC footprint.

We operate an excellent ATIC portfolio in APAC which represents 35% of our revenue and here you can get a sense of the type of investments we have made to broaden our ATIC footprint.

I will not comment on all of these of course, and here are a few builds based on my recent market visits.

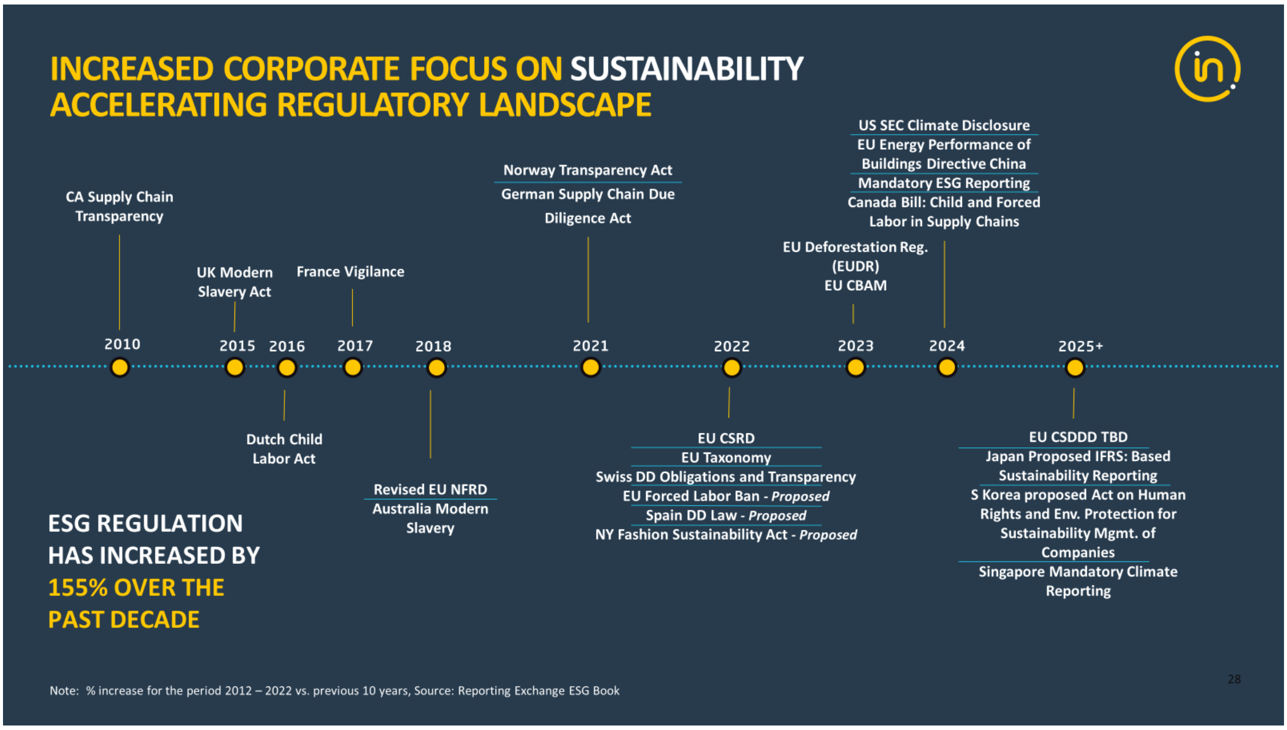
- We operate a Minerals centre of excellence in Perth Australia, and I am really impressed by the work our team has done to drive faster growth and higher margin.
- Our Business Assurance team in India is truly best in class and the investments they've made in attractive segments are driving strong returns.
- I had the opportunity to visit our new Toys Lab in Hanoi recently and I saw first-hand the excellent growth opportunities we have there.

EMEA represents 26% of our revenue and these are the investments we have made recently.

- We opened our Battery Centre of Excellence in Italy last year and I am really proud of our leading-edge lab which can handle all the needs of our clients in this sector.
- We recently held a sustainability industry event in Turkiye and I was impressed by the level of investments our Softlines customers are ready to make in operational sustainability solutions, like Detox.
- Here in the UK, we are at the forefront of the EV industry development with our Centre of Excellence, and the good news is that we are winning significant new contracts.

The Americas is our largest region with 39% of the group revenue and we have invested significantly in the last few years to take advantage of the ATIC demand acceleration.

- Biofuel is a huge area of investment for our clients in the Americas, and I am pleased that we have an industry leading capability in sustainable aviation fuel.
- The growth we are seeing with our AgriWorld operation in LATAM is truly exciting, and I am pleased that we have expanded our capacity there.
- In North America, we have recently opened our EV Centre of Excellence, where the growth potential of EV is significant.



Let’s now discuss how we are supporting the needs of our clients with our sustainability solutions.

Sustainability is the movement of our time and corporations are increasing their focus on this area.

These investments in sustainability are driven by an increase in the number of regulations around the world as well as meeting the needs of more demanding consumers.

Our clients are facing some real challenges to take a strategic approach to sustainability and we have developed industry leading end to end Total Sustainability Assurance solutions to mitigate their operational, corporate and reputational risks.

We always advise our clients to start their sustainability journey at the heart of their value chain.

We offer Industry leading Operational solutions that cover among others: R&D development, tier 1/2/3 supplier sustainability performance, energy-waste-water-chemical-air quality-safety management, carbon footprint assessment for scope 1/2/3 and Eco-scoring of their products.

In simple terms, our operational sustainable solutions focus on the high risks inside the value chain of our clients.

We also advise them to complement these with the right sustainability policies underpinned by precise corporate processes which we can audit with our Corporate Sustainability Certification programme.

The reputational risks for companies are significant, and we have seen recently world class companies being fined by regulators for having made unsubstantiated claims about their products.

That's why we help our clients with our ESG assurance solutions which offers an independent audit of their non-financial disclosures.

Every industry is different, and every industry has its own sustainability risks.

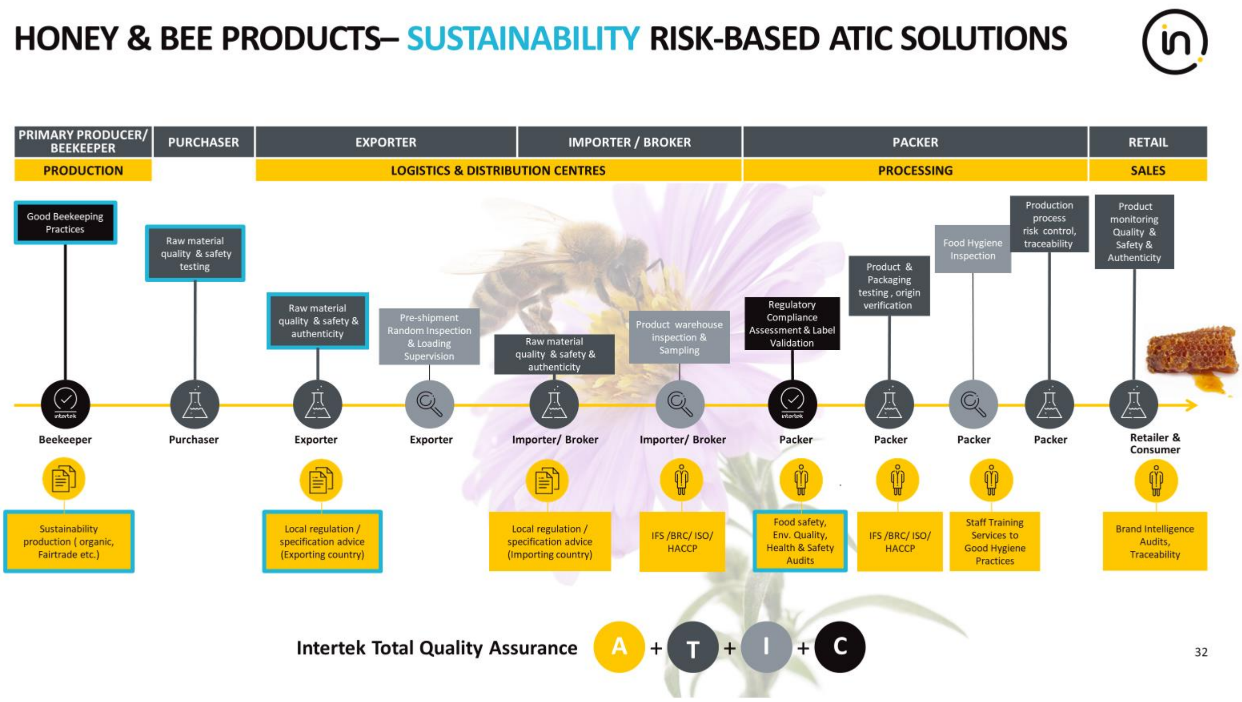
We therefore go to market with industry specific suites of end-to-end ATIC solutions that address the specific needs of our clients in the areas of quality, safety and sustainability.

Let me give you a few concrete examples of how we work with our clients in a few industries.

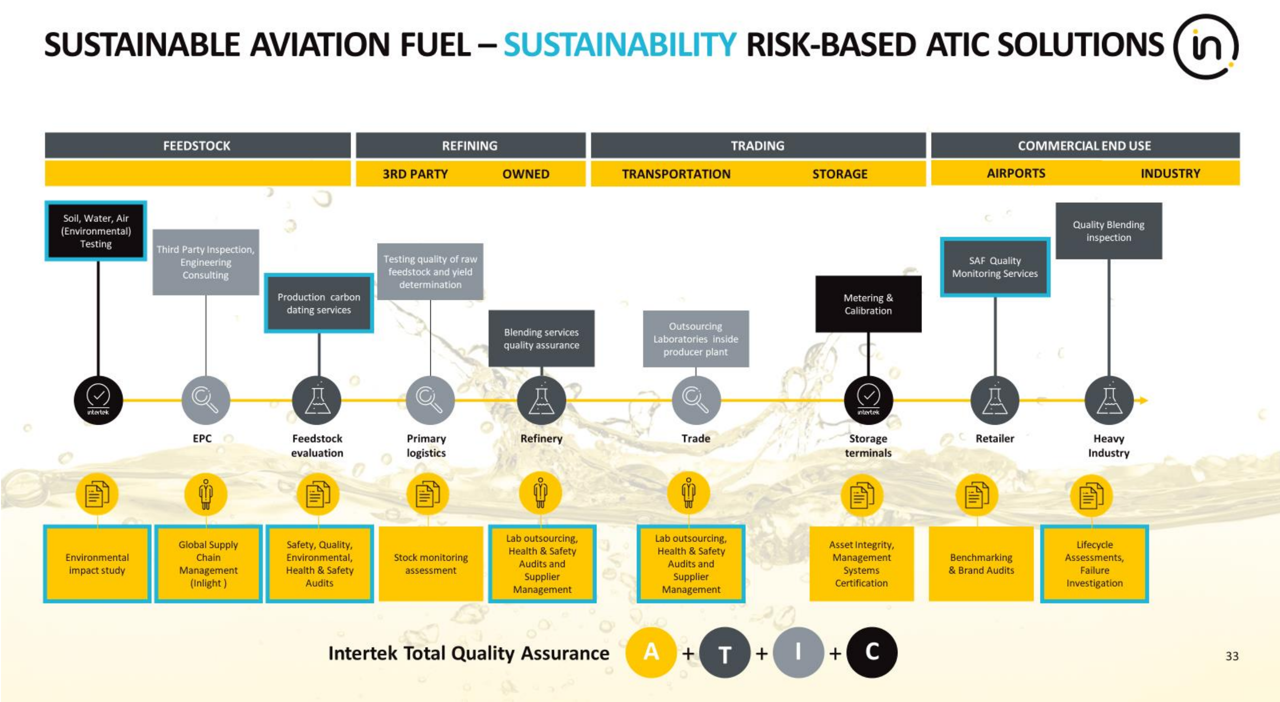
This is a visual representation of our ATIC solutions, for a company producing T-shirts and we have highlighted in blue the solutions that focus on our clients' operational sustainability risks.

LIGHTBULB - SUSTAINABILITY RISK-BASED ATIC SOLUTIONS

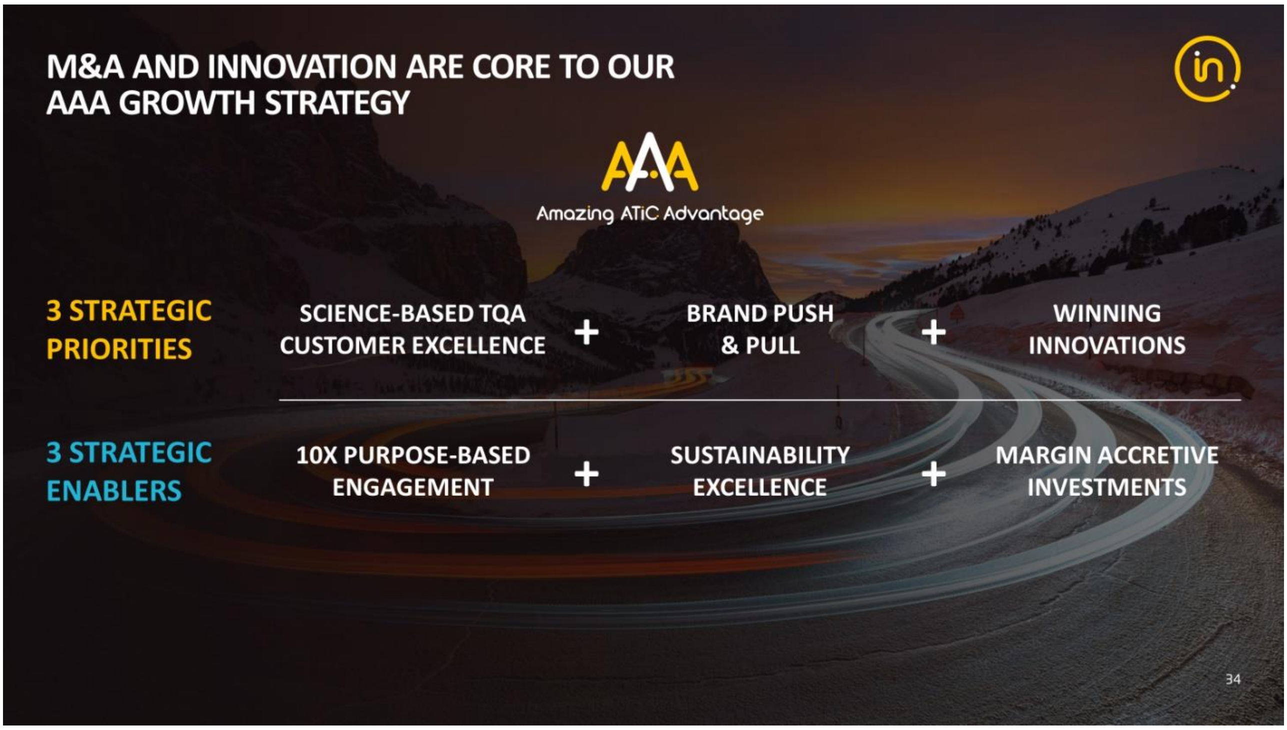
Here is our ATIC sustainability approach for a light bulb producer.



Here we are sharing our ATIC approach in the Food sector, in this case a Honey manufacturer.

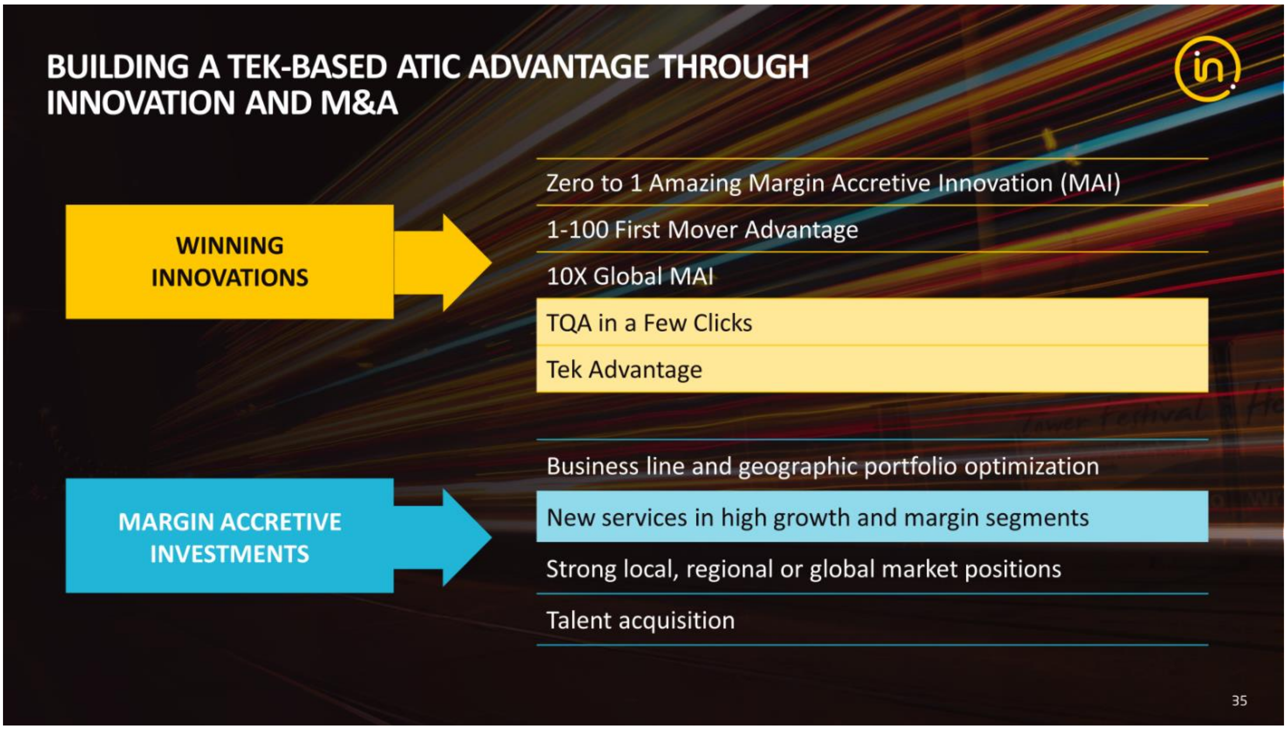


And, in this case we are sharing our ATIC approach for an Oil and Gas company producing Sustainable Aviation Fuel.



Let's now talk about our Tek-based ATIC solutions.

You would recall that during our capital markets event, we discussed the importance of innovation and M&A to strengthen our customer service targeting high growth and high margin spaces.



Today, I would like to give you an update on where we are in the digitisation of our ATIC value proposition.

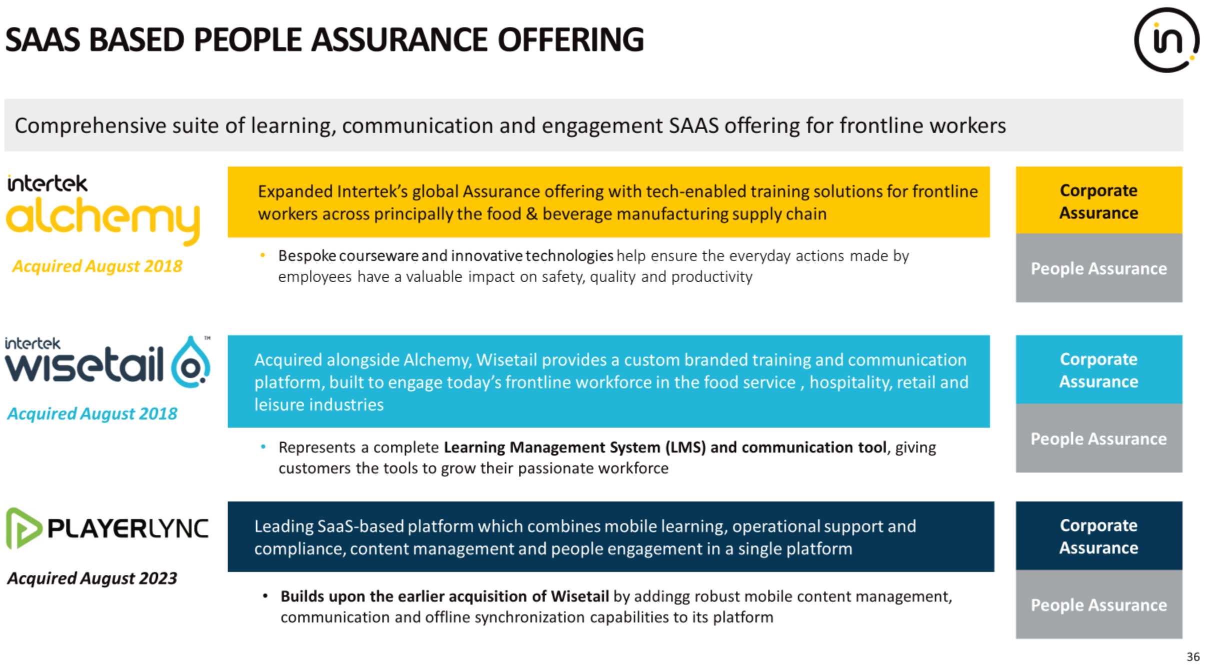
We believe in the importance of technology to augment the strengths of our ATIC solutions with a superior digitised customer service.

We have made a lot of progress in that space and equally there is much more to go for moving forward.

The benefits of a Tek-based ATIC solutions are significant:

- the customer service is better making your commercial relationship more sticky.
- customers have access to better insights with superior data.
- the Tek-based solutions provide of course significant productivity benefits.

I would like to now share how we have built a Tek-based ATIC advantage in three market segments.



Let's start with People Assurance which helps our clients identify and mitigate the skills gaps they have at the operational levels.

We provide a comprehensive suite of audit, training, engagement solutions in a SAAS delivery platform targeted at front line workers with Alchemy, Wisetail and PlayerLync.

We entered the adjacent ATIC space of People Assurance when we made the acquisition of Alchemy six years ago, opening excellent new business opportunities in a high margin sector.

DIGITAL SERVICE DELIVERY

Leveraging digital solutions to deliver innovative solutions with a focus on improving the customer experience

intertek i2Q

Robust online inspection management giving customers the power of informed decision-making.

- **Technology-based inspection**
- **One-stop-shop** for all inspection activities
- Instant access to Intertek's global inspection network

Consumer Products | SL/HL

intertek icare

Improving the ways customers transact with Intertek from job submission to report delivery - making work easier, more transparent, and accessible, from start-to-finish.

- **Modernizing the customer experience**
- **Supporting operational** effectiveness
- **Built to evolve** based on customer needs

Consumer Products | SL

A digital platform a for data collection, carbon accounting and comprehensive ESG reporting.

- **Exclusive strategic industry partnership with ESG Playbook**

Sustainability | Agnostic

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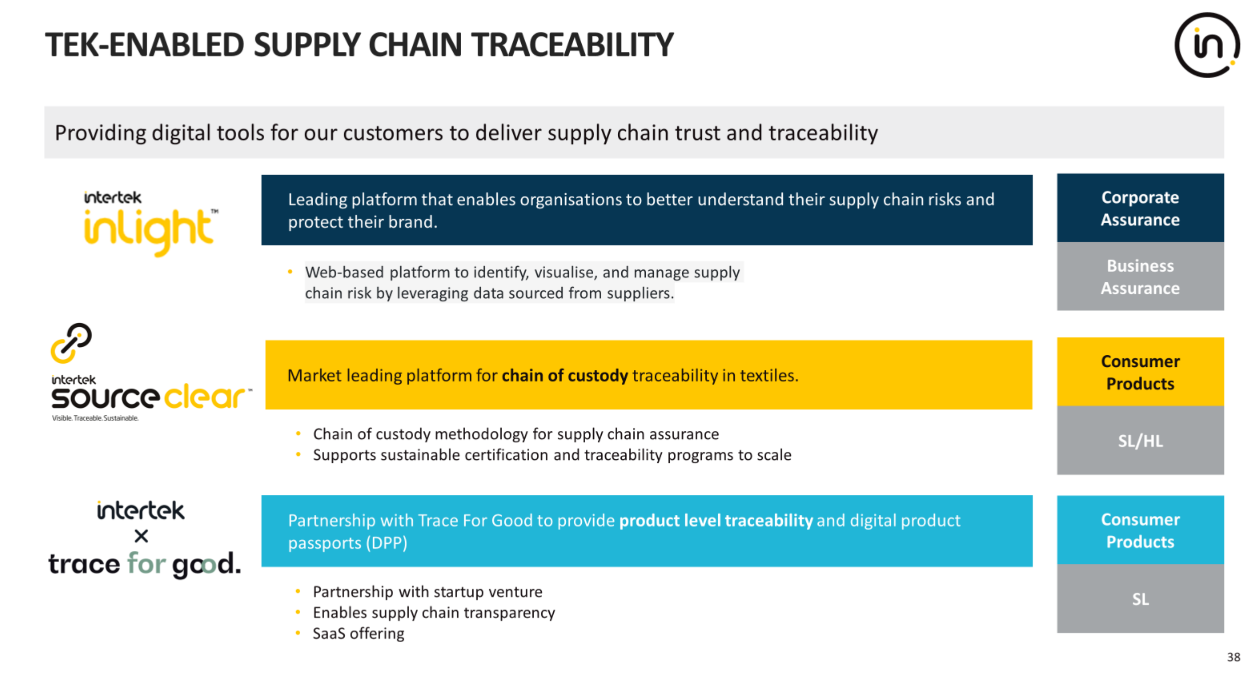
Let's now talk about a few examples of digital service delivery.

Within our Softlines and Hardlines business lines we have strengthened our customer value proposition with the digitisation of our Inspection solutions with I2Q and of our testing solutions with iCare.

Recently, we partnered with ESG Playbook which offers a digital platform for our clients to collect and manage Carbon data.



The responsibility of companies within their own supply chain and their extended supply chain is significant but very complex to manage. That's why our clients need Tek-enabled supply chain traceability tools.

We launched a few years ago Inlight which helps companies manage their tier 1/2/3 suppliers in a very granular way to better identify and mitigate important risks.

We operate SourceClear which is an industry leading platform for chain of custody traceability in the Textile industry.

Recently we partnered with Trade for Good to provide product level traceability and products passport to our clients in consumer products.

We are pleased with the progress we have made to digitise our ATIC value proposition, and we will continue to invest in technology to strengthen our Tek-based ATIC Advantage.

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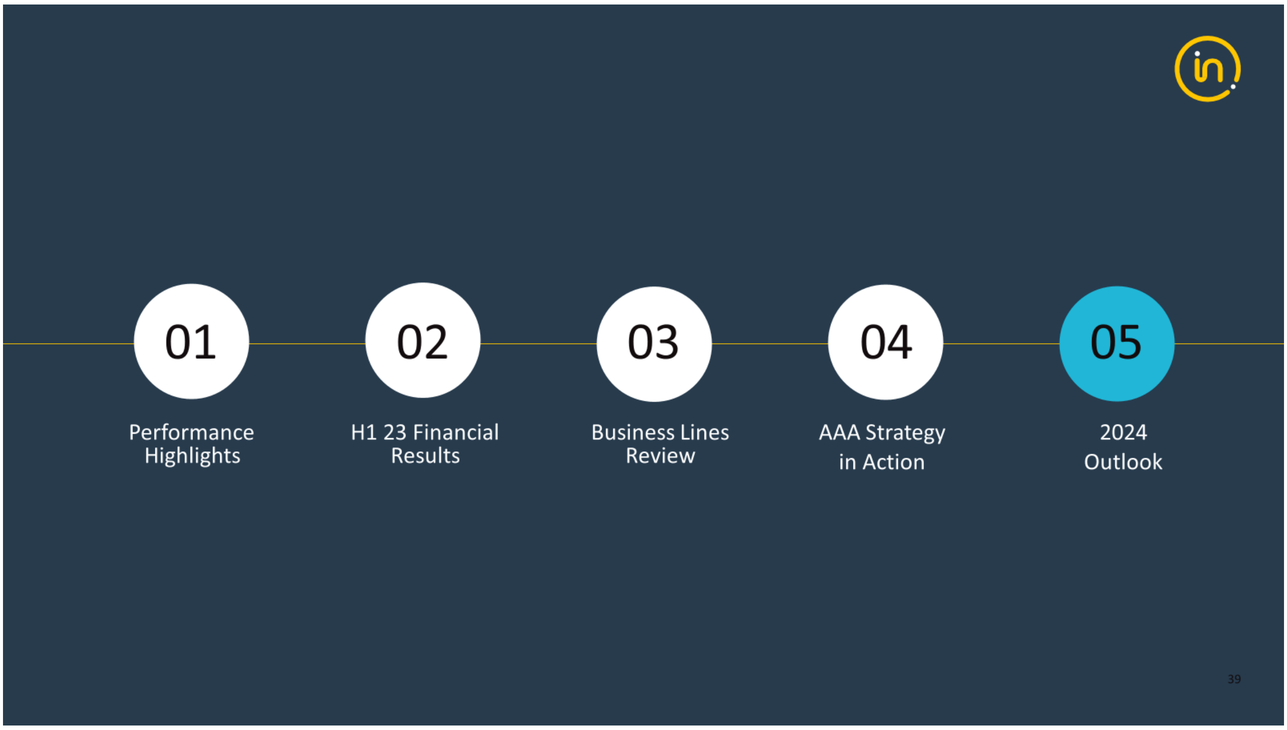
2024 Outlook



Before taking your questions, I would like to cover our guidance for 2024.

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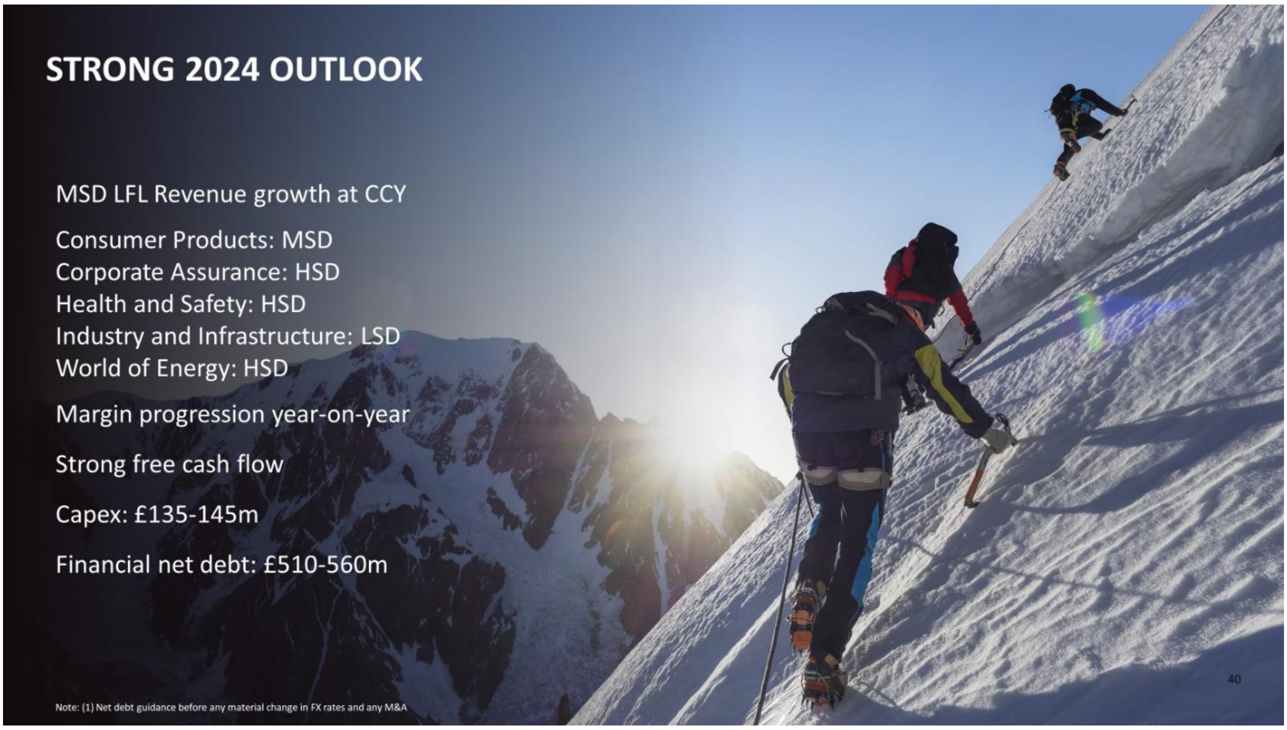


Given the strong performance we delivered in H1, we are entering H2 with confidence and except to deliver a strong performance in 2024.

We expect the Group will deliver mid-single digit LFL revenue growth at constant currency driven by:

- Mid-single digit in Consumer Products
- High-single digit in Corporate Assurance, Health and Safety, World of Energy
- Low-single digit in Industry and Infrastructure

We are targeting year on year margin progression.

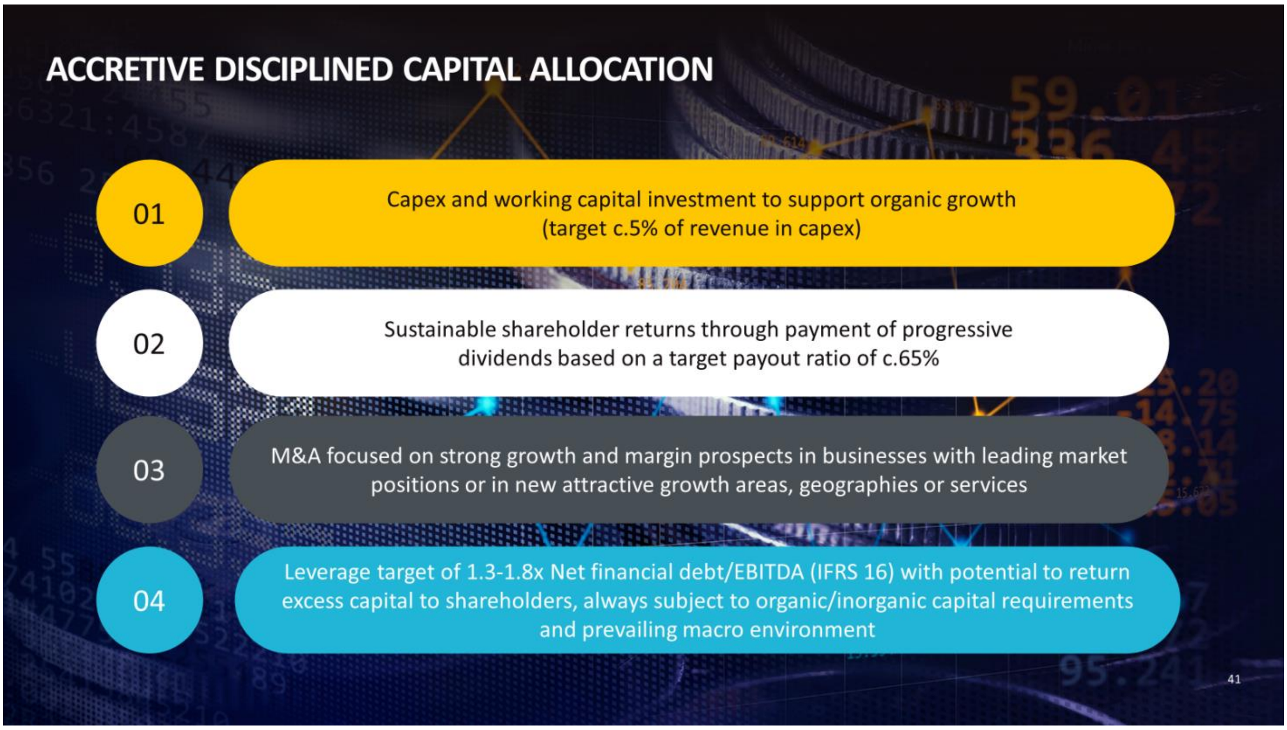
Our cash discipline will remain in place to deliver strong free cash flow.

We will invest in growth with Capex of circa £135-145m.

We expect our financial net debt to be in the range of £510-560m, before any M&A or Forex movements.

A quick update on currencies for your model.

The average Sterling exchange rate in the last three months applied to the full year results of 2023 would reduce our FY revenue and operating profit by circa 300bps and 400bps respectively.



We believe in the value of accretive disciplined capital allocation and during our Capital Markets event last year, we discussed the approach we have in place.

We are very excited about the organic and inorganic investment opportunities.

Our investments will continue to be made with the same disciplined ROIC-driven approach.

In summary, our highly engaged, customer-centric organisation is laser-focused to take Intertek to greater heights putting our AAA strategy in action.

To deliver sustainable growth and value for our shareholders, we will capitalise on our high-quality cash compounder earnings model, benefiting year after year from the compounding effect of MSD LFL revenue growth, margin accretion, strong free cash-flow and disciplined investments in high growth and high margin sectors.

The value growth opportunity ahead is significant.

We will now take any questions you may have.