



ISSUER RATING
LongTerm

OUTLOOK
Stable

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RATING ACTION AND RATIONALE

- EthiFinance Ratings affirms Intertek plc's long-term corporate rating at A-, but changes the outlook from Positive to Stable.
- Intertek plc ("Intertek") is a UK-listed global leader in testing, inspection, certification and assurance (ATIC) services.
- Our affirmation reflects Intertek's continued ability to deliver quality topline growth and margin expansion under its growth strategy ("AAA"), now in its third year. The strategy is centred on diversifying away from traditional testing towards more comprehensive quality assurance packages. It also targets higher-margin end-consumer sectors, such as sustainability certification, cybersecurity assurance, AI governance and data center testing. The group aims to translate revenue growth efficiently into higher profitability through cost discipline. In FY25, the group reported revenue of £3.4bn, up 4.3% at constant currency, although reported growth was limited to 1.1% due to a 320bps headwind from GBP appreciation. Organic growth of 3.9% was broad-based, led by Consumer Products (+6.3%), Corporate Assurance (+6.8%), and Industry & Infrastructure (+4.7%). The weakest-performing segment was World of Energy (-1.3%), as European and US automotive OEMs reduced R&D spending, affected by market share losses to Chinese EV competitors and rising tariffs.
- The EBITDA margin declined by 40bps yoy, mainly due to restructuring costs related to cost reductions, site closures and headcount reductions in underperforming sub-segments, that we maintained under EBITDA due to their recurrent nature. Nevertheless, Intertek remains a leader in profitability generation relative to peers. Margin improvement across segments was primarily supported by the growing share of higher-value assurance services, such as supply chain audits, sustainability certifications and risk management programmes in the revenue mix. It is also supported by generated savings from the ongoing cost reduction program, as well as the group's ability to charge premium prices, benefiting from its positioning as one of the industry leaders.
- Intertek's adjusted net debt increased by 70% by end-2025, pushing the EthiFinance-adjusted net leverage ratio to 2.0x (from 1.3x a year earlier). This mainly reflects a debt-funded £368m share buyback program, £157m of cash outflow related to debt-funded bolt-on M&A, and higher dividend payments. Although we view the financial policy as moderate, with an adjusted net leverage ratio at 2.0x at end FY25, which remains commensurate with the group's current rating thresholds, we consider the yoy deterioration in the interest coverage ratio to 13.5x (vs 16.5x in FY24) to be a constraint on the rating. Over our forecast period (2026-28), we expect Intertek to deliver mid-single-digit organic revenue growth, supported by structural tailwinds. Governments are raising safety and sustainability standards, which should support growth in testing demand over time. In addition, global supply chains are becoming more complex, prompting companies to outsource quality control rather than perform it in-house. The expansion of renewable energy and data centers is creating new testing needs, while brands continue to launch more product variants, each requiring distinct certification (SKU). We believe the group will continue its bolt-on M&A strategy, targeting high-growth, high-margin niches. The seven bolt-on acquisitions completed between 2023 and 2025 contributed £36m of revenue at a 34% EBIT margin, highlighting the high profitability of the acquired businesses under the group's vertical integration strategy. We project the adjusted net leverage ratio to improve over the forecasted period to remain around 1.7x on average, factoring in continued bolt-on M&A activity, steady dividend growth based on a c.65% payout ratio, and no additional share buybacks in the near term. We expect the interest coverage ratio to remain at 13.6x on average over our forecast period. Given these expectations, we have changed our outlook from Positive to Stable.
- Our rating remains slightly constrained by our industry risk assessment of BBB+, which reflects Intertek's exposure to cyclical end-markets and global supply chain dynamics. It is also constrained by the group's scale, as reflected in its smaller size relative to the largest peers in the top 5. Although macroeconomic headwinds, such as US tariffs, created uncertainty for Intertek's clients, the group's direct exposure remained limited. In practice, supply chain disruptions tend to be neutral to positive for Intertek, as companies relocating production to avoid tariffs must re-test and re-certify products at each new site, generating additional demand. Intertek has launched SupplyTek, a consulting service designed to help clients assess alternative sourcing routes. Although Intertek leads peers on EBITDA margin, the Industry & Infrastructure division at 11.1% in FY25 from 9.6% in FY24, still lags behind comparable segments at Bureau Veritas (13.9%) and SGS (13.1%). This weighs on the group's overall margin profile, alongside the already-mentioned softness in World of Energy.
- The TIC industry, which forms part of commercial & professional services, has medium ESG risks under our methodology (heatmap score of between 3 and 3.5). This results in a sector assessment that is not impacted by industry-related ESG considerations. Sustainability assurance and certification business lines constitute a pivotal and rapidly growing sub-sector within the TIC industry.
- Our assessment of the company's ESG policy has changed from "advanced" in our previous review to "slightly

positive” (company ESG score of between 1 and 1.5), resulting in a slightly lower positive impact on our financial risk profile than last year. Relative to FY24, the environmental pillar has experienced a small decline due to higher energy consumption and GHG emissions. On the other hand, the government and social outlooks remain stable compared to previous levels.

ISSUER DESCRIPTION

Intertek Group plc is a UK-listed global leader in quality assurance, providing testing, inspection, certification and assurance (ATIC) solutions to more than 400,000 clients across diverse industries worldwide. The group employs over 45,000 people and operates through more than 1,000 laboratories and offices in over 100 countries, organized across five divisions:

- **Consumer Products:** Softlines & hardlines, electrical, government trade services.
- **Corporate Assurance:** Business assurance
- **Health & Safety:** Agrifood, chemicals and pharma
- **Industry & Infrastructure:** Industry and minerals services, building products
- **World of Energy:** Caleb Brett (Oil & refined products), transportation technologies

For FY25, the group reported revenues of £3.4bn for £733m in adjusted EBITDA. The EthiFinance Ratings-adjusted net leverage ratio stood at 2.0x at end-2025 (vs 1.3x at end-2024). Intertek is listed on the London Stock Exchange with a market capitalization of £7.7bn as of 22 April 2026.

LIQUIDITY

- A “Superior” liquidity profile with strong refinancing capacities

According to our methodology, Intertek’s liquidity profile is ‘Superior’ (the highest on our long-term scale) based on its capacity to redeem all its upcoming debt maturities without refinancing for more than two years. The company maintains a good amount of cash in hand (£329m), further supported by significant undrawn, committed, credit lines totaling c.£346m.

MAIN FINANCIAL FIGURES AND FORECASTS

Main financial figures. millions of £						
	FY24	FY25	FY26e	FY27e	FY28e	25vs24
Turnover	3 393	3 432	3 522	3 646	3 805	1.1%
Adj EBITDA ⁽¹⁾	739	733	765	842	878	-0.7%
Adj EBITDA Margin ⁽¹⁾	21.8%	21.4%	21.7%	23.1%	23.1%	-0.4pp
EBIT	536	542	562	605	639	1.2%
EBIT Margin	15.8%	15.8%	16.0%	16.6%	16.8%	0.0pp
EBT	493	492	503	547	584	-0.3%
Total Assets	3 599	3 762	3 937	4 056	4 161	4.5%
Equity	1 445	1 128	1 261	1 423	1 591	-22.0%
Adj Total Financial Debt ⁽²⁾	1 311	1 785	1 802	1 730	1 630	36.1%
Adj Net Financial Debt ⁽²⁾	968	1 456	1 502	1 419	1 315	50.4%
Equity/TFD ⁽²⁾	110.2%	63.2%	70.0%	82.2%	97.6%	-47.0pp
Adj NFD/Adj EBITDA ^{(1) (2)}	1.3x	2.0x	2.0x	1.7x	1.5x	0.7x
Adj Funds From Operations	562	552	575	610	639	-1.8%
Adj FFO/Adj NFD ⁽²⁾	58.1%	37.9%	38.3%	43.0%	48.6%	-20.1pp
Adj EBITDA/Adj Interest ⁽¹⁾	16.5x	13.5x	12.2x	13.6x	15.0x	-3.0x

(1) Adj EBITDA includes restructuring expenses

(2) Adjusted Debt includes IFRS 16, pension benefits and earn-outs

CREDIT RATING

Credit Rating	
Business Risk Profile	BBB+
<i>Industry risk assessment</i>	<i>BBB+</i>
<i>Industry's ESG</i>	<i>Neutral</i>
<i>Competitive Positioning</i>	<i>BBB+</i>
<i>Governance</i>	<i>A-</i>
Financial Risk Profile	A-
<i>Cash flow and leverage</i>	<i>A-</i>
<i>Capitalisation</i>	<i>BBB-</i>
<i>Company's ESG</i>	<i>Positive</i>
Anchor Rating	A-
<i>Modifiers</i>	<i>-</i>
Final Rating	A-

RATING SENSITIVITY

Detailed below are the factors that individually or collectively could impact the company's rating:

- **Long-term rating positive factors (↑)**

We could upgrade our long-term rating should Intertek's credit metrics recover to 2024 levels. A trigger for such an upgrade could be a net adjusted leverage ratio below 1.3x and an adj EBITDA/interest ratio equal or above 20.0x on a sustained basis.

- **Long-term rating negative factors (↓)**

A downgrade of our long-term rating could occur if the group's credit metrics deteriorate over our forecast period, unlike our expectations. Notably, a trigger for such a downgrade could be an EthiFinance-adjusted net leverage ratio of 2.0x or an interest coverage ratio equal or below 12.0x, on a sustained basis.

Sources of information

The credit rating issued in this report is unsolicited. The credit rating is based exclusively on public information, being the main sources the following:

1. Annual Audit Report.
2. Corporate Governance Report.
3. Corporate Website.
4. Information published in the Official Bulletins.

The information was thoroughly reviewed to ensure that it is valid and consistent, and is considered satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information and the conclusions drawn from it.

Level of the rated entity participation in the rating process

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	NO
With Access to Internal Documents	NO
With Access to Management	NO

Additional information

- The rating was carried out in accordance with Regulation (EC) N°1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies. Principal methodology used in this research are :
 - Corporate Rating Methodology - General : <https://www.ethifinance.com/download/corporate-rating-methodology-general/?wpdmdl=35203>
- The rating scale used in this report is available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has not provided ancillary services to the rated entity or its related third parties.
- The issued credit rating has been notified to the rated entity, and has not been modified since.

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