Investor Presentation

Australian Investment Conference – New York

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Right Solutions • Right Partner
www.alsglobal.com
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- All references to dollars are to Australian currency unless otherwise stated.
Business overview
Global Operations by Revenue

65+ Countries
350+ Locations
40+ Years of strong performance
15,000+ Staff worldwide
40+ million Processed samples per year
$1.6+ billion Global revenue

AMERICAS
4,900 staff
$598m

EMENA
4,200 staff
$398m

AFRICA
1,000 staff
$54m

APAC
4,400 staff
$622m
Summary of FY19 financial results
Full Year FY19 Financial Summary
Underlying performance from continuing operations

- NPAT Guidance exceeded: $181.0m
- NPAT growth: 27.3%
- EBITDA growth: 22.0%
- Revenue growth: 15.1%
- EPS growth: 30.6%
- Final dividend growth: 27.8%
- Share buyback progress: $131.4m
Revenue Growth FY19 vs FY18 – Continued Operations

* Continued Operations
## Underlying EBIT – Continuing Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Commodity</th>
<th>Life Sciences</th>
<th>Industrial</th>
<th>Others*</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>+44</td>
<td>+22</td>
<td>(5)</td>
<td>(2)</td>
<td>221</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>280</td>
</tr>
</tbody>
</table>

### Margin

- **2018**: 15.3%
- **Commodities**: 27.0%
- **Life Sciences**: 15.0%
- **Industrial**: 10.0%
- **Others**: 16.9%

### PCP

- **2018**: +320 bps
- **Commodities**: +110 bps
- **Life Sciences**: (350) bps
- **Others**: +160 bps

*Corporate costs + FX*
Strong Margin Relative to Peers

Underlying EBITDA Margin for SGS, Intertek, Bureau Veritas, Eurofins, Applus & Mistras is for Calendar Year 2018.

Comparison of Underlying EBITDA Margin and Revenue includes continued and discontinued operations and corporate expenses for all companies.
Life Sciences. Overview

- Organic revenue growth at +7.9%, with strong contribution throughout all regions
- Ongoing cost reduction and rationalisation initiatives leading to EBIT margin improvement in all regions, with total improvement of +110 bps, exceeding guidance

Environmental

- Total revenue growth of +11%, and underlying EBIT improvement of 21%
- Total revenue growth +16% in Americas, +12% in APAC and 2% in EMENA
- Focus on developing new greenfield opportunities within Asia, Americas and Europe to deliver new growth prospects

<table>
<thead>
<tr>
<th>Underlying results (AUD)</th>
<th>FY19</th>
<th>FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$831.4 m</td>
<td>$734.1 m</td>
<td>+13.3%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$166.8 m</td>
<td>$140.7 m</td>
<td>+18.6%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>20.1%</td>
<td>19.2%</td>
<td>+90 bps</td>
</tr>
<tr>
<td>EBIT</td>
<td>$124.4 m</td>
<td>$102.1 m</td>
<td>+21.8%</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>15.0%</td>
<td>13.9%</td>
<td>+110 bps</td>
</tr>
</tbody>
</table>

Food & Pharma

- Total Revenue growth of +23%, Americas +23%, EMENA +26% and APAC +9%
- BioScreen (US) acquisition creates the platform for further North American Pharma expansion
Life Sciences. Evolution

in AUD m

Environmental
Food / Pharmaceutical
Consumer / Electronics
Underlying EBIT Margin

Total Revenue
CAGR +10.5%

2015 2016 2017 2018 2019
Current ALS Pharmaceutical Footprint

Global Pharmaceutical
Estimated Global Available Market Size:

Over $20 billion
Current ALS Food Footprint

Global Food

Estimated Global Available Market Size:

Over $3 billion
Life Sciences. Outlook

Life Sciences strategy will continue expansion via targeted acquisitions and investment in selected organic growth projects (start-ups and in expansion of existing capabilities)

M&A activity expected to accelerate in FY2020 and FY2021

Focus on cost management, automation, processes improvement and standardisation to continue to improve operating margins across all regions

New management appointed to start in Jul 2019 as Head of Life Sciences Business in North America, as part of on going execution of a plan to improve growth and margins, particularly in the US
Commodities. Overview

Geochemistry
- FY19 Sample volumes up 7% pcp, H2 FY19 flat
- Revenue up 20% pcp
- Contribution margin 30% versus 27% pcp

Metallurgy
- Strong total revenue growth at 40% pcp
- Significant improvement in contribution margin driven by cost management and increase in volume

Inspection
- Revenue up 14% pcp
- Contribution margin up 590 bps

Coal
- Revenue up 11% pcp
- Contribution margin 16.4% versus 14.5% pcp
- New mine site operations providing increased revenues

<table>
<thead>
<tr>
<th>Underlying results (AUD)</th>
<th>FY19</th>
<th>FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$620.3 m</td>
<td>$518.9 m</td>
<td>+19.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$189.6 m</td>
<td>$146.3 m</td>
<td>+29.6%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>30.6%</td>
<td>28.2%</td>
<td>+240 bps</td>
</tr>
<tr>
<td>EBIT</td>
<td>$167.7 m</td>
<td>$123.5 m</td>
<td>+35.8%</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>27.0%</td>
<td>23.8%</td>
<td>+323 bps</td>
</tr>
</tbody>
</table>
Geochemistry Sample Flows

Average Weekly Sample Flow
Global Exploration Spend USD bn
Relative Gold Price in USD

ALS Global Mineral Sample Flow (trailing 52 week running average) and Global Exploration Spend

DELTA (last 2 weeks sample flow Versus same 2 weeks last year)
Global Mining Capital Expenditure Outlook

Strength in global capital expenditure on metals and mining projects expected to continue

Growth in Global Mining Capital Expenditure Expected to Continue

Greenfield Capital Expenditure at Low Levels but Expected to Grow as Commodity Prices Stabilise

**Mining Capital Expenditures for 20 Biggest Global Miners (USD bn)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>108</td>
<td>93</td>
<td>71</td>
<td>49</td>
<td>33</td>
<td>35</td>
<td>41</td>
<td>46</td>
<td>47</td>
</tr>
</tbody>
</table>

**CY15-18A CAGR: 12.2%**

**CY18-20E CAGR: 6.8%**

Source: Wall Street research, Deloitte public reports.

(1) Sourced from Wall Street research. Capex figures represent an index of 20 of the top global miners. These miners capture c.60% of total global mining capital expenditure. Includes greenfield and brownfield.

(2) Calendar year estimates for whole industry based on S&P market intelligence, and Deloitte estimates "Mining capital projects, Are you ready for the next CAPEX investment cycle?" Nov 2018, “Tracking the trends 2019, the top 10 issues transforming the future of mining” Jan 2019.
Junior and Intermediate Financings, March 2017 – April 2019

Data as of May 7, 2019.
Source: S&P Global Market Intelligence
Commodity Cycle and Trends

- Global economic fundamentals remain strong in the absence of trade uncertainty

- Demand is still high and inventory/stockpiles are low (<2 years)

- Currently the cycle appears to have a short-term moderation due to geopolitical activity

- Major miners still demonstrating sample volume growth and increase in capital expenditure
Commodities. Outlook

- Geochemistry market share gains globally. Cost-base management to maintain existing margins

- Sample flows in Geochemistry from major clients still increasing

- Demand for coal services remains. Business is expected to continue to grow based on focused client service and expansion of mine site activities

- Inspection business benefiting from capacity upgrade and is focused on cost-base management
Industrial. Overview

Asset Care

- Total revenue growth of 11.5%, with strong growth in the USA as result of investments in FY19
- Margin reduction driven by change in mix of projects and price pressure, particularly in Australia
- Transition towards longer term maintenance services revenue
- Continued investment in technologies to support maintenance contracts

Tribology

- Total revenue growth of 7%, with good performance in the main geographies (Australia, North America and Brazil)
- Contribution Margin at 21%
- Continued investment in laboratory automation, Internet of Things (IoT) and data management

<table>
<thead>
<tr>
<th>Underlying results (AUD)</th>
<th>FY19</th>
<th>FY18</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$213.1 m</td>
<td>$193.9 m</td>
<td>+9.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>$27.7 m</td>
<td>$32.1 m</td>
<td>(13.7)%</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>13.0%</td>
<td>16.6%</td>
<td>(360) bps</td>
</tr>
<tr>
<td>EBIT</td>
<td>$21.4 m</td>
<td>$26.2 m</td>
<td>(18.3)%</td>
</tr>
<tr>
<td>EBIT Margin</td>
<td>10.0%</td>
<td>13.5%</td>
<td>(347) bps</td>
</tr>
</tbody>
</table>
Industrial Outlook

- Despite headwinds, continue to be well positioned to support mining, O&G, and power generation maintenance programs in Australia. Market to remain highly price sensitive.

- Continue to invest in the expansion of Asset Care and Tribology businesses.

- Lab automation, online monitoring, IoT and data management solutions driving increased efficiency and improved quality.

- Drive Asset Care growth in revenue from emerging technology.

- Cost reduction and rationalisation initiatives to be reinforced aiming margin improvement in Asset Care.
Capital management
Capital Management

Capex

- $35.5 m increase in Capex mainly focused on growth projects in Life Sciences (equipment for new methods, green fields, etc.), and in commodities to support growth experienced in 2019

Dividend

- Final dividend 11.5 cents per share, up 27.8%
- Full Year underlying payout ratio 60.4%
- Existing dividend policy remains unchanged

Share Buyback Program

- Buyback extended for 12 months to a total of $225 m through to December 2019
- Since inception of the buyback program 18.7 million shares (representing 3.7% of the original base) have been bought back on-market for an overall consideration of $131.4 m
- The Company will continue to use its existing cash balances and free cash flow to fund the buy-back program.

Balance Sheet

- Company retains a strong balance sheet and flexibility to pursue acquisition opportunities and fund organic growth (leverage 1.8 times at 31 March 2019)
- Positive market environment will support generation of additional free cash flow to fund the buy-back
- New 15 year multicurrency USPP placed ($252m, equivalent), extends average debt maturity profile to 5.3 years, and reduce total weighted average funding costs by approximately 20 bps, enhancing long-term capital management strategy.
CAPEX by Business

<table>
<thead>
<tr>
<th></th>
<th>CAPEX as % of Revenue</th>
<th>FY19</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Sciences</td>
<td>8.3%</td>
<td></td>
<td>6.5%</td>
</tr>
<tr>
<td>Commodities</td>
<td>5.0%</td>
<td></td>
<td>4.0%</td>
</tr>
<tr>
<td>Industrial</td>
<td>4.0%</td>
<td></td>
<td>2.9%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6.5%</strong></td>
<td></td>
<td><strong>5.0%</strong></td>
</tr>
</tbody>
</table>

- **Life Sciences**: Green field and growth projects
- **Commodities**: Maintenance and capacity increase
- **Industrial**: Automation, expansion to new geographies and services
Key priorities and 1H20 guidance
Strategic Roadmap

**EVEREST**
- No harm to our people
- Increased value to our stakeholders.

**PURPOSE**
- Science
- Assurance
- Service

**FOCUS**
- ALS Experience
- OneALS
- Technology & Innovation

No harm to our people
Increased value to our stakeholders.
## Key Priorities

<table>
<thead>
<tr>
<th>Priority</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance</strong></td>
<td></td>
</tr>
<tr>
<td>Strong Cash flow conversion</td>
<td>Cash conversion at 93.7%</td>
</tr>
<tr>
<td>Improve EPS</td>
<td>EPS growth +30.6%</td>
</tr>
<tr>
<td>Standardisation of systems and processes</td>
<td>Implementation of global systems &amp; processes underway</td>
</tr>
<tr>
<td><strong>Capital Allocation</strong></td>
<td></td>
</tr>
<tr>
<td>Organic growth projects</td>
<td>Acceleration of green field / growth projects</td>
</tr>
<tr>
<td>Technology to drive efficiency</td>
<td>Partnership with educational institutions and technology companies</td>
</tr>
<tr>
<td><strong>Talent Development</strong></td>
<td></td>
</tr>
<tr>
<td>Executive development program</td>
<td>In place. Significant investments made. More than 130 leaders already in the program</td>
</tr>
<tr>
<td>Internal talent development</td>
<td>Internal transfers of key leaders with proven results to accelerate development of key businesses globally</td>
</tr>
<tr>
<td><strong>Acquisition Criteria</strong></td>
<td></td>
</tr>
<tr>
<td>Expansion into new geographies</td>
<td>Strengthened M&amp;A governance and process</td>
</tr>
<tr>
<td>Focus on bolt-on and strategic acquisitions</td>
<td>Significant increase in M&amp;A pipeline</td>
</tr>
</tbody>
</table>
Continued Innovation and Technology Investment

- Strategic partnerships with new generation technology companies
- Beta test projects in artificial intelligence across all divisions
- Robotics and automation
- Data analytics
- Internet of Things (IoT)
- Global software platforms
ALS expects that underlying NPAT from continuing operations for the half year ending 30 September 2019 will be in the range of AUD $90 million to AUD $95 million.
Appendix
### Group FY19 Financial Summary

<table>
<thead>
<tr>
<th></th>
<th>FY18** ($m)</th>
<th>FY19 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Underlying</strong></td>
<td>Underlying*</td>
<td>Underlying*</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>1,446.9</td>
<td>1,664.8</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>289.3</td>
<td>352.9</td>
</tr>
<tr>
<td><strong>Depreciation &amp; amortisation</strong></td>
<td>(68.0)</td>
<td>(71.8)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>221.3</td>
<td>281.1</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td>(25.8)</td>
<td>(32.0)</td>
</tr>
<tr>
<td><strong>Tax expense</strong></td>
<td>(51.7)</td>
<td>(67.1)</td>
</tr>
<tr>
<td><strong>Non-controlling interests</strong></td>
<td>(1.6)</td>
<td>(1.0)</td>
</tr>
<tr>
<td><strong>NPAT</strong></td>
<td>142.2</td>
<td>181.0</td>
</tr>
<tr>
<td><strong>EPS (basic – cents per share)</strong></td>
<td>28.4</td>
<td>37.1</td>
</tr>
<tr>
<td><strong>Dividend (cents per share)</strong></td>
<td>17.0</td>
<td>22.5</td>
</tr>
</tbody>
</table>

* continuing operations  ** restated
## Cash Flow

### Analysis includes both continuing and discontinued operations

<table>
<thead>
<tr>
<th></th>
<th>Full year</th>
<th>FY18 AUD m</th>
<th>FY19 AUD m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying operating profit (EBIT)</td>
<td>216.7</td>
<td>275.5</td>
<td></td>
</tr>
<tr>
<td>Depreciation &amp; Amortisation</td>
<td>72.9</td>
<td>73.3</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>289.6</td>
<td>348.8</td>
<td></td>
</tr>
<tr>
<td>Working capital</td>
<td>(16.1)</td>
<td>(35.4)</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>7.6</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Cash flow (before CAPEX)</td>
<td>281.1</td>
<td>316.3</td>
<td></td>
</tr>
<tr>
<td>CAPEX</td>
<td>(73.4)</td>
<td>(108.9)</td>
<td></td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(31.8)</td>
<td>(65.8)</td>
<td></td>
</tr>
<tr>
<td>Divestments</td>
<td>79.5</td>
<td>5.7</td>
<td></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(80.8)</td>
<td>(98.0)</td>
<td></td>
</tr>
<tr>
<td>Issued capital bought back</td>
<td>(106.8)</td>
<td>(24.6)</td>
<td></td>
</tr>
<tr>
<td>Borrowings - movement</td>
<td>(38.4)</td>
<td>29.6</td>
<td></td>
</tr>
<tr>
<td>Interest and Tax</td>
<td>(73.5)</td>
<td>(82.3)</td>
<td></td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>(14.2)</td>
<td>(12.3)</td>
<td></td>
</tr>
<tr>
<td>Net increase/(decrease) in cash</td>
<td>(58.3)</td>
<td>(40.3)</td>
<td></td>
</tr>
<tr>
<td>Opening net cash</td>
<td>248.9</td>
<td>187.2</td>
<td></td>
</tr>
<tr>
<td>Effect of FX on cash held</td>
<td>(3.4)</td>
<td>1.3</td>
<td></td>
</tr>
<tr>
<td>Closing net cash</td>
<td>187.2</td>
<td>148.2</td>
<td></td>
</tr>
</tbody>
</table>

### CAPEX

- 108.9 million AUD = 6.5% of revenue

### Shares Bought Back

- 24.6 million AUD = 6.5% of revenue

### EBITDA Cash Conversion

- 93.7%