



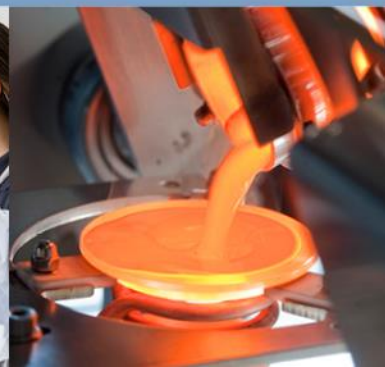
Half Year Results FY2018 Investor Presentation

20 November 2017

Raj Naran, Managing Director and CEO, ALS Limited



Right Solutions • Right Partner
www.alsglobal.com



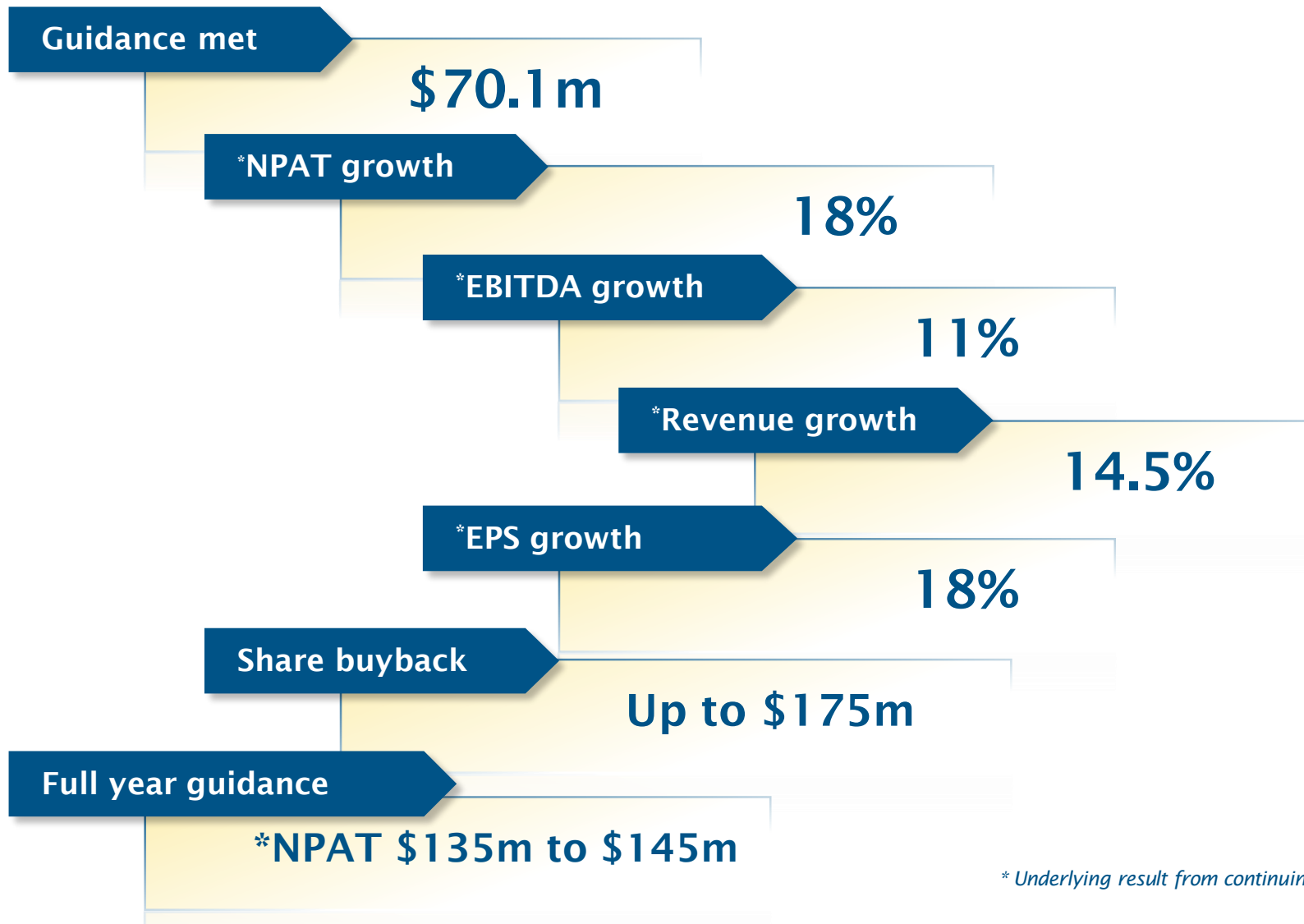
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Half Year FY18 Financial Summary



** Underlying result from continuing operations.*

ALS Segments and Business Streams Revenue split



Half Year FY18 Financial Summary

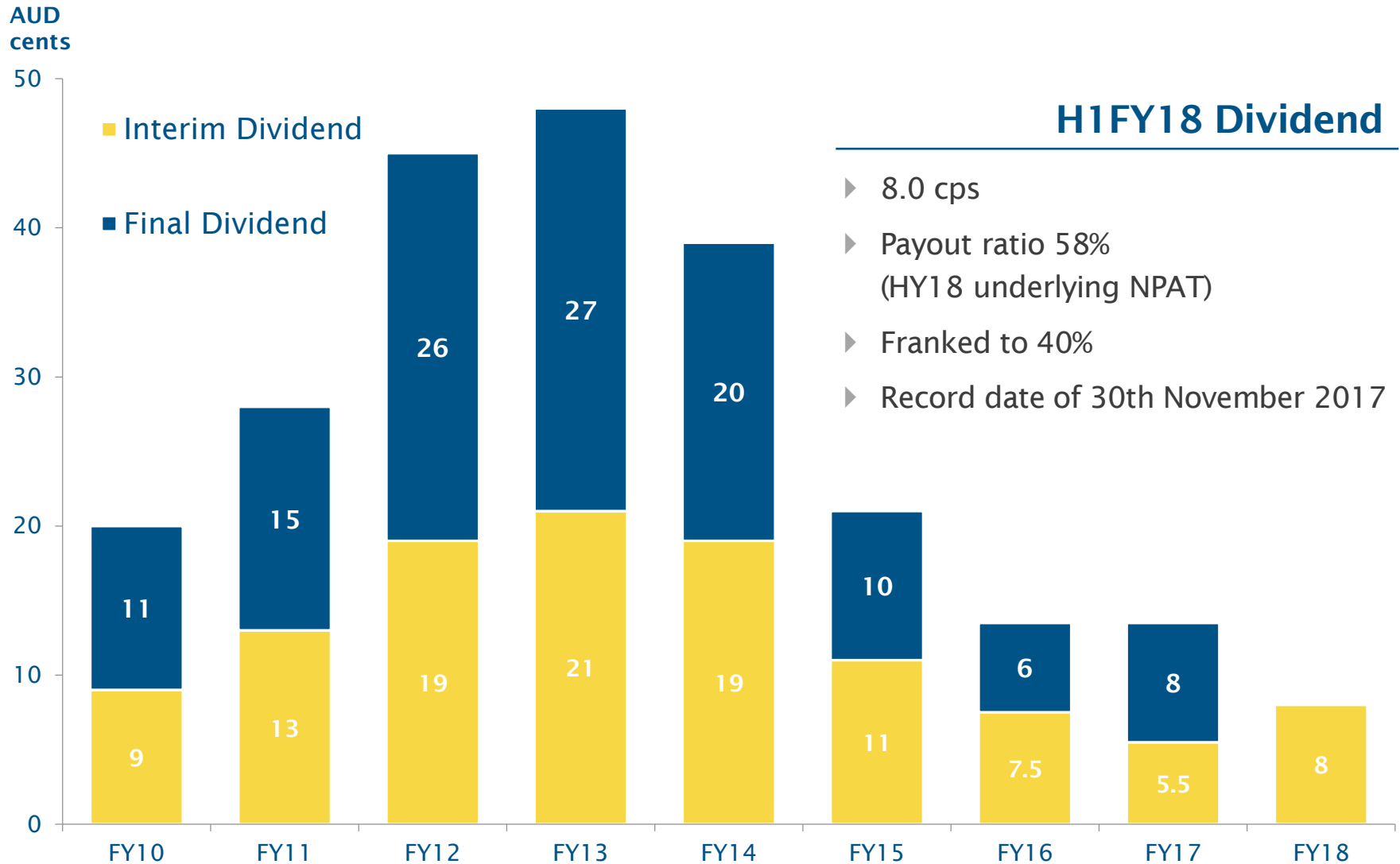


Half Year	H1FY17 (\$ mn)	Half Year FY18 (\$mn)					
	Underlying*	Underlying*	Discontinued Operations	Divestment & Impairment Charges	Restructuring & other one off items	Amortisation of Intangibles	Statutory Results
Revenue	630.2	721.6	39.8	-	-	-	761.4
EBITDA	131.0	144.8	3.8	(73.2)	(6.7)	-	68.7
Depreciation & amortisation	(33.1)	(34.6)	(3.5)	-	-	(1.2)	(39.3)
EBIT	97.9	110.2	0.3	(73.2)	(6.7)	(1.2)	29.4
Interest expense	(14.1)	(13.1)	-	-	-	-	(13.1)
Tax expense	(23.9)	(26.1)	(0.1)	-	1.9	-	(24.3)
Non-controlling interests	(0.3)	(0.9)	-	-	-	-	(0.9)
NPAT	59.6	70.1	0.2	(73.2)	(4.8)	(1.2)	(8.9)
EPS (basic – cents per share)	11.8	13.9					(1.8)
Dividend (cents per share)	5.5	8.0					

* continuing operations



Interim H1FY18 Dividend

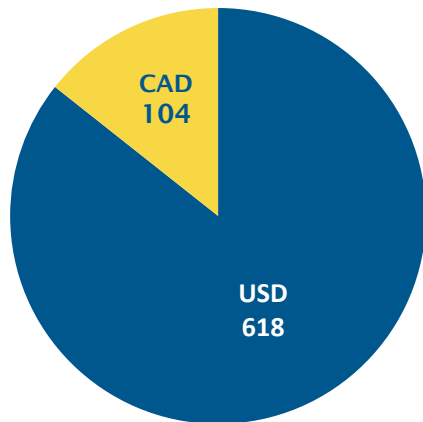




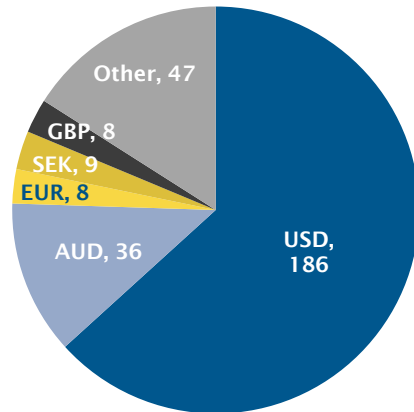
Debt Metrics

	Mar-14	Mar-15	Mar-16	Mar-17	Sep-17
STATISTICS					
Gearing Ratio (comfort 45%)	34%	38%	27%	29%	27%
Leverage (net debt/ EBITDA; max 3.00)	2.2	2.5	1.7	2.1	1.6
EBITDA interest cover (min 3.75)	12.2	9.1	7.7	8.5	10.3
BALANCE SHEET MEASURES					
Total Equity (\$ mn)	1419	1228	1186	1185	1176
Net Debt (\$ mn)	722	762	438	485	428

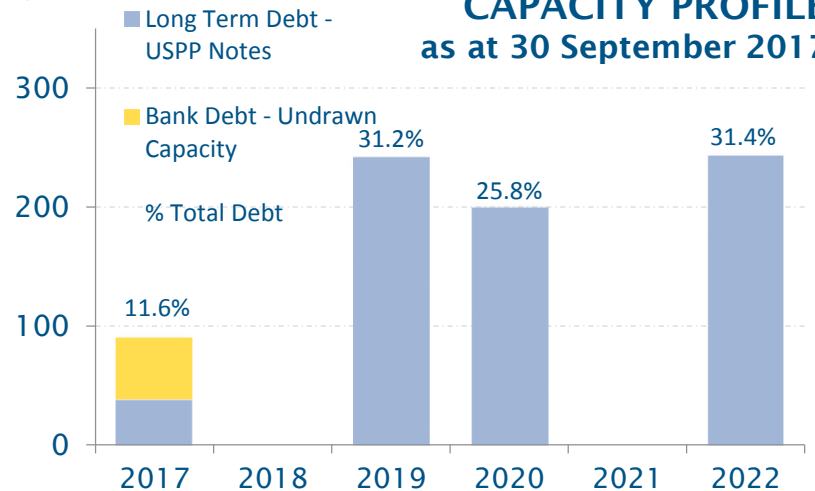
Debt AUDm



Cash Holdings AUDm



\$ million



Cash Flow



FREE CASH FLOW



CAPEX

39.2 million = 5% of revenue



EFFECTIVE TAX RATE

27.1%

Analysis includes both continuing and discontinuing operations

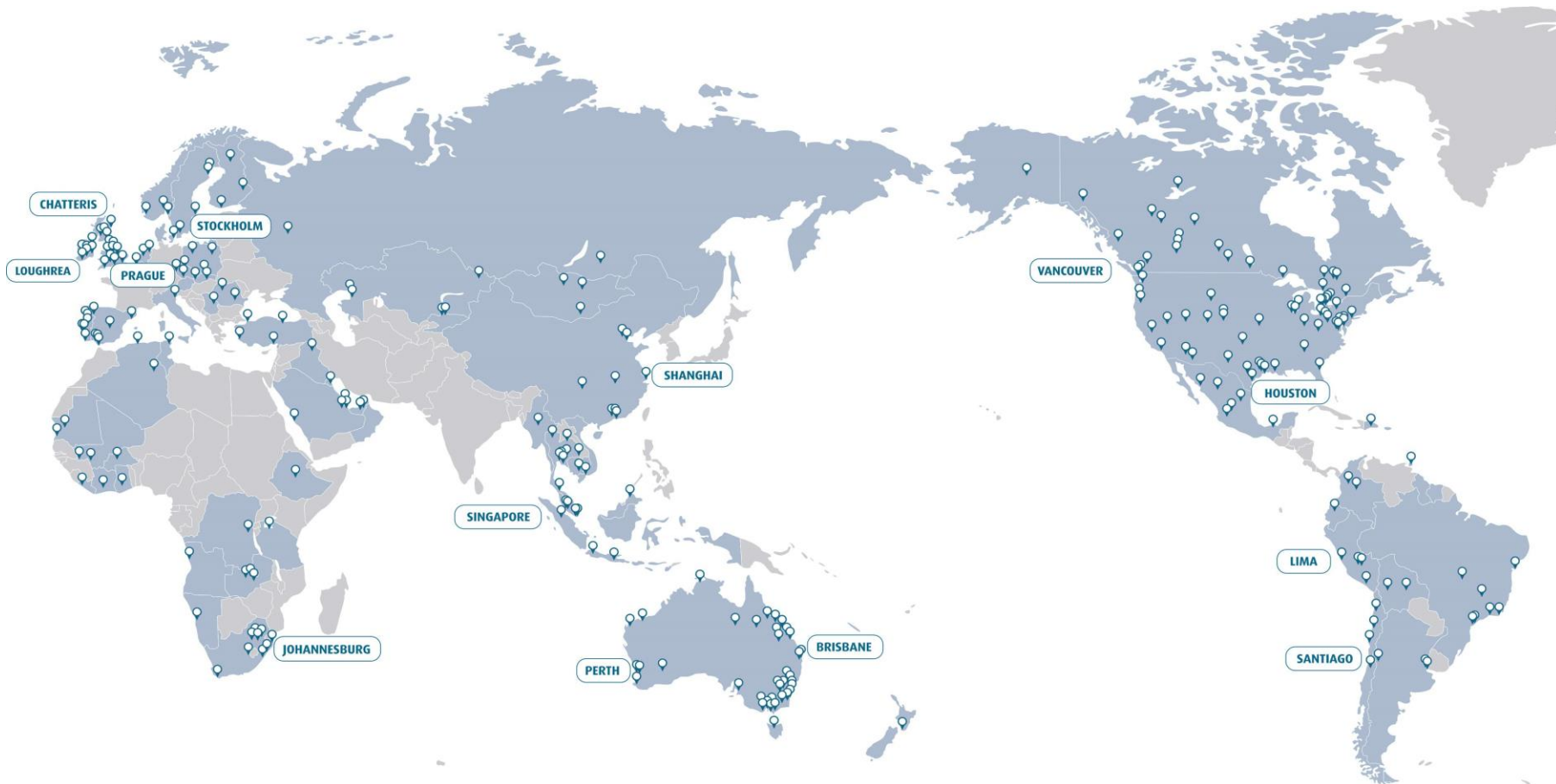
Half year	H1FY17 \$ mn	H1FY18 \$ mn
Underlying operating profit (EBIT)	87.7	110.5
Depreciation & Amortisation	40.1	39.3
Working capital	(11.4)	(51.5)
CAPEX	(28.3)	(39.2)
Other	3.9	4.3
Free cash flow	92.0	63.4
Acquisitions	(20.9)	(17.9)
Divestments	-	79.5
Dividends paid	(30.2)	(40.3)
Borrowings - movement	-	-
Interest and Tax	(34.8)	(34.0)
Restructuring costs	(2.9)	(6.7)
Net increase/(decrease) in cash	3.2	44.0
Opening net cash	297.9	248.9
Effect of FX on cash held	(2.2)	0.4
Closing net cash	298.9	293.3

On-market Share Buy-Back



Amount	Up to \$175 million
Time period	To commence mid-December 2017 For up to twelve months
Shares	Based on 17 Nov 2017 closing share price of \$8.05 buyback would represent 4.3% of ALS shares on issue
Capital management	On-market buy-back provides the most efficient and flexible method of returning excess capital to investors Follows divestment of Oil & Gas business and review of ongoing capital requirements Conservative view of leverage
Future	Funded from existing cash balances and free cash flow Will not impact existing dividend policy ALS retains strong balance sheet and flexibility to pursue growth opportunities

Global Operations Map



50+
Countries

300+
Locations

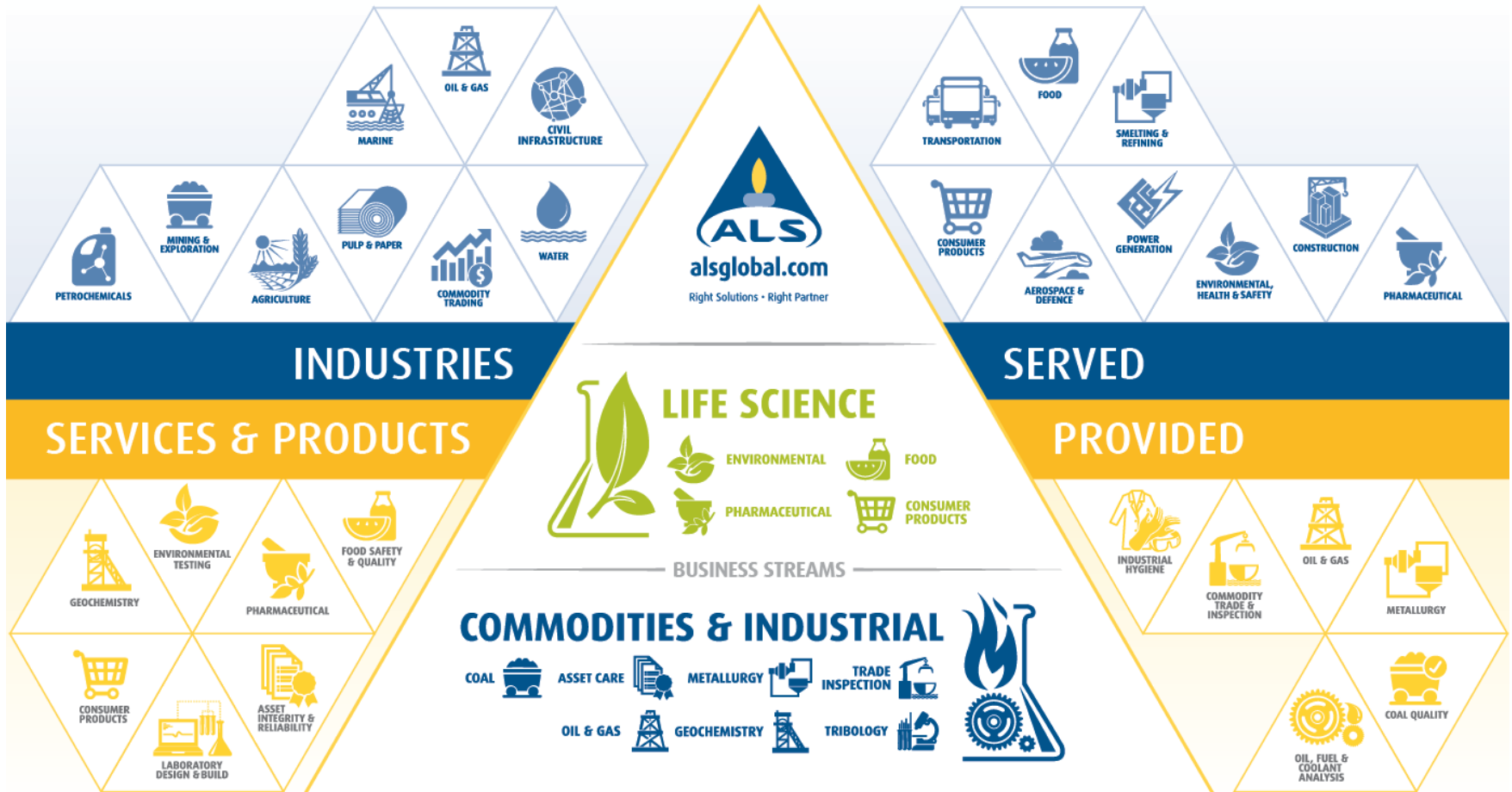
40+
Years of strong
business performance

13,000+
Staff worldwide

20+ million
Processed samples
per year

\$1.2+ billion
Global revenues

Business streams



Sustainability 2017



People

Health & Safety
Safety as a Priority

Diversity & equality
Respecting differences

Training & development
investing in talent development

Human rights
Worker's rights upheld



Environment

Pollution control
Emissions management

Energy management
The pursuit of energy efficiency

Waste reduction
Reduce, reuse, recycle

Water conservation
Managing a scarce resource



Society

Tax
Paying our fair share

Local investment
Investing in the local community

Employment creation
Creating jobs in the local community



Governance

Financial performance
Maximise return for shareholders

Honesty & integrity
An ALS core value

Anti-bribery & corruption
Zero tolerance for bribery and corruption

Regulatory compliance
Systems to maintain legal compliance

Engaging with
our Staff & Clients



**OVER
28 000
TRAINING
SESSIONS** in 2017



Engaging with
our Communities

- Fundraising
- Charity work
- Clean-Up Campaigns

Acquisitions completed during FY2018 to date (on plan)



Total investment
\$30 m

FOOD
Marshfield (USA)

TRIBOLOGY
Oilcheck (Brazil)

PHARMACEUTICAL
Mikrolab / Toxicon (Sweden)*

** completed since end of September half-year*

Environmental

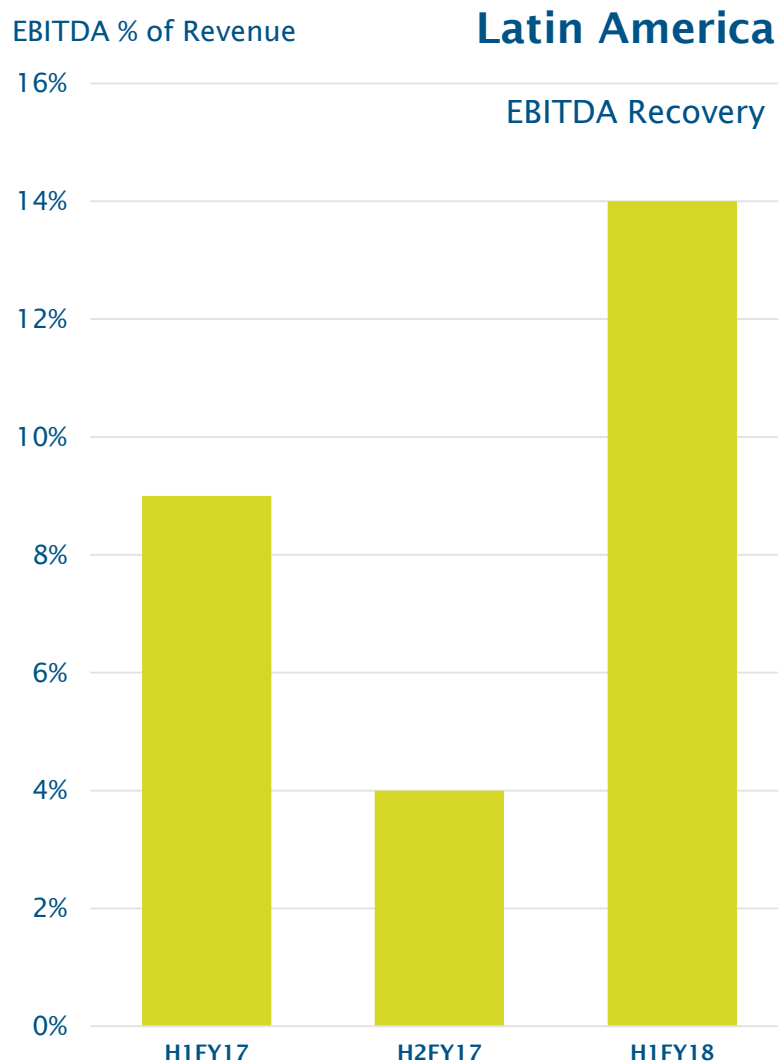
- ▶ Revenue growth (in AUD)
Asia (+15.3%)
Australia (+5.0%)
Europe & ME (+18.4% *)
- ▶ Continued cost management focus to offset competitive pressures in the UK and US
- ▶ New contract wins in South America and solid organic growth in Australia and Asia will contribute positively for the remainder of the year
- ▶ Canada and South America continue to see turnaround in performance and stronger margins. Impact from flooding in the USA

** includes acquired growth*

Food & Pharma

- ▶ Revenue up 64% pcp driven by recent Marshfield (US) and Alcontrol (UK) acquisitions
- ▶ Cost and process optimisation initiatives on-going within the UK Alcontrol sites – completion March 2018

Underlying results	H1FY18	H1FY17	Change
Revenue	\$366 mn	\$321 mn	+13.9 %
EBITDA	\$75 mn	\$73 mn	+3.2 %
EBIT	\$56 mn	\$56 mn	+0.5 %
EBIT Margin	15.3 %	17.3 %	-200 bps



- ▶ Continued focus on bolt on acquisitions for food business
- ▶ Food strategy will deliver target revenue of \$200m this fiscal year
- ▶ Improvement in performance from the environmental businesses in the Americas and Europe
- ▶ Global strategy now focused on building pharmaceutical business
- ▶ New greenfield pharmaceutical business in India

Commodities. Overview



Geochemistry

- ▶ Sample volumes up 34% pcp
- ▶ Revenue up 31% pcp
- ▶ Contribution margin 27% versus 23% pcp

Metallurgy

- ▶ Revenue down 1.9% pcp
- ▶ Contribution margin records improved performance due to cost base reductions
- ▶ Pricing and volume outlook improving

Inspection

- ▶ Revenue up 8.7% pcp
- ▶ Contribution margin down 100 bps
- ▶ New UK hub laboratory focused on cost minimisation initiatives

Coal

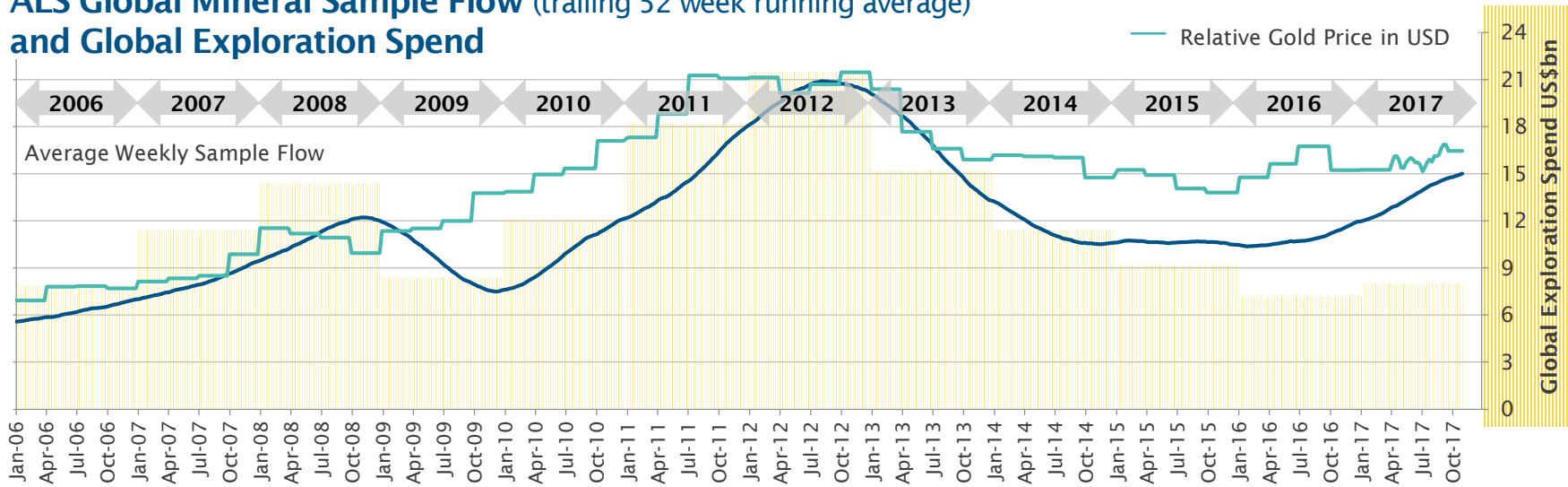
- ▶ Revenue down 1.3% pcp. Impact from Cyclone Debbie
- ▶ Contribution margin 13.5% versus 13.0% pcp
- ▶ Superintending and Bore Core revenues flat

Underlying results	H1FY18	H1FY17	Change
Revenue	\$256 mn	\$209 mn	+22.3 %
EBITDA	\$68 mn	\$49 mn	+37.7 %
EBIT	\$56 mn	\$37 mn	+51.8 %
EBIT Margin	21.7 %	17.5 %	+420 bps

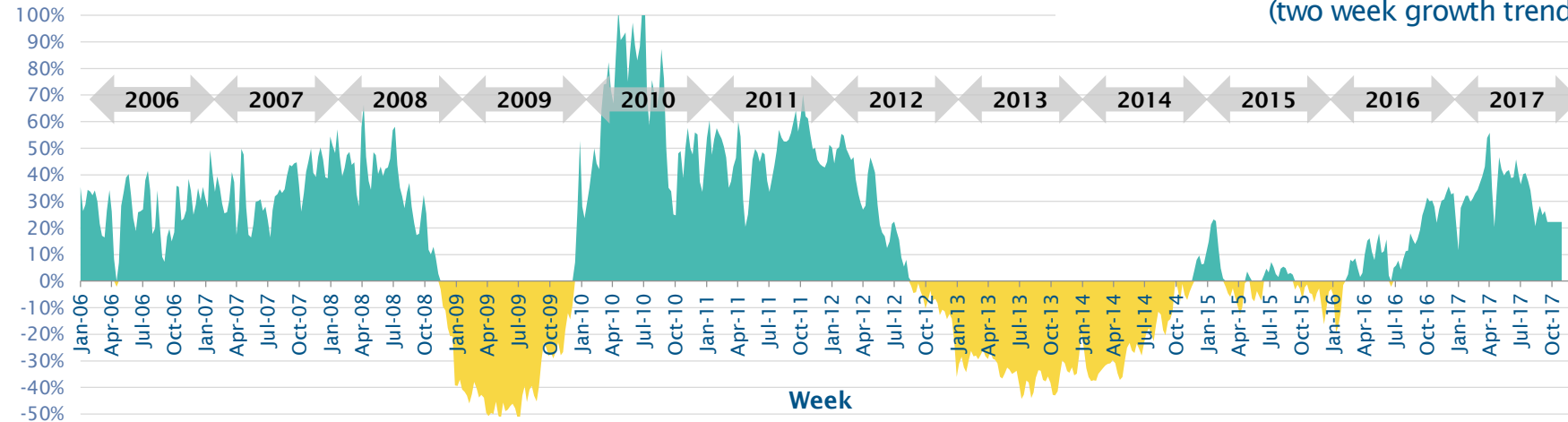
Geochemistry – The Recovery looks real



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)

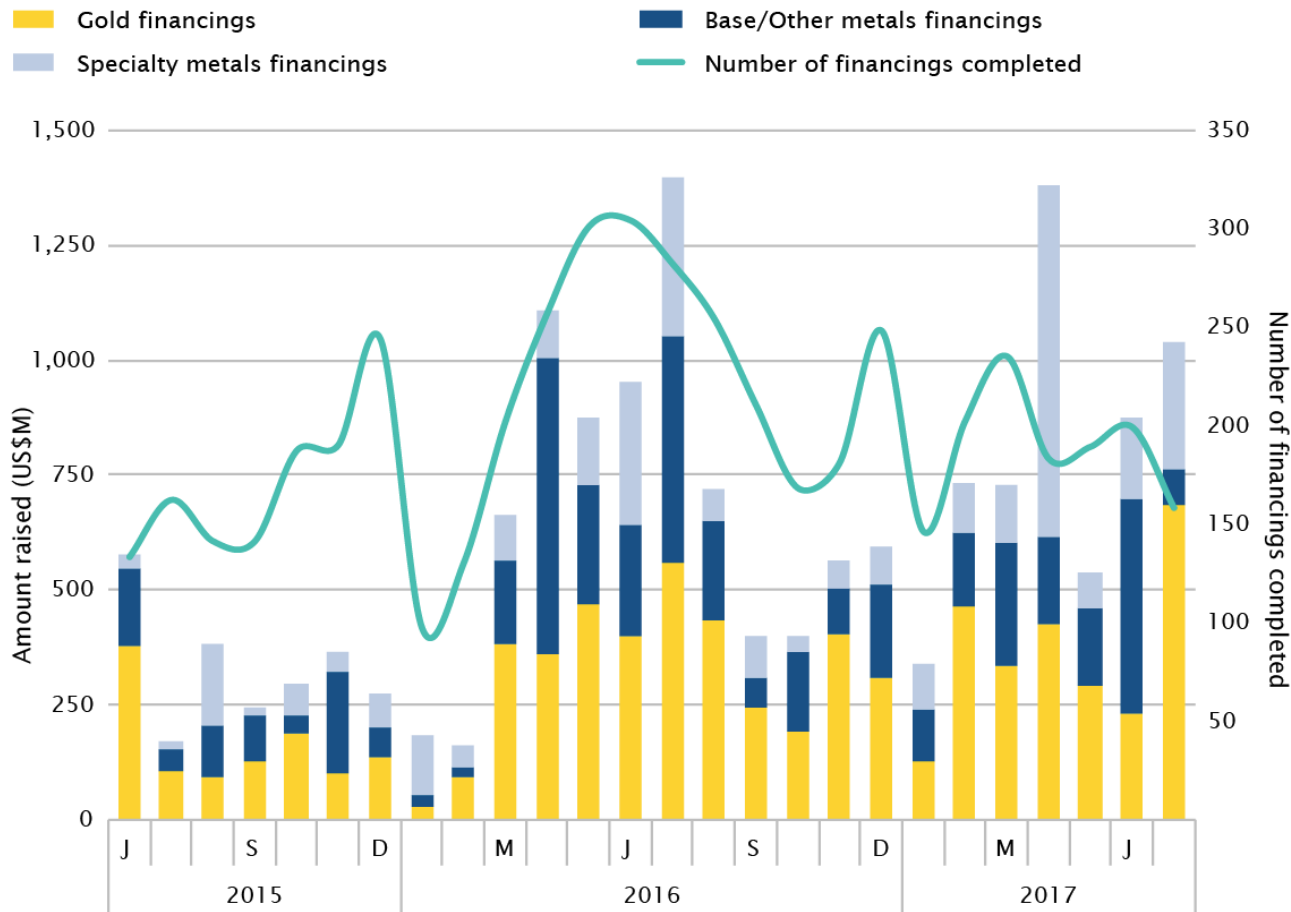


Geochemical markets

(junior / intermediate capital raisings, gold drilling)



Junior and intermediate financing completed

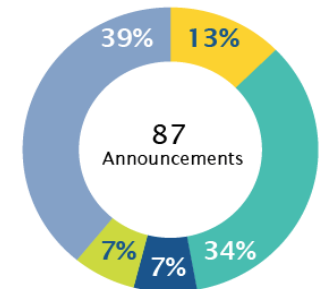


Source: S&P Global Intelligence Monthly Market Monitor – August 2017

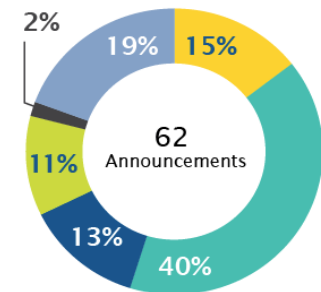
Gold Exploration Drilling Activity distribution by region

- Canada-US (Light Blue)
- Africa (Yellow)
- Asia-Pacific (Teal)
- Europe (Dark Blue)
- Latin America (Light Green)
- Middle East (Dark Grey)

July 2017



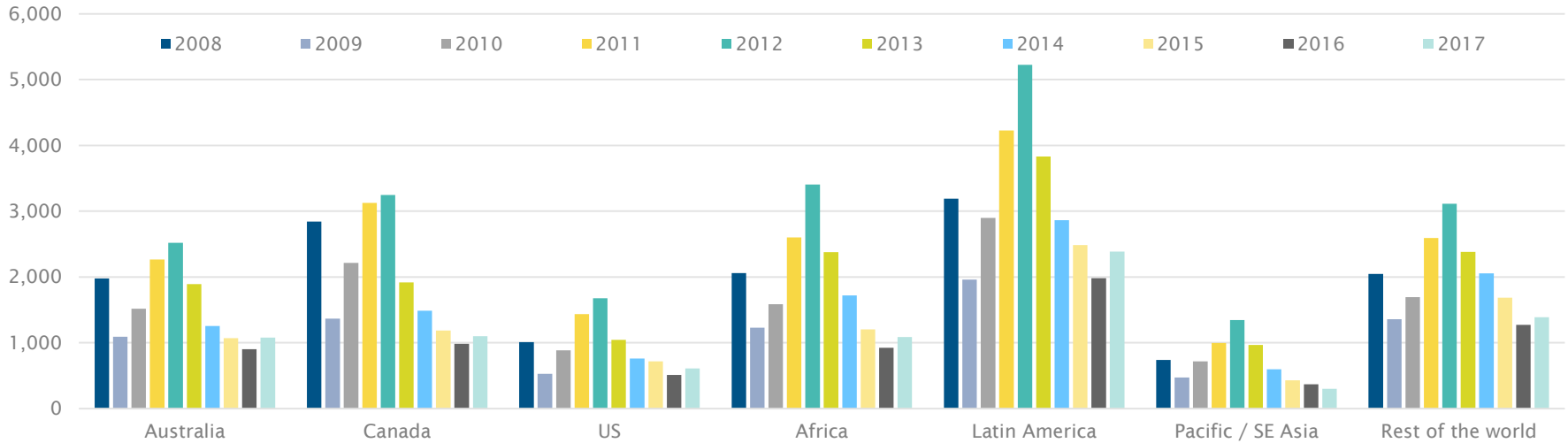
July 2016



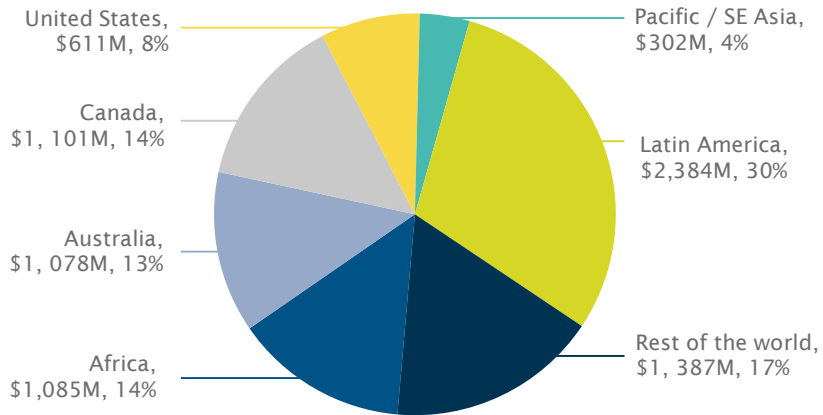


Exploration Budgets

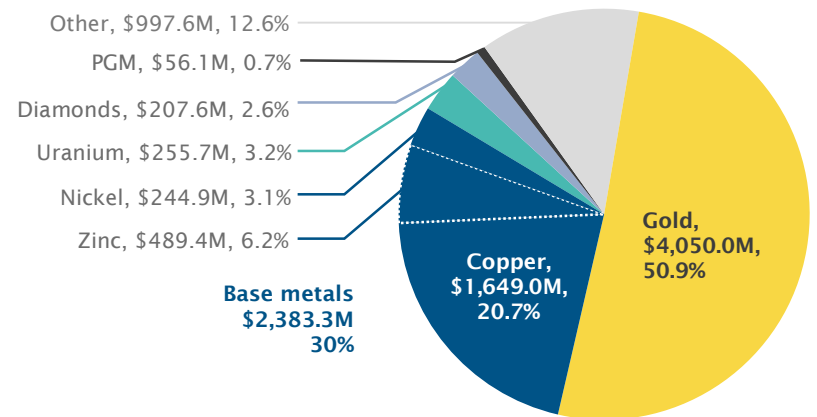
Exploration budgets by location by amount budgeted, 2008-2017



Exploration budgets by region, 2017
(1,535 companies budgeting \$7.95 billion)



Exploration budgets by target, including iron ore, 2017
(1,581 companies budgeting \$8.38 billion)



Data as of Sept. 28, 2017 | US\$m | Source: S&P Global Market Intelligence

-
- ▶ Increased demand for pilot plant metallurgical services
-
- ▶ Optimistic market conditions for geochemistry
-
- ▶ Increased capacity and improved efficiency in geochemistry
-
- ▶ Demand for coal will continue but so will pricing pressures
-
- ▶ Inspection business focused on cost-based management

Asset Care

- Business to be retained following review of strategic options.
- Mining and Oil & Gas maintenance programs offsetting revenue from final stage of LNG construction in Australia
- Smaller FY18 power generation outage program compared to FY17, largely due to outage timing
- US Asset Care operations affected by continued weak activity levels in Oil & Gas sector
- Continued investment in new technologies to support maintenance contracts
- Market remains highly price sensitive

Tribology

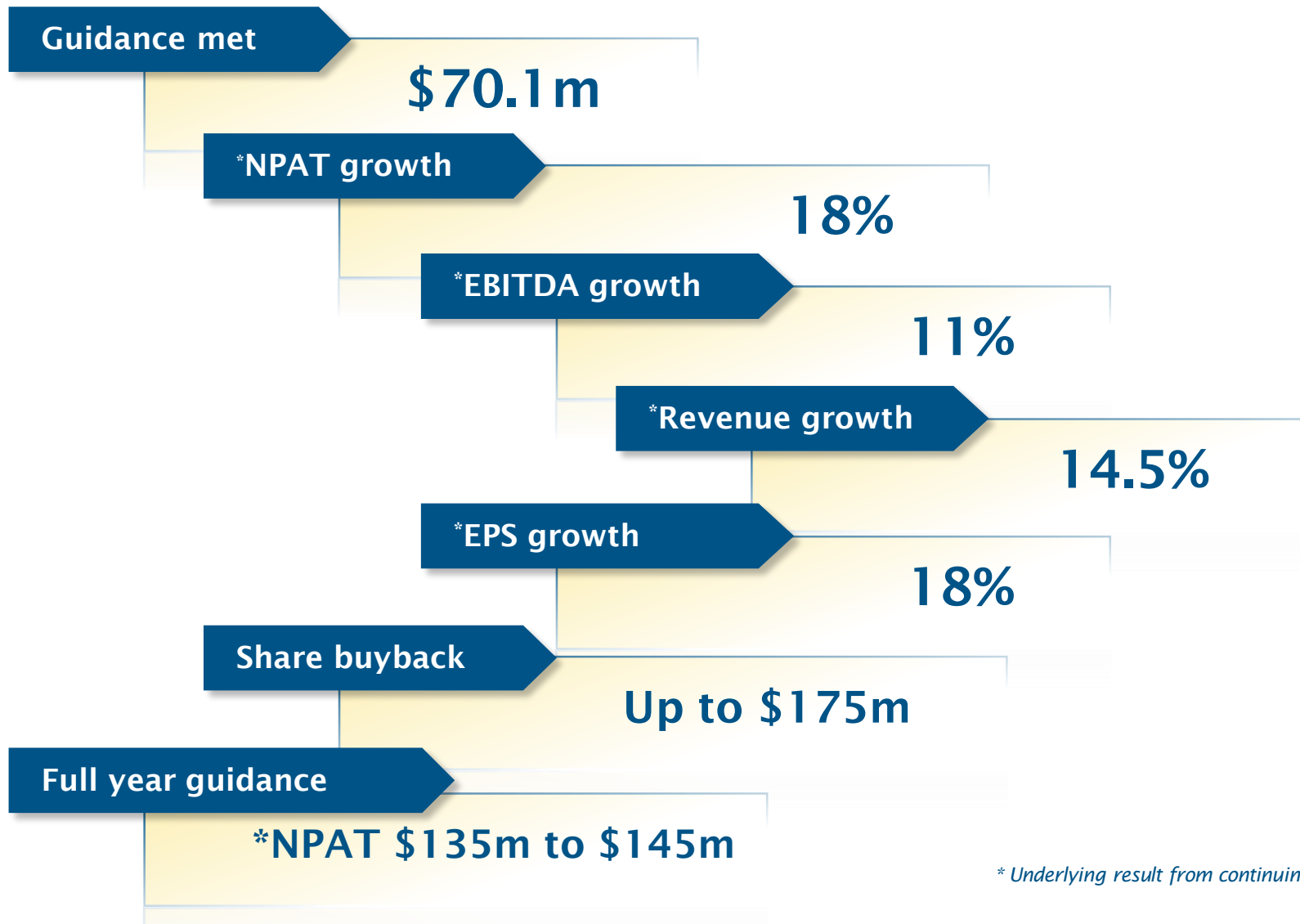
- Contribution margin remains above 24%
- Australia continues to perform strongly
- Revenue up 10.1% driven largely by OILCHECK acquisition in Brazil (completed May 2017)
- Continued investment in enhanced client mobile and web apps

Underlying results	H1FY18	H1FY17	Change
Revenue	\$100 mn	\$100 mn	-(0.1) %
EBITDA	\$18.0 mn	\$17.6 mn	+2.3 %
EBIT	\$15.0 mn	\$14.5 mn	+3.5 %
EBIT Margin	15.0 %	14.5 %	+50 bps

- ▶ Well positioned to support mining, O&G and power generation maintenance programs in Australia
- ▶ Expected slow recovery of downstream O&G activity in Gulf States (USA)
- ▶ Lab automation and data management solutions driving increased efficiency and improved quality
- ▶ Tribology growth via bolt- on acquisitions
- ▶ Asset Care growth via greenfield start-up in Thailand



Half Year FY18 Summary



** Underlying result from continuing operations.*