



Investor Presentation

Morgans Queensland Conference – Brisbane

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Right Solutions · Right Partner
www.alsglobal.com

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TIC Markets

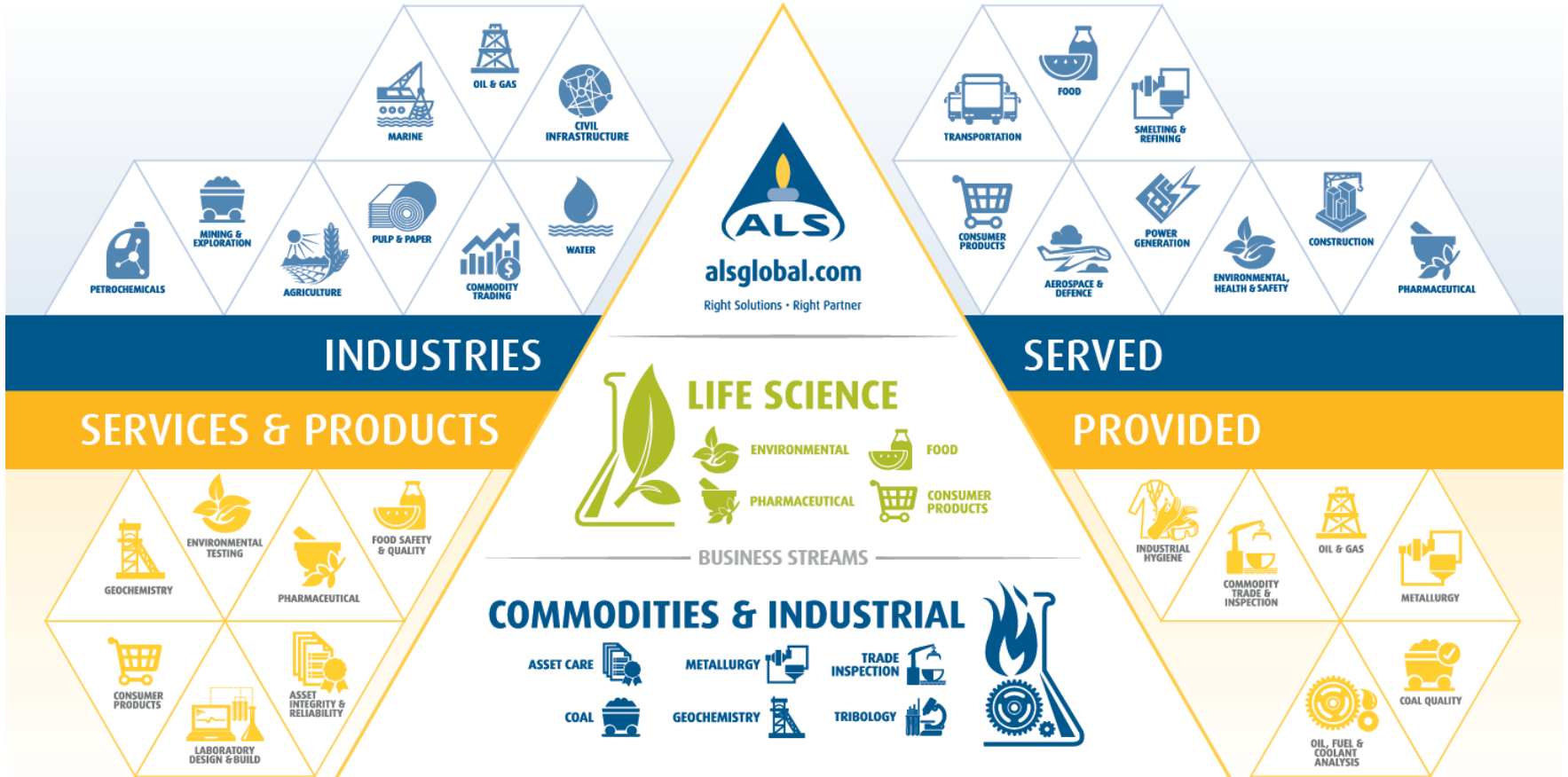
TESTING
taking measurements
either in a laboratory
or in the field



INSPECTION
Visual inspection or physical
measurement (in situ)
of a commodity or piece
of equipment/infrastructure

CERTIFICATION
Verification
of a system or item
against a recognised Standard

Business streams

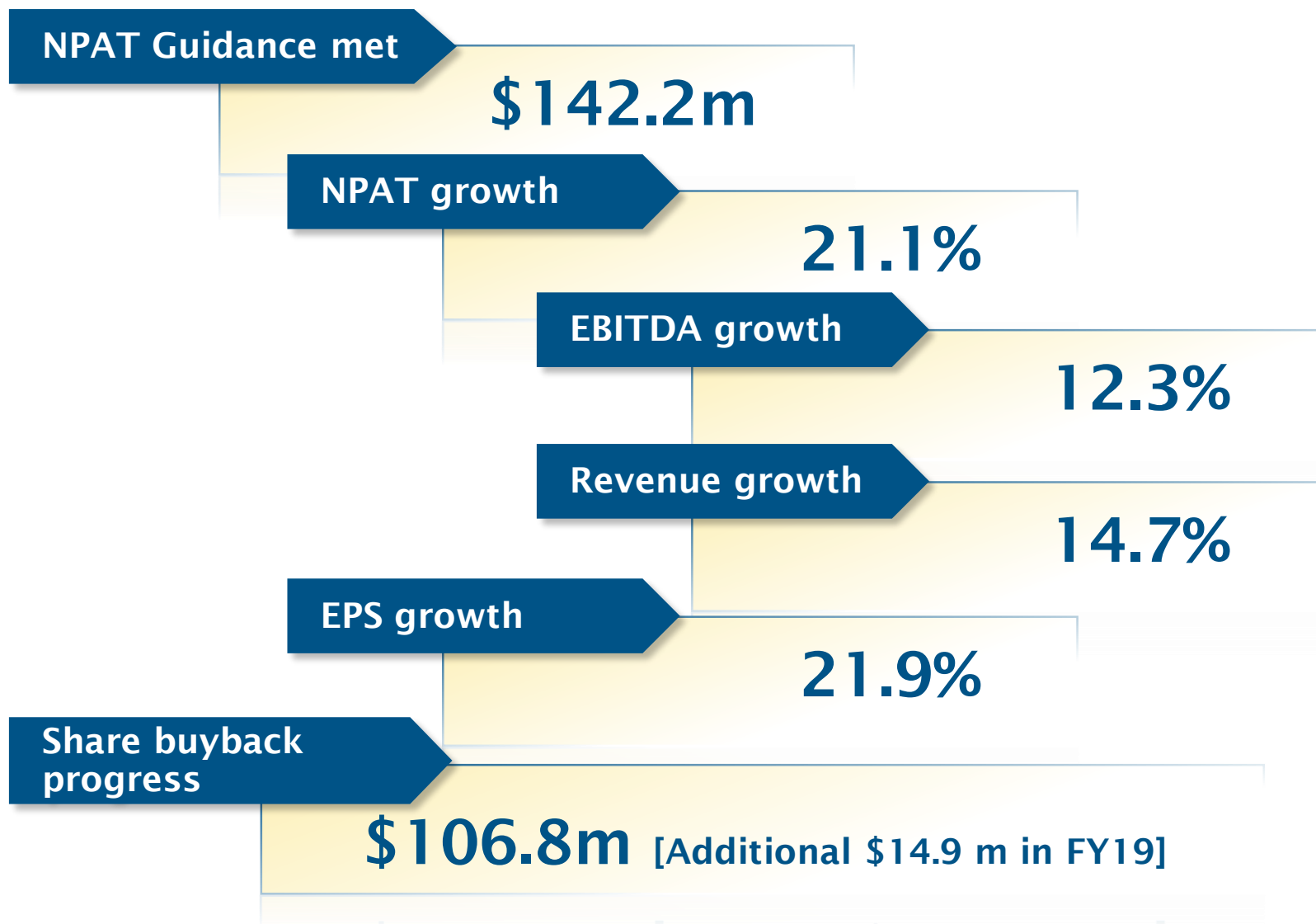


ALS Segments and Business Streams Revenue split

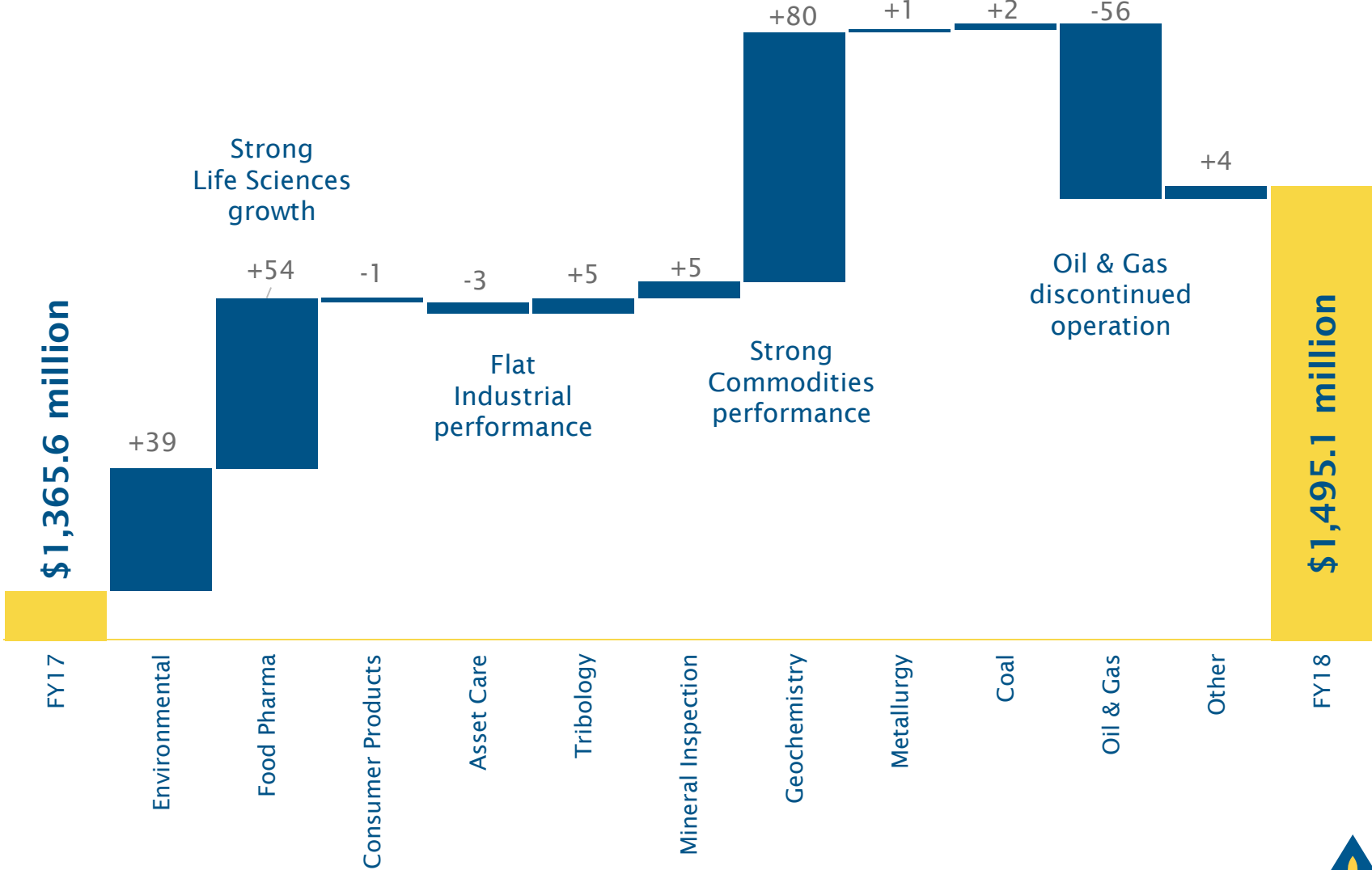


Full Year FY18 Financial Summary

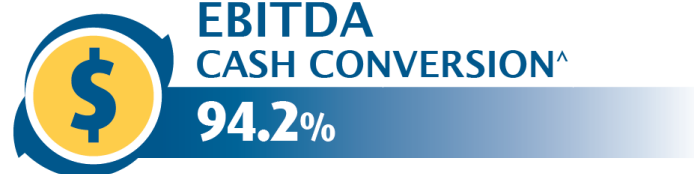
Underlying performance from continuing operations



Revenue waterfall FY17 vs FY18 – all operations



Cash Flow

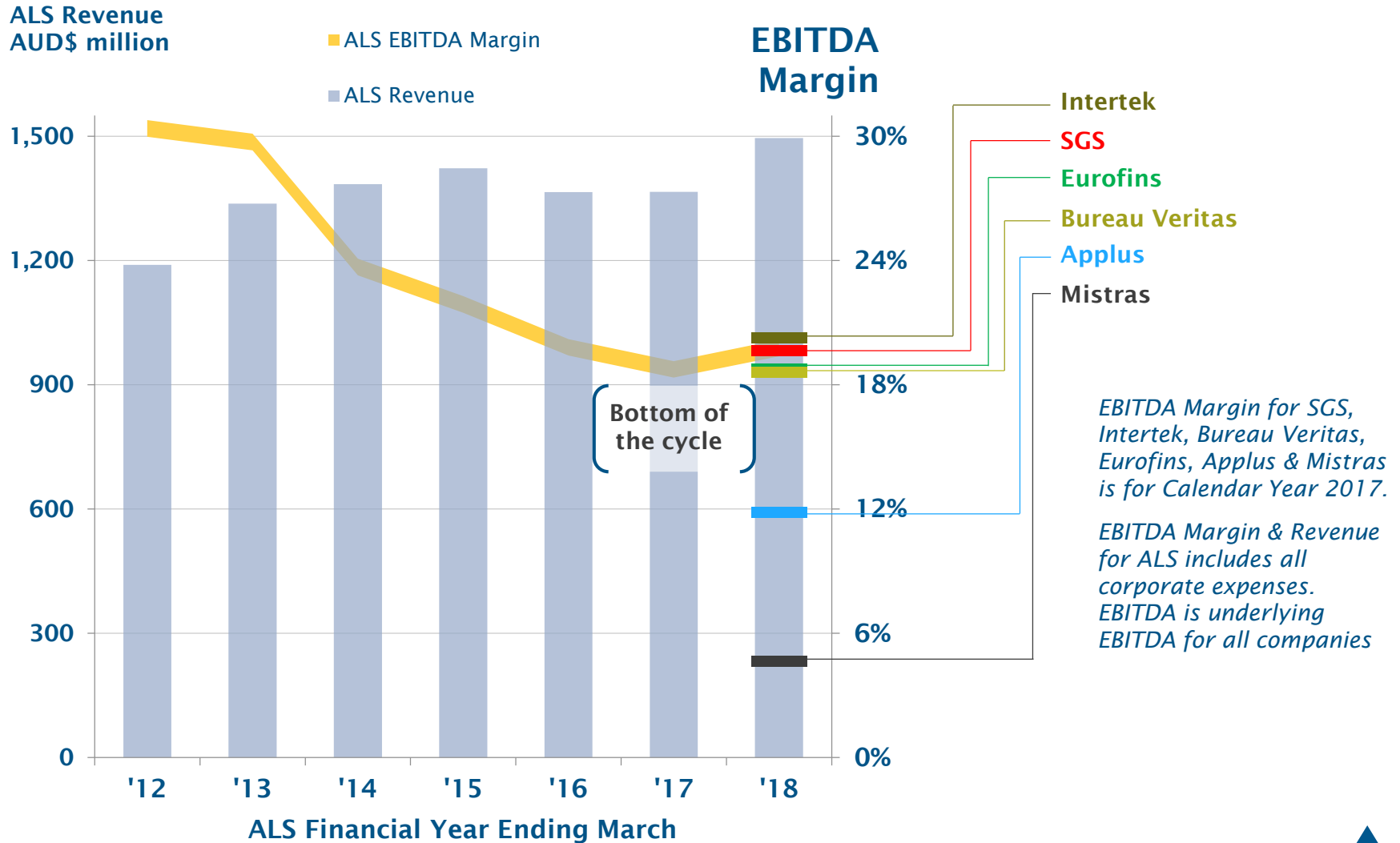


Full year	FY17 AUD mn	FY18 AUD mn
Underlying operating profit (EBIT)	171.6	216.7
Depreciation & Amortisation	78.8	72.9
EBITDA	250.4	289.6
Working capital	12.3	(16.1)
CAPEX	(58.7)	(73.4)
Other	5.0	7.6
Free cash flow	209.0	207.7
Acquisitions	(106.4)	(31.8)
Divestments	-	79.5
Dividends paid	(58.0)	(80.8)
Issued capital bought back	-	(106.8)
Borrowings - movement	-	(38.4)
Interest and Tax	(68.3)	(73.5)
Restructuring costs	(19.1)	(14.2)
Net increase/(decrease) in cash	(42.8)	(58.3)
Opening net cash	297.9	248.9
Effect of FX on cash held	(6.2)	(3.4)
Closing net cash	248.9	187.2

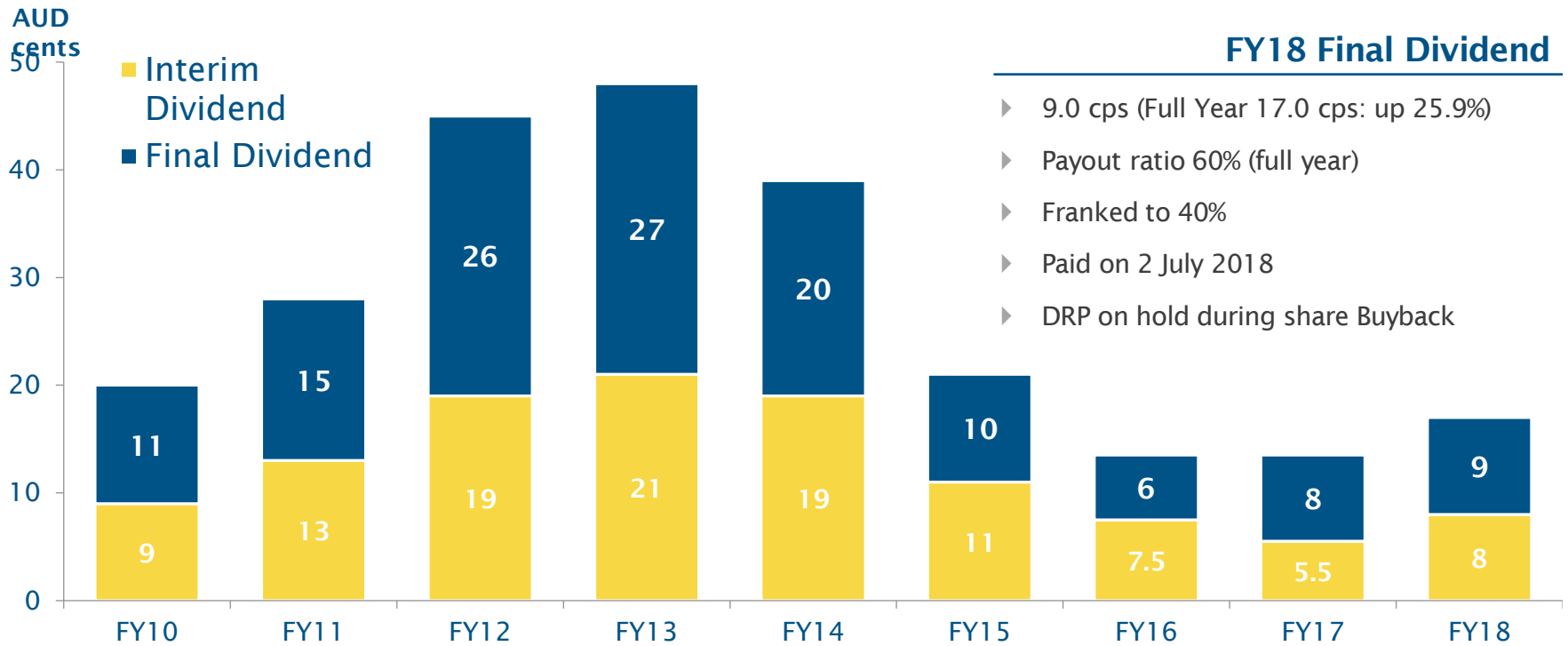
Analysis includes both continuing and discontinued operations

[^] Based on statutory EBITDA

Margin strong post bottom of the cycle



Final H2 FY18 Dividend



Commodities. Overview

Geochemistry

- ▶ Sample volumes up 26% pcp
- ▶ Revenue up 27% pcp
- ▶ Contribution margin 27% versus 24% pcp

Metallurgy

- ▶ Revenue up 2.5% pcp
- ▶ Contribution margin records improved performance due to cost base reductions
- ▶ Pricing and volume outlook improving

Inspection

- ▶ Revenue up 16.7% pcp
- ▶ Contribution margin up 0.8% pcp
- ▶ UK hub laboratory processing increasing sample volumes benefiting from recent capacity upgrades

Coal

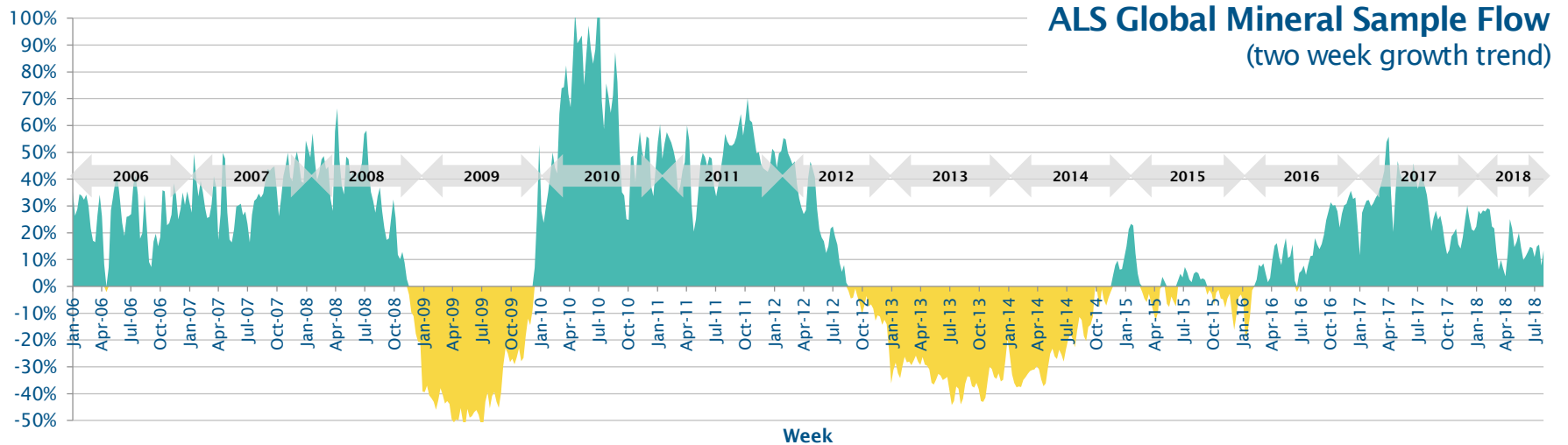
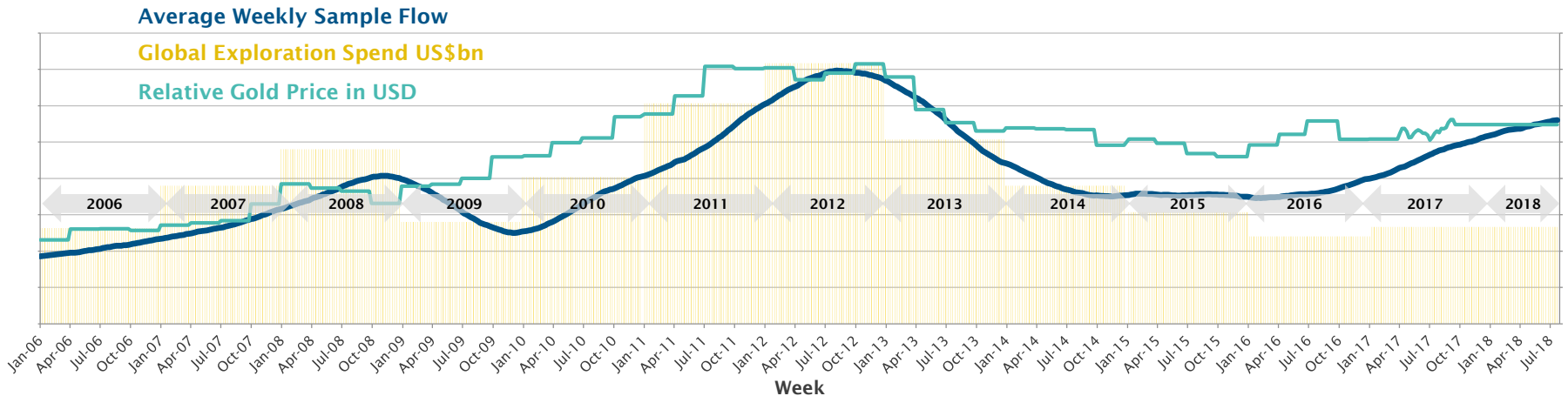
- ▶ Revenue up 3.6% pcp
- ▶ Contribution margin 14.5% versus 13.3% pcp
- ▶ New mine site operations providing increased revenues

Underlying results (AUD)	FY18	FY17	Change
Revenue	\$518.9 mn	\$427.2 mn	+21.5 %
EBITDA	\$146.3 mn	\$109.8 mn	+33.2 %
EBITDA Margin	28.2 %	25.7 %	+250 bps
EBIT	\$123.5 mn	\$86.1 mn	+43.5 %



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)



Commodities. Outlook

- ▶ Continuation of positive market sentiment and improved market conditions for geochemistry
- ▶ Geochemistry market share gains globally to translate into improved FY19 performance
- ▶ Gradual but sustained improvement in Metallurgy expected to carry on throughout FY19
- ▶ Demand for coal services remains and will be underpinned by recent new contract wins
- ▶ Inspection business benefiting from capacity upgrade and is focused on cost-based management

Life Sciences. Overview

Environmental

- ▶ Revenue growth (in AUD)
Asia (+16.7%)
Australia (+5.2%)
Europe & Middle East (+20.1%)
- ▶ Ongoing cost reduction initiatives introduced in the Americas and UK markets to improve FY19 ROS
- ▶ Focus on developing new greenfield opportunities within selected Asian and European markets to deliver new growth prospects
- ▶ Organic growth remains strong throughout the Australian and Asian markets and new contract wins in South America reinforce optimistic outlook

Food & Pharma

- ▶ Revenue growth (in AUD)
Europe (+33.1%)
Australia (+7.3%) – all organic
- ▶ New Marshfield (US) acquisition creates the beachhead for further North American food expansion

Underlying results (AUD)	FY18	FY17	Change	H2FY18	H2FY17	Change
Revenue	\$734.1 mn	\$641.6 mn	+14.4 %	\$368.4 mn	\$320.6 mn	+14.9 %
EBITDA	\$140.7 mn	\$134.3 mn	+4.8 %	\$65.8 mn	\$61.7 mn	+6.6 %
EBITDA Margin	19.2 %	20.9 %	-169 bps	17.9 %	19.2 %	-130 bps
EBIT	\$102.1 mn	\$99.8 mn	+2.3 %	\$46.2 mn	\$44.2 mn	+4.5 %

Life Sciences. Outlook

- ▶ Focus on automation and workflow centralisation to improve future operating margins
- ▶ Food safety and pharmaceutical strategy will continue expansion via targeted acquisitions
- ▶ The environmental businesses in the Americas and Europe continue to demonstrate improved revenue performance
- ▶ EMENA revenue growth driven by UK improvement following integration restructure and recent acquisition in Sweden
- ▶ New greenfield life science business in India to be operational in H2FY19

Industrial. Overview

Asset Care

- In Australia, growth in Mining maintenance services offset smaller FY18 power generation outage program and O&G maintenance services
- Continued investment in technologies to support maintenance contracts
- Market remains highly price sensitive

Tribology

- Revenue growth and margin improvement delivered in all regions – Australasia, North America and South America
- OILCHECK acquisition in Brazil delivering in line with expectations (completed May 2017)
- Continued investment in laboratory automation and data management

Underlying results (AUD)	FY18	FY17	Change
Revenue	\$193.9 mn	\$192.7 mn	0.6 %
EBITDA	\$32.1 mn	\$32.7 mn	(1.8) %
EBITDA Margin	16.6 %	17.0 %	-40 bps
EBIT	\$26.2 mn	\$26.5 mn	(1.2) %

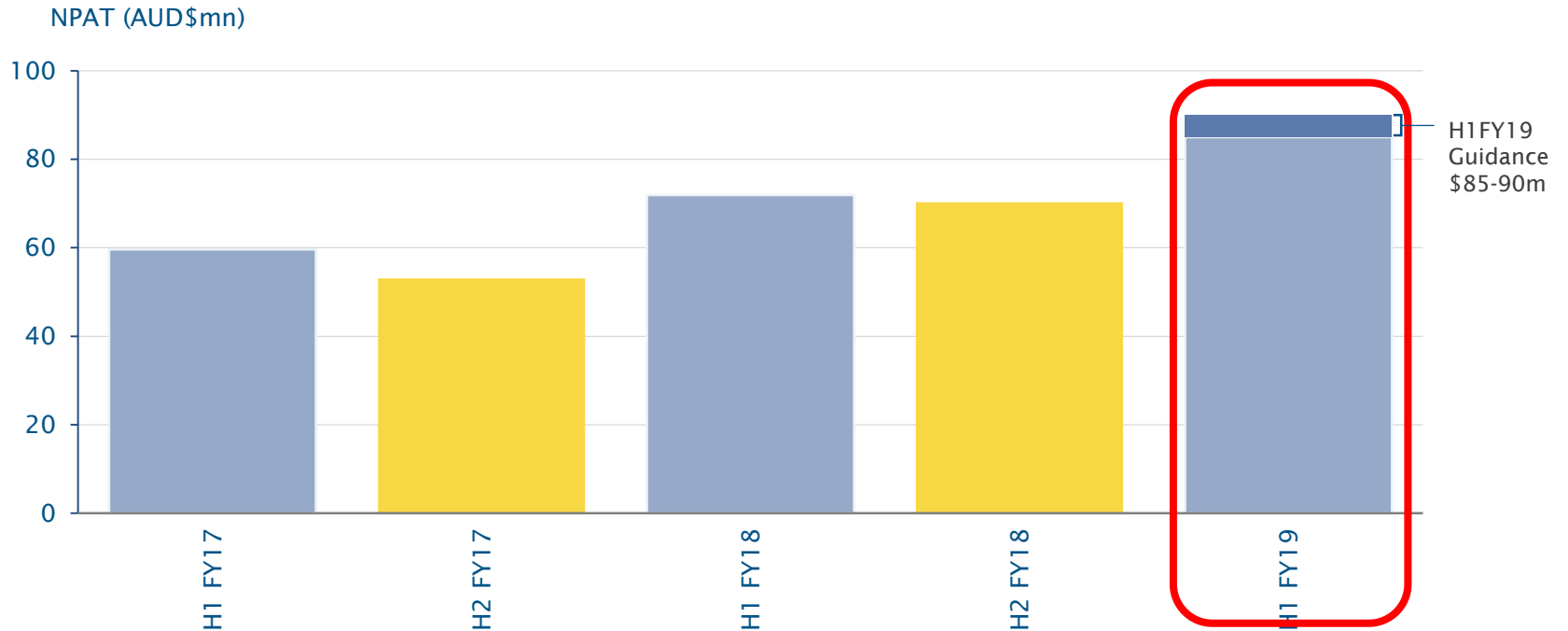


Industrial. Outlook

- ▶ Despite headwinds, well positioned to support mining, O&G, and power generation maintenance programs in Australia. Market to remain highly price sensitive
 - ▶ Mobilisation of US construction projects in FY19 H1 to underpin FY19 regional growth
 - ▶ Lab automation, online monitoring and data management solutions driving increased efficiency and improved quality
 - ▶ Tribology expansion of Prague operations in FY19 H1, creating a footprint in Europe
 - ▶ Asset Care greenfield start-up established in Thailand in FY19 Q1
-



First Half FY19 guidance



ALS expects that underlying NPAT from continuing operations for the half year ending 30 September 2018 will be in the range of AUD \$85 million to AUD \$90 million

Acquisitions completed during FY2019 to date



Global Operations Map



50+
Countries

300+
Locations

40+
Years of strong
business
performance

13,000+
Staff worldwide

20+ million
Processed samples
per year

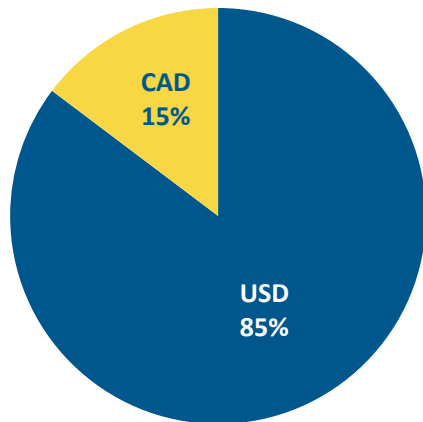
\$1.4+ billion
Global revenue



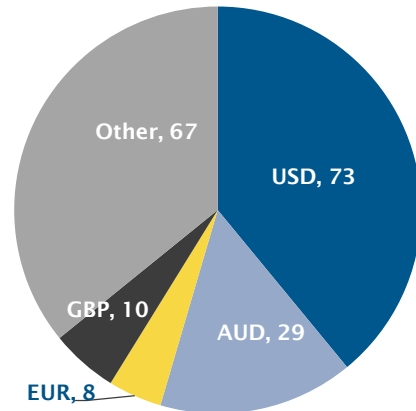
Debt Metrics

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
STATISTICS					
Gearing Ratio (comfort 45%)	34%	38%	27%	29%	31%
Leverage (net debt/ EBITDA; max 3.00)	2.2	2.5	1.7	1.9	1.7
EBITDA interest cover (min 3.75)	12.2	9.1	7.7	9.2	11.3
BALANCE SHEET MEASURES					
Total Equity (AUD mn)	1419	1228	1186	1185	1122
Net Debt (AUD mn)	722	762	438	485	506

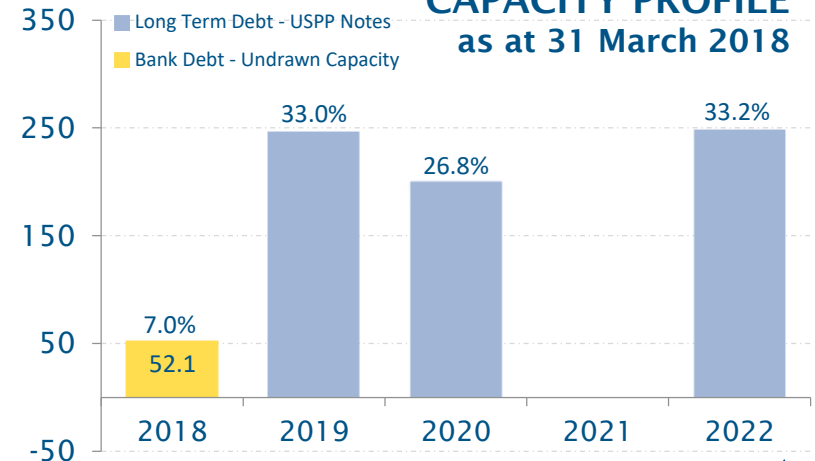
Debt Denomination



Cash Holdings AUD\$m



AUD\$ million



Sustainability Program. 2017-18 Achievements

People



Health & Safety

Safety as a Priority

Diversity & equality

Respecting differences

Training & development

investing in talent development

Human rights

Worker's rights upheld

- ✓ 53% female new hires
- ✓ Record Low Injury Rates (Group LTIFR = 1.0)
- ✓ Global employee survey completed
- ✓ 44,000 training sessions completed >50%
- ✓ Hazard observations >50%

Environment



Operational Environmental Performance

Management of adverse environmental emissions

Energy management

The pursuit of energy efficiency

Waste reduction

Reduce, reuse, recycle

Water conservation

Managing a scarce resource

Climate Change

Estimating CO₂ emissions and its economic impact

- ✓ Energy Intensity reduced by average of 7%
- ✓ No uncontrolled releases
- ✓ >2500 kg Extra glass diverted from landfill

Society



Economic Contributions

Paying our fair share of tax

Local investment

Investing in the local community

Employment creation

Creating jobs in the local community

- ✓ 1300 new employees
- ✓ Support of science education programs
- ✓ \$47M taxes

Governance



Financial performance

Maximise return for shareholders

Anti-bribery & corruption

Zero tolerance for bribery and corruption

Honesty & integrity

An ALS core value

Regulatory compliance

Systems to maintain legal compliance

- ✓ Modern slavery statement published
- ✓ 9500 Code of Conduct training sessions completed
- ✓ Re- invigorated whistle-blower program & hotline



Vision 2022: Our Everest (excluding significant acquisitions)

