



Investor Presentation

Full Year Results FY2019

Raj Naran, Managing Director and CEO, ALS Limited

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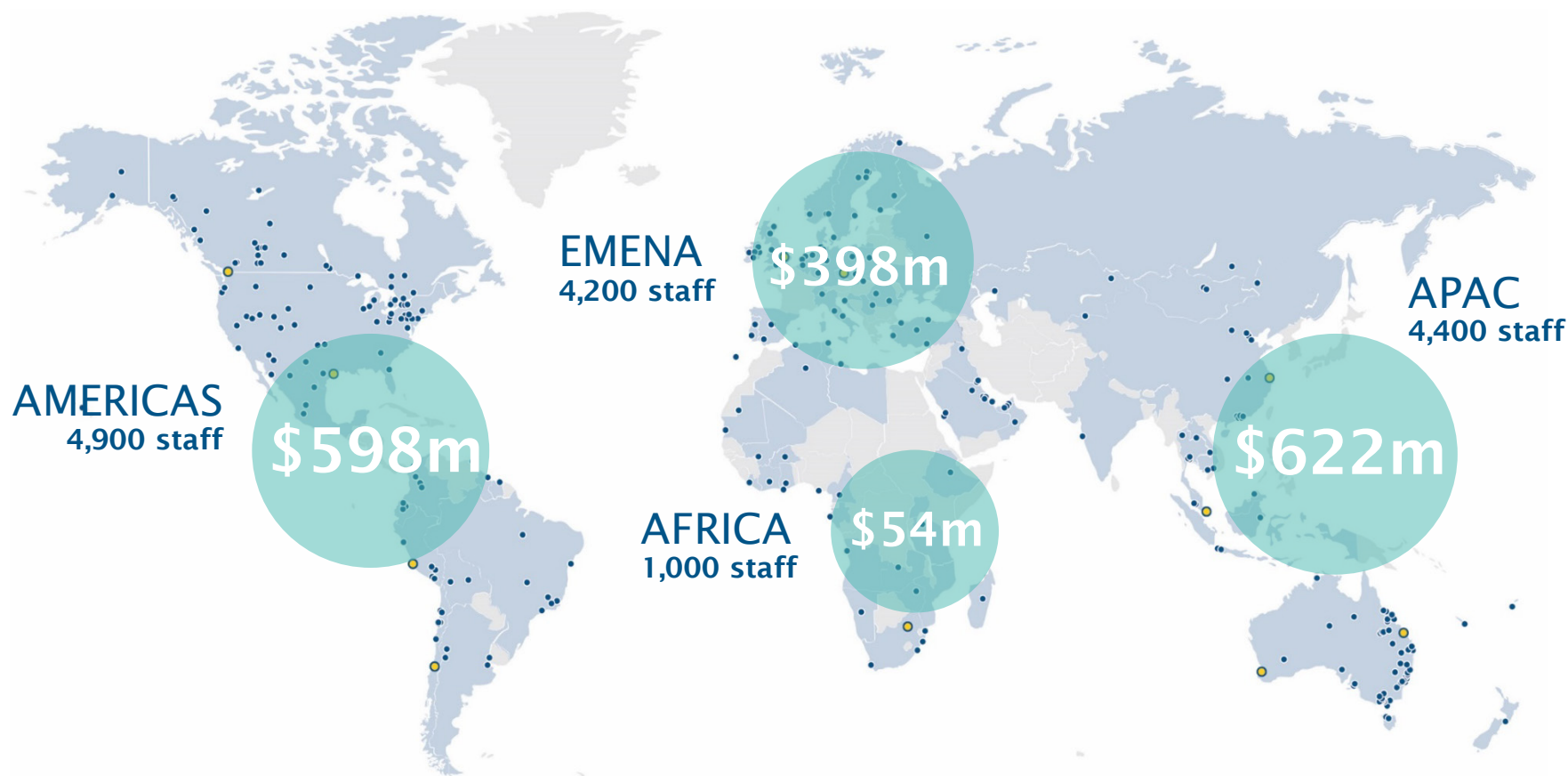


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Global Operations by Revenue



65+
Countries

350+
Locations

40+
Years of strong
performance

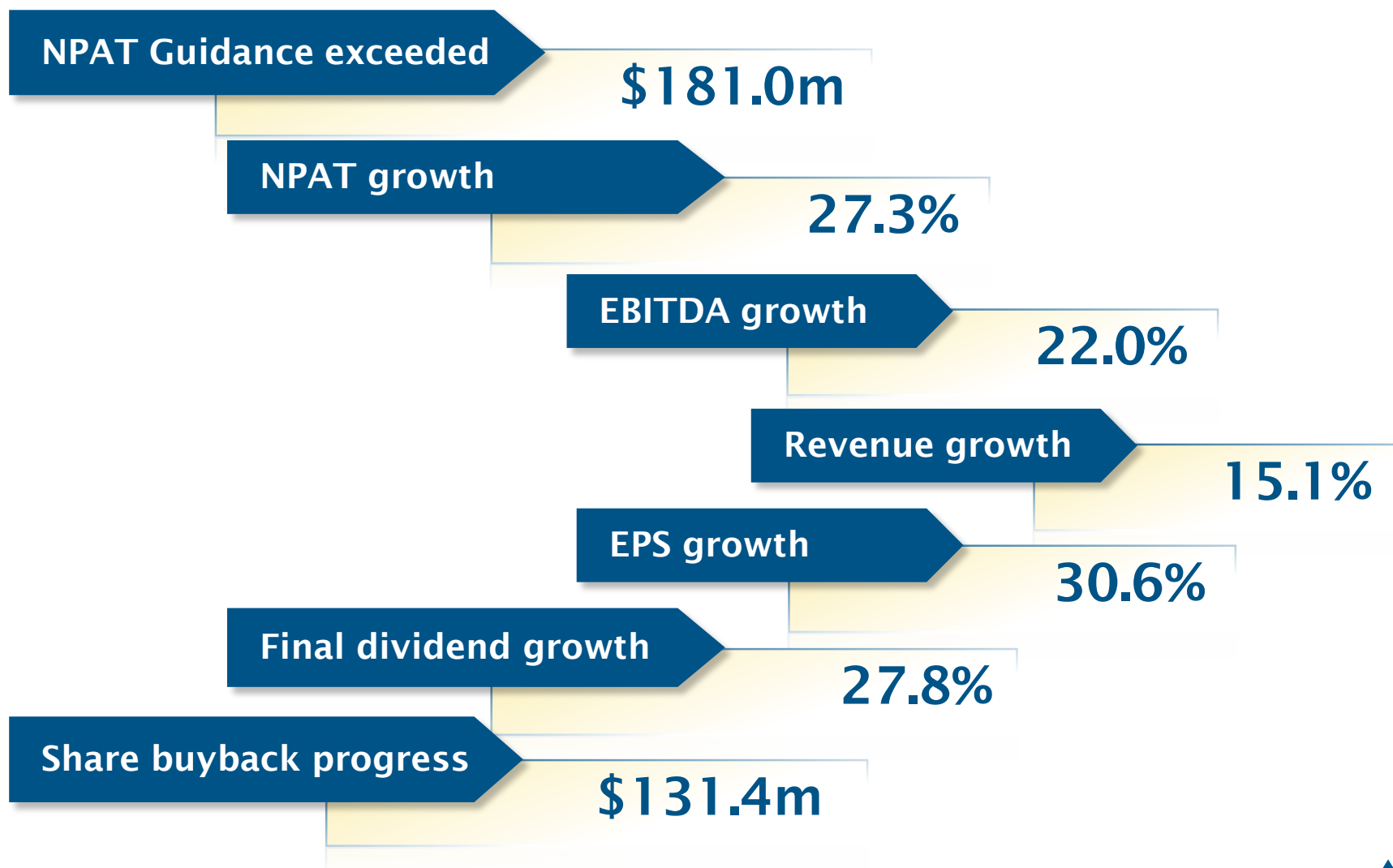
15,000+
Staff worldwide

40+ million
Processed samples
per year

\$1.6+ billion
Global revenue

Full Year FY19 Financial Summary

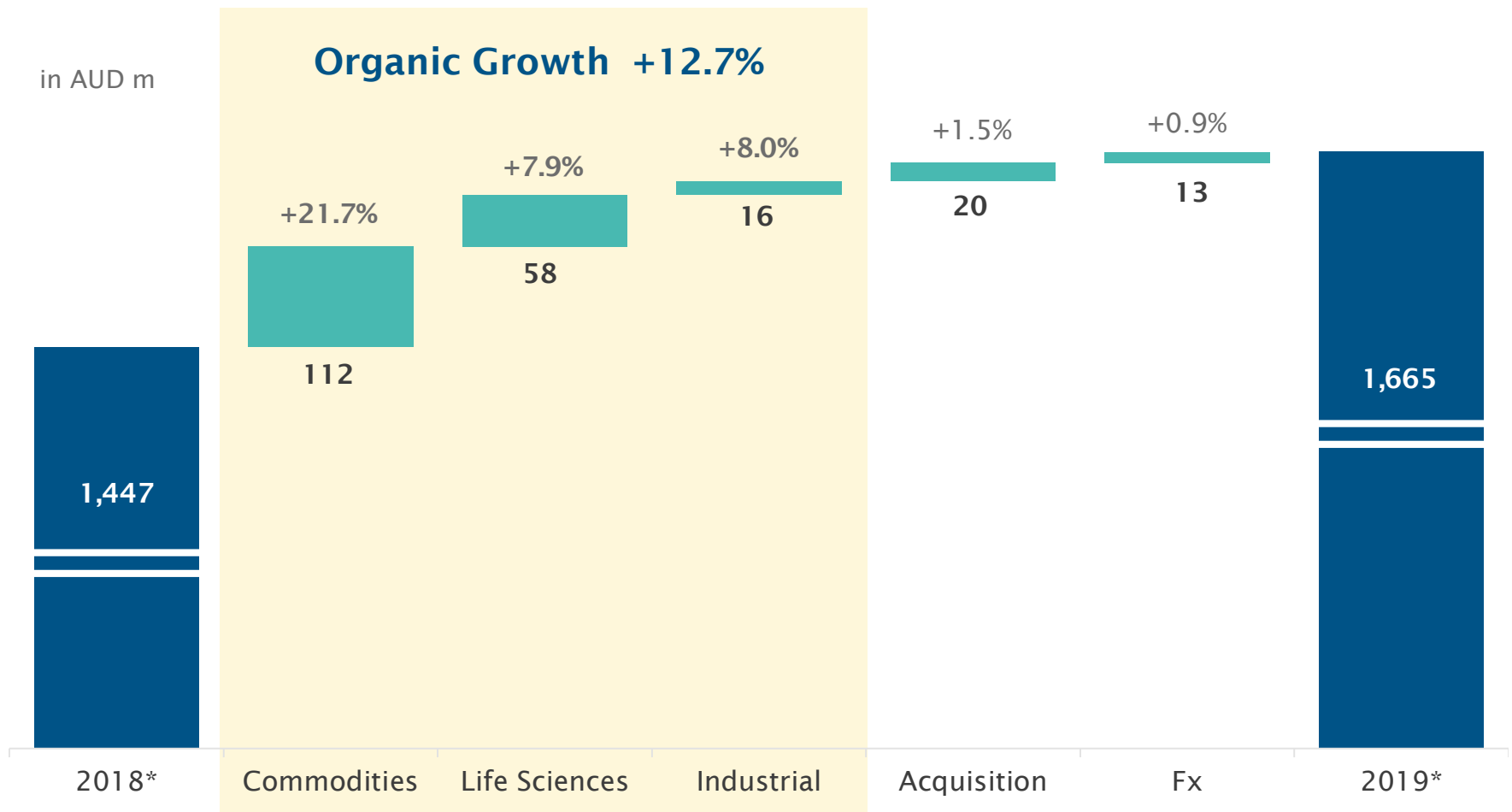
Underlying performance from continuing operations



ALS Segments and Business Streams Revenue Split

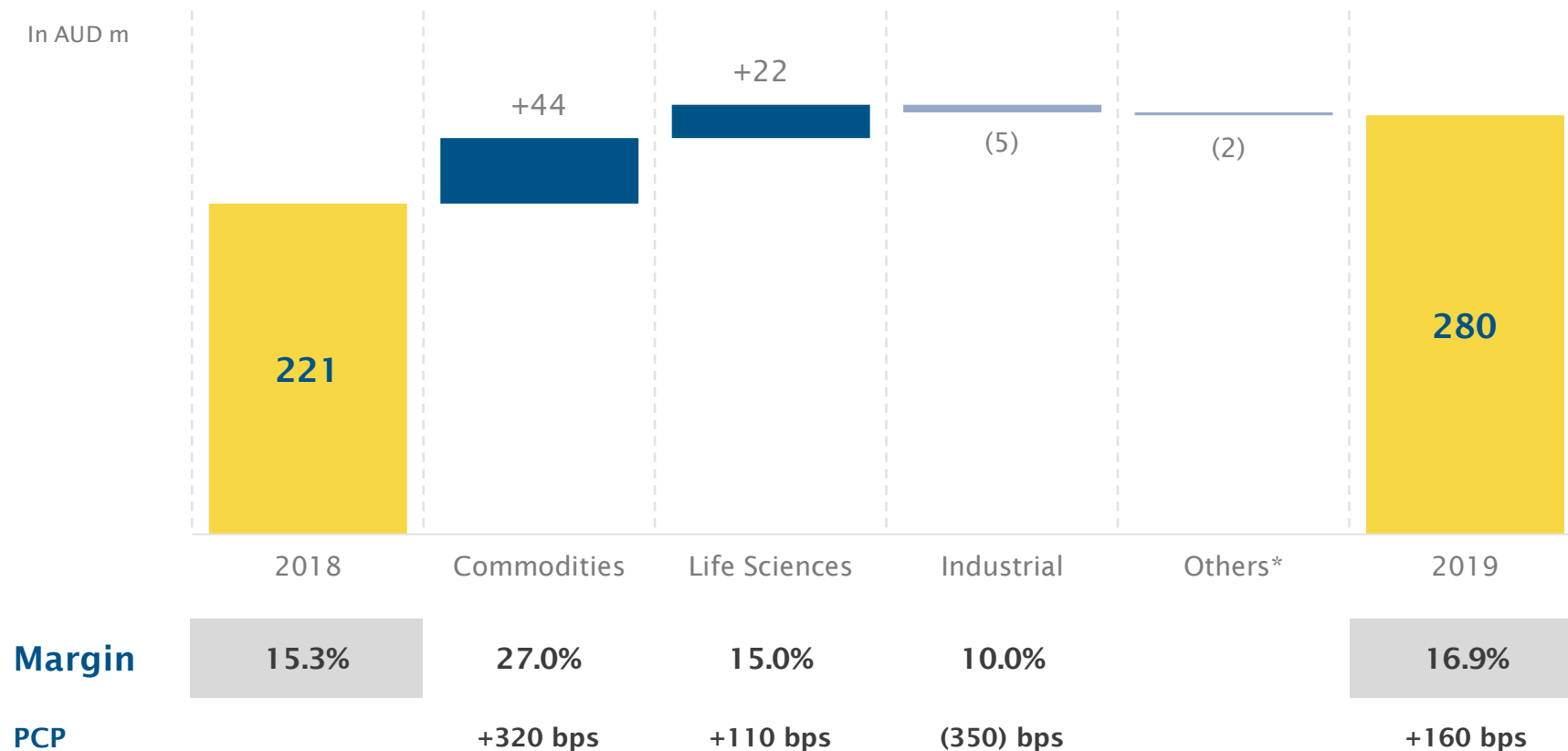


Revenue Growth FY19 vs FY18 – Continued Operations



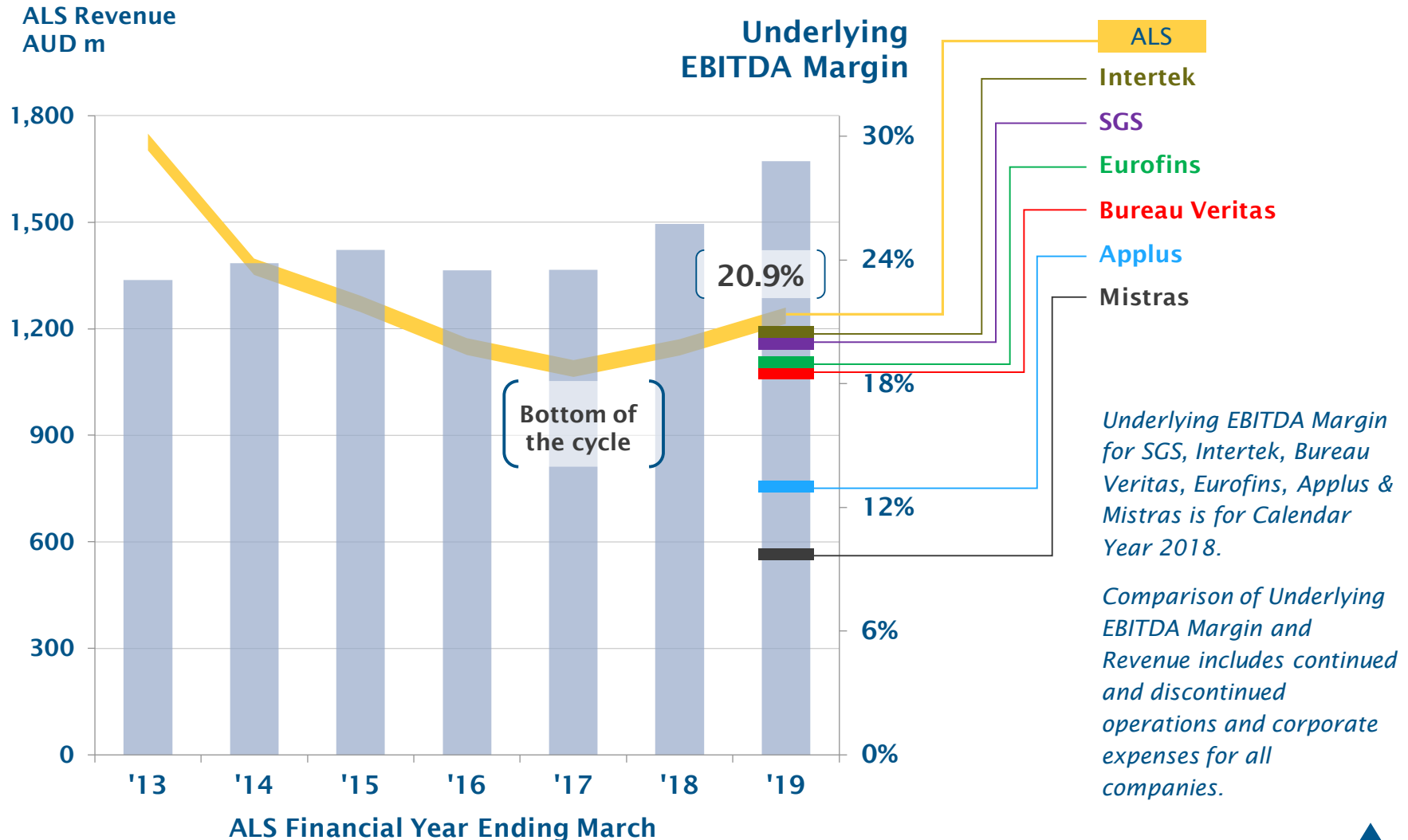
* Continued Operations

Underlying EBIT – Continuing Operations



* Corporate costs + FX

Strong Margin Relative to Peers



Strategic Roadmap



Key Priorities

	Priority	Progress
Finance	<ul style="list-style-type: none"> ▶ Strong Cash flow conversion ▶ Improve EPS ▶ Standardisation of systems and processes 	<ul style="list-style-type: none"> ▶ Cash conversion at 93.7% ▶ EPS growth +30.6% ▶ Implementation of global systems & processes underway
Capital Allocation	<ul style="list-style-type: none"> ▶ Organic growth projects ▶ Technology to drive efficiency 	<ul style="list-style-type: none"> ▶ Acceleration of green field / growth projects ▶ Partnership with educational institutions and technology companies
Talent Development	<ul style="list-style-type: none"> ▶ Executive development program ▶ Internal talent development 	<ul style="list-style-type: none"> ▶ In place. Significant investments made. More than 130 leaders already in the program ▶ Internal transfers of key leaders with proven results to accelerate development of key businesses globally
Acquisition Criteria	<ul style="list-style-type: none"> ▶ Expansion into new geographies ▶ Focus on bolt-on and strategic acquisitions 	<ul style="list-style-type: none"> ▶ Strengthened M&A governance and process ▶ Significant increase in M&A pipeline

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
-

Life Sciences. Overview

Life Sciences

- ▶ 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

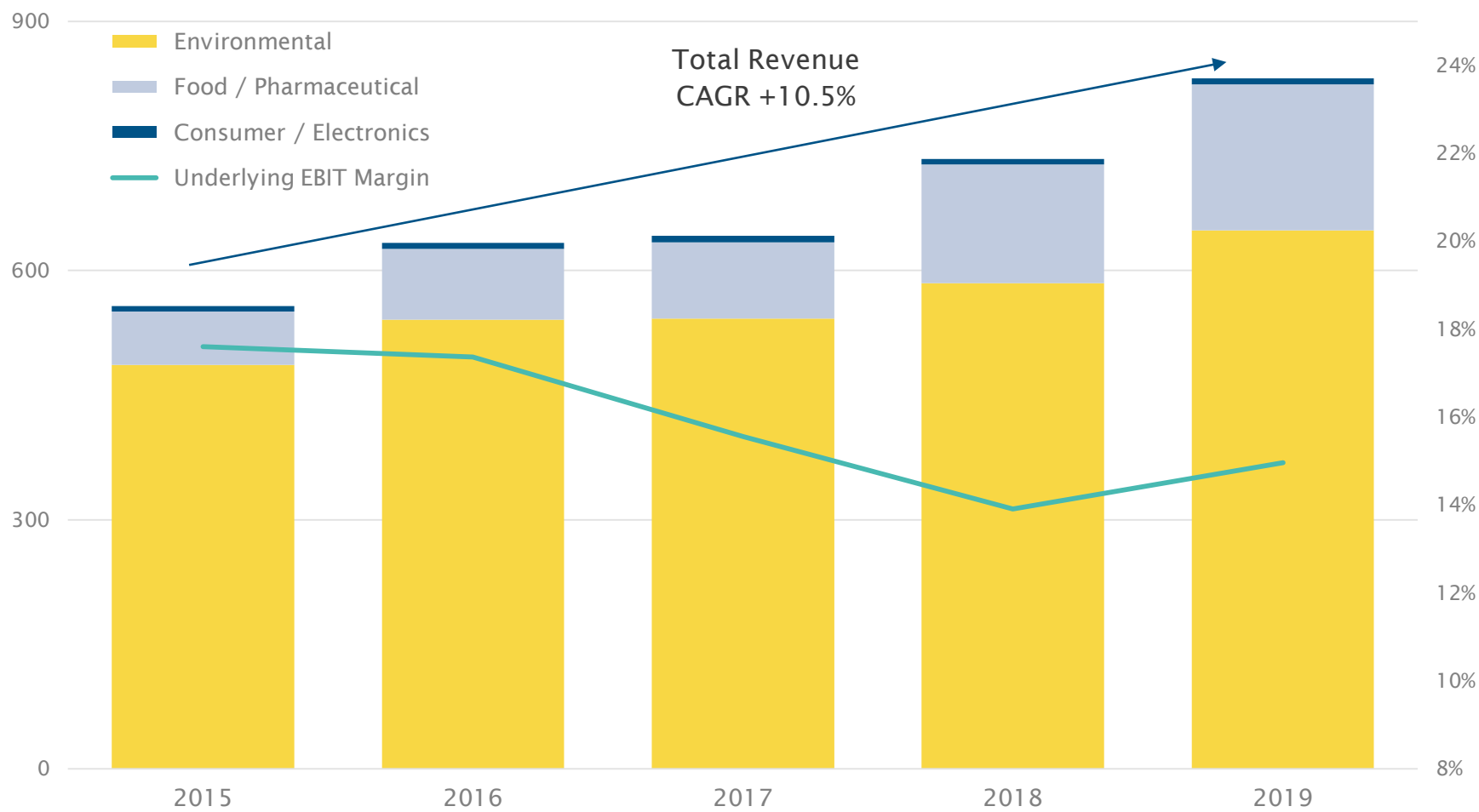
Food & Pharma

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

Underlying results (AUD)	FY19	FY18	Change
Revenue	\$831.4 m	\$734.1 m	+13.3%
EBITDA	\$166.8 m	\$140.7 m	+18.6%
EBITDA Margin	20.1%	19.2%	+90 bps
EBIT	\$124.4 m	\$102.1 m	+21.8%
EBIT Margin	15.0%	13.9%	+110 bps

Life Sciences. Evolution

in AUD m



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

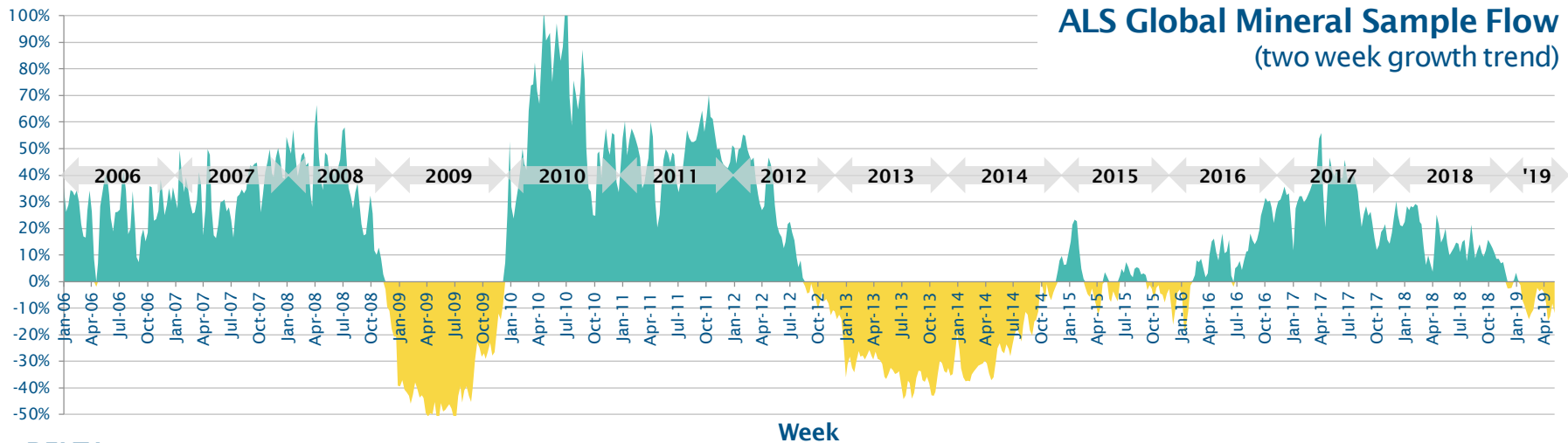
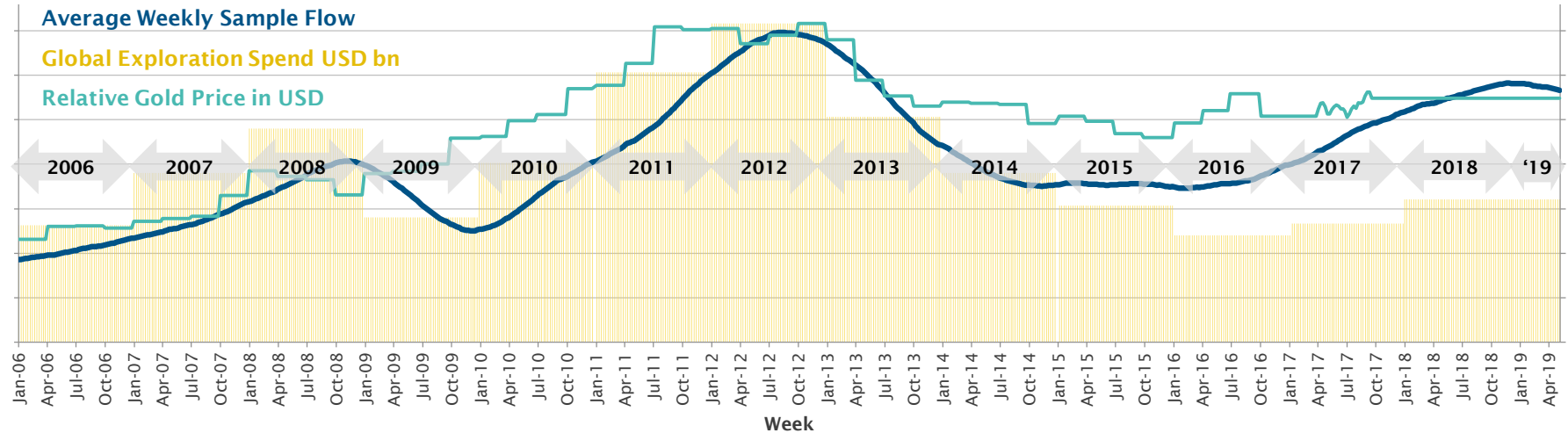
Coal

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

Underlying results (AUD)	FY19	FY18	Change
Revenue	\$620.3 m	\$518.9 m	+19.5%
EBITDA	\$189.6 m	\$146.3 m	+29.6%
EBITDA Margin	30.6%	28.2%	+240 bps
EBIT	\$167.7 m	\$123.5 m	+35.8%
EBIT Margin	27.0%	23.8%	+323 bps

Geochemistry Sample Flows

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)

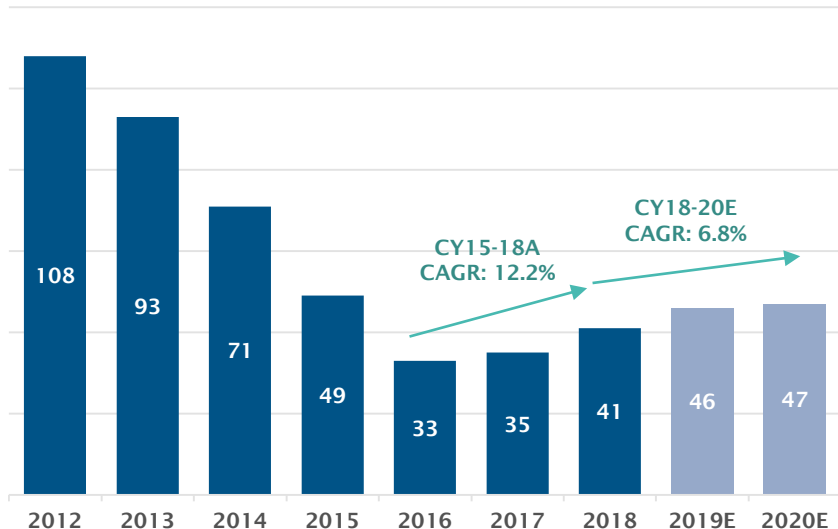


Global Mining Capital Expenditure Outlook

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

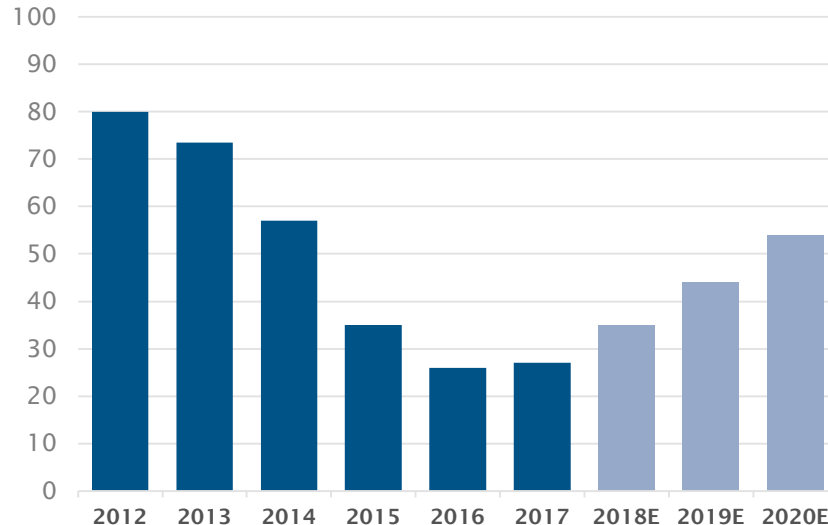
Growth in Global Mining Capital Expenditure Expected to Continue

Mining Capital Expenditures for 20 Biggest Global Miners (USD bn) ⁽¹⁾



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

Greenfield Capital Expenditure Estimates (USD bn) ⁽²⁾

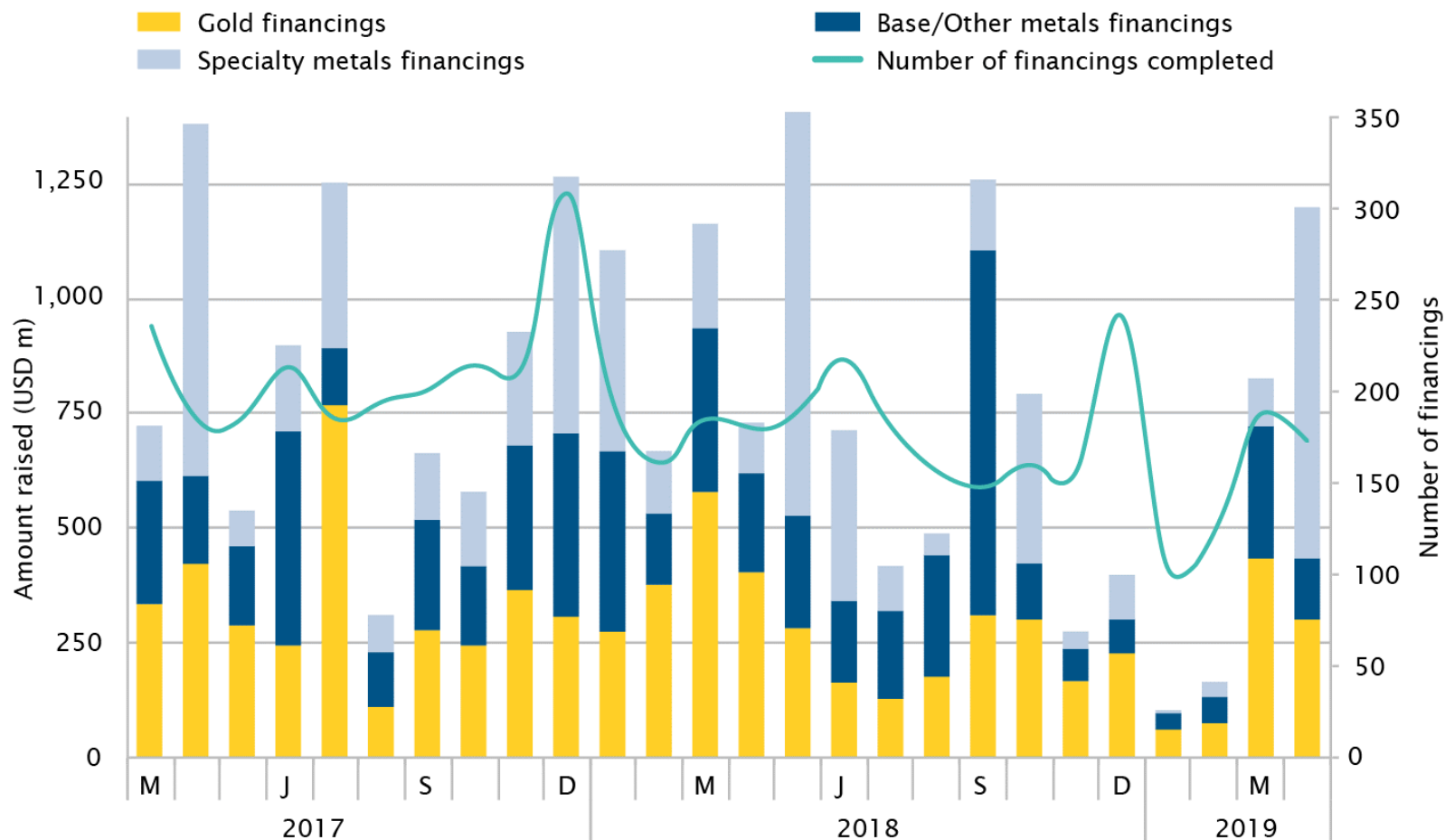


Source: Wall Street research, Deloitte public reports.

(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

Underlying results (AUD)	FY19	FY18	Change
Revenue	\$213.1 m	\$193.9 m	+9.9%
EBITDA	\$27.7 m	\$32.1 m	(13.7)%
EBITDA Margin	13.0%	16.6%	(360) bps
EBIT	\$21.4 m	\$26.2 m	(18.3)%
EBIT Margin	10.0%	13.5%	(347) bps

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
-

Full Year FY19 Financial Summary

Full Year	FY18** (\$m)	Full Year FY19 (\$m)					
	Underlying*	Underlying*	Discontinued Operations	Divestment & Impairment Charges	Restructuring & other one off items	Amortisation of Intangibles	Statutory Results
Revenue	1,446.9	1,664.8	7.7	–	–	–	1,672.5
EBITDA	289.3	352.9	(4.1)	(9.9)	(17.6)	–	321.3
Depreciation & amortisation	(68.0)	(71.8)	(1.5)	–	–	(3.0)	(76.3)
EBIT	221.3	281.1	(5.6)	(9.9)	(17.6)	(3.0)	245.0
Interest expense	(25.8)	(32.0)	–	–	–	–	(32.0)
Tax expense	(51.7)	(67.1)	1.2	3.0	4.7	–	(58.2)
Non-controlling interests	(1.6)	(1.0)	–	–	–	–	(1.0)
NPAT	142.2	181.0	(4.4)	(6.9)	(12.9)	(3.0)	153.8
EPS (basic – cents per share)	28.4	37.1	–	–	–	–	31.6
Dividend (cents per share)	17.0	22.5	–	–	–	–	–

* continuing operations ** restated

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

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.

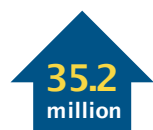
Dividend

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

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 (\$252 m, 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.

Cash Flow



Cash flow (pre CAPEX)



CAPEX

108.9 million = **6.5%** of revenue

SHARES BOUGHT BACK



24.6 million
ON MARKET FY19

EBITDA

CASH CONVERSION[^]



93.7%

Analysis includes both continuing and discontinued operations

[^] Based on statutory EBITDA

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

Acquisitions & Organic Growth Projects

Acquisitions

\$66 m

Felsilab (Italy)

Labfor (Brazil)

LIFE SCIENCES EMEA

LIFE SCIENCES LA

Truesdail (USA)

BioScreen (USA)

LIFE SCIENCES NA

MARSS (Chile)

COMMODITY TRADE & INSPECTION

Organic Growth CAPEX Projects

\$34 m

\$20 m

LIFE SCIENCES

\$10 m

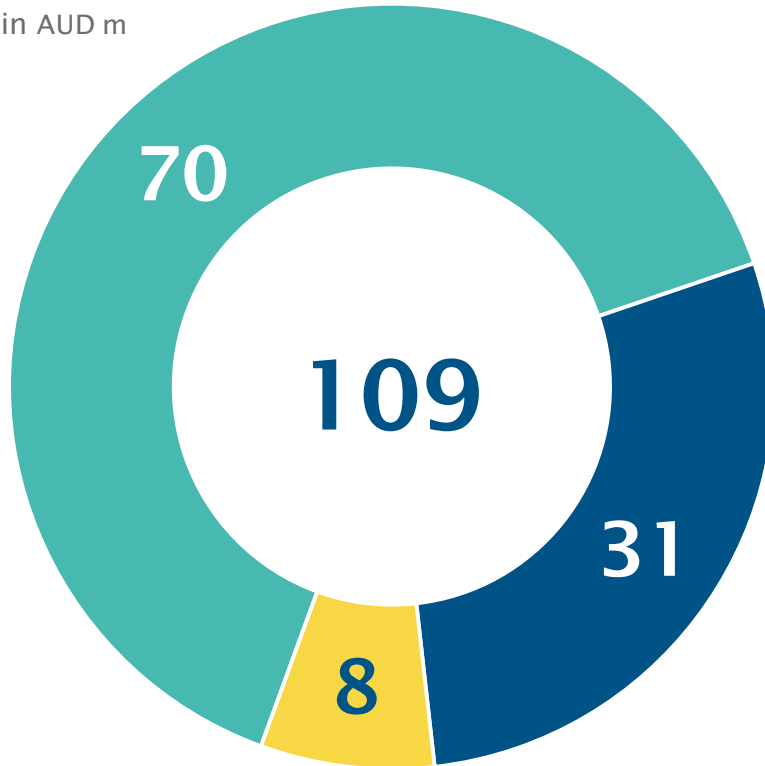
COMMODITIES

\$4 m

INDUSTRIAL

CAPEX by Business

in AUD m



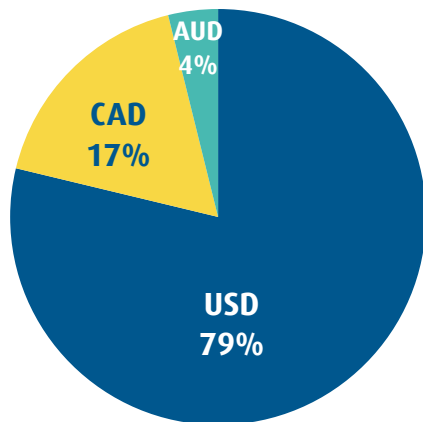
CAPEX as % of Revenue	FY19	FY18
Life Sciences	8.3%	6.5%
Commodities	5.0%	4.0%
Industrial	4.0%	2.9%
TOTAL	6.5%	5.0%

- **Life Sciences** : Green field and growth projects
- **Commodities**: Maintenance and capacity increase
- **Industrial**: Automation, expansion to new geographies and services

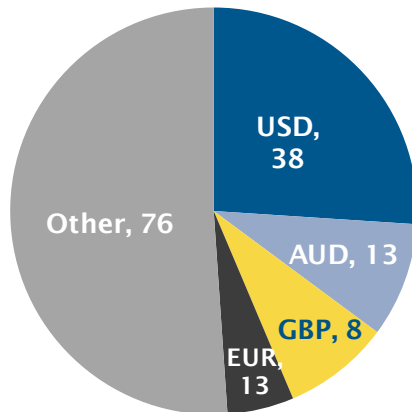
Debt Metrics

	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19
STATISTICS					
Gearing Ratio (comfort 45%)	38%	27%	29%	31%	36%
Leverage (net debt/ EBITDA; max 3.00)	2.5	1.7	1.9	1.7	1.8
EBITDA interest cover (min 3.75)	9.1	7.7	9.2	11.3	10.9
BALANCE SHEET MEASURES					
Total Equity (AUD m)	1,228	1,186	1,185	1,122	1,103
Net Debt (AUD m)	762	438	485	507	629

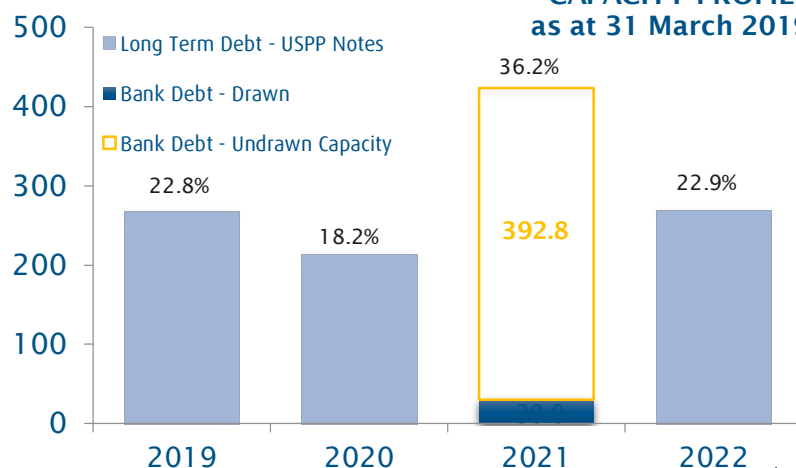
Debt Denomination



Cash Holdings AUD m



AUD m



Sustainability Program. 2018-19 Achievements

People



Health & Safety

Safety is a Priority

Diversity & equality

Respecting differences

Training & development

Investing in talent development

Innovation and Technology

Embracing innovation and technology

Human rights

Worker's rights upheld

- ✓ New Executive Development sessions delivered
- ✓ Equal Pay Pledge
- ✓ Improved employee satisfaction survey results
- ✓ 55% new female professional hires
- ✓ Record low injury rates

Environment



Operational Environmental Performance

Mitigation of environmental emissions

Energy management

The pursuit of energy efficiency

Waste reduction

Reduce, reuse, recycle

Water conservation

Managing a scarce resource

Climate Change

Managing and reducing our CO₂ emissions

- ✓ Paper and cardboard recycling improved
- ✓ Extensive LED lighting program rolled out
- ✓ No uncontrolled releases
- ✓ 18 t more glass recycled than last year
- ✓ 2021 energy intensity reduction target on track

Society



Economic Contributions

Supporting local stakeholders

Local investment

Enriching our communities

Employment creation

Creating jobs in the local community

- ✓ University student programs continued
- ✓ ALS Cares framework established
- ✓ Support for 4 key charities
- ✓ AUD\$1.7 b Economic contribution
- ✓ Over 1200 additional employees

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

- ✓ Key supplier desktop assessments completed
- ✓ Privacy Program revised
- ✓ New Tax Policy released
- ✓ New M&A Program developed



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