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Raj Naran
CEO & Managing Director
ALS Limited

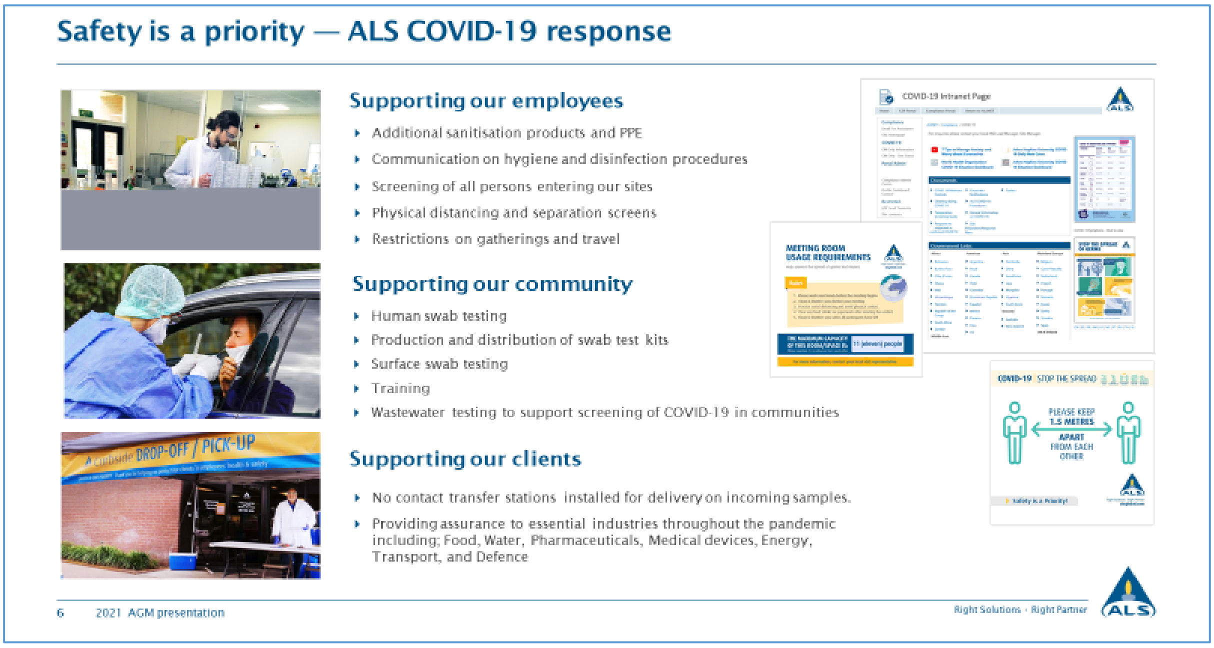
Annual General Meeting
10:00am on 28 July 2021

Thank you, Mr Chairman.

Good morning.

I would like to reiterate Bruce's welcome to our shareholders, investors and staff. I appreciate you joining us in this format today and I am pleased to have the opportunity to update you on the performance of the business and look to the future.

Safety of our people – ALS pandemic response



Our people are our most important resource, and their safety has been our key priority throughout the pandemic. We swiftly implemented protective measures including physical distancing and separation screens in our laboratories as well as additional sanitation and disinfection procedures and the provision of PPE for all our employees. This allowed us to keep our employees safe while providing an essential service to our clients.

Despite the strong COVID controls in place across our business, our overall safety performance this year was mixed. We saw our Total Recordable Injury Frequency Rate and Lost Time Injury Rate increase to 1.98 and 1.01 respectively, any increase in these measures is a disappointing outcome. However, we are still seeing a positive long-term trend with our Total Recordable Injury Frequency Rate falling by 26% compared to our FY18 baseline.

Managing the pandemic

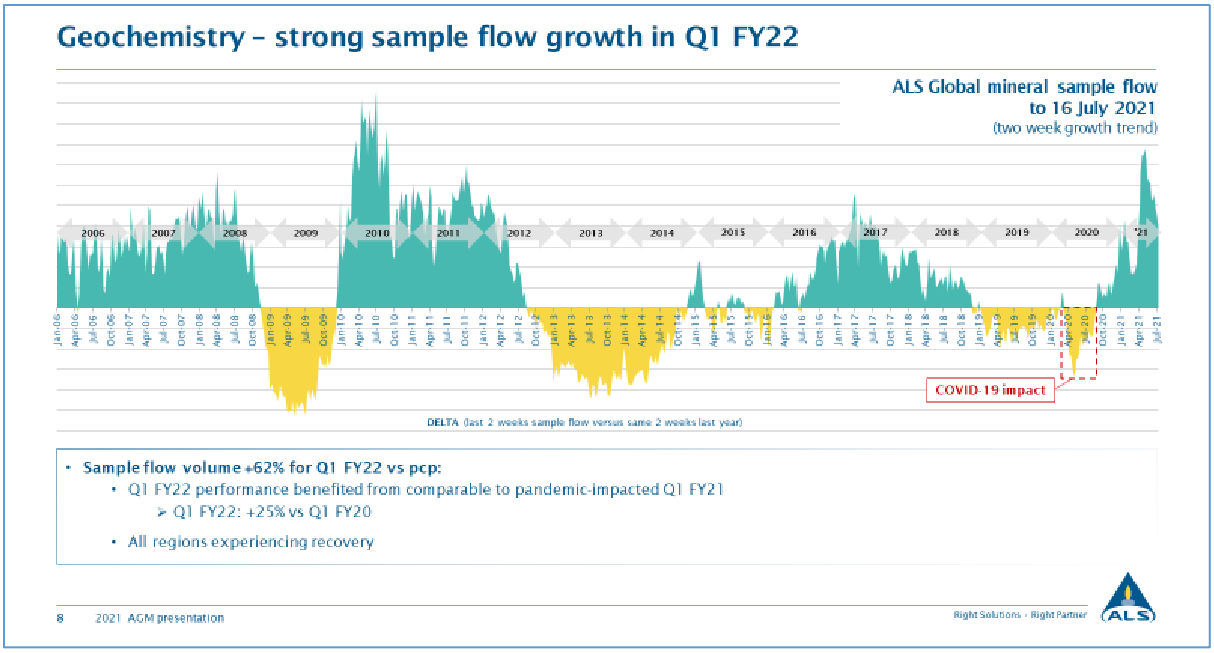
As Bruce outlined, our impressive FY21 financial performance was due to swift action to prepare the Group to withstand the pandemic. This included leveraging our unique ‘hub and spoke’ model to align our cost base to client demand which has also allowed us to capture growth opportunities as the global economy recovers. Our balance sheet was further strengthened following the refinancing of our short-term bank facilities and long-term US Private Placement debt resulting in our weighted average debt maturity profile extending from 4.9 years to 6.6 years at the end of FY21. This places us in a very strong position to continue to progress our strategic objectives in the years ahead.

FY21 performance

I will now speak in more detail about our FY21 performance. This was a very strong result given the impact of the ongoing global pandemic. We were most impacted in the first half of the financial year with a strong recovery in the second half as the global economy improved. Despite the pandemic, our revenue for the year was near-flat on a constant currency basis and we delivered EBITDA margin expansion across all our three major divisions on a full year basis.

Looking at each division individually - **Life Sciences** delivered total revenue of $930 million, down 3% compared to the prior year. The division achieved margin expansion of 72 basis points compared to the previous year, an extremely impressive performance in the circumstances, driven by efficiency gains and the flexibility of our business model.

We saw a 3.9% increase in acquisition growth driven by a strong performance from recent acquisitions ARJ and Aquimisa with an initial contribution from Investiga which was acquired late in the financial year. I will speak in more detail about our acquisition strategy and performance shortly.

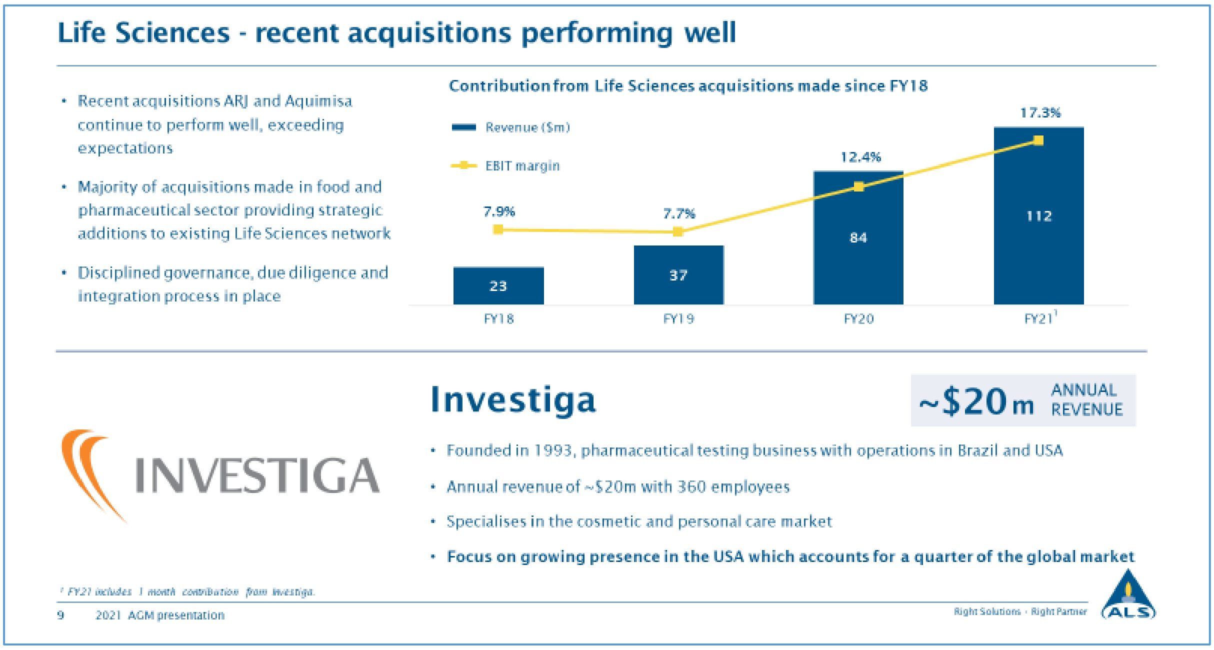


Our **Commodities** division made a strong recovery in the second half of the year as mining activity increased following a strengthening in commodities prices. Geochemistry recorded a 19% increase in sample volumes for the year with a particularly strong fourth quarter increase of 27% compared to the prior corresponding period. All regions experienced a recovery as both major miners and juniors, who benefited from a strong equity raising market, increased their volumes.

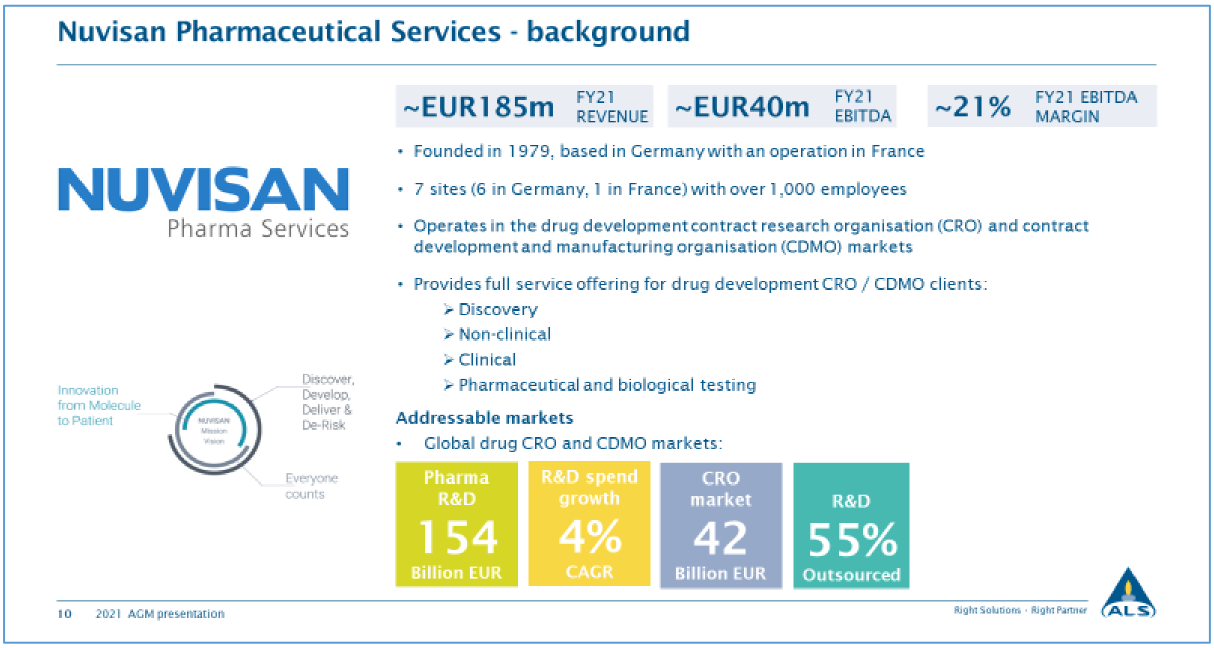
The **Industrial** business had a difficult year, delivering an 18% revenue decrease compared to last year. This is primarily driven by the Asset Care business as our end markets continued to be significantly impacted by the pandemic with clients delaying maintenance spend and state border closures within Australia creating mobility challenges for our people.

Strong performance from acquisitions

Our acquisition strategy is to identify acquisitions in our key markets to build our geographic footprint and expand our service offering, particularly in the high margin food and pharmaceutical markets. We remain focused on fully integrating these acquired businesses as quickly as possible, and the success of this strategy is demonstrated by the strong performance of our recent acquisitions.

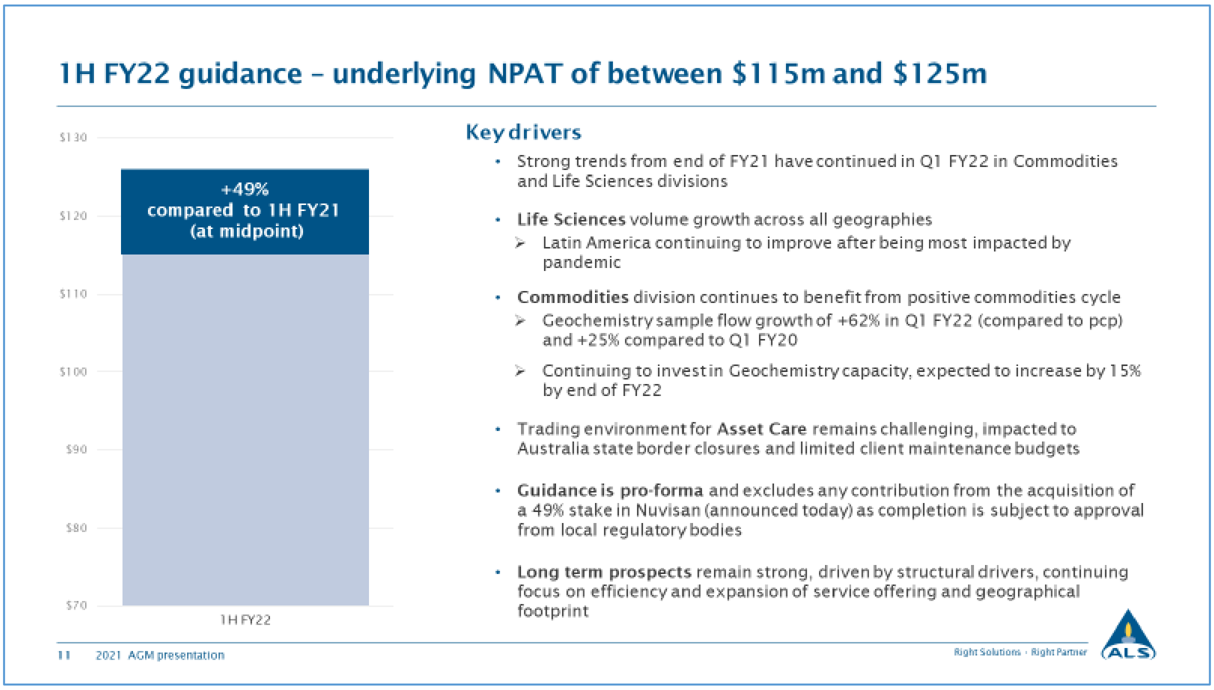


Since FY18 our acquisitions have made an excellent contribution to the Group, delivering $112 million in revenue at an accretive EBIT margin of 17.3% in FY21 alone. Our most recent acquisition, Investiga, aligns with our strategy by expanding our pharmaceutical offering in Latin America and the USA.



Today we are pleased to announce the acquisition of a 49% stake in Nuvisan, a European based pharmaceutical testing business. This is a highly strategic acquisition for us as this significantly increases our European presence and expands our service offering in the high-margin research and development testing market. As I have just discussed, we have an excellent track record of integrating acquired companies into our existing Life Sciences network we look forward to having Nuvisan as part of the ALS family.

Outlook and guidance



As Bruce said, we are pleased to provide guidance for the first half of FY22 of underlying NPAT between $115 million and $125 million, which at the midpoint, represents an increase of 49% compared to the prior corresponding period. This reflects the strong start to FY22 that we are seeing across our Life Sciences and Commodities divisions as volumes continue to improve as global activity increases.

Life Sciences has seen volume growth across all geographies with Latin America in particular, continuing to improve after being most impacted by the pandemic. We continue to invest in programs to improve efficiencies and drive margin accretion, where we expect to drive an increase of approximately 30 basis points for FY22.

Commodities continues to benefit from the positive cycle with Geochemistry sample volume growth of 62% for Q1 of FY22, compared to the prior corresponding period. It is worth noting that the comparable period was heavily impacted by the pandemic but sample volume growth of 25% compared to Q1 of FY20 still demonstrates a strong increase in activity. We are continuing our investment in capacity which we expect to grow by approximately 15% by the end of FY22.

In the Industrial division, the trading environment for Asset Care remains similar to last year, with limited maintenance budgets and project scopes while tribology is seeing a modest improvement in performance.

This guidance is presented on a pro-forma basis and excludes the announced acquisition of a 49% stake in Nuvisan given that completion is subject to local regulatory approval.

The long-term prospects for the Group remain strong, driven by structural drivers and our continued focus on efficiency and expanding our geographical footprint and service offering. While the risk of new economic shutdowns remains while the pandemic persists, our diversified and flexible business model leaves us well-placed to face any new challenges.

Conclusion

In summary, our FY21 performance was very strong given the circumstances as the management team acted quickly to position the Group to withstand the pandemic. We achieved this due to our ongoing focus on the safety of our people and leveraging our flexible business model, and we are now able to capitalise on the growth opportunities that we are currently seeing.

I would like to thank our hardworking and dedicated team of employees all around the world for their commitment, resilience and dedication during these challenging times. I would also like to sincerely thank the Chairman and the Board of Directors for their guidance and counsel, and my family for their continued support.

Finally, thank you to you, our shareholders, for your ongoing support. We remain focused on our goals of ensuring no harm to our people, supporting the communities in which we operate and delivering value to our shareholders.

Thank you.

I will now hand the meeting back to our Chairman to conduct the formalities of the meeting.