

Bruce Phillips

Chairman

ALS Limited ACN 009 657 489

Annual General Meeting

10:00am on 23 August 2022

Ladies & gentlemen,

Whilst the world continues to emerge from the profound impacts of the pandemic over the last few years, our primary focus has, and will always be, on the safety and health of our employees and the communities in which we operate. It has been very rewarding for the board to work with the management team to navigate the business through these extraordinary times, and see us emerge from the pandemic in an even stronger position.

Exceeded our 5-year strategic plan (FY17-22)			
Targets:		Achievements:	
✓ Zero harm to our people		43% improvement in injury frequency rates vs FY17	
✓ \$2 billion in revenue Mid-single digit organic growth		\$2.2 billion +73% vs FY17	9.7% 5-year Organic CAGR
✓ \$400 million in underlying EBIT		\$409 million +113% vs FY17	18.8% margin +350 bps vs FY17
✓ Strong cash conversion Solid return on invested capital		>90% cash conversion (FY17-22)	20.1% ROCE +782 bps vs FY17
✓ Earnings per share improvement Solid investors returns		+135% EPS 18.6% CAGR since FY17	131.2% TSR Cumulative return since FY17
right solutions. right partner.		© Copyright 2022 ALS Limited 8	

FY22 saw our increasingly global enterprise deliver a record year. Revenue was up 18% to A\$2.2 billion, Underlying NPAT and dividends were up 42% to A\$264 million and 32.8 cps respectively, and the share price rose 36%.

These results reflect the continued improvement of Life Sciences sample volumes, and the on-going strength of volumes and prices achieved in the Commodities division; all of which was achieved despite global supply chain disruptions, inflationary headwinds and labour shortages.

FY22 also marked the successful completion of our most recent five-year strategic plan. Despite the challenges and impacts from the pandemic, all targets were met, which highlights the strength and resilience of our business model, and the capability of our management team to execute on strategy. Of particular note was the delivery of revenue growth of 73% and underlying EBIT growth of 113%.

New 5-year strategic plan

Our new five year financial targets



- Increase revenue**
 - Total FY27 revenues of \$3.3B, +50% (FY22 \$2.2B)
- Improve profitability**
 - Total FY27 EBIT of \$0.6B, +55% (FY22 \$0.4B)
 - Group margin above 19%
- Improve total shareholder returns**
 - Cash conversion >90%
 - Continued improvement in ROCE, >20%

right solutions. right partner.

© Copyright 2022 | ALS Limited 9

Today we announce a refreshed 5-year strategy that again plans for strong business growth, which is the next step in our evolution to becoming a global leader in the discipline of scientific analysis in pursuit of a better world for all.

We have continued the trend of establishing aspirational, yet achievable financial targets. Our aspirations are to grow annual revenue by 50% to \$3.3 billion, grow underlying EBIT to \$0.6 billion, and maintain a minimum margin of above 19%.


Revenue growth, both organic and through acquisitions, will continue to be driven by our Life Sciences division. The portfolio mix will rebalance, with increasing contribution from Life Sciences, and focus of capital and resources on core businesses. Our geochemistry leadership position remains important, and the opportunities from the emergence of digitalisation and data are to be captured by our businesses.

Our strong cash generation profile will see us maintain a conversion of greater than 90%, supporting our growth and shareholder return objectives.

CEO Raj Naran will provide further insight into the refreshed strategic plan today, and more detail at our investor day in September.

Capital management and dividend

Disciplined and efficient capital management



Balance Sheet	<ul style="list-style-type: none"> • Strong Group liquidity of \$432m and balance sheet flexibility enabling pursuit of acquisitions and funding of organic growth • Solid leverage ratio (1.9x as at March 2022) and improved EBITDA interest cover (15.3x as at March 2022) • New 10-year multi-currency USPP aligns the total debt to Group's cashflow and net assets currency's profile (significantly reducing FX risk), and extends the weighted maturity of the debt to 6.9 years (post funding in July 2022)
Cash flow	<ul style="list-style-type: none"> • Strong underlying EBITDA cash conversion at 93%, despite working capital requirement to fund high organic growth • DSO achieved record lows at 49 days • Continued to focus on Bid to Cash (B2C) process improvements
Acquisitions	<ul style="list-style-type: none"> • Disciplined acquisition strategy focused on accretive acquisitions, primarily in food and pharmaceutical markets • Focus on opportunities that fit with existing capabilities or attractive adjacent markets
Dividend	<ul style="list-style-type: none"> • Final dividend of 17.0 cps (30% franked) compared to 14.6 cps in FY21 • FY22 total dividend of 32.8 cps, an increase of 9.7 cps (42%) compared to FY21 representing a payout ratio of 60% of FY22 underlying NPAT, reflecting strong current trading conditions and liquidity position

right solutions. right partner.
© Copyright 2022 | ALS Limited
10

Our approach to capital management has not changed. We continue to target a strong balance sheet; with priority for investment in organic growth, accretive acquisition opportunities, and dividend payments, with any excess capital to be returned to shareholders, predominantly via share buy-backs.


While our net debt increased by \$270 million in FY22, it was used to fund growth investments in new business acquisitions such as our 49% stake in Nuvisan, and Minanalytical; and overall higher capex targeting increased capacity and renewable energy projects. The Group closed FY22 with a leverage ratio of 1.9x, up from 1.6x last year, but well within our target gearing parameters and debt covenant thresholds.

During the year, the business successfully placed new long-term US Private Placement debt totaling \$269 million at relatively low fixed interest rates. Funding took place last month. The proceeds have been applied to refinance maturing debt facilities, resulting in an increase in the weighted average debt maturity for the Group of 6.9 years.

The strength of the balance sheet and performance of the business gave the Board confidence to declare a final dividend of 17.0 cps, partly franked to 30%. Added to the half year dividend of 15.8 cps, this represents a total annual dividend of 32.8 cps, a 42% increase over FY21 and an overall payout ratio of 60% of FY22 underlying NPAT.

Sustainability and our ESG vision

Sustainability – carbon neutrality in FY23



FY23 Targets

- Achieve carbon neutrality¹ in FY23
- Achieve a 6% reduction in carbon intensity²
- >90% renewable electricity across ALS global operations

Longer Term Targets

- Achieve 40% reduction in carbon intensity² by 2030
- During 2023, develop a roadmap to achieve net zero carbon emissions

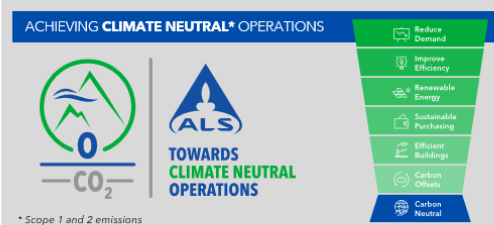
Our Green Bonds Commitment

In FY22, we executed green bonds under a new USPP funding arrangement, committing \$30m to complete our projects to tackle climate change. Project categories include:

- Green Buildings - Investments related to new buildings or refurbishment of laboratories that have received or are expected to receive third-party sustainability certifications or verification
- Renewable Energy - Investments related to on-site or off-site renewable energy sources; or purchase of renewable energy through energy attribute certificates
- Energy Efficiency - Investments related to design, construction, operation, and maintenance of energy-efficient systems
- Clean Transportation - Investments in electric transportation, including investments in infrastructure for operation of electric vehicles (EV)

¹ Scope 1 and scope 2 emissions
² Scope 1 and 2 emissions per mAUD revenue on a FY2020 baseline

ACHIEVING CLIMATE NEUTRAL* OPERATIONS



* Scope 1 and 2 emissions

right solutions. right partner.

© Copyright 2022 | ALS Limited 11

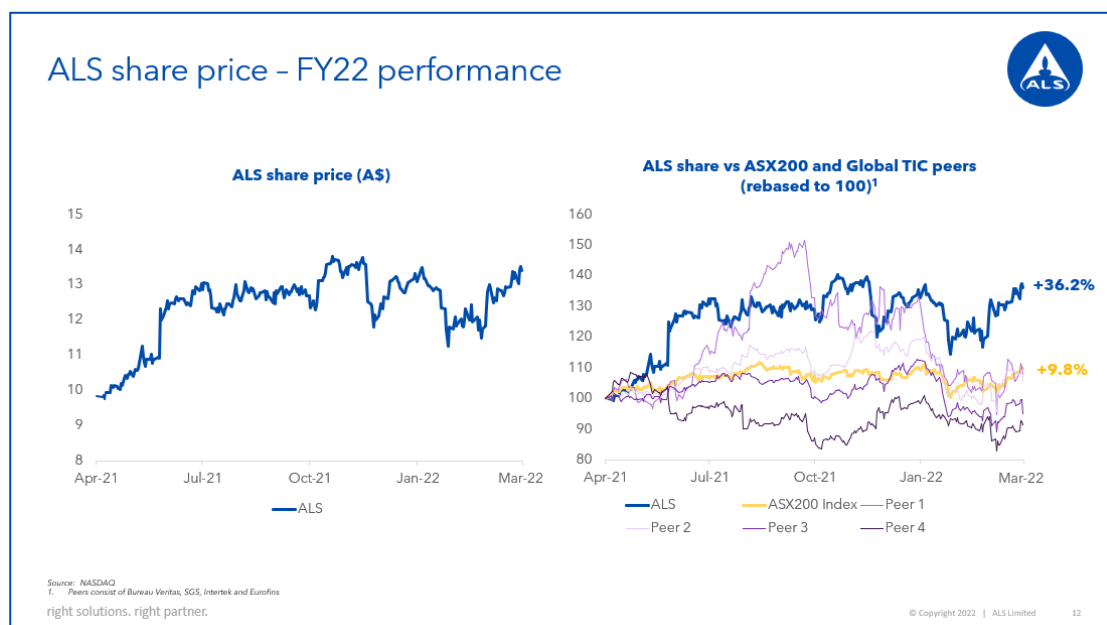
Sustainability is core to our business. Last month we published the latest edition of our acclaimed Sustainability Report which sets out our ESG vision and FY22 achievements. Our vision is focused on minimising any adverse impact on the environment and society from our operations, as well as upholding the highest standards of governance. We have added a fourth sustainability pillar to ESG which is 'People', aligning with our core values of 'people development' and 'safety is a priority'. People are the core of our business and these values have never been more relevant than in the current global environment.

During the year, the Group achieved a 15% reduction in carbon intensity which is a significant step to meeting its long-term emission reduction target of 40% in carbon intensity for scope 1 and 2 emissions by 2030. This was achieved through investments in new solar PV systems, increased use of electric and hybrid vehicles across our fleet, replacing more than 6,600 conventional lights with LEDs, and purchasing >25% of our electricity needs from renewable sources.

A commitment to a sustainable future for ALS operations is of paramount importance to all our stakeholders. We acknowledge our responsibility and role in participating in a more sustainable future, and as such have committed to be carbon neutral for our scope 1 and 2 emissions from FY23 onwards. We are also developing a roadmap that will see the business achieve net zero carbon emissions which will be released later this financial year.

Also, as committed at last year's AGM, the Company repaid all government subsidies received during the early stages of the global pandemic, demonstrating one of our key sustainability objectives of supporting the communities in which we operate.

Remuneration



Turning now to remuneration.

Your board strives to deliver a balanced and measured set of remuneration outcomes that align with the culture, strategy and performance of the business, and the contribution of our global executives.

As a result of the record performance against financial, strategic and ESG KPIs, FY 22 STI vesting outcomes for our key executives ranged between 90 to 100% of maximum opportunity. Outperformance against financial targets, strong cash and debt management, excellent safety and sustainability outcomes, and consistent progress against key non-financial strategic objectives drove this deserved outcome.

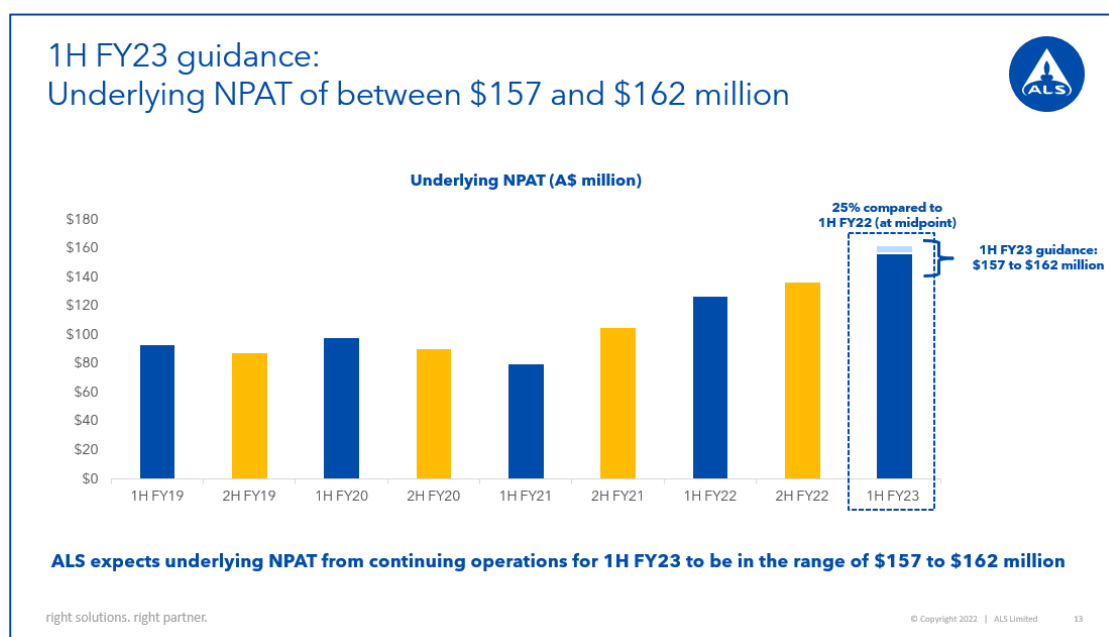
Due to the sustained performance against each of the four performance hurdles over the last three-year period, the 2019 LTI Awards vested at 100%. Achievement of this result reflects a balanced and consistently strong performance against absolute (EPS & ROCE) measures, and relative (TSR & EBITDA margin) measures.

Looking forward, as a result of the increased scope of KMP roles as the business further moves to a globally aligned structure, and in recognition of continued market demand for senior executives in the industry internationally, and in particular following external benchmarking across relevant industry and geographic peers, the Board has approved the following changes to our KMP remuneration framework commencing in FY23:

1. For the CEO, no fixed remuneration increase, but an increase in STI opportunity from 60 to 70% at target and an increase in the LTI opportunity from 100 to 150%;
2. For other executive KMP, an increase in fixed remuneration ranging from 3 to 15%, an increase in LTI opportunity from 60 to 110%, but no change to the STI opportunity which remains 60% at target.

The Board believes that these changes align executives with shareholders by rewarding long-term value creation whilst providing market aligned incentives to retain our talented management team. We will continue to review both STI and LTI targets to ensure they remain challenging, and are aligned with strategic objectives.

The Non-Executive Director fees have also been increased by 5% for FY23, noting that fees have remained fixed since 2019. As a result of the increased complexity of our global business, and associated workloads of directors, the Board will be increased in size by one director from FY23. In conjunction with appropriate overlapping of non-executive directors associated with board succession plans, we are seeking shareholder approval at this meeting to increase the fee cap pool from \$1.65 million to \$1.90 million.



1H FY23 Guidance

In terms of financial guidance, today we are returning to our tradition of providing first half guidance at the AGM. On the basis of no significant deterioration in trading conditions, we expect to deliver underlying NPAT of between \$157m and \$162m in the first half of FY23, an increase of 20% compared to \$127.1 million in the prior corresponding period, albeit this was during the pandemic.

Raj will provide more commentary regarding this guidance and the business outlook in his presentation.

Conclusion

Finally, I wish to say thank you to my Board colleagues for their guidance and support during what was a very busy year. I'm sure you will also join with me in thanking the management team, and indeed all the talented and dedicated people across our business, for their hard work and dedication during difficult times.

Most importantly I wish to thank you, our shareholders, for your continued loyalty and support.

I will now hand over to Raj who will provide further detail on the FY22 operational performance, more on the outlook for the first half of FY23, and expand on the new 5 year strategy for the Group.

Thank you.