



First Half Results FY2017 Investor Presentation

29th November 2016

All figures stated in AUD unless otherwise stated

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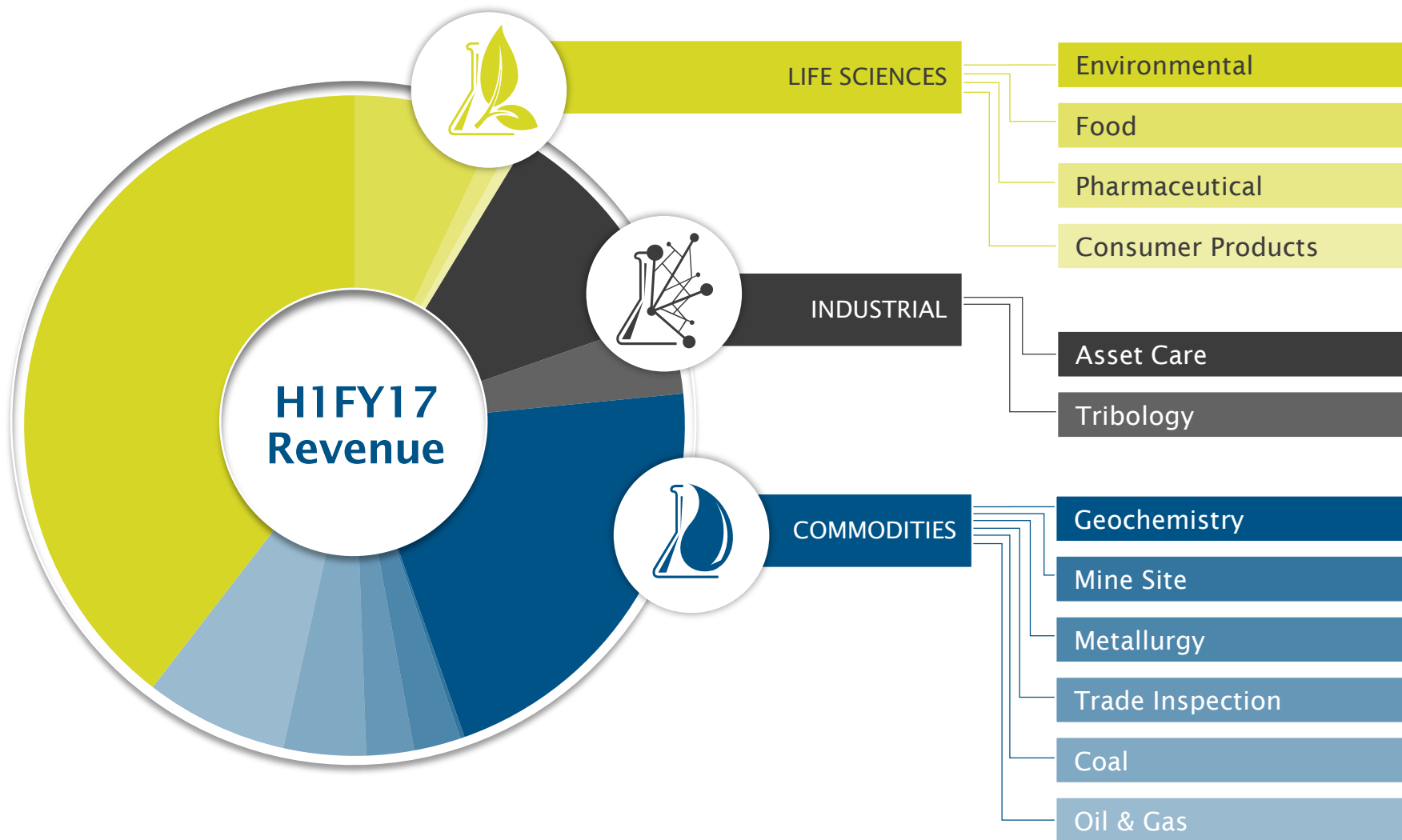


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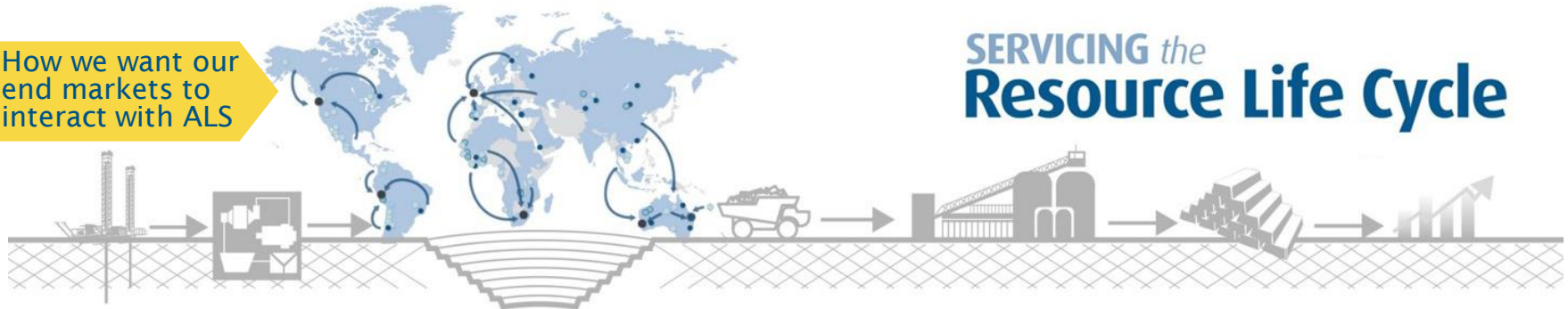
ALS Business Streams



One ALS – example of end market business focus



How we want our end markets to interact with ALS



DATA AND QUALITY MANAGEMENT

LIMS | OpenLab™

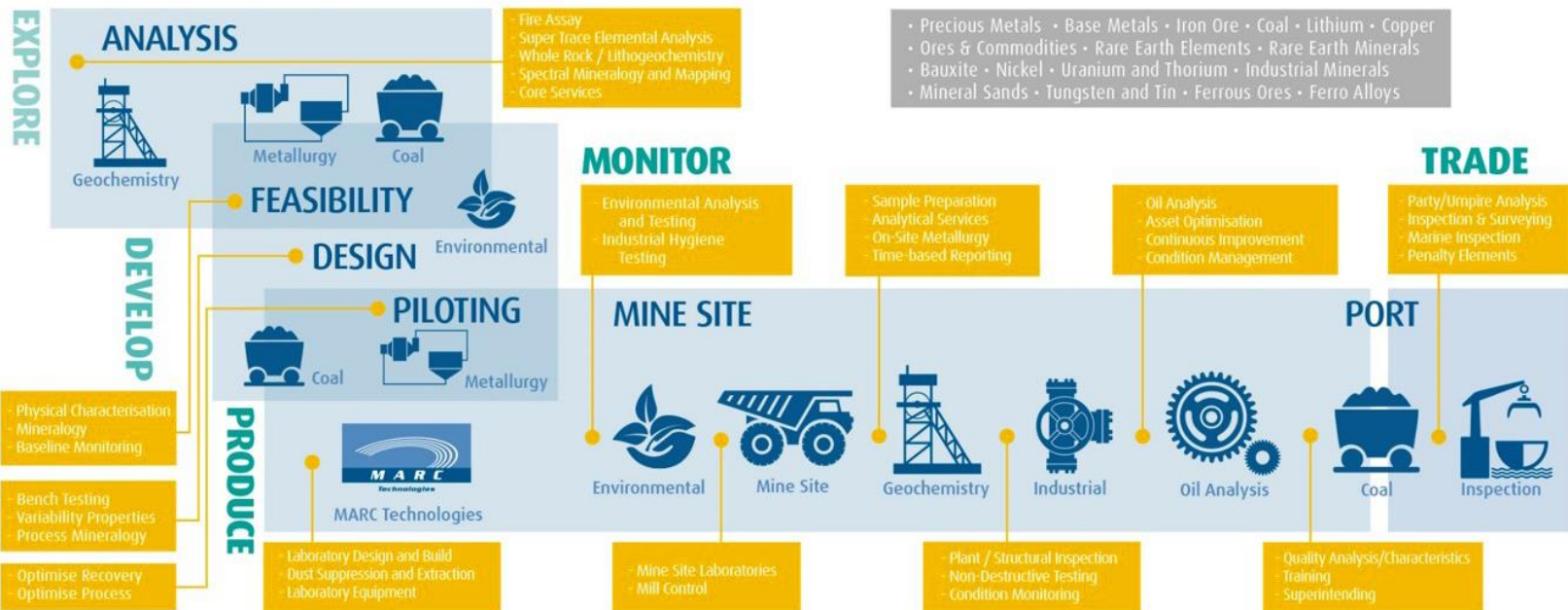
Inventory & Warehousing



CLIENTS

ALS Webtrieve™ | ALS CoreViewer™

- Precious Metals • Base Metals • Iron Ore • Coal • Lithium • Copper
- Ores & Commodities • Rare Earth Elements • Rare Earth Minerals
- Bauxite • Nickel • Uranium and Thorium • Industrial Minerals
- Mineral Sands • Tungsten and Tin • Ferrous Ores • Ferro Alloys



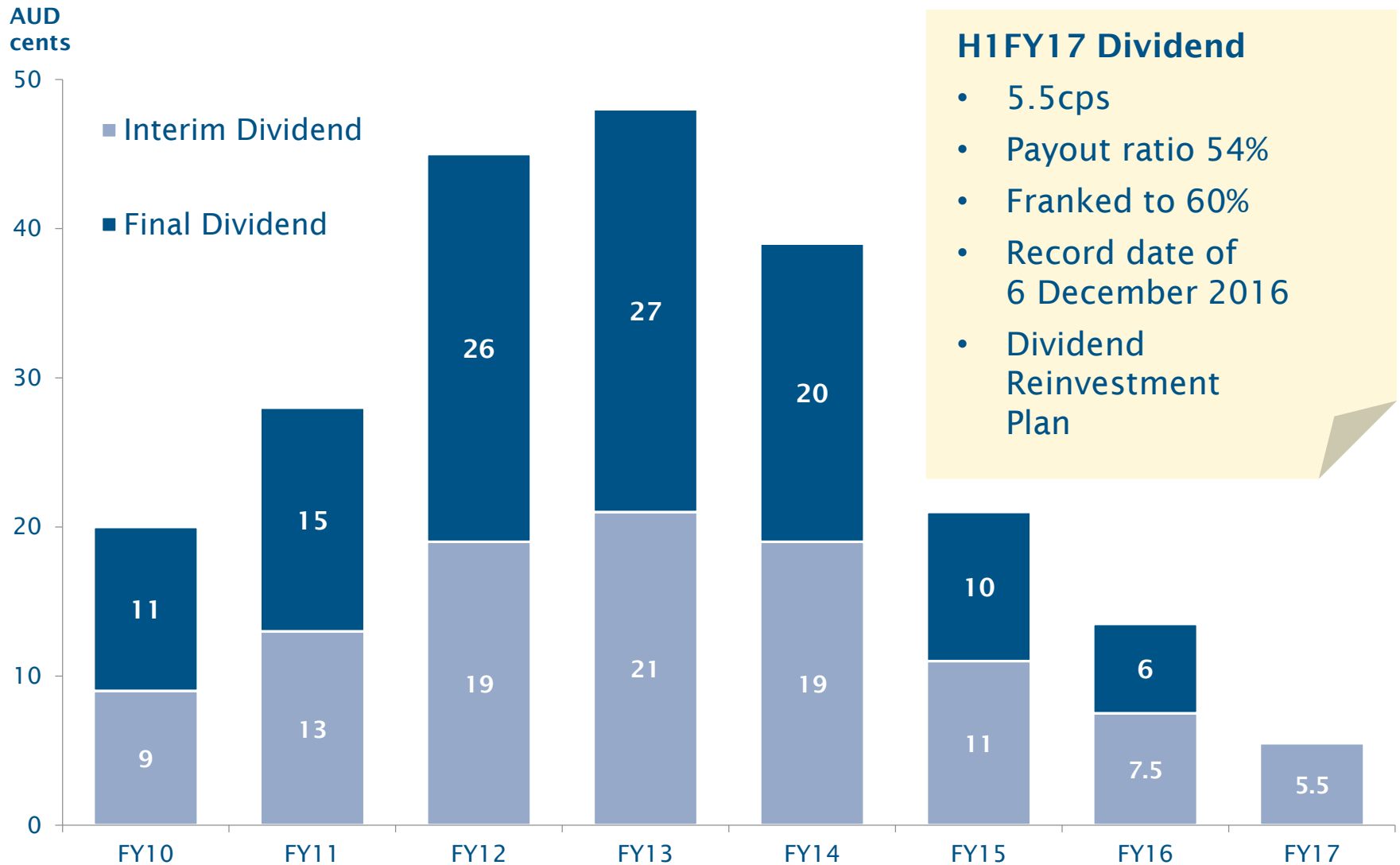
H1 FY17 Financial Summary



Half year	H1FY16 (\$mn)	Half Year FY17 (\$mn)				
	Underlying	Underlying	Impairment Charges	Restructuring & other one off items	Amortisation of Intangibles	Statutory Results
Revenue	712.1	672.0	-	-	-	672.0
EBITDA	150.4	127.1	-	(2.9)	-	124.2
Depreciation & amortisation	(43.8)	(39.4)	-	-	(0.7)	(40.1)
EBIT	106.6	87.7	-	(2.9)	(0.7)	84.1
Interest expense	(17.2)	(14.1)	-	-	-	(14.1)
Tax expense	(26.2)	(21.9)	-	0.9	-	(21.0)
Non-controlling interests	(1.3)	(0.3)	-	-	-	(0.3)
NPAT	61.9	51.4	-	(2.0)	(0.7)	48.7
EPS (basic – cents per share)	15.2	10.2	-	-	-	9.7
Dividend (cents per share)	7.5	5.5	-	-	-	5.5



Interim H1FY17 Dividend

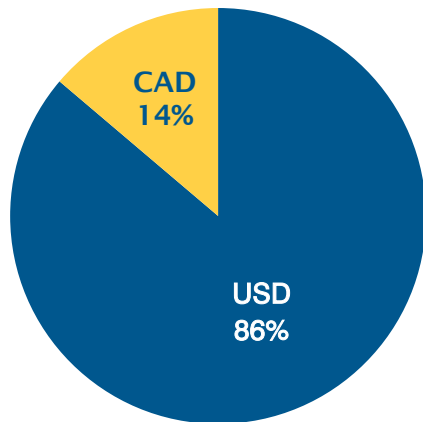




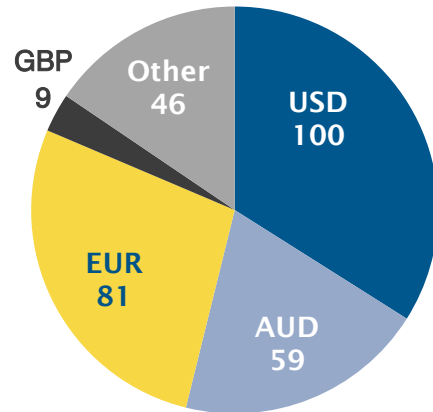
Debt Metrics

	Sep-14	Mar-15	Sep-15	Mar-16	Sep-16
STATISTICS					
Leverage (net debt/ EBITDA; max 3.00)	2.7	2.5	2.7	1.7	1.8
EBITDA interest cover (min 3.75)	8.8	9.1	9.1	7.7	7.7
BALANCE SHEET MEASURES					
Total Equity (AUD mn)	1445	1228	1254	1186	1189
Net Debt (AUD mn)	787	762	833	438	434

Debt Denomination

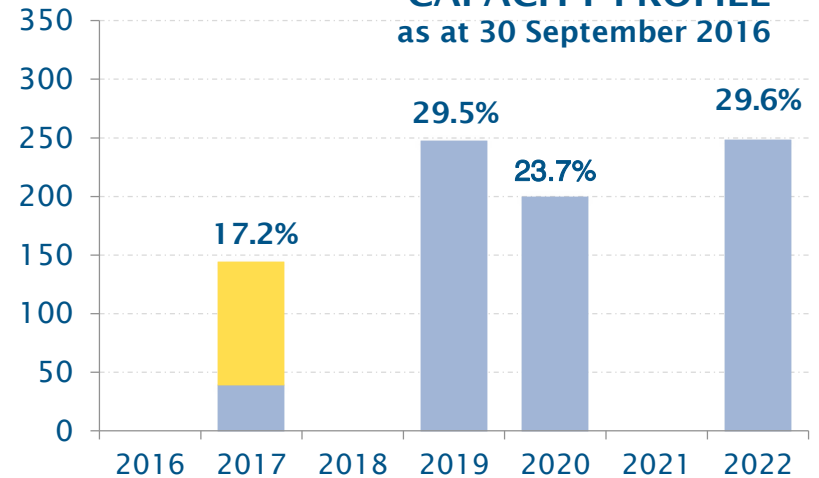


Cash Holdings AUD\$m



AUD\$ million

DEBT MATURITY & CAPACITY PROFILE
as at 30 September 2016



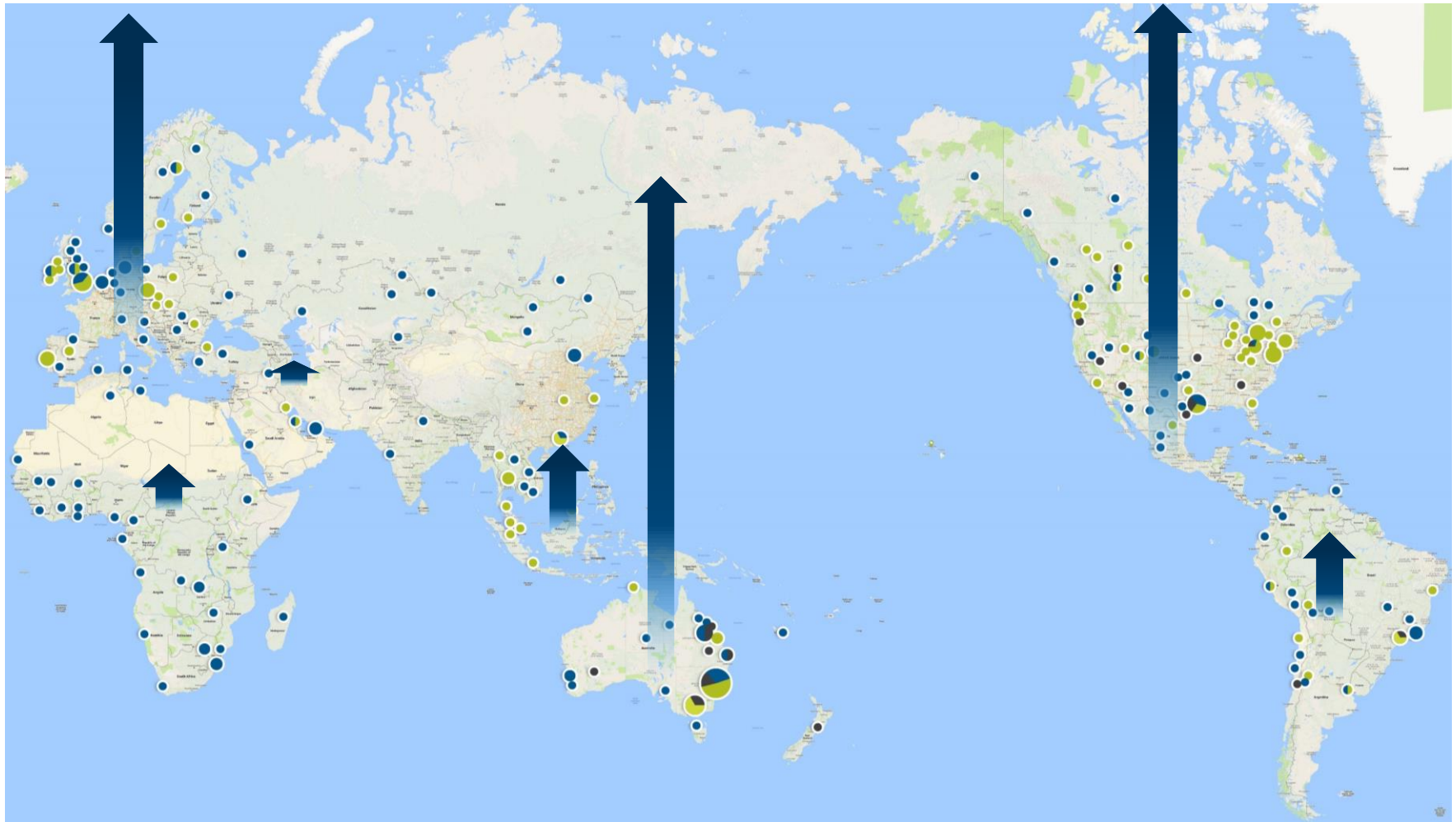
Cash Flow



Half year	H1FY16 AUD mn	H1FY17 AUD mn
Underlying operating profit (EBIT)	106.6	87.7
Depreciation & Amortisation	43.8	39.4
Working capital	(33.7)	(10.2)
CAPEX	(36.9)	(28.3)
Other ⁽¹⁾	2.7	3.4
Free cash flow	82.5	92.0
Acquisitions	(8.3)	(20.9)
Dividends paid	(41.3)	(30.2)
Borrowings - movement	-	-
Equity Issued	-	-
Interest and Tax	(41.6)	(34.8)
Restructuring costs	(3.5)	(2.9)
Net increase/(decrease) in cash	(12.2)	3.2
Opening net cash	162.9	297.9
Effect of FX on cash held	4.8	(2.2)
Closing net cash	155.5	298.9

¹ divestments and sale of assets

ALS global locations – a strategic asset



● Life Sciences ● Industrial ● Commodities

↑ REVENUE



Acquisition pipeline

15 potential acquisitions in exclusivity and due diligence expected to be completed between October 2016 and April 2017.

Total investment \$122 mn to generate \$130 mn in revenue and \$19 mn in EBITDA in first year post integration.



Turkey
Poland • Brazil
Spain • Italy
USA • UK

Brazil
USA

Italy
UK

FOOD

TRIBOLOGY

ENVIRONMENTAL/
WATER

OVERVIEW

Environmental

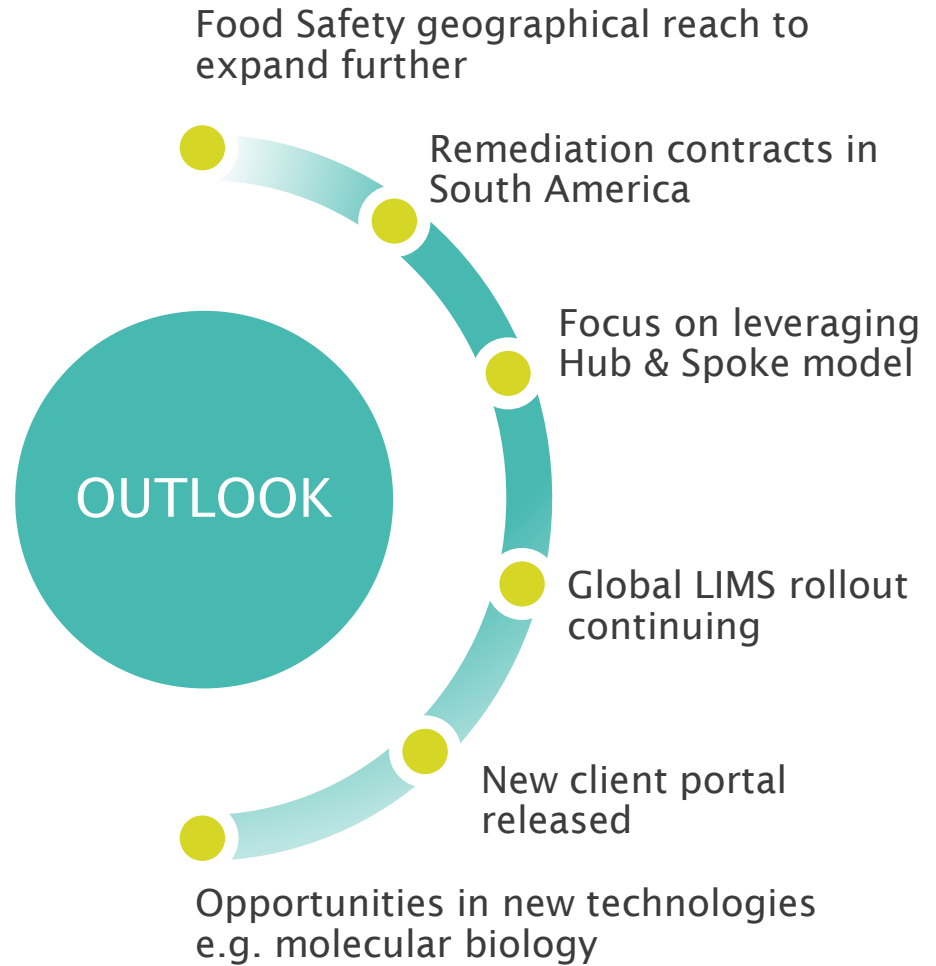
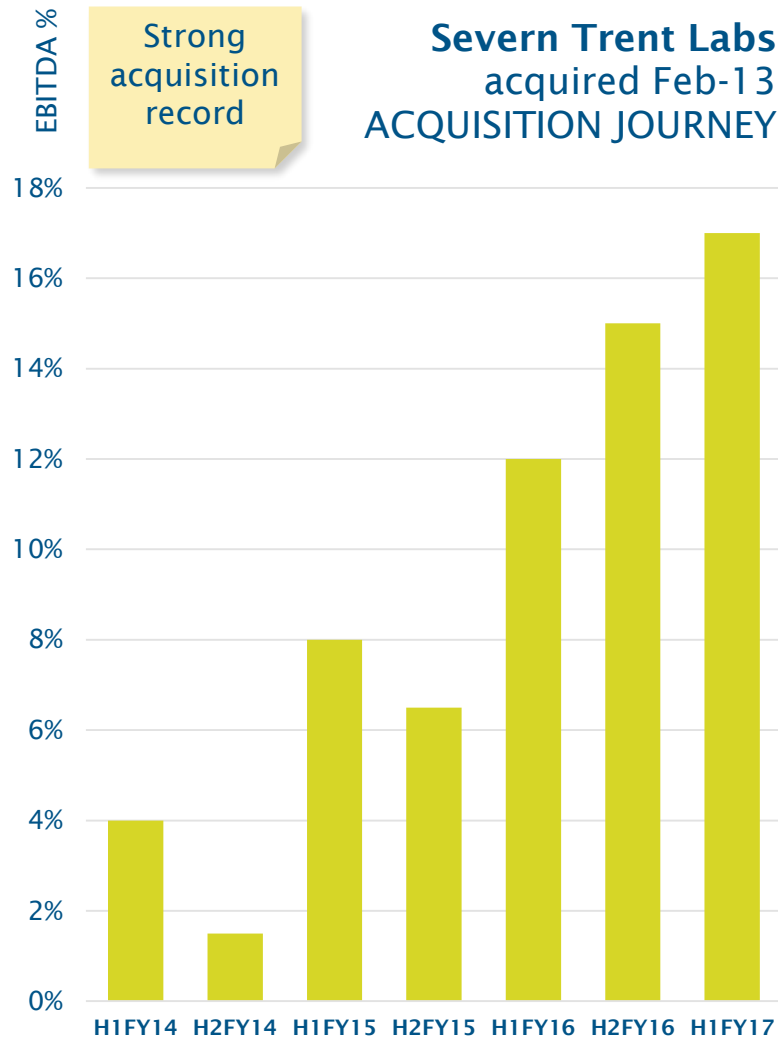
- Revenue growth (in AUD)
 - Asia (+17%),
 - Australia (+4%),
 - Europe (+4%),
 - Middle East (+23%),
 - North America (-2%),
 - South America (-13%)
- Margin improvement in Asia, Australia and Middle East
- USA improved revenue and margin (+221 bps)
- Canada and South America underperforming but coming right

Food

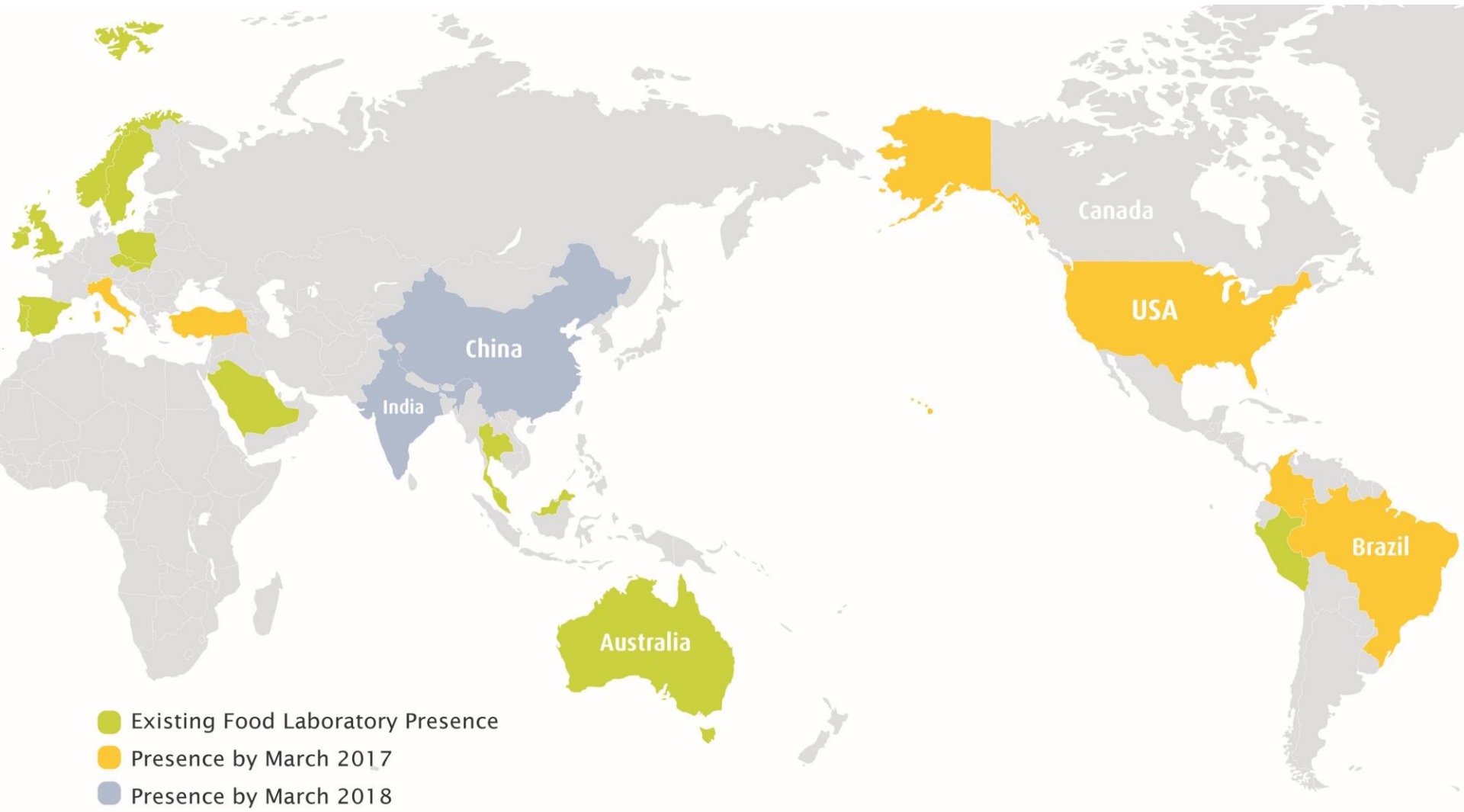
- Achieved revenue growth of 9% pcp
- Influenced by UK impact of weaker British Pound*
 - UK growth 17% expressed in GBP versus 2% expressed in AUD

	Underlying results (AUD)	H1 FY17	H1 FY16	Change
	Revenue	\$321mn	\$318mn	+1%
	EBITDA	\$73mn	\$76mn	-5%
	EBIT Margin	17.3%	18.5%	-120 bps
	EBIT	\$56mn	\$59mn	-5%

Life Sciences Business Streams



Food Strategy – the journey continues



OVERVIEW

Geochemistry

- Sample volumes up 13% pcp
- Contribution margin 23.2% versus 21.2% pcp
- Mine Site contracts Revenue +13% pcp EBIT margin >26%

Metallurgy

- Revenue down 34% pcp
- Marginally profitable
- Pricing and volume pressure

Inspection

- Impacted by weaker GBP
- Slowdown in African work
- New hub laboratory in United Kingdom

Coal

- Revenue down 10% pcp
- Contribution margin up 76 bps



Underlying results (AUD)

	H1 FY17	H1 FY16	Change
Revenue	\$204mn	\$214mn	-5%
EBITDA	\$52mn	\$53mn	-2%
EBIT	\$40mn	\$40mn	-
EBIT Margin	19.5%	18.6%	+90 bps

Geochemistry markets growing strongly consistently through the season

Geochemical sample volume up 16% FYTD pcp currently, and growth expected to be maintained

Metallurgy activity starting to improve

Stronger demand for high end services – hyperspectral scanning, surface geochemistry, ICPMS packages

Inspection business to improve with new UK hub laboratory and stronger market focus

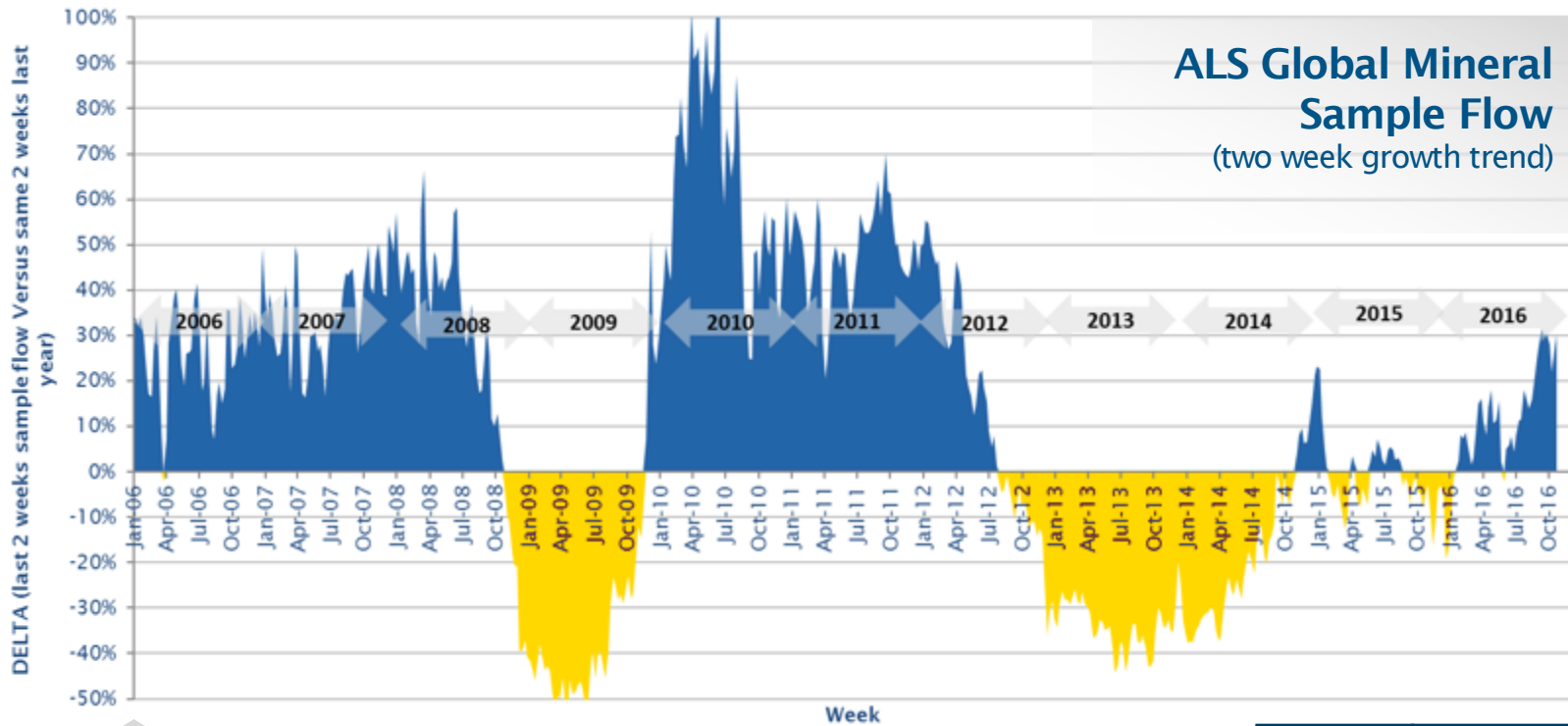
Pricing pressure for coal services abating but market remaining challenging

New innovative coal processing technologies to drive down costs and improve margin



OUTLOOK

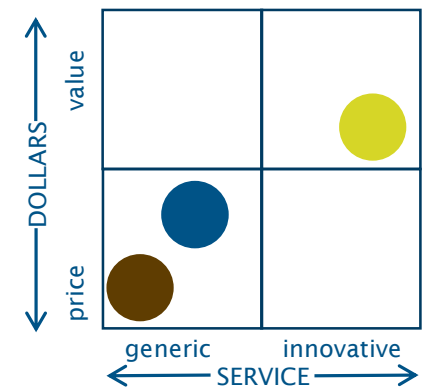
Geochemical markets recovering



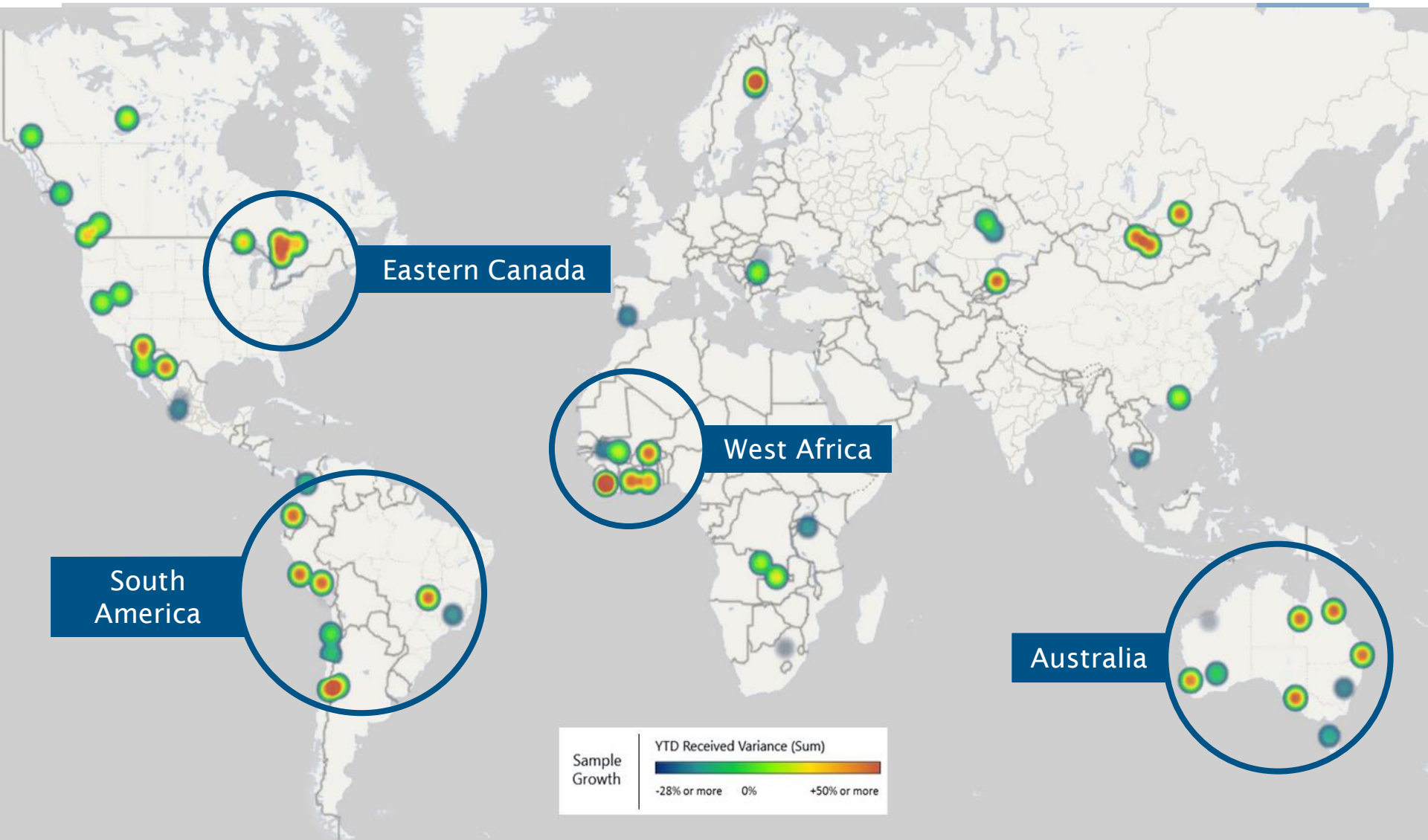
strong sample flow growth being maintained through the season.....

.....but the mix is biased to brown field

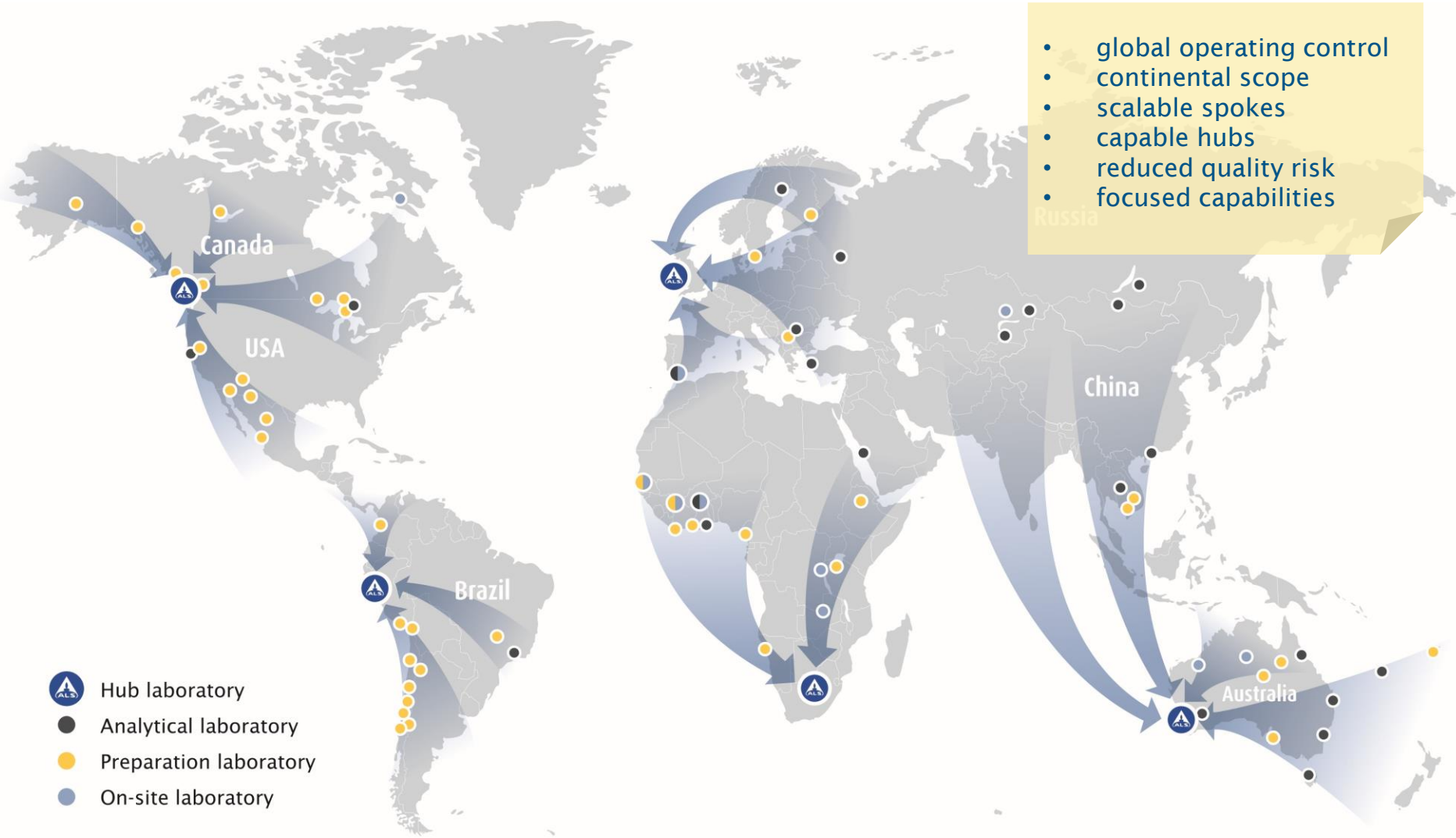
- mine site
- late stage
- grassroots



Geochemical markets recovering



The Hub and Spoke Model in Action



- Hub laboratory
- Analytical laboratory
- Preparation laboratory
- On-site laboratory

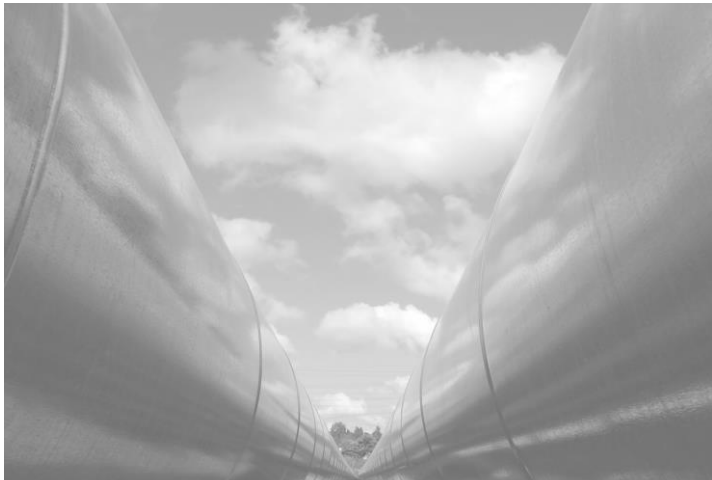
OVERVIEW

Asset Care

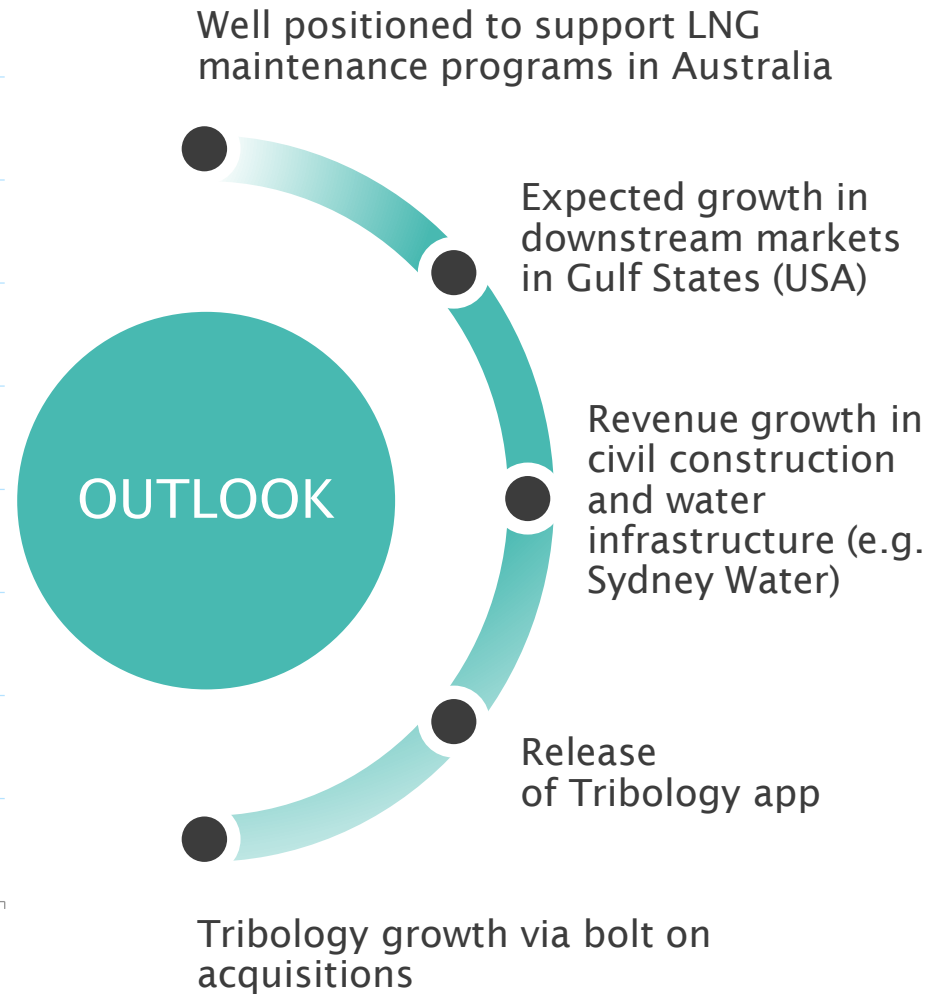
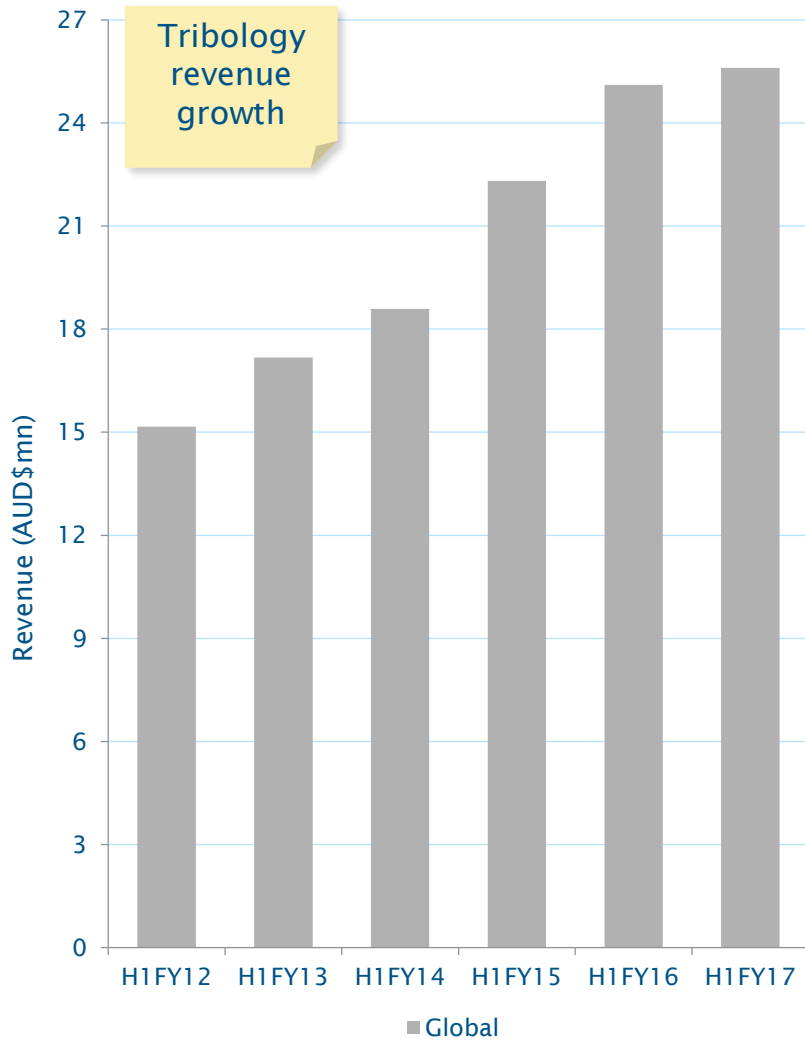
- Strong power generation outage programs
- LNG projects transitioning to maintenance programs
- Maverick in USA fully integrated
- Strong investment in new technologies to support maintenance contracts (e.g. Oil & Gas)

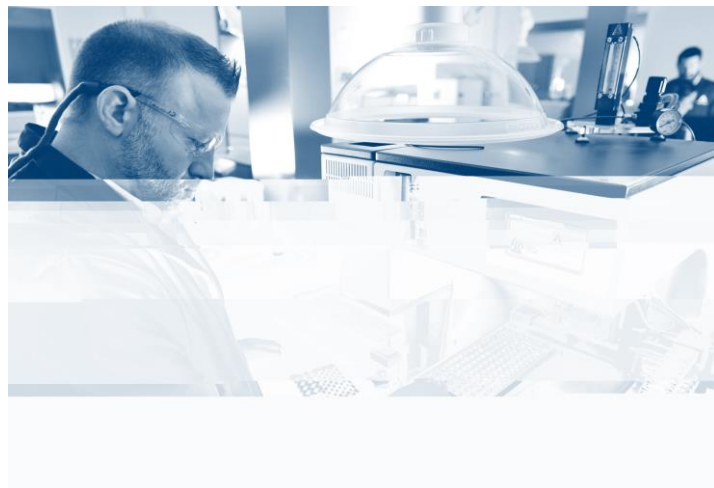
Tribology

- Softer first half in USA
- Significant contract wins in Canada
- Australia continues to perform strongly

	Underlying results (AUD)	H1 FY17	H1 FY16	Change
Revenue	\$100mn	\$95mn	+6%	
EBITDA	\$17.6mn	\$16.4mn	+7%	
EBIT	\$14.5mn	\$13.5mn	+7%	
EBIT Margin	14.5%	14.3%	+20 bps	

Industrial Business Streams





Underlying results (AUD)	H1 FY17	H1 FY16	Change
Revenue	\$47.3mn	\$86.2mn	-45%
EBITDA	-\$6.3mn	\$9.3mn	-
EBIT	-\$13.3mn	-\$0.3mn	-
EBIT Margin	-28.1%	-0.3%	

Second Half FY17 guidance (excl. Oil & Gas)



ALS expects that underlying NPAT (excl. Oil & Gas) for the second half of FY2017 will be in the range of AUD \$50 million to AUD \$60 million

NPAT (AUD\$mn)

