



Europe Roadshow

January 2015

All financials are in Australian dollars unless otherwise noted



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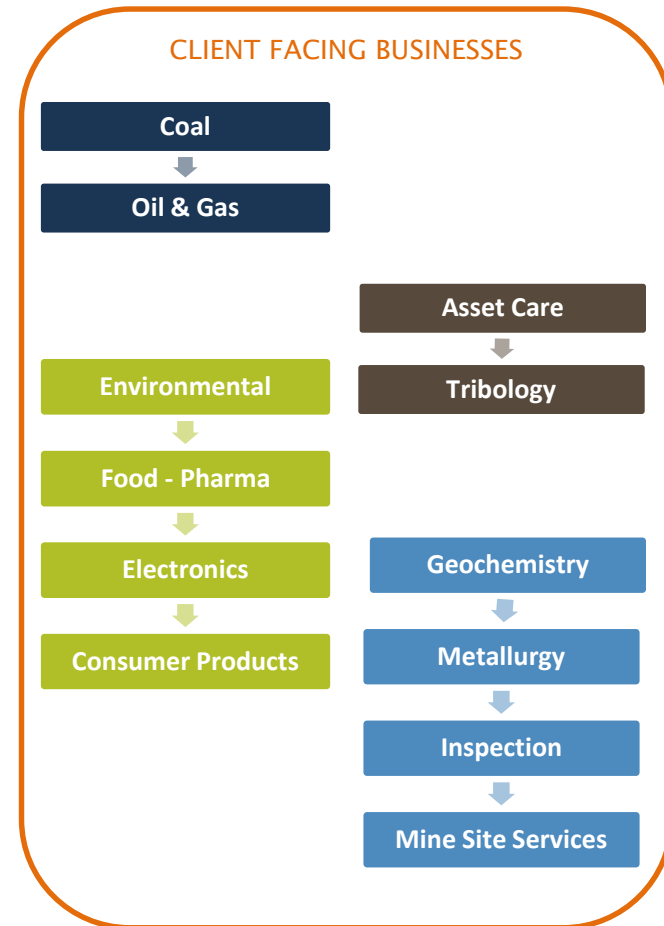
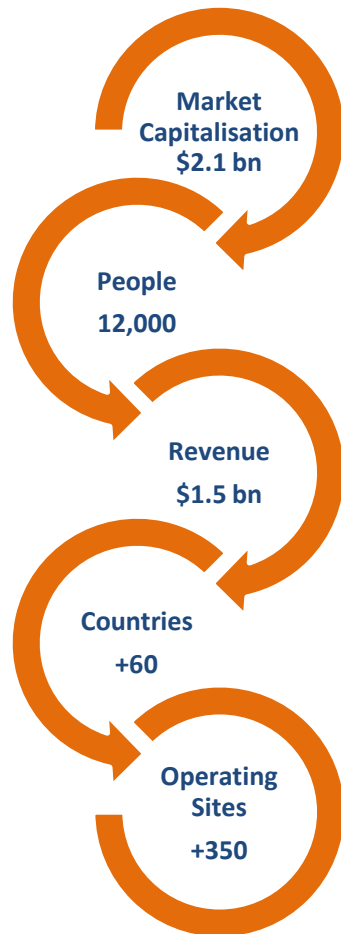


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- All references to dollars are to Australian currency unless otherwise stated.

Company Profile



ALS Limited (ASX:ALQ) is an ASX 100 company that provides professional technical services to the global Metals & Mining, Life Sciences, Oil & Gas, and Industrial sectors throughout the world. By Market Capitalisation, ALS is the 5th largest TIC company in the world and has a market leadership position in many of its end markets.



September 2014 Half Year Summary



	H1 FY14 (\$mn)	H1 FY15 (\$mn)			
half year	Underlying ¹	Underlying ¹	Discontinued Operations & Impairment	Restructuring Costs	Amortisation of Intangibles
Revenue	684.6	710.3	58.8	-	-
EBITDA	181.4	149.8	(0.6)	(2.2)	-
Depreciation & amortisation	(34.6)	(40.8)	(0.3)	-	(6.0)
EBIT	146.8	109.0	(0.9)	(2.2)	(6.0)
Interest expense	(9.7)	(16.6)	-	-	-
Tax expense	(36.3)	(24.7)	-	0.7	-
Non-controlling interests	(0.8)	(0.7)	(0.2)	-	-
NPAT	100.0	67.0	(1.1)	(1.5)	(6.0)
EPS (basic – cents per share)	27.7	16.9			
Dividend (cents per share)	19	11			

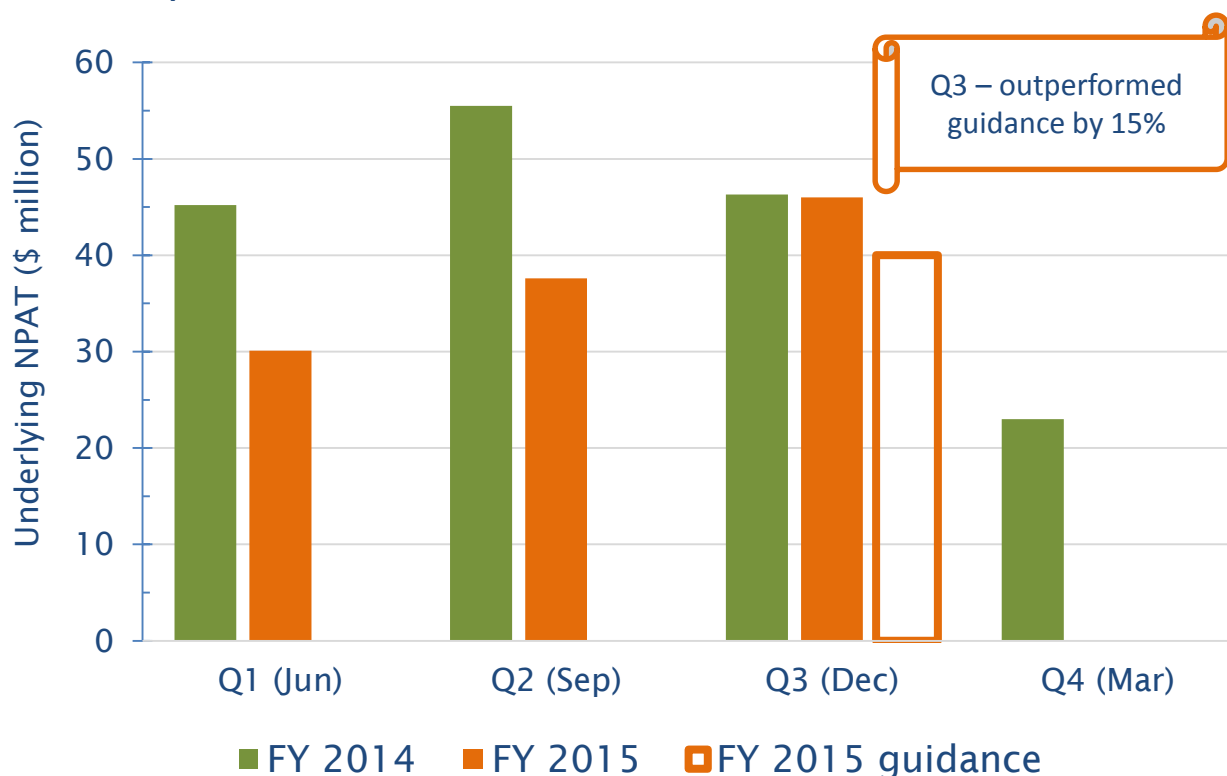
¹ Excludes Reward Distribution which was divested on 31st October 2014

Third Quarter (Dec-14) Performance



ASX Release – 24th November 2014

“After tax group net profit for the December 2014 quarter is expected to be approximately \$40 million. This represents an improvement in performance over each of the first two quarters (\$30.0 million and \$37.7 million) of the current financial year.”



Third Quarter (underlying) Divisional Performance



Life Sciences Division

	Q3 FY15	Q3 FY14	Change
Revenue	\$148mn	\$141mn	+5%
EBITDA	\$38mn	\$34mn	+13%
EBIT	\$31mn	\$26mn	+15%
EBIT Margin	20.6%	18.8%	+176 bps

Minerals Division

	Q3 FY15	Q3 FY14	Change
Revenue	\$99mn	\$101mn	-2%
EBITDA	\$30mn	\$31mn	-5%
EBIT	\$24mn	\$25mn	-3%
EBIT Margin	24.6%	24.9%	-35 bps

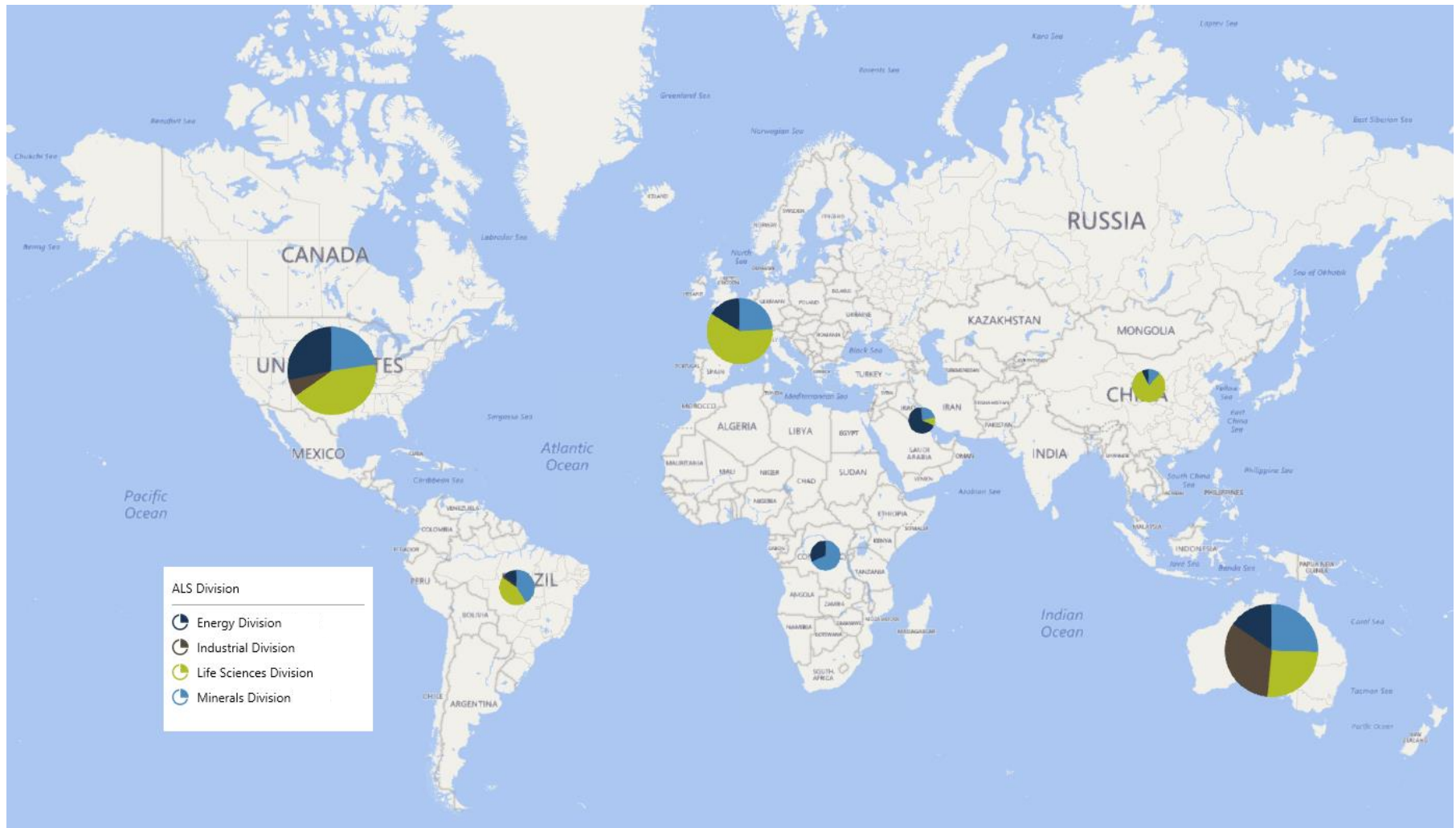
Energy Division

	Q3 FY15	Q3 FY14	Change
Revenue	\$82mn	\$84mn	-2%
EBITDA	\$18mn	\$22mn	-18%
EBIT	\$12mn	\$17mn	-25%
EBIT Margin	15.0%	19.7%	-466 bps

Industrial Division

	Q3 FY15	Q3 FY14	Change
Revenue	\$46mn	\$47mn	-3%
EBITDA	\$8.1mn	\$7.6mn	+7%
EBIT	\$6.6mn	\$6.2mn	+7%
EBIT Margin	14.4%	13.0%	+136 bps

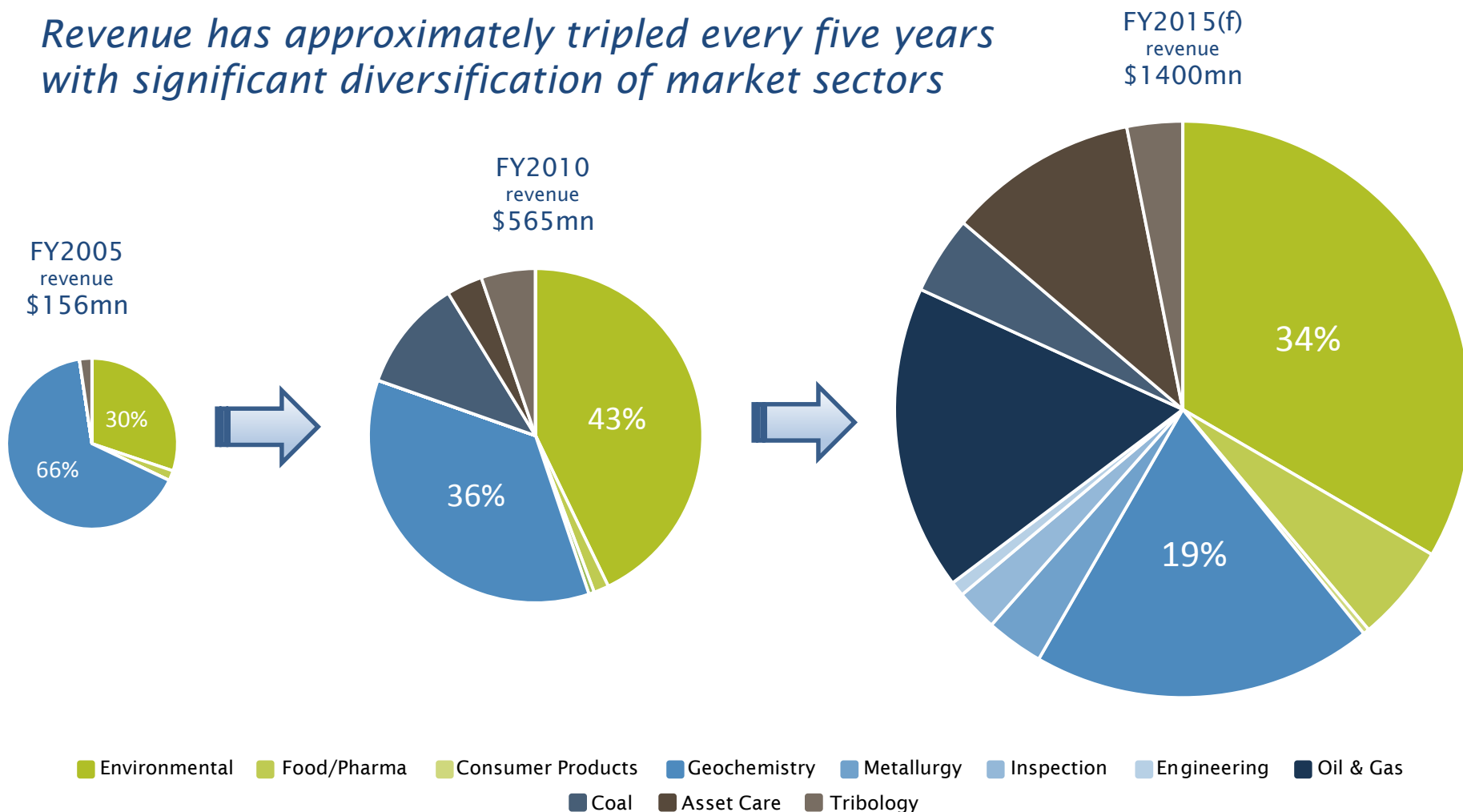
Revenue by Region by Division (9mths FY2015)



Laboratory revenue - journey over the last decade?



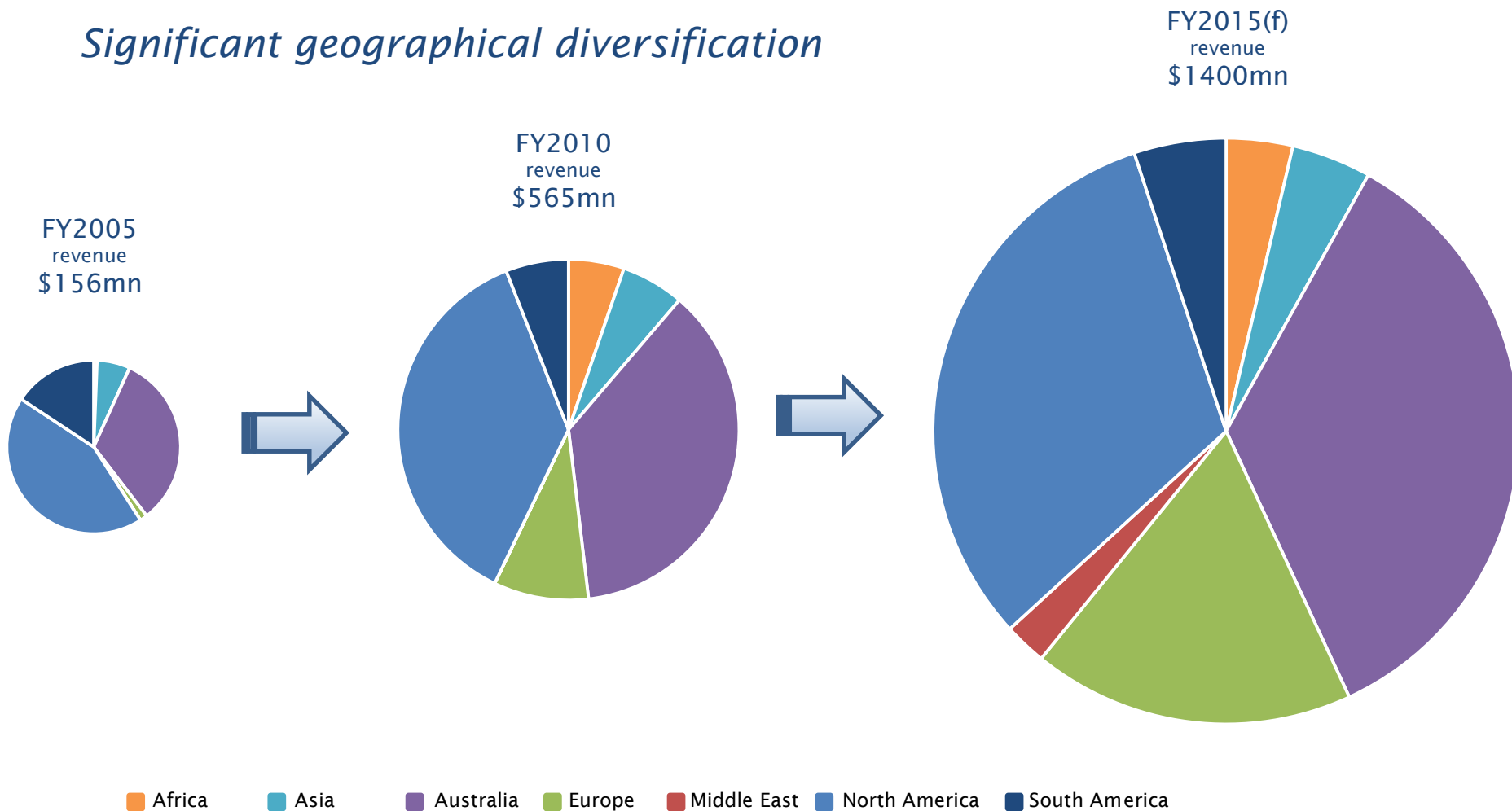
Revenue has approximately tripled every five years with significant diversification of market sectors



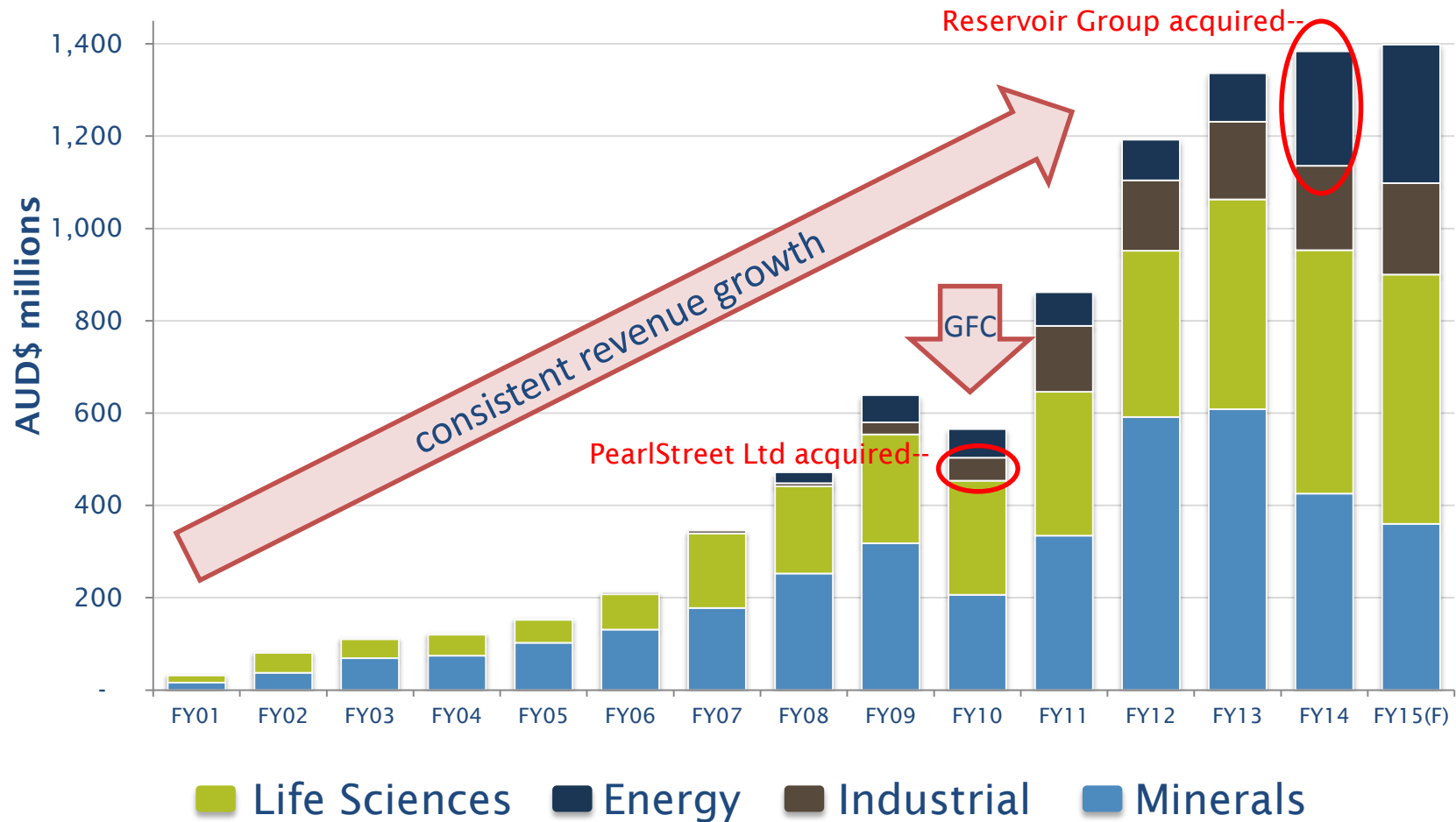
Laboratory revenue - journey over the last decade?



Significant geographical diversification



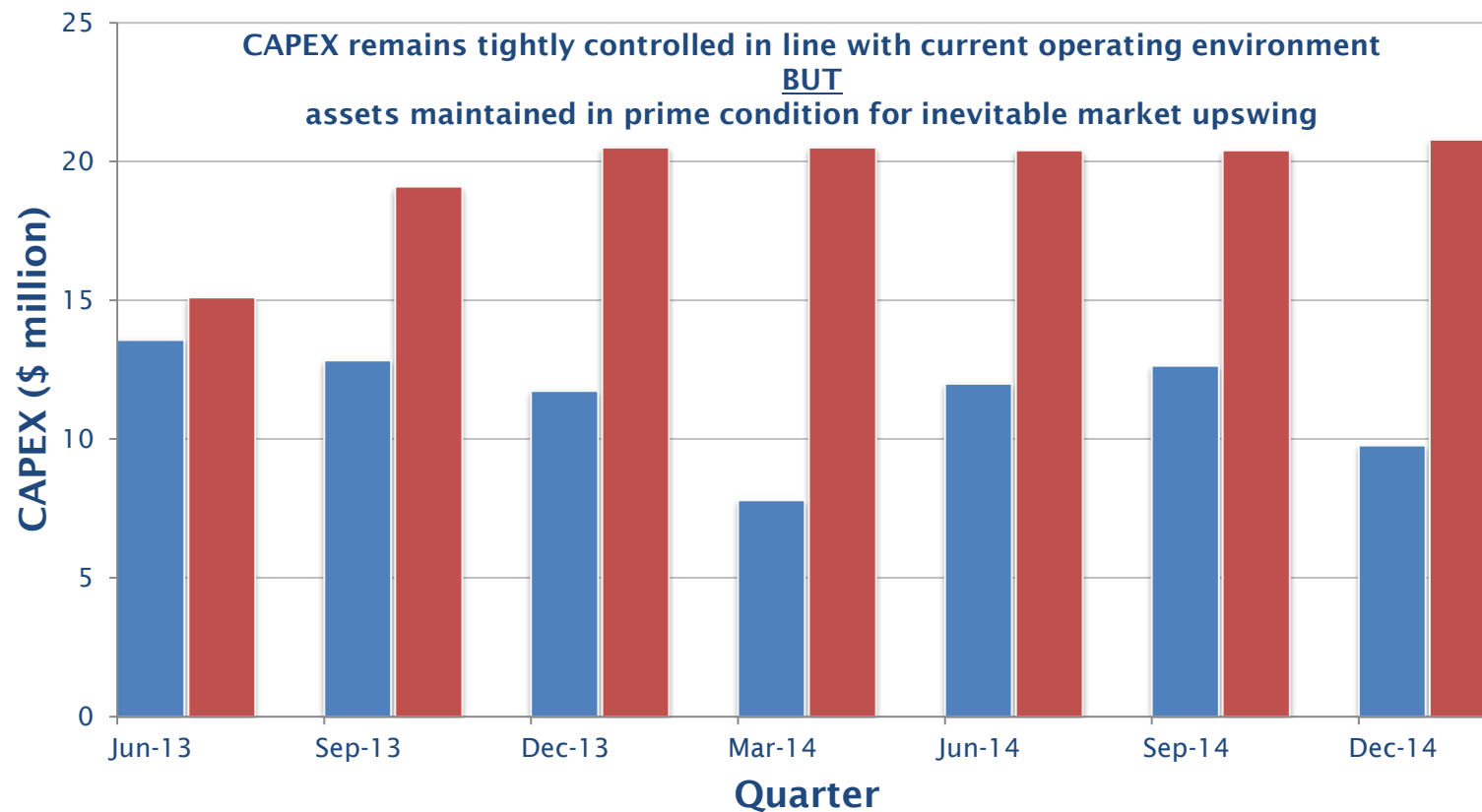
ALS Revenue History



Global Location Map – genuine global footprint



CAPEX and Depreciation



■ Approved CAPEX (excl. property purchases) ■ Depreciation & Amortisation

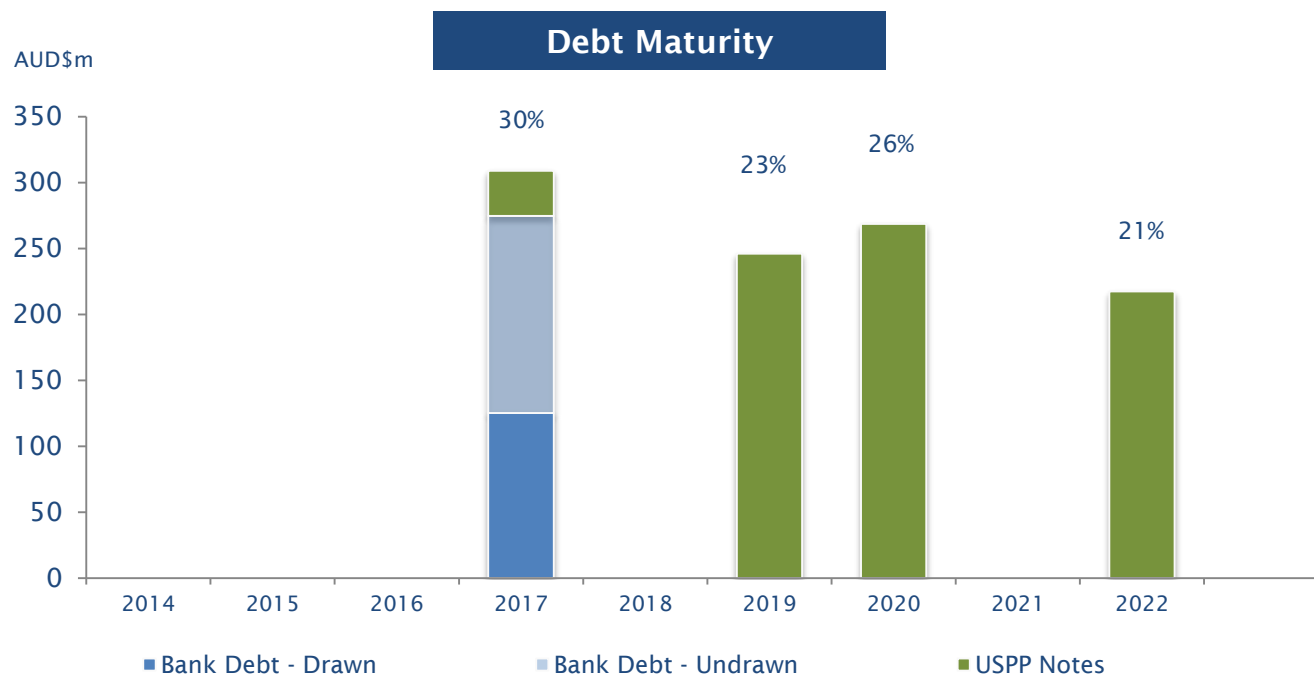
Cash Flow and Funding



	Sep-14	Sep-13
<u>Cash Flow</u>		
EBITDA (excl Reward write-down)	\$149mn	\$179mn
Operating cash flow	\$133mn	\$147mn
Conversion	89%	82%

		Oct-14 *	Mar-14
<u>Funding statistics</u>			
Gearing ratio	Comfort 45%	34.2%	33.9%
Leverage (net debt / EBITDA)	Max 3.00	2.5	2.2
EBITDA interest cover	Min 3.75	9.0	12.2

* At 31 October 2014 following sale of Reward Distribution



Life Sciences Division* – market overview



Environmental

global market estimated at US\$ 5bn

ALS - global market leader

non-cyclical market linked to GDP growth

services – full range

- waters – potable and marine
- soils and sediments
- air
- waste characterisation – liquids and solids

market drivers

- growing middle class in developing countries
- heightened awareness of health impact from the environment
- underpinned by regulatory requirements
- outsourcing

Food

global market estimated at US\$ 4bn

ALS – mid sized player - but in the top 10 globally

non-cyclical market but seasonal – fragmented laboratory market

services – full range

- microbiology and pathogens
- contaminants
- nutritional, vitamins and additives
- consultancy and label compliance

market drivers

- growing international trade in fresh food
- heightened awareness of health impact
- growth in pre-packaged foods
- private labelling – brand protection
- outsourcing
- legislation

Pharma & Biotech

Global market estimated at US\$ 6bn

ALS – small player

non-cyclical market

services – limited range

- batch release testing
- intermediate and raw material testing
- stability studies
- method validation – transfer - verification

market drivers

- nutraceuticals
- generic drugs
- outsourcing
- legislation

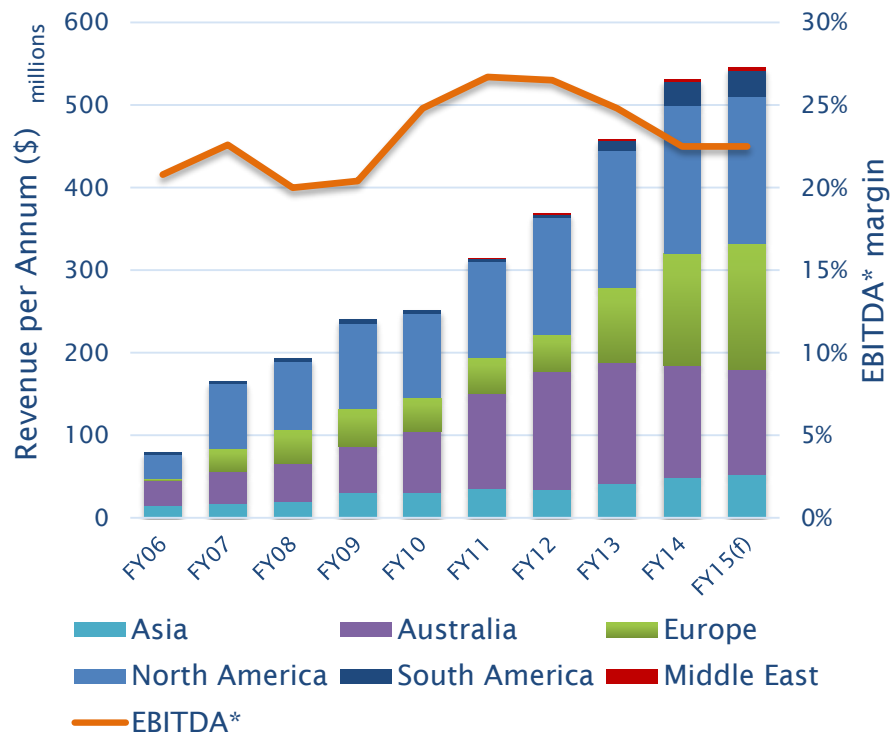
Global Market Size are Company estimate

* for ALS also includes the Electronics and Consumer Products businesses

Life Sciences Division



Life Sciences Revenue

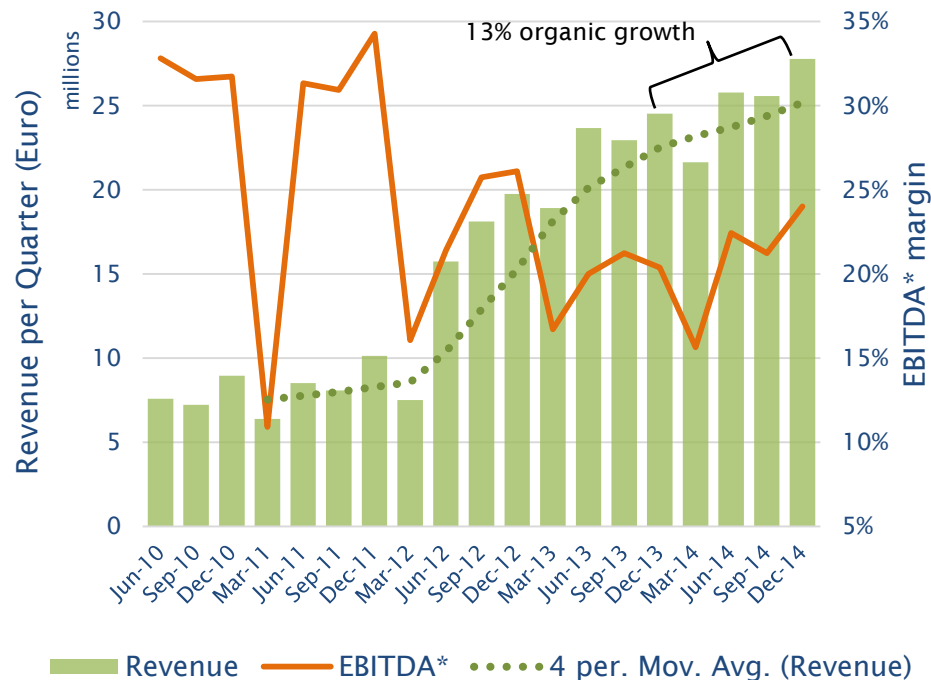


Life Sciences - Global

- Strong consistent revenue growth whilst maintain margin
- Full Service offering
- Hub & Spoke (Centres of Excellence) model

* Inclusive of abnormal costs

Life Sciences - Europe



Life Sciences - Europe

- Strong revenue growth despite very mature market and very low growth economies
- EBITDA margin in excess of competitors despite strong competition

Geochemical Markets – global perspective



Figure 3: Worldwide Exploration Budgets by Target, 2014
(1,961 Companies Budgeting \$10.74 Billion)

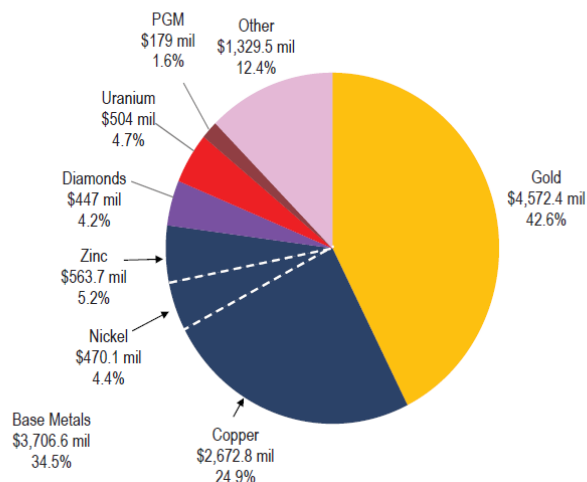


Figure 7: Worldwide Exploration Budgets by Region, 2014
(1,961 Companies Budgeting \$10.74 Billion)

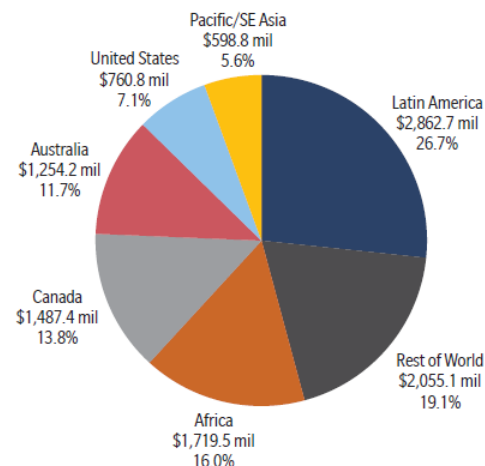
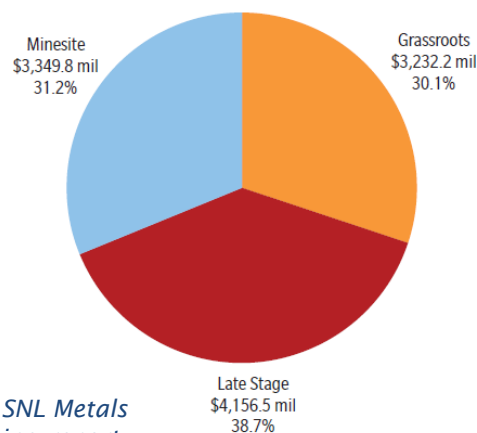


Figure 5: Worldwide Exploration Budgets by Stage of Development, 2014
(1,961 Companies Budgeting \$10.74 Billion)



- Global exploration budgets down 47% from actual spend in CY2012
- Commodity mix and geographical activity consistent with previous years
- Focus on minesite and late stage at the expense of grassroots

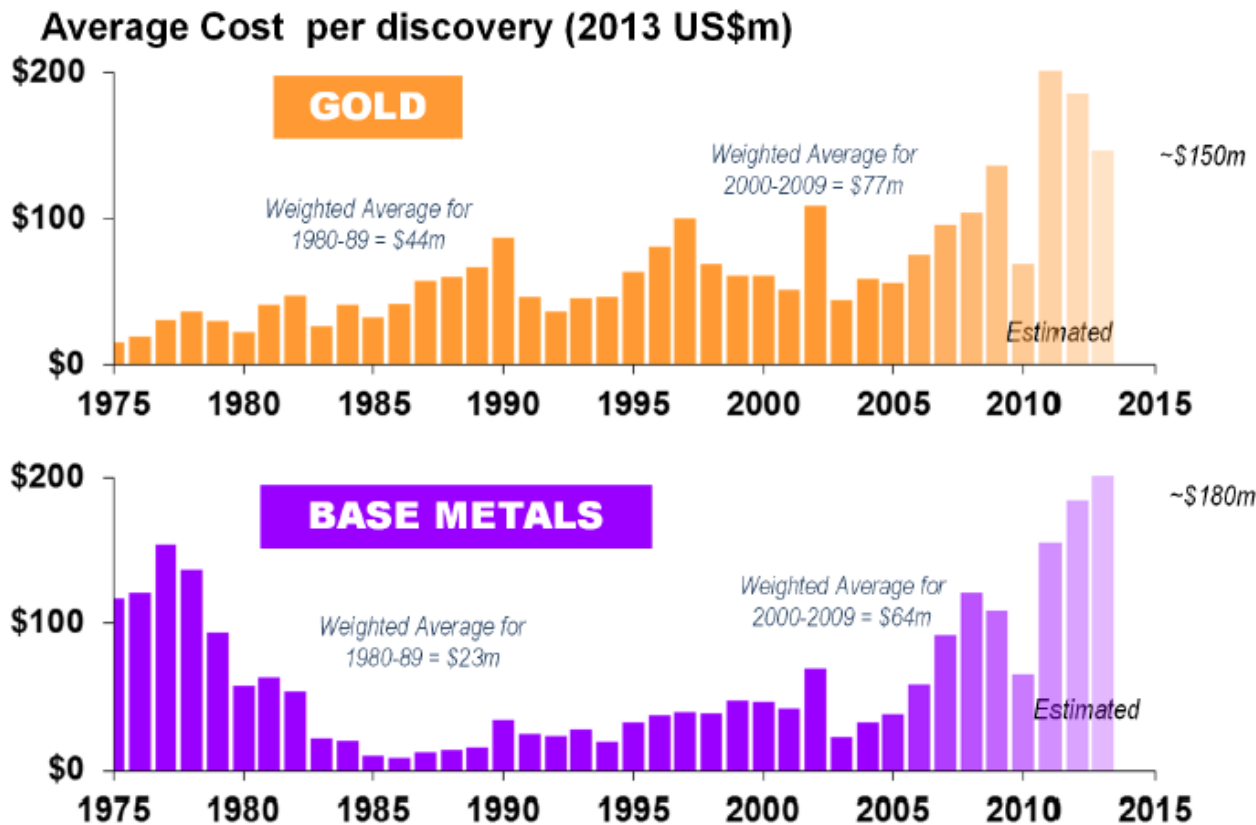
Source: SNL Metals and Mining report

Exploration spend – the future



Discovery costs are rising

Unit cost per for a moderate-sized Gold or Base Metal discovery in the World



Unit discovery costs have doubled in the last decade

If your exploration budget is \$5m then the odds of making a (modest) discovery in a given year are less than 1 in 30

Exploration is a high-risk/high-reward activity

Note: Discoveries are for deposits >0.1 Moz Au or >0.1 Mt Cu-eq
Data from 2005 onwards have been adjusted for unreported deposits

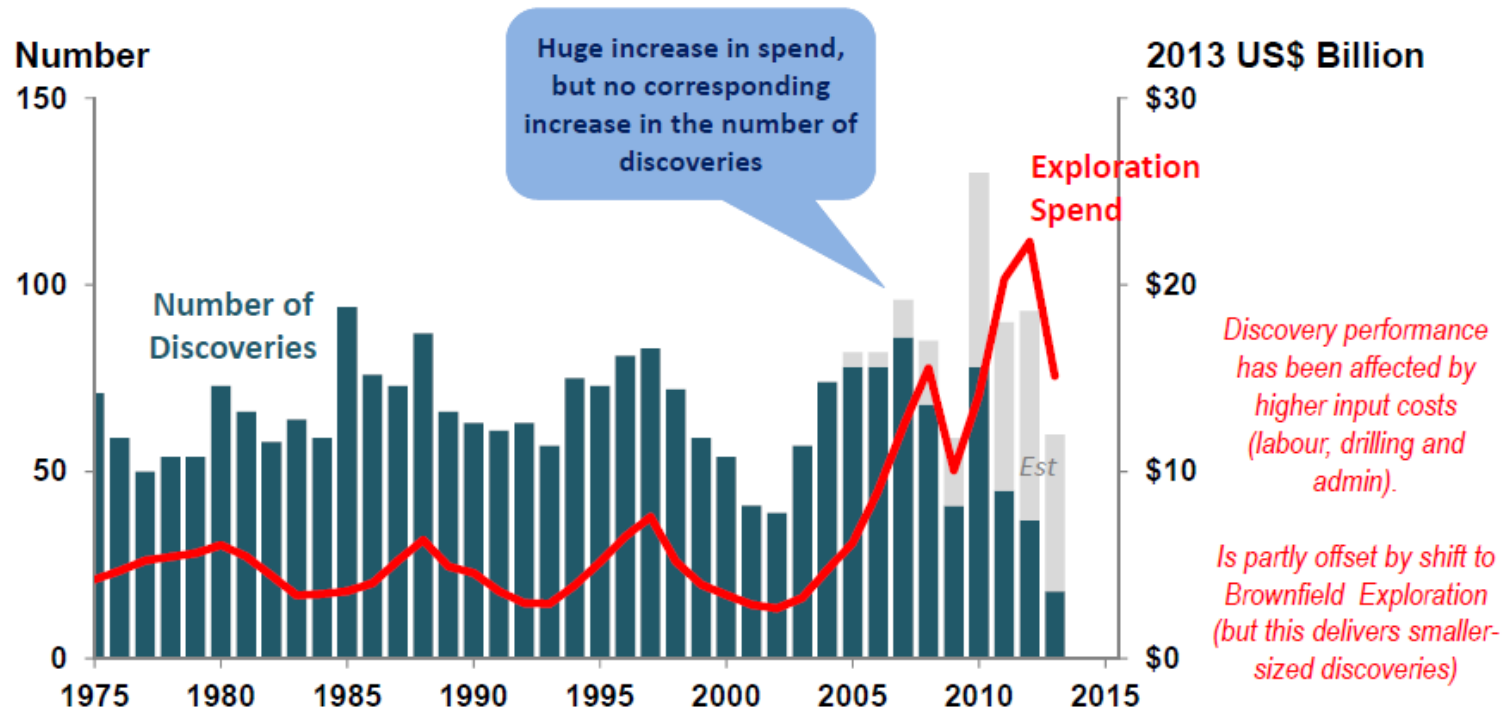
Source: MinEx Consulting © September 2014

Discoveries Versus Spend



Until recently discovery rate moved in-line
with exploration expenditures

Non-Bulk exploration spend and discoveries World: 1975-2013



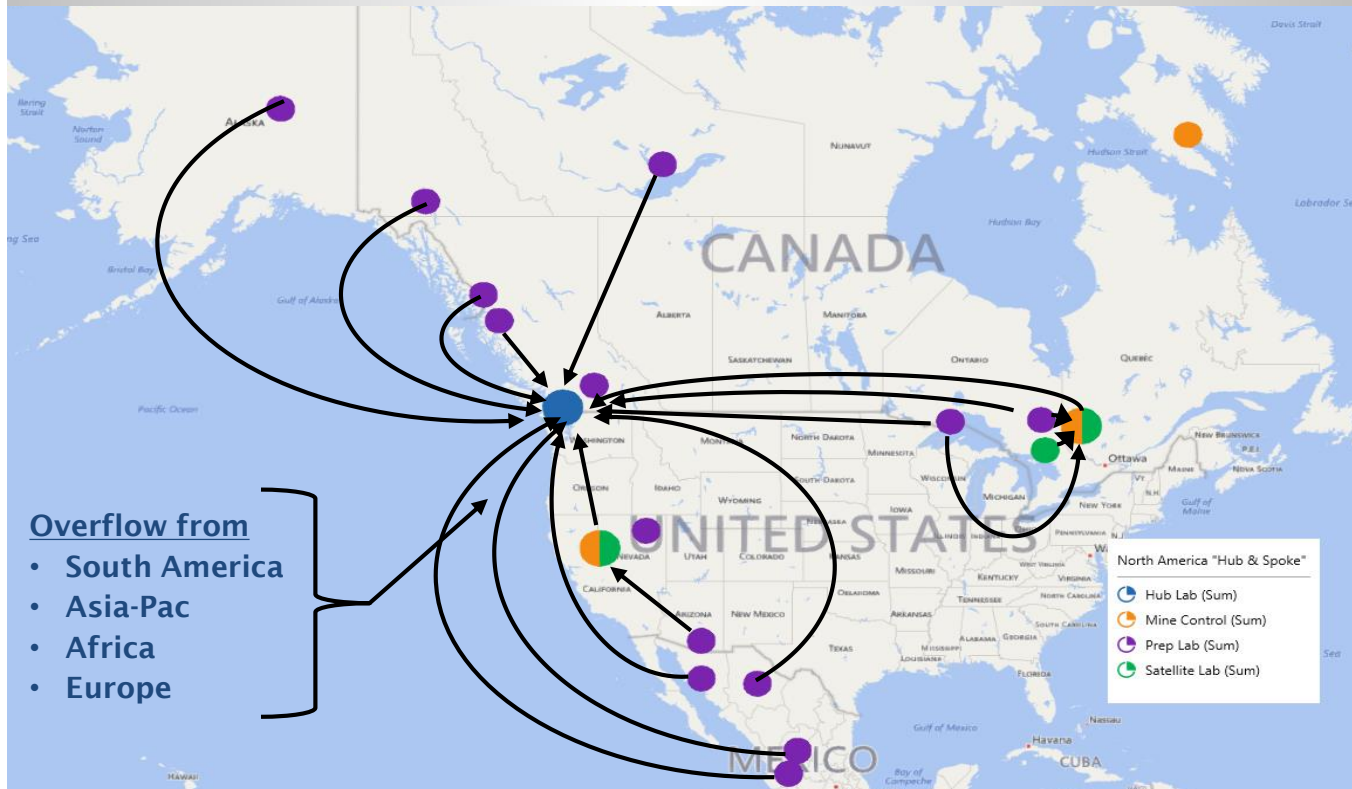
Note: Based on Moderate, Major and Giant discoveries.
Excludes satellite deposits within existing Camps. Also excludes Bulk Mineral discoveries and expenditures.

Source: MinEx Consulting © September 2014

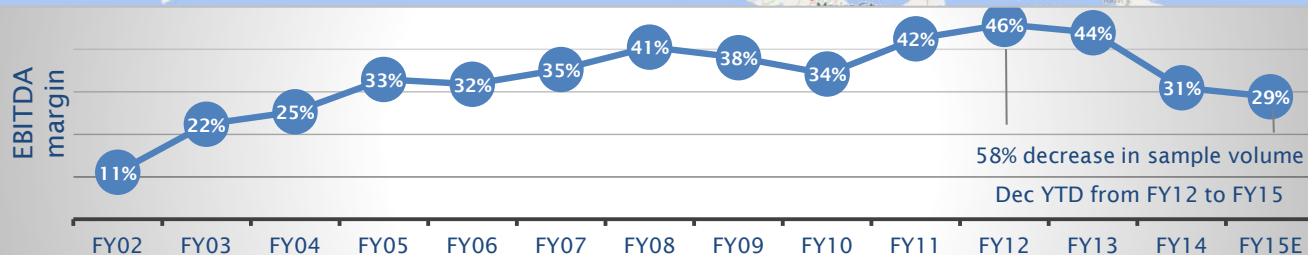
Hub and Spoke – unique global model



North American Hub & Spoke Model for Geochemical Services



- Overflow from**
- South America
 - Asia-Pac
 - Africa
 - Europe



Overview

- global LIMS
- single global database
- standardized methods
- standardized equipment
- standardized quality
- logistics tracking



efficiency
and
optimal performance
(scalability – up & down)

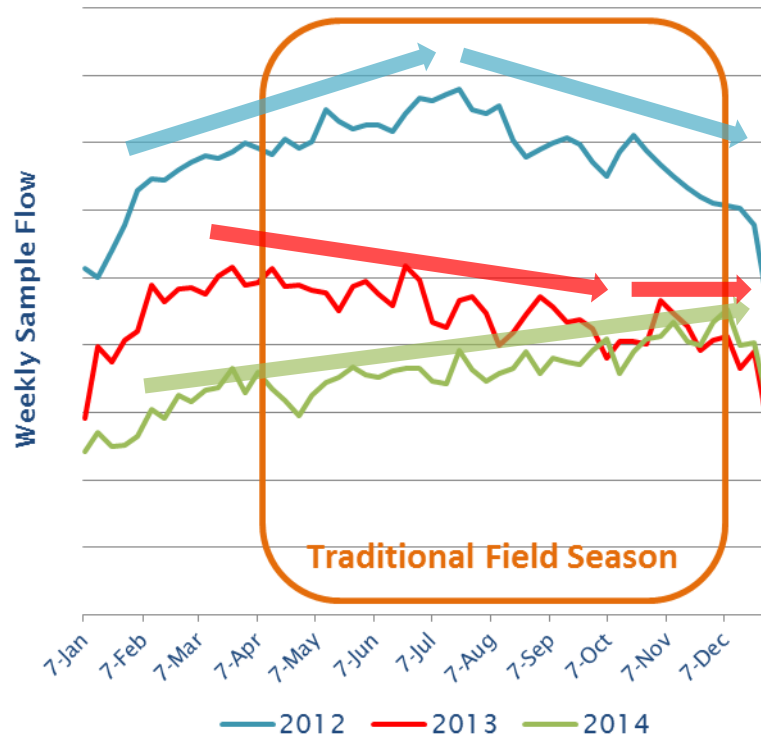


lower cost base
and
globally consistent service

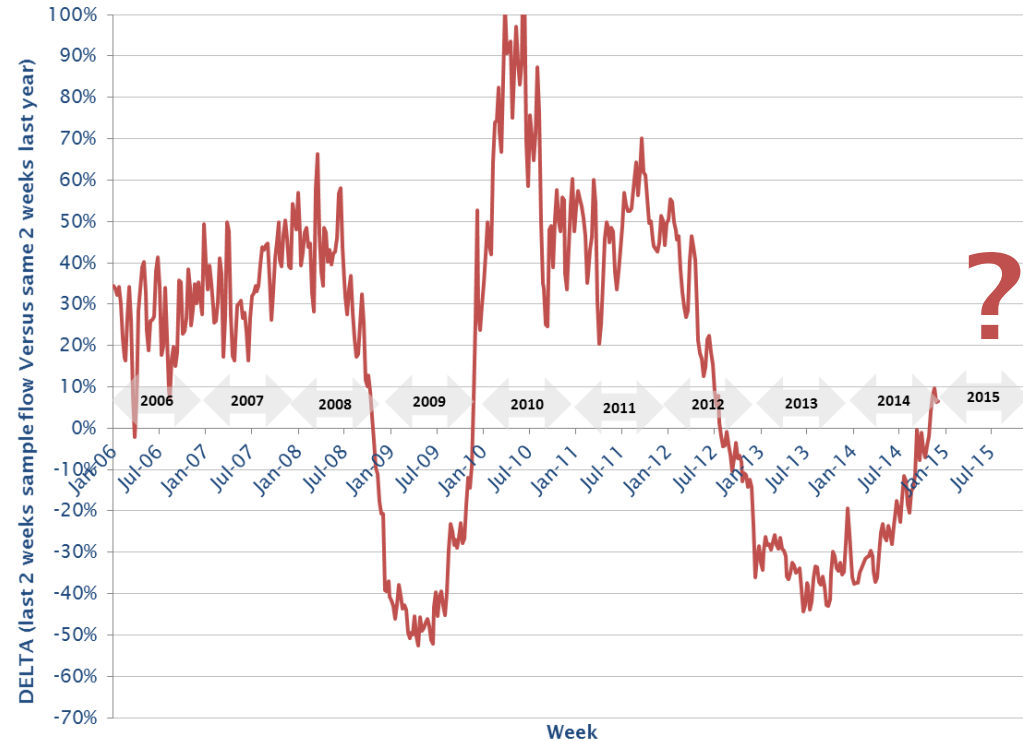
Geochemical Market – ALS perspective



Global Geochemical Sample Flow

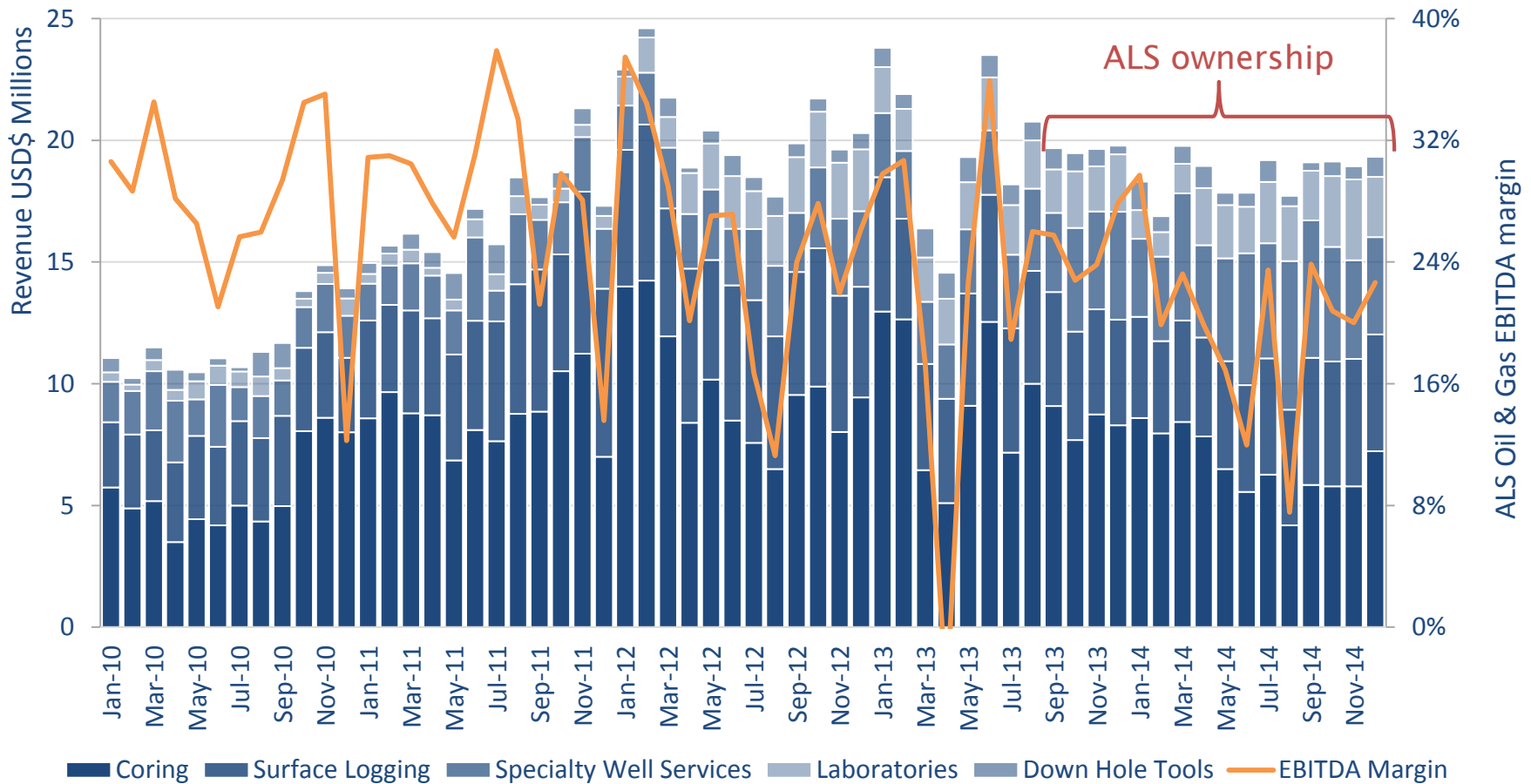


Geochemical Sample Flow (growth trend)



- CY2012 – activity stalled halfway through the field season as the industry went into decline
- CY2013 – sample flow decrease through most of the field season – underlying market decline
- CY2014 – sample flow increasing through the field season – more normal pattern
- Current sample flow slightly better than same time last year – bottom of cycle? &/or market share increase
- Global fortnightly sample flow now growing in comparison to last year – past the bottom of the cycle?

ALS Oil & Gas – financial journey



- Restructuring costs have not been removed in calculating EBITDA
- Revenues stable despite downturn in coring
- EBITDA margin in more recent months returning to more historical levels prior to full benefit of restructuring and cost reduction initiatives

ALS Oil & Gas – operational journey

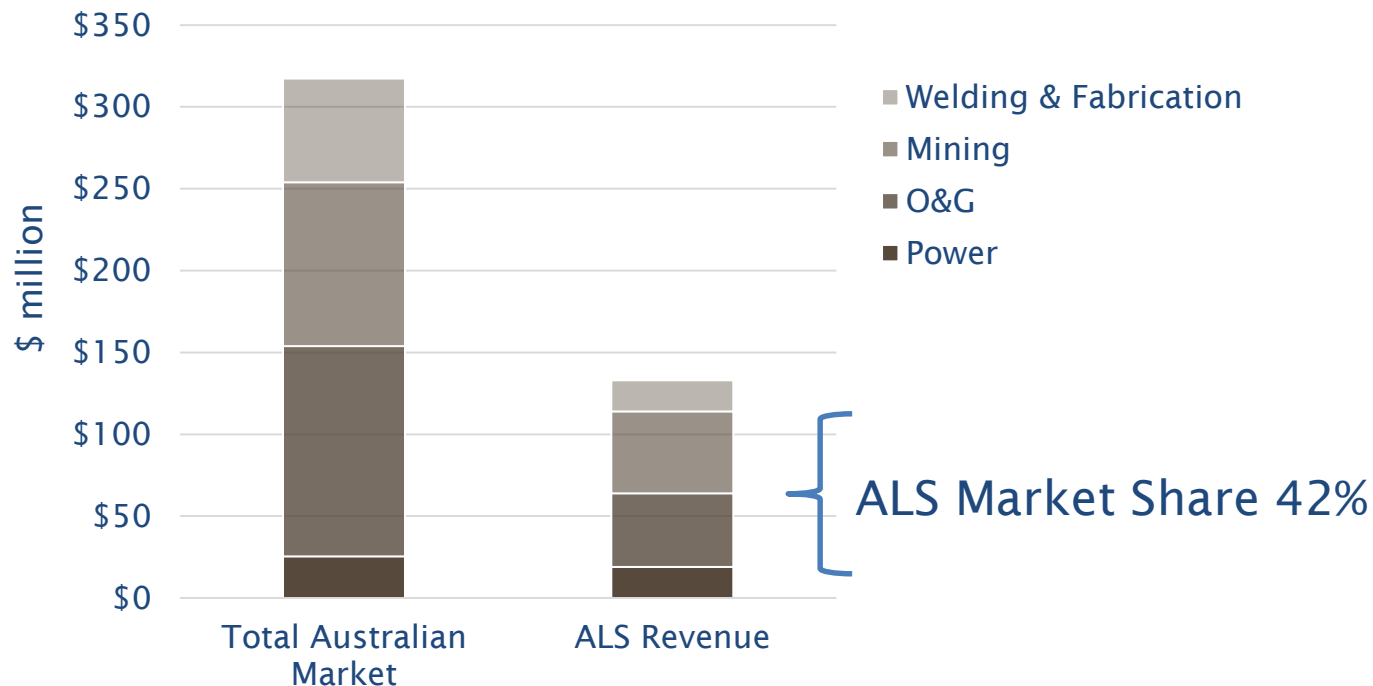


- All business stream (coring, surface logging, specialty well services, laboratories, down hole tools) global managers relocated to Houston Texas – effective September 2014
- Reservoir Group Corporate office in Aberdeen closed – effective December 2014
- Reservoir Group Corporate office in Houston closed - effective November 2013
- Previous CEO of ALS Oil & Gas exited – effective August 2014
- North American support services integrated into ALS resources – effective October 2014
- Global Mobility Policy in place – effective August 2014
- Rationalised facilities and “right sized” businesses – effective December 2014
- Relocated Surface Logging business into new 40,000 sq. ft. building in Houston – effective January 2014
- Control Room built in Houston for remote control surface logging initiative – July 2014
- Purchase of a 40,000 sq. ft. building in Houston to house hub laboratory – January 2015
- Development plans for hub laboratory in Houston now finalised – expected to be operational in August 2015
- Oil & Gas laboratory LIMS & Client Portal 40% completed – December 2014. Full completion by August 2015
- Five key technical staff recruited for Houston laboratory – September 2014
- Global ALS financial portal customised and fully adopted by all business streams – effective April 2014
- All sites on ALS global IT network – completed August 2014
- New strategic development three year plans in place for all business streams – effective November 2014
- Stronger profit performance in 3rd quarter compared to the 1st and 2nd quarters

Asset Care Market Analysis – Australia



Source: Company estimates

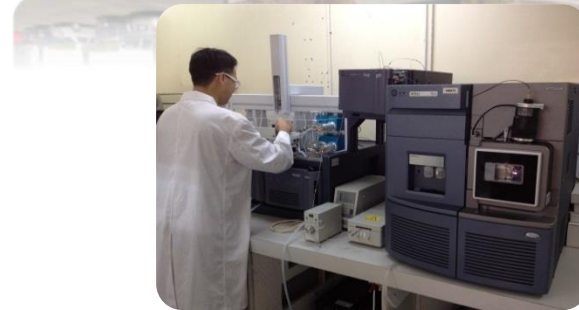


Sector	Driver	Market Demand
Power	Production	–
Oil & Gas	Construction --> Production	↑
Mining	Production	↑
Welding & Fabrication	Construction	↓

What makes ALS different



- Assets
 - State of the art laboratories
 - High end technical services
 - Unique service offerings
- Operating Model
 - Hub and spoke
 - Centres of Excellence
 - Systems and standards
 - “Decentralised” laboratory Vs many laboratories
 - Low cost base
 - Client focus
- People
 - Training
 - Passion
 - Culture
 - Loyalty
 - Innovative
 - Entrepreneurial
 - Communication
- Strategy
 - Long-term horizon
 - Focus
 - Execution
- Disciplined investment model



What makes ALS different



Management Information Systems (MIS)

LIMS

- GEMS – Geochemical
- Coal8 – Coal
- EnviroLIMS – Environmental
- SAM – Tribology
- ELMS – Food
- OSPrey – Asset Care
- Pipeline – Oil & Gas

Webview – Management Interface

WebTrieve™

Other Portals

- iLEAD – training
- EPC – succession planning
- Compliance
- Financial – TM1
- CAPEX
- Safety Tracking
- Human Resources
- Business stream SharePoint sites
- Support group SharePoint sites

skills training and knowledge sharing

The image displays three screenshots of ALS Limited's internal systems and portals. The top screenshot shows the ALS Limited homepage with navigation links for Minerals, Life Sciences, Energy, Industrial, Compliance, Finance, HR, and Marketing. It features a 'FROM THE DESK' section with a message from Greg Kilminster, CEO, and a 'CORPORATE ANNOUNCEMENTS' section. The 'ALS BUSINESS GROUPS' section lists various services: MINERALS (Geochemistry, Metallurgy, Inspection, Mine Site), LIFE SCIENCES (Environmental, Food & Pharmaceutical), ENERGY (Coal, Oil & Gas), and INDUSTRIAL (Asset Care, Tribology). The bottom left screenshot shows the 'Webview' management interface with various filters and search options. The bottom right screenshot shows the 'WebTrieve' portal with a bar chart and a list of reports.