

Full Year Results FY2016

Investor Presentation
30th May 2016

All figures stated in AUD unless otherwise stated



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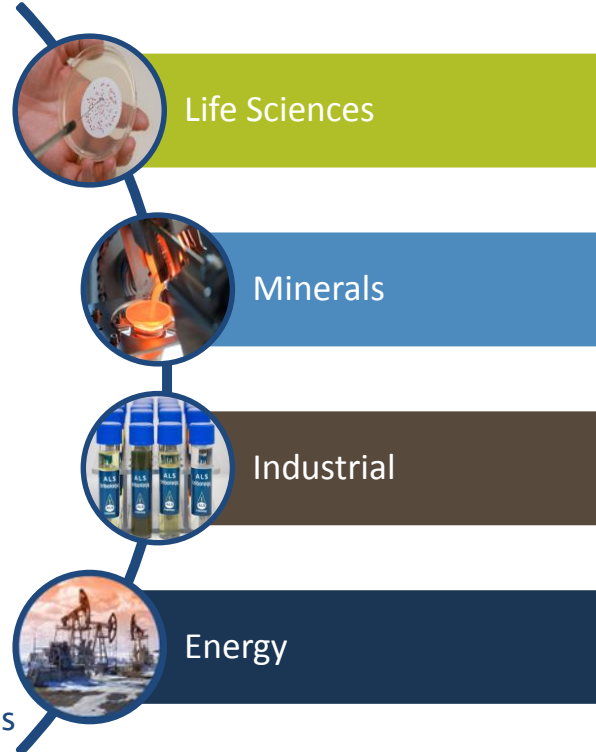
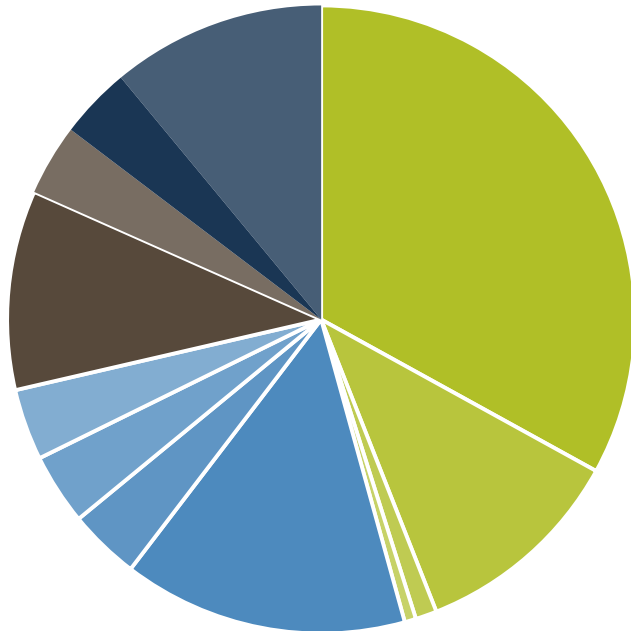


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ALS Business Streams



FY2016 Revenue

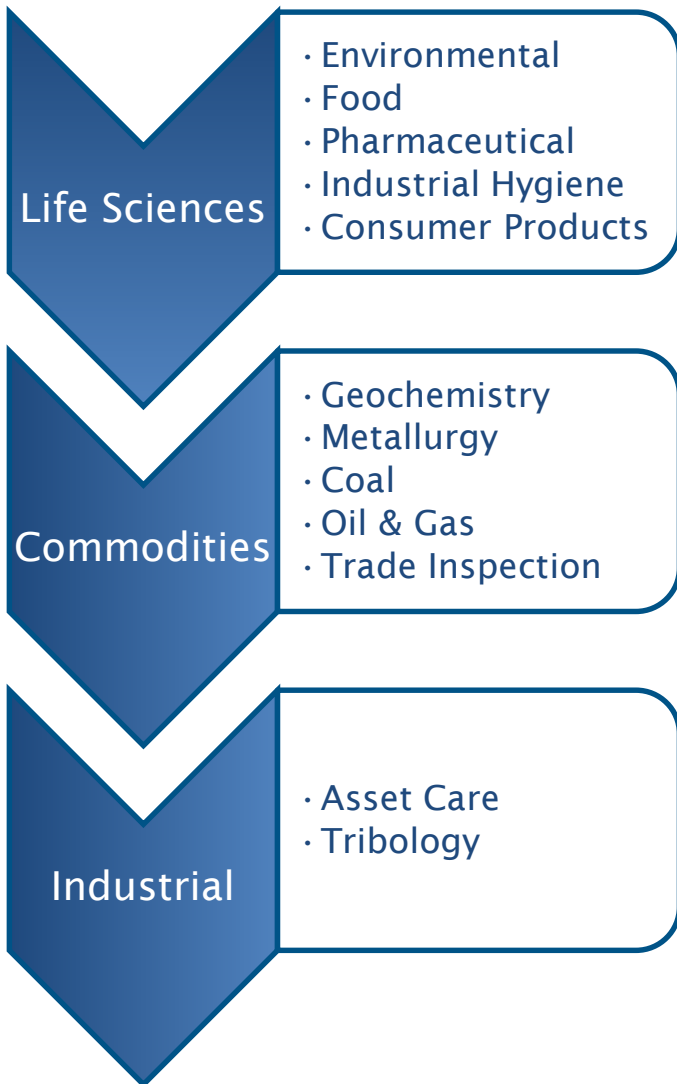


- Environmental
- Food
- Pharmaceutical
- Consumer Products
- Geochemistry
- Mine Site
- Metallurgy
- Trade Inspection
- Asset Care
- Tribology
- Coal
- Oil & Gas

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Note: the majority of Mine Site work is geochemistry

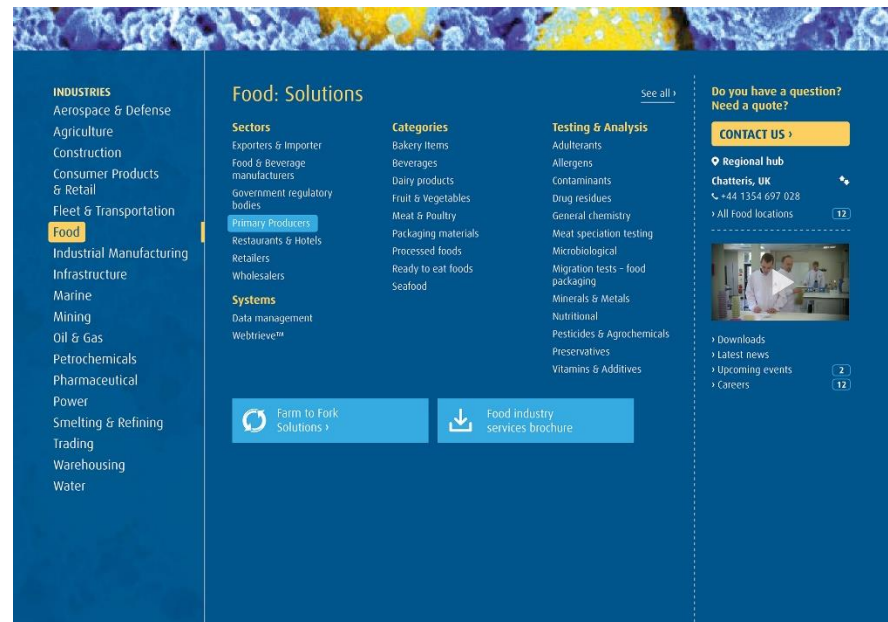
New Business – structure and end market focus



How do our end markets want to interact with ALS?

“One ALS” Project

- promoting a broad range of services to an end market
- packaging services
- cross business stream ALS portal
- improve and simplify B2B interaction
- leveraging clients across business streams

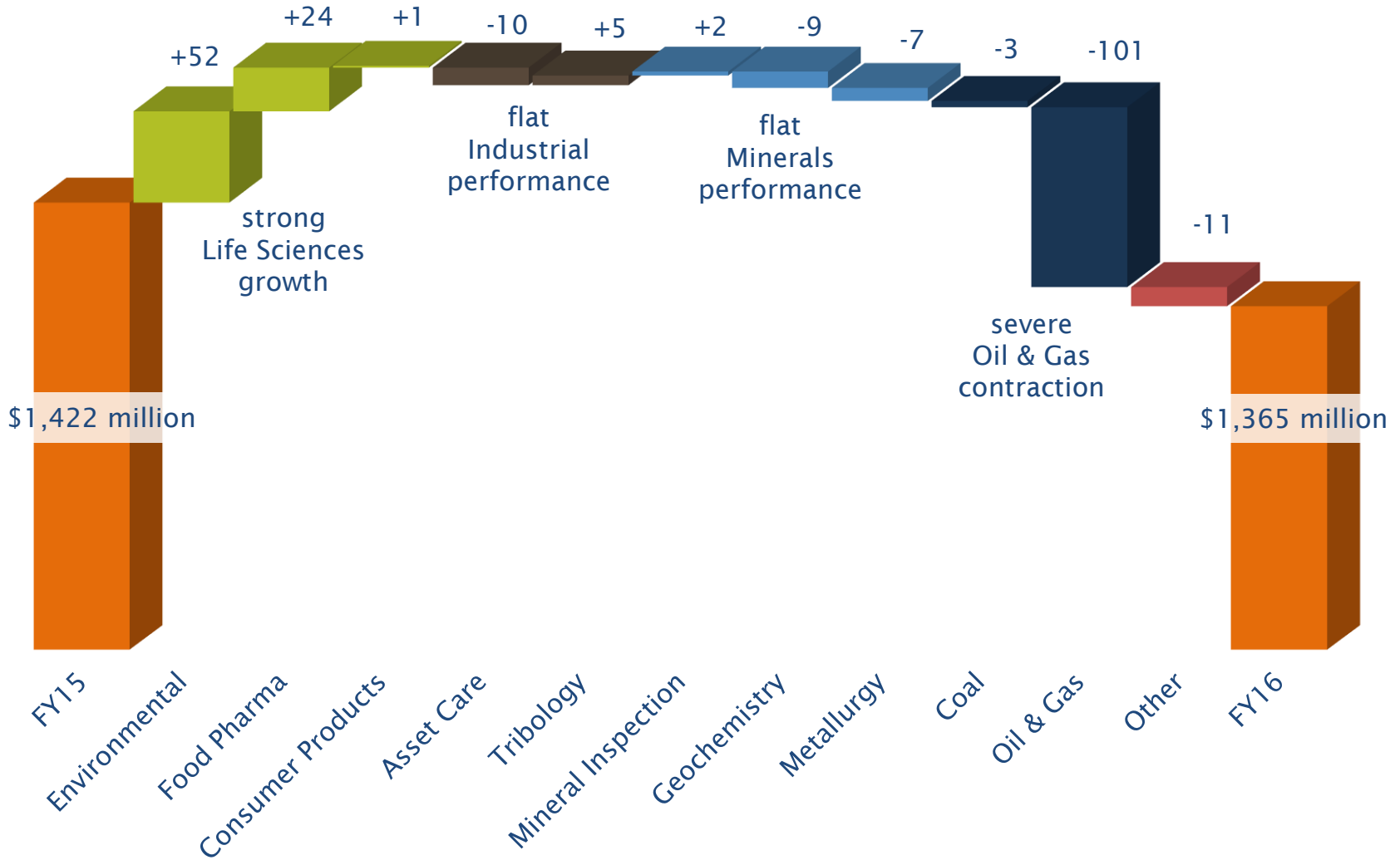


FY 2016 Financial Summary



Full year	FY15 (\$mn)	Full Year FY16 (\$mn)				
	Continuing Underlying	Continuing Underlying	Impairment Charges	Restructuring & other one off items	Amortisation of Intangibles	Statutory Results
Revenue	1422.2	1364.9				1364.9
EBITDA	305.4	264.3	(317.9)	(13.9)		(67.5)
Depreciation & amortisation	(83.4)	(86.4)			(15.2)	(101.6)
EBIT	222.0	177.9	(317.9)	(13.9)	(15.2)	(169.1)
Interest expense	(33.1)	(34.5)				(34.5)
Tax expense	(52.6)	(42.9)	3.9	2.9		(36.1)
Non-controlling interests	(1.6)	(1.0)				(1.0)
NPAT	134.7	99.5	(314.0)	(11.0)	(15.2)	(240.7)
EPS (basic - cents per share)	31.7	21.7				(52.5)
Dividend (cents per share)	21.0	13.5				13.5

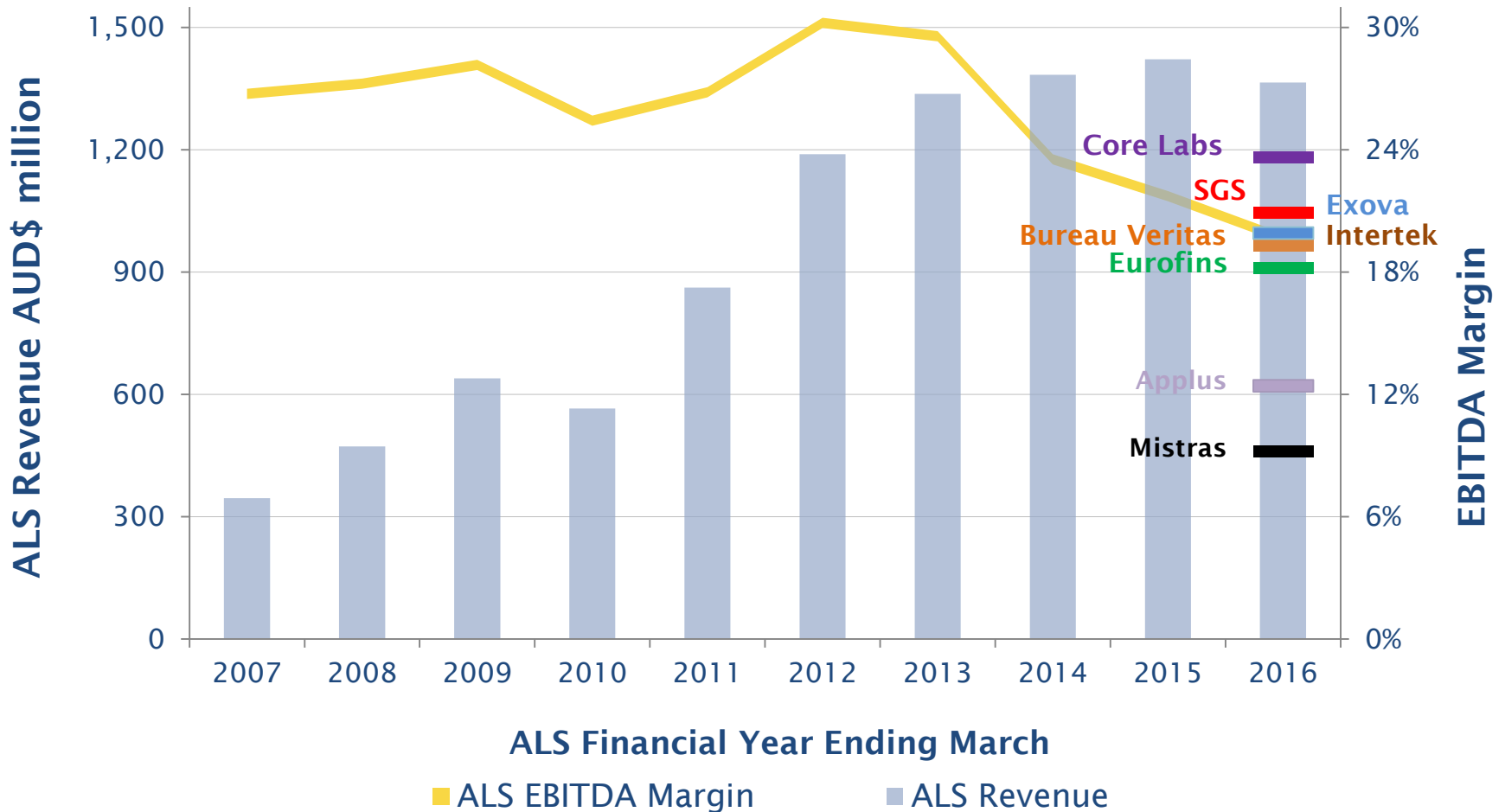
Revenue Waterfall (AUD\$ million)



ALS global locations – a strategic asset



Margin Strong at the Bottom of the Cycle

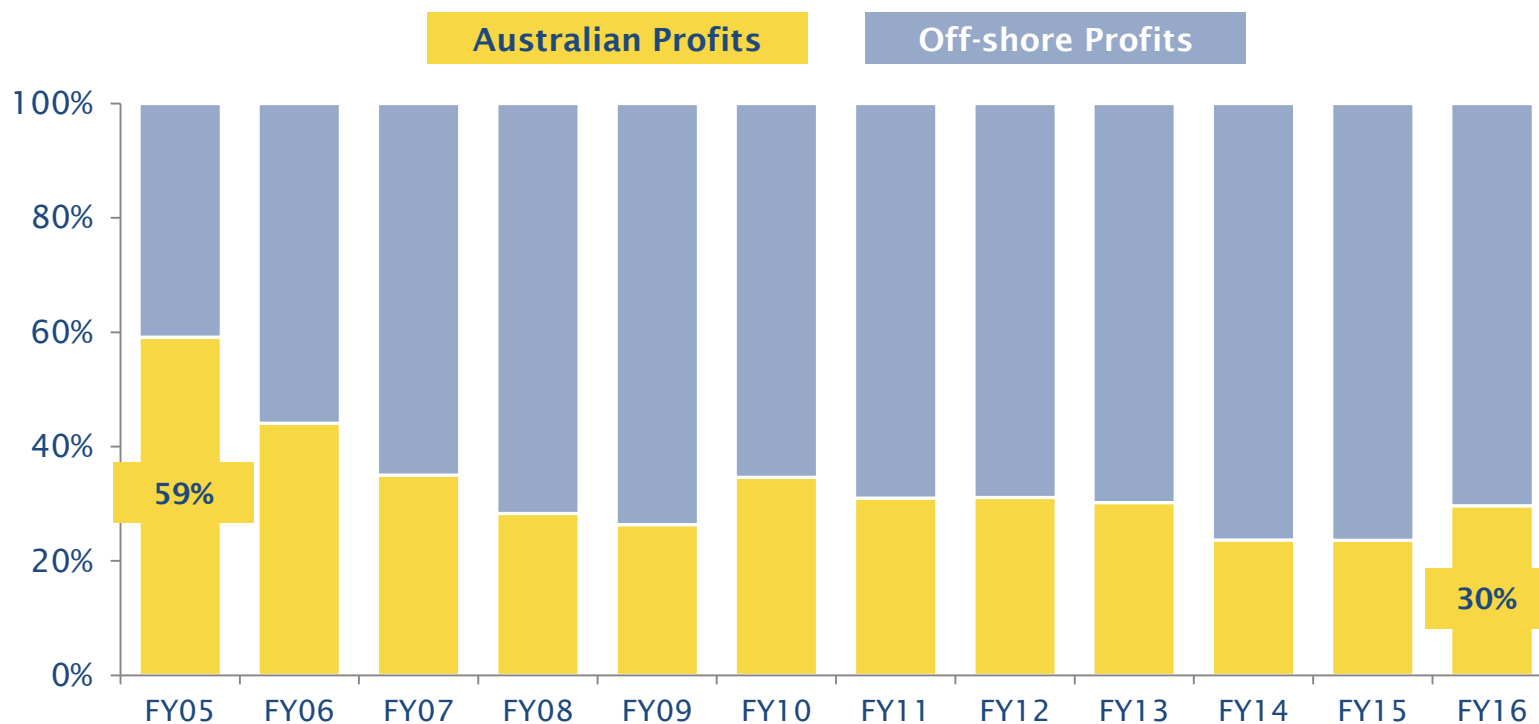


EBITDA Margin for Core Labs, SGS, Intertek, Bureau Veritas, Eurofins, Applus, & Exova is for Calendar Year 2015 and Mistras year ending May 2015. EBITDA Margin & Revenue for ALS includes all corporate expenses. Data for Financial Year ending March 2016 based on current forecasts. EBITDA is underlying EBITDA for all companies.

Group Taxable Earnings – franking capacity



Australian versus Off-shore Taxable Profits

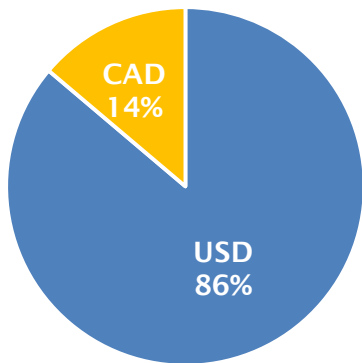


Debt Metrics

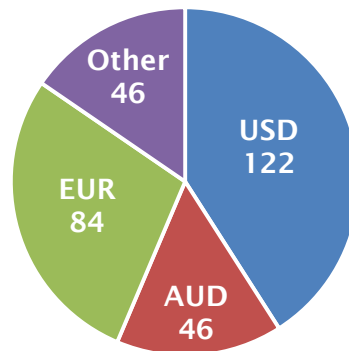


		Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
Statistics						
Gearing Ratio	comfort 45%	29%	29%	34%	38%	27%
Leverage (net debt/EBITDA)	max 3.00	1.0	1.0	2.2	2.5	1.7
EBITDA interest cover	min 3.75	23.9	21.0	12.2	9.1	7.7
Balance Sheet Measures						
Total Equity (AUD mn)		930	997	1,419	1,228	1,186
Net Debt (AUD mn)		370	400	722	762	438

Debt Denomination

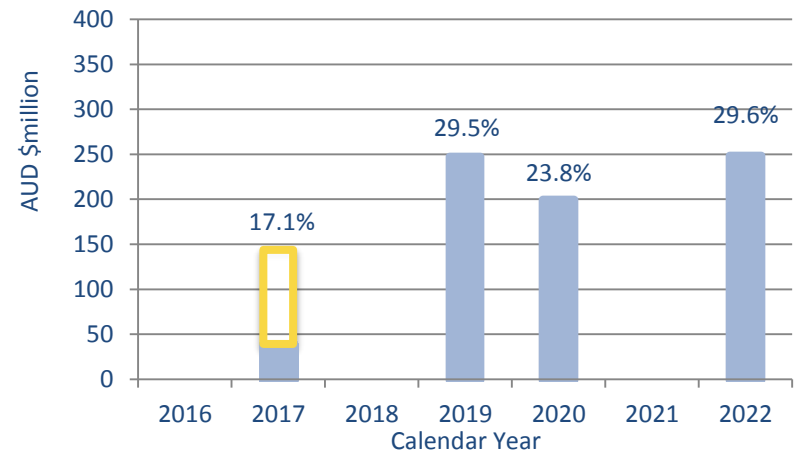


Cash Holdings AUD mn



Debt Maturity & Capacity Profile as at March 2016

■ Long Term Debt - USPP Notes ■ Bank Debt - Undrawn Capacity



Cash Flow



Full year	FY15 AUD mn	FY16 AUD mn
Underlying operating profit (EBIT)	223.3	177.9
Depreciation & Amortisation	83.7	86.4
Working capital	2.7	(6.3)
CAPEX	(76.5)	(73.7)
Other ⁽¹⁾	22.8	5.1
Free cash flow	256.0	189.4
Acquisitions	(30.2)	(22.8)
Dividends paid	(77.9)	(72.0)
Borrowings - movement	(57.0)	(183.2)
Equity Issued	27.2	317.0
Interest and Tax	(89.4)	(73.5)
Restructuring costs	(6.8)	(13.9)
Net increase/(decrease) in cash	21.9	141.0
Opening net cash	136.2	163.0
Effect of FX on cash held	4.9	(6.1)
Closing net cash	163.0	297.9

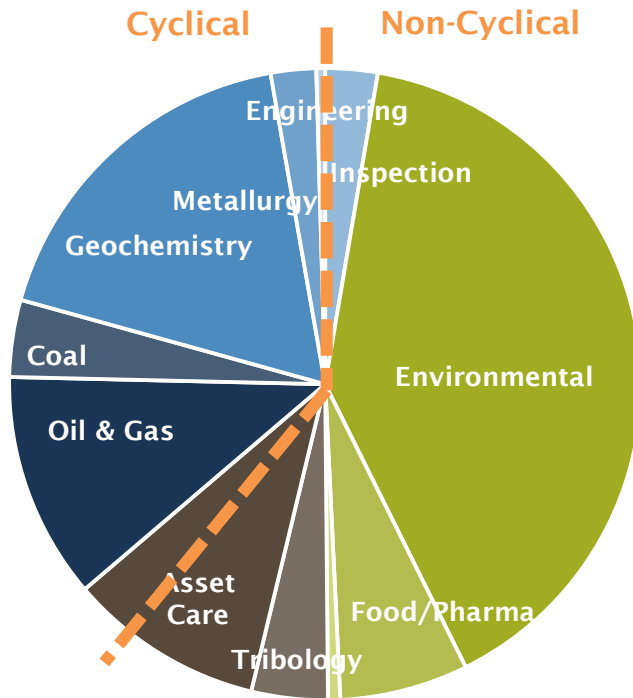
- Cash Flow
 - free cash flow down \$ 66.6mn
 - EBITDA cash conversion 97.1%
 - CAPEX \$ 73.7mn – 5% of revenue
 - 5 acquisitions - \$ 22.8mn
- Effective Tax Rate
 - 29.9%

¹ divestments and sale of assets

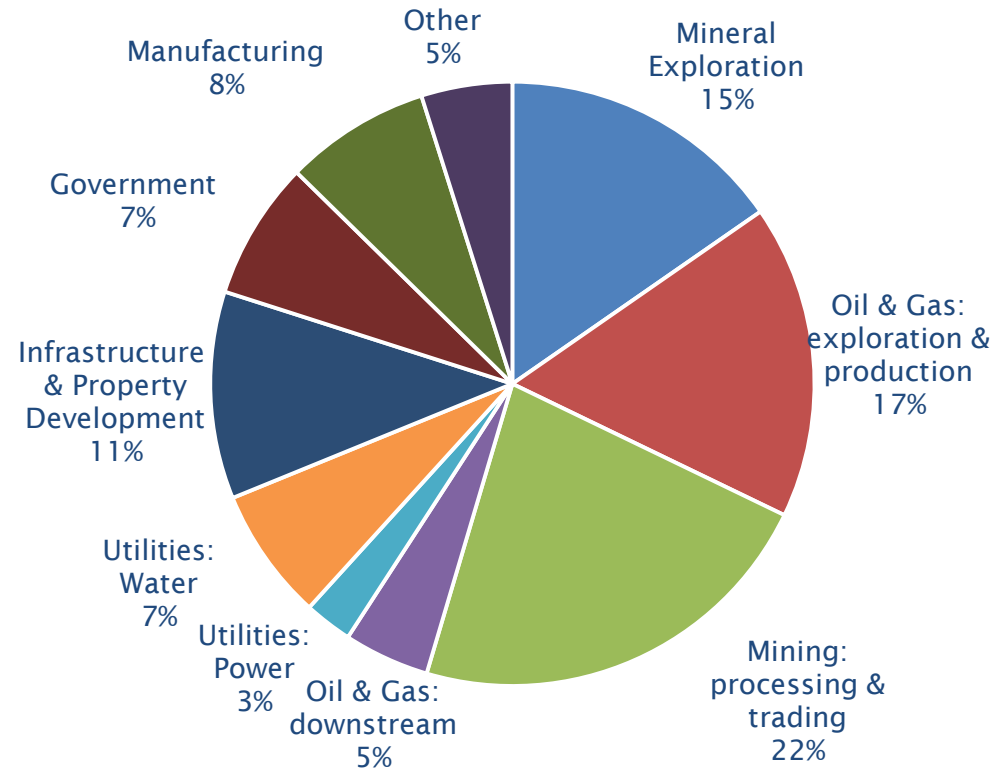
Strategic mix of revenue



Revenue FY16



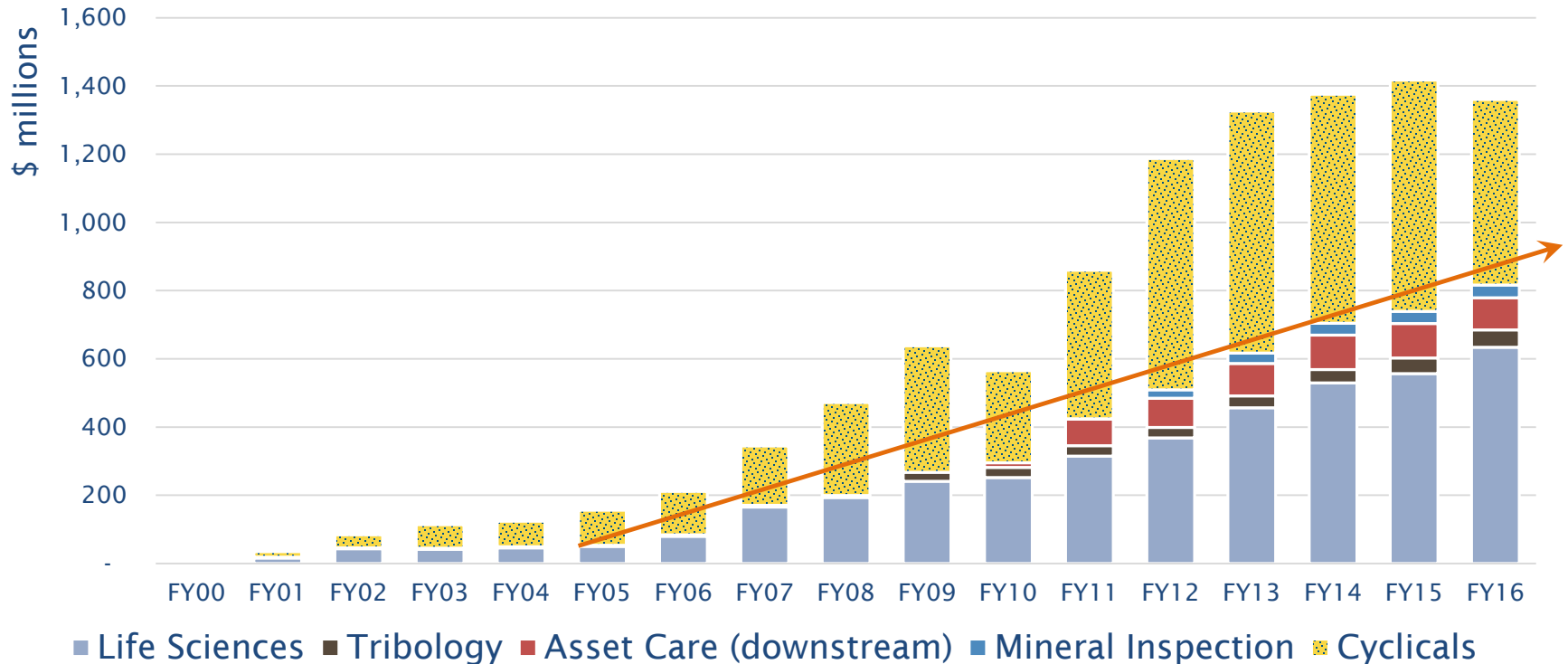
FY16 end-customer sector mix



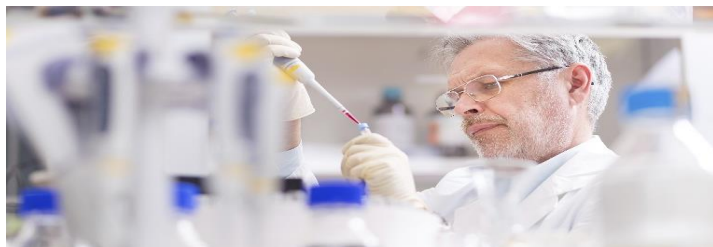
Strategic mix of revenue



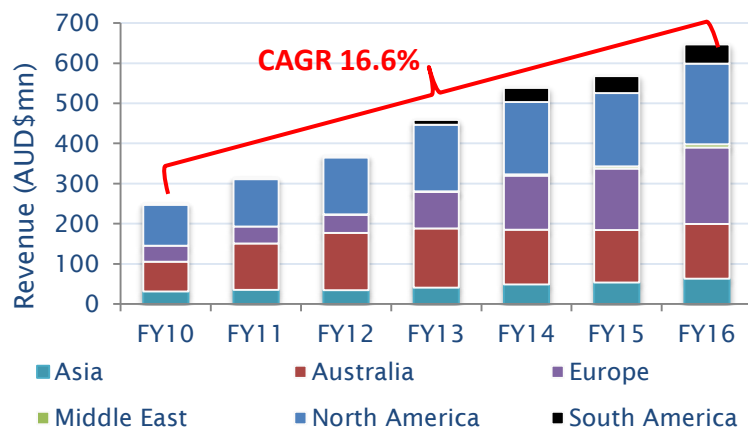
Revenue



- Multi-year strategy of growing the non-cyclicals to provide reliable underlying earnings
- Maintain geographical scale and market position in cyclicals to provide leverage and outperformance during top of the cycle



	2016	2015	Change
Revenue	\$634mn	\$557mn	+14%
EBITDA	\$145mn	\$130mn	+12%
EBIT	\$110mn	\$98mn	+12%
EBIT Margin	17.4%	17.6%	-20bps



Overview

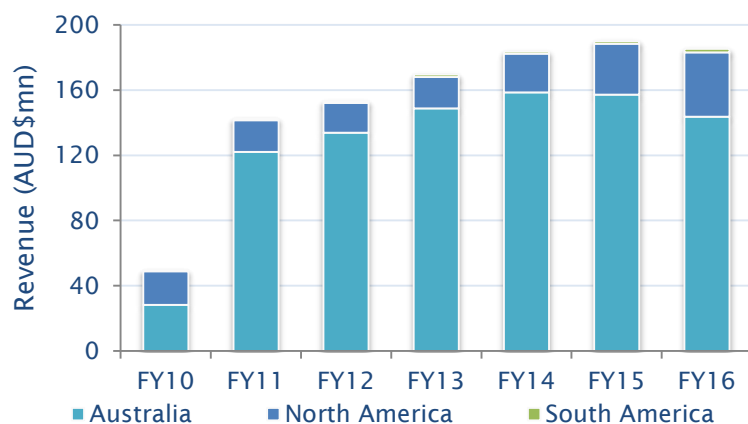
- revenue and EBIT growth in all regions
- Life Sciences revenue up by 14%, with Food/Pharma revenue up 34%
- strong recovery in margin in Australia due to increased market share and cost control initiatives
- new chemistry hub in Chatteris (UK) commissioned and new pharmaceutical hub in Ely (UK) close to completion
- three acquisitions completed during the year
- controlVet acquisition successfully integrated – Iberian Hub
- acquired outstanding 20% shareholding in Latin America Life Science business in January 2016

Outlook

- continuing organic growth
- bolt on acquisitions in Europe and USA
- investment in South America in anticipation of further market growth
- global cost initiatives to drive margin improvement
- further development in “gate to plate” food strategy



	2016	2015	Change
Revenue	\$186mn	\$190mn	-2%
EBITDA	\$31mn	\$34mn	-10%
EBIT	\$25mn	\$28mn	-11%
EBIT Margin	13.5%	14.9%	-140bps



Overview

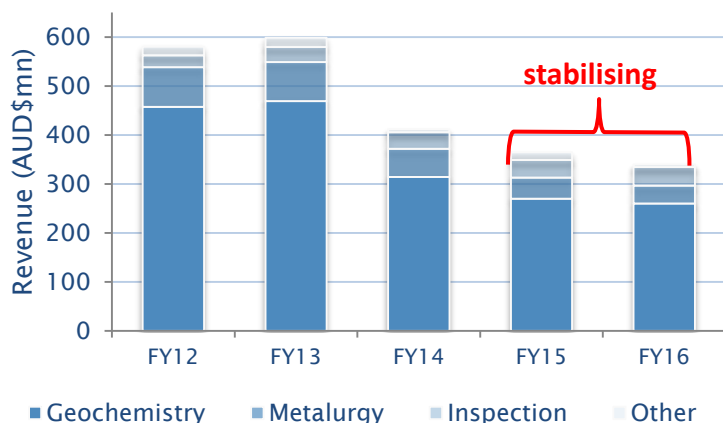
- solid organic tribology growth across all regions
- Tribolab acquisition in Brazil performed in line with expectation for first six months of ownership
- Maverick integration complete and new site opened in Louisiana to expand Gulf Coast footprint
- further decline in Australian welding and fabrication revenue
- severe price pressure in mining, oil & gas and power
- new long term maintenance contracts secured in mining and oil & gas

Outlook

- continued contraction of the Australian market due to completion of LNG construction projects
- Australian business well positioned to secure additional maintenance contracts in mining and oil & gas
- Maverick acquisition positioning North American business for diversification into downstream oil & gas, petrochemical and power
- market share growth remains the key focus in all regions



	2016	2015	Change
Revenue	\$343mn	\$367mn	-7%
EBITDA	\$82mn	\$97mn	-15%
EBIT	\$59mn	\$73mn	-19%
EBIT Margin	17.2%	20.0%	-280bps



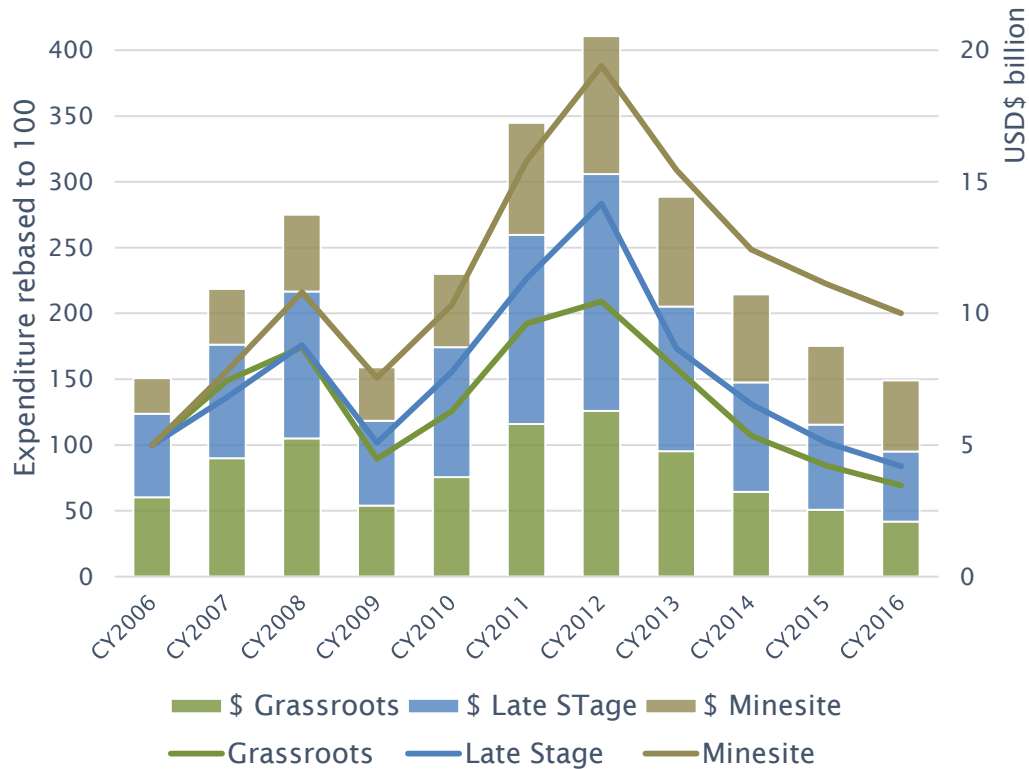
Overview:

- Geochemistry underlying EBIT margin 19%
- Metallurgy Markets challenging in all regions
- Inspection EBIT margin improved to 27% - some price pressure realised in H2
- Mine Site pipeline continued to grow however project timeline extensions delayed awards.

Outlook:

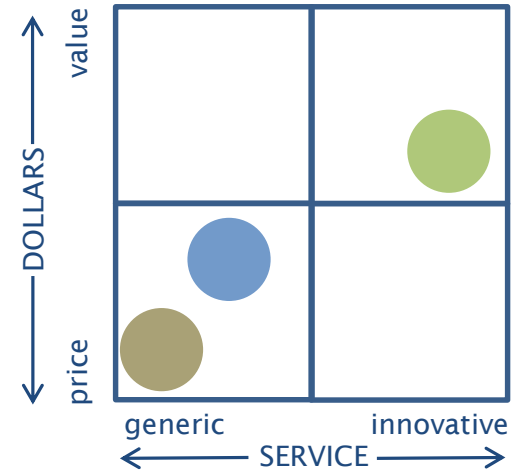
- focus remains on Cost Base and Market Share Growth
 - cost base improvements have facilitated price positioning and expect to generate further market share growth
 - new emphasis on Productivity and Efficiency with both incremental and step change programs in place
- price pressure easing in some Geochemistry markets in line with increased seasonal activity, but remains in Metallurgy sector and is increasing in Inspection.
- closer operational relationship between coal and mineral Inspection Service lines expected to deliver growth opportunities via expanded footprint.

Market Trends

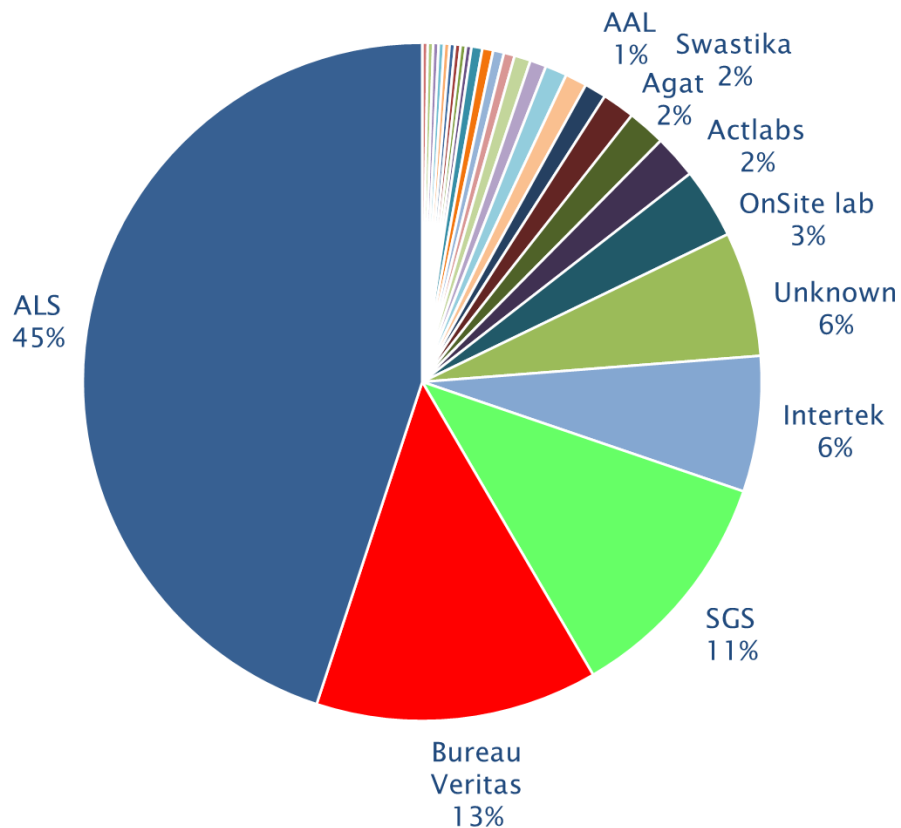


Source: SNL Data

Analytical Spend Drivers



- ALS continued investment to maintain technical capabilities and feed innovation to high end value added services
- ALS focus on systems, productivity and cost base to maintain volume in generic services market sector



SNL Data

- calendar years 2014 and 2015
- ten best intersections reported for gold, copper, lead, zinc, silver and nickel per quarter
- 387 reported intersections analysed
- ALS estimate of analyzing laboratory for each reported intersection
- number of reports per region
 - North America - 167
 - Asia & Pacific - 88
 - South America - 58
 - Africa - 50
 - Europe - 23
 - Middle East - 1

ALS leveraged to inevitable market recovery



Overview – Oil & Gas

- global Oil & Gas markets remain volatile
- pricing pressure and delayed projects
- new products introduced and gaining market acceptance
- Cedar Turbine
- QuickCapture V2
- Houston laboratory fully commissioned and gaining market traction
- changed coring operating model to reduce fixed cost base
- continuing efforts to “right size” all business streams
- consolidating locations globally

Overview - Coal

- solid performance in Australia – revenue flat pcp
- revenue growth in Production and Superintending services with stable margin
- Bore Core (exploration) further decline with significant pricing pressure
- market leader in Australia in
 - coal technology
 - exploration
 - production
 - shipping services

	2016	2015	Change
Revenue	\$203mn	\$307mn	-34%
EBITDA	\$14mn	\$59mn	-77%
EBIT	-\$8mn	\$37mn	-123%
EBIT Margin	-4.1%	12.0%	-1610bps

