

Raj Naran  
 Managing Director and CEO  
 ALS Limited ACN 009 657 489  
 Annual General Meeting  
 10:00am on 23 August 2022


Thank you, Mr. Chairman

Good morning,

I would like to reiterate Bruce's welcome to our shareholders, investors, and staff. I appreciate your attendance today, both in person, and virtually. I am pleased to have the opportunity to update you on the performance of the business during FY22 and provide some insight into our new refreshed 5-year strategic plan.


Safety

## Safety



### Group Safety Metrics


- Maintained high level of attention on risk awareness and effective implementation of controls on our core HSE risks
- Identified 130% more hazards than last year
- Recordable injuries reduced by 23%, returning to pre-pandemic levels



Year	TRIFR
2018	2.70
2019	1.78
2020	1.58
2021	1.98
2022	1.52

### COVID-19

- Our teams continue to adjust and reinforce our controls in line with local infection and vaccination rates
- Employees remain focused on risk awareness and to counter the distractions and fatigue associated with COVID-19 pandemic
- An increased focus on mental health



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The Group remains committed to our people's health and safety. At the height of the pandemic and through additional waves of infection, the proactive protective measures implemented helped us to protect our people, our clients, and our stakeholders ensuring that we can continue to provide an essential service to our clients.

Whilst some of the COVID controls have been eased across parts of our business as the community manages the risk of the pandemic, our safety performance has continued to improve. Our injury frequency rate of 1.52 puts us in the top quartile of all ASX 100 companies. This is a tremendous result and reflects not only management's and the Board's commitment to safety, but also the commitment of our people.

## FY22 division highlights

<b>Life Sciences: Earnings growth</b>	<b>Commodities: Market share growth</b>	<b>Industrial: Improved outlook</b>
<p><b>\$1.1bn Revenue (+24% pcp)</b> <b>\$194.8m EBIT (+29% pcp)</b></p> <ul style="list-style-type: none"> <li>Strong organic growth driven by increased volume activity, surpassing pre COVID-19 pandemic levels, and gradual price increase</li> <li>Successful acquisition strategy focused in food and pharmaceutical markets</li> <li>Robust margin improvement delivered</li> </ul>	<p><b>\$0.8bn Revenue (+31% pcp)</b> <b>\$245.0m EBIT (+42% pcp)</b></p> <ul style="list-style-type: none"> <li>Significant revenue growth and margin improvement</li> <li>Strong sample volume growth, price improvements, better mix (majors x juniors), and increased testing of base and energy metals</li> <li>Increased capacity by 20% (including +5% from <a href="#">MinAnalytical</a>)</li> </ul>	<p><b>\$0.2bn Revenue (+1% pcp)</b> <b>\$17.0m EBIT (-17% pcp)</b></p> <ul style="list-style-type: none"> <li>Tribology: continue to deliver good organic growth and gradually benefit from procurement initiatives, and easing of labour challenges</li> <li>Asset care: Improvement in revenue growth and margin supported by re-opening of borders in Australia</li> </ul>

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As Bruce outlined earlier, FY22 was a record year for the business, and marked the successful completion of our 5-year strategic plan. We achieved industry leading organic revenue growth, supported by both our Life Sciences and Commodities divisions. Our focus and commitment on operational efficiencies saw us continue to improve our underlying EBIT margin. In addition, we finished the year with a strong balance sheet and solid liquidity to continue our strategic objectives in the coming years.

Looking at each division individually - Life Sciences continued to grow revenue, finishing the year with \$1.1 billion, up 24% compared to the prior year. The division again continued to expand margin, achieving an uplift of 68 basis points compared to the previous year. This is an extremely impressive performance, driven by the strong increase in volume, process optimization and automation, and efficiency gains on invested capital.

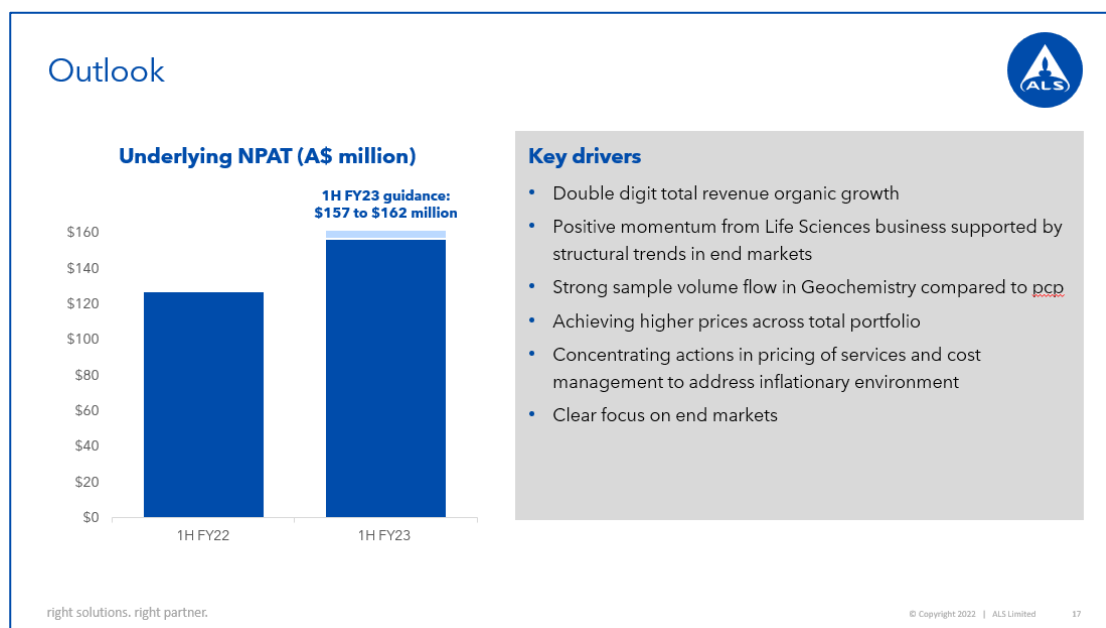
We had a large, 11.5%, increase in acquisition growth driven by a strong performance from the recent acquisitions of Investiga and Nuvisan.

Our Commodities division continues to be a market leader, posting a significant organic revenue growth of 31% and further margin improvement of 230 basis points.

Geochemistry sample volumes increased by 32%, with approximately 15% expansion in capacity completed in FY22 and a further 5% increase in capacity following the acquisition of MinAnalytical. Organic revenue growth was 42% in the year was supported by volume growth, an increase in testing of base metals and price improvements. Sample volume increases were driven by both major and increasingly by junior miners who accounted for ~40% of volumes at the end of the period. The trend of testing for battery related metals, such copper, nickel, lithium, and cobalt, continued throughout the year, and we expect this to continue going forward as society progresses its' sustainability agenda.

The industrial division faced a challenging trading environment due to the temporary COVID-19 impacts, particularly the Asset Care business in Australia, with state border closures, which created mobility challenges for our people, and with the closure of our business in the USA. The tribology business performed relatively well, posting organic revenue growth of 7.9% with contribution from all regions.

## Outlook and guidance



As Bruce said, we are pleased to provide guidance for the first half of FY23 of underlying NPAT between \$157m and \$162m. This reflects continued improvement across the business with double digit total organic revenue growth, supported by higher prices achieved across the portfolio.


Current performance continues to be supported by strong sample volume flow from Geochemistry, which remains up from the prior period, and continued positive momentum from Life Sciences.

The business continues to pursue pricing and cost management initiatives to address the current inflationary headwinds.

The long-term prospects for the Group remain strong, supported by positive structural industry mega trends, and our continued focus on efficiency and expanding our geographical footprint and service offerings. While the risk of economic pressure from higher inflation, interest rates and market volatility are continuing to emerge, our diversified and flexible business model has proved successful in managing challenging periods as shown in the early stages of the COVID-19 pandemic.

On that note, I would like to now provide a more detailed overview on our refreshed five-year strategic plan that will see the business consolidate our position as a global leader in the discipline of scientific analysis, in pursuit of a better world for all.

## 5-year strategy

oneALS


**OUR VISION**

To be the global leader in the discipline of scientific analysis in pursuit of a better world for all.

**OUR MISSION**

ALS is using the power of testing to solve complex challenges. With a passion for science, we serve clients with data-driven insights for a safer and healthier world.

**OUR PURPOSE**

SCIENCE.  
ASSURANCE.  
SUSTAINABILITY.

**OUR VALUES**

SAFE

RESILIENT

CURIOUS

COMMITTED

CARING

HONEST


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Earlier this morning, Bruce talked about the successful completion of our 5-year strategic plan and our key objectives for the next five years. I will provide a brief overview of the strategic plan today and will provide more detailed insights at our investor day in September.


In summary, our new refreshed five year strategic plan continues to build on the strengths of the current organization and to a clear focus on our end markets.

At our very core, ALS is a technical testing services company. It is our core business and what we do best, and provides us with significant market growth opportunities, particularly within several key end markets, that our business is aligned with. Our vision, mission, and the values that guide the Board, all our employees and I, have remained unchanged.

## Our Core Values




ALS is an amalgamation of many traits; our core values, our beliefs, how we treat others and most important, how we conduct ourselves.




**SAFE**

More than a policy, safe management is an attitude. Implementation is our operational model. It's a priority. It's simply the way we do business.




**RESILIENT**

Nothing worthwhile is ever easy. It is precisely our ability to overcome obstacles and get ahead that brings value to the table at hand.




**CURIOUS**

Innovation is drawn from the experience of doing things better. To be open-minded means we will give new ideas their proper measure before making judgement.




**COMMITTED**

We are part of a team that relies on one another to deliver our best. Each time we perform a test, remember that a client or colleague is counting on our continued effort towards improvement as well as our unrelenting hard work.



**CARING**

Our enduring focus is on diverse people and their ideas. We encourage a culture of transparency and problem-solving. We are a part of the problem, going to help combine the dots together and make the world just a little better.



**HONEST**

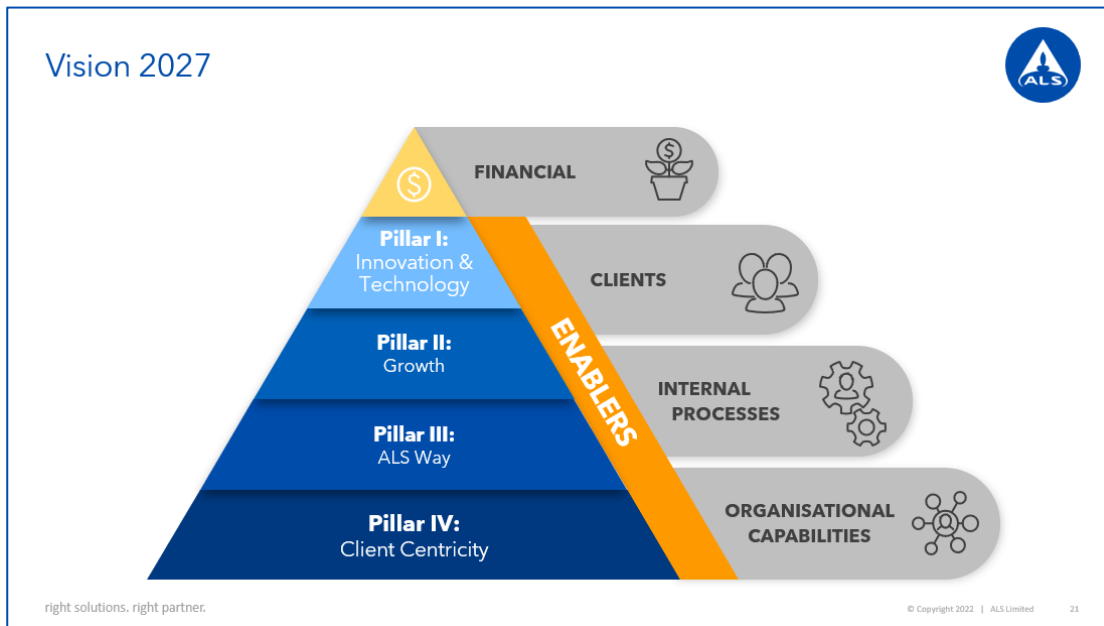
Truth is the precursor to knowledge. There can be no success built on a lie. Be honest in what you know and don't know. Spread words and wide integrity so that others can appreciate both.

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ALS as a Company can be defined by our core values. These are our beliefs, how we interact and treat others, but most importantly, how we conduct ourselves. These values are at the heart of everything we do and are embedded across the entire organization.

We value safety and diversity in the workplace. We value innovation and curiosity. We are resilient in our pursuit of excellence. We always remain committed. We are caring and we are honest.

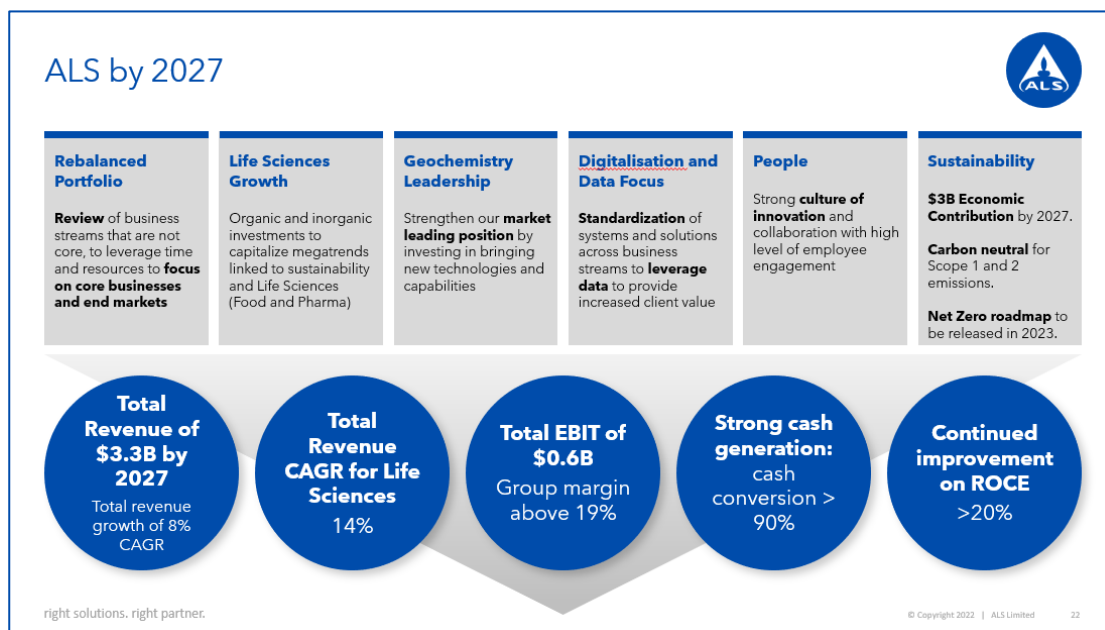
Every individual that works within our global operations belongs to the ALS family and lives by these values.



Under this refreshed five-year strategic plan, our vision for the business in 2027 is for us to become the global leader in the discipline of scientific analysis in pursuit of a better world for all. There are three aspects to our vision.

1. Firstly, Strategic themes or pillars that support the business.
2. Secondly, enablers are opportunities that will help the business achieve its objectives.
3. And Finally, financial outcomes are how success will be measured.

Each of these aspects is important and each member of my management team and I are committed to successful delivery of the next five-year strategic plan.



What does the success of the five-year plan look like for ALS?

Our financial goals will see us increase our Group revenues from a base of \$2.2Bn in FY22 to \$3.3Bn in FY27, supported by total revenue CAGR of 8%, with a total CAGR for Life Sciences of 14%. We expect to deliver an underlying EBIT of approximately \$600-million in FY27, which equates to a market leading Group EBIT margin above 19%, in-line with current margins.

As part of the overall strategy, we will continue to optimize our portfolio and ensure we maintain a strict capital allocation discipline.

We have a strong focus on continuing to grow and invest in our Life Sciences division as we expect to materialize the megatrends supporting their growth. We will strengthen our market leading position in Geochemistry by continued investment in new technologies and capabilities.

The world continues to become increasingly reliant on data and our business is well positioned to capture the digitalization trend. Our data sets are some of the largest in the world, and we recognize the opportunity for us to standardize systems and solutions that will enable us to leverage our position to provide further client solutions.



There are three major enablers for our business that will help us achieve our vision and financial objectives for FY27, namely our focus on clients, our internal processes, and organizational capabilities. We must maintain our client service focused model and be able to meet our clients' growing demands.

We will focus internally within the business and find opportunities to extract value, through portfolio optimization, innovation and efficiencies. This will support our bottom line, which is increasingly important in these higher inflationary periods.

And lastly, focusing on our capabilities as an organization. Our people are at the center of our business, and we need to support them so they can support the business and our clients.



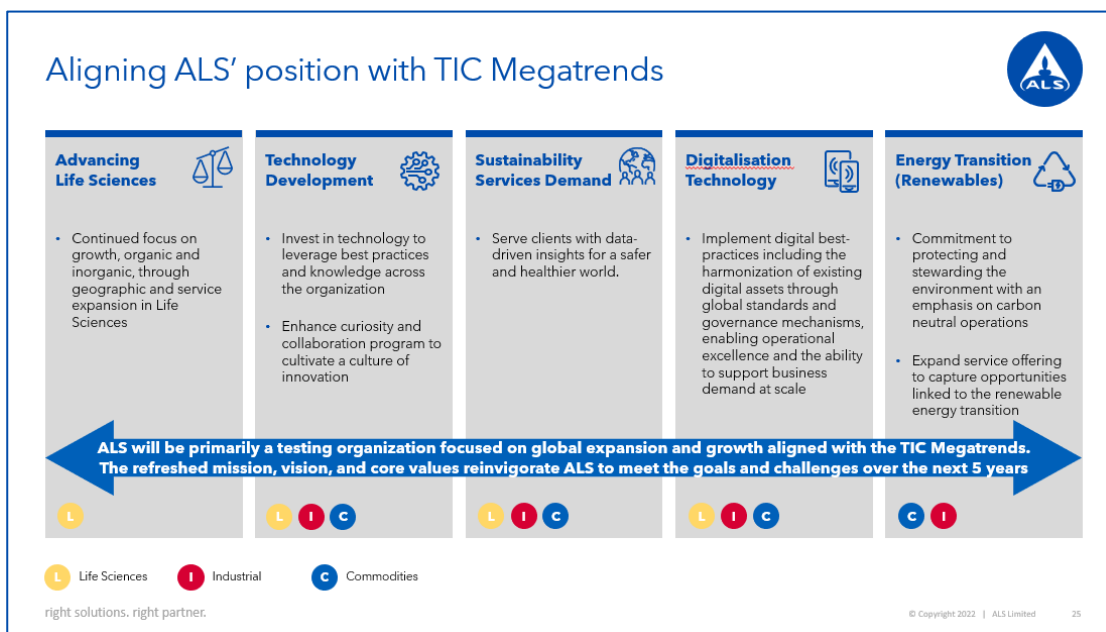
Underpinning our vision and ability to execute are four strategic themes. Firstly, is our commitment to innovation and technology where we will integrate and consolidate our systems globally and pursue advanced data management and analytics for our clients.

Secondly, we will focus on growth, particularly in new markets and in sustainable market segments. To date, we have demonstrated our ability to deliver on our strategic plan, including market leading total shareholder returns.

Thirdly, what I call the ALS Way. This is our team working as one and living our core values that I talked about earlier.

And lastly, client centricity. Our clients trust our knowledge and expertise to deliver solutions for them.

### Aligning ALS' position with TIC Megatrends



Megatrend	Key Focus	ALS Alignment
Advancing Life Sciences	Continued focus on growth, organic and inorganic, through geographic and service expansion in Life Sciences	L
Technology Development	Invest in technology to leverage best practices and knowledge across the organization; Enhance curiosity and collaboration program to cultivate a culture of innovation	L, I, C
Sustainability Services Demand	Serve clients with data-driven insights for a safer and healthier world.	L, I, C
Digitalisation Technology	Implement digital best-practices including the harmonization of existing digital assets through global standards and governance mechanisms, enabling operational excellence and the ability to support business demand at scale	L, I, C
Energy Transition (Renewables)	Commitment to protecting and stewarding the environment with an emphasis on carbon neutral operations; Expand service offering to capture opportunities linked to the renewable energy transition	C, I

**ALS will be primarily a testing organization focused on global expansion and growth aligned with the TIC Megatrends. The refreshed mission, vision, and core values reinvigorate ALS to meet the goals and challenges over the next 5 years.**

L Life Sciences    I Industrial    C Commodities

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There are several megatrends which are driving the long-term growth of the Testing, Inspection and Certification industry. These megatrends will underpin ALS' future growth plans and the Group remains well-positioned to capture on these long-term, sustainable structural growth opportunities in the markets in which it operates.





I am confident that our new five-year strategic plan is well aligned with these megatrends and will support our vision and financial objectives for FY27. I will talk briefly to the underlying key growth drivers that support our business on the next slide.



## Well positioned in growing end-markets



### KEY GROWTH DRIVERS

 <b>Commodities</b>	<ul style="list-style-type: none"> <li>• Electrification and growth of alternative energy</li> <li>• Infrastructure investment</li> <li>• Technology evolution</li> </ul>
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>• Stricter regulation</li> <li>• Societal demands for a cleaner and safer environment</li> <li>• Emerging contaminants (e.g. PFAS)</li> </ul>
 <b>Food</b>	<ul style="list-style-type: none"> <li>• Increasing government regulation</li> <li>• New product developments (GMOs, packaging)</li> <li>• Consumer demands and awareness for quality and safe food</li> </ul>
 <b>Pharma</b>	<ul style="list-style-type: none"> <li>• Regulatory bodies more demanding to improve safety</li> <li>• Expansion of new drugs and increasing complexity of testing</li> <li>• Growing and aging global population</li> </ul>

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Focusing on our two largest divisions, being Commodities and Life Sciences, the end markets provide a core and stable growth pathway for our business. Within Commodities, electrification and the accelerated growth of alternative energy supports continued demand for battery and energy related metals. Government infrastructure spending is expected to remain elevated and will underpin commodity demand into the future.

In Life Sciences, there is a clear trend of increasing regulatory drivers - largely driven by Government, but also demanded by society. New emerging contaminants, such as PFAS, continue to be discovered and will require ongoing testing and monitoring. Consumer demand and awareness for quality and safety, particularly in food and water is increasing. For pharmaceutical testing, safety remains critical with regulatory bodies demanding more testing, and the expanding range and usage of medication continues to evolve in a growing and ageing population.

These drivers underpin our growth and will help us to achieve our financial targets for FY27.

## Our sustainability strategy



<b>Our sustainability pillars:</b>	<b>People</b> 	<b>Environment</b> 	<b>Society</b> 	<b>Governance</b> 
<b>Our Guiding Principles:</b>	<b>Deliver world-class health and safety outcomes, and attract a diverse, capable and engaged workforce.</b>	<b>Minimise our environmental footprint and build our resilience to climate related impacts.</b>	<b>Make a positive contribution to our local communities.</b>	<b>Operate ethically and responsibly to deliver sustainable outcomes for our stakeholders.</b>
<b>Through ongoing engagement and consultation we identify the material issues important to all Stakeholders and create targeted programs to ensure the achievement of our agreed ESG ambitions:</b>	<b>Health &amp; Safety</b> <ul style="list-style-type: none"> <li>• Safety Culture</li> <li>• Life Saving Rules</li> <li>• Wellbeing</li> </ul> <b>Diversity &amp; Equity</b> <ul style="list-style-type: none"> <li>• Respecting differences</li> <li>• Supportive Work Environment</li> </ul> <b>Training &amp; Development</b> <ul style="list-style-type: none"> <li>• Investing in talent development</li> </ul>	<b>Climate Change</b> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> &amp; Green House Gas emissions</li> <li>• Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>• Efficient buildings, plant &amp; equipment</li> <li>• Carbon neutral (Scope 1 and 2 emissions)</li> <li>• Net zero roadmap to be released in 2023</li> </ul> <b>Waste Reduction</b> <ul style="list-style-type: none"> <li>• Resource conservation</li> <li>• Regulated waste</li> </ul> <b>Operational Environmental Performance</b> <ul style="list-style-type: none"> <li>• Management of adverse environmental emissions</li> <li>• Efficient operations</li> </ul>	<b>Economic Contributions</b> <ul style="list-style-type: none"> <li>• Paying our fair share of tax</li> <li>• Charitable giving</li> </ul> <b>Local Contributions</b> <ul style="list-style-type: none"> <li>• ALS Cares</li> <li>• Science education support programs</li> <li>• Local employment</li> </ul> <b>Human Rights</b> <ul style="list-style-type: none"> <li>• Worker's rights</li> <li>• Modern Slavery Assessments</li> </ul>	<b>Financial Performance</b> <ul style="list-style-type: none"> <li>• Maximise return for shareholders</li> </ul> <b>Conduct and Culture</b> <ul style="list-style-type: none"> <li>• Data integrity &amp; traceability</li> <li>• Ethical business conduct</li> </ul> <b>Regulatory Compliance</b> <ul style="list-style-type: none"> <li>• Systems to maintain legal compliance, Anti-bribery &amp; Anti-corruption</li> </ul> <b>Enterprise Risk Management</b> <ul style="list-style-type: none"> <li>• Management of external, strategic, financial and operational risks</li> </ul> <b>Innovation &amp; Technology</b> <ul style="list-style-type: none"> <li>• Strategy, Investment &amp; Collaboration, Service lifecycle management</li> </ul>

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As part of our five-year strategic plan, we are committed to working together towards a safer, healthier and cleaner world, to build a sustainable future for our employees and communities, inspired by science, innovation, and a value-driven culture.

Our focus remains on the issues that are most material to our business, where we have identified opportunities under our new strategic plan, and in the areas in which we have the expertise to make a meaningful impact.

We have created targeted programs to ensure the achievement of our agreed ESG strategy, some of which are identified on this slide. An important milestone will be the release our net zero roadmap in 2023, which will identify a clear pathway for us to contribute to a more sustainable future.

I look forward to progressing these opportunities and reporting on their progress in the future.

### Conclusion

In summary, our FY22 performance was very strong reflecting the quality of our diverse business. I am excited about the positive industry megatrends that are helping to shape our company and we are very well positioned to capture and benefit from the opportunities in the coming years. I look forward to sharing more insights into our refreshed 5-year strategic plan at the investor day in September.

I would like to thank our hardworking 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 for their guidance and counsel, and my family for their continued support.

Finally, thank you to you, our shareholders, for your ongoing support and we remain committed to delivering value to you.

Thank you.

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