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ALS Limited
ABN 92 009 657 489

CONDENSED INTERIM FINANCIAL REPORT

For the half year ended 30 September 2023



Contents

Condensed Interim Financial Report for the Half Year Ended 30 September 2023	1
Results for announcement to the market.....	2
Appendix 4D	2
Directors' report.....	3
Directors.....	3
Review and results of operations.....	4
Consolidated interim statement of profit and loss and other comprehensive income.....	9
Consolidated interim balance sheet	10
Consolidated interim statement of changes in equity.....	11
Consolidated interim statement of cash flows	12
Condensed notes to the consolidated interim financial report.....	13
1. Reporting entity.....	13
2. Statement of compliance.....	13
3. Significant accounting policies	13
4. Estimates.....	13
5. Financial risk management	13
6. Revenue	14
7. Segment reporting.....	14
7. Segment reporting (continued)	15
7. Segment reporting (continued)	16
8. Loans and borrowings	17
9. Investments accounted for using the equity method	17
10. Dividends.....	17
11. Share-based payments	18
12. Business acquisitions	18
13. Events subsequent to balance date	19
Directors' declaration	20
Independent auditor's review report to the members of ALS Limited	21
Lead auditor's independence declaration under Section 307C of the Corporations Act 2001	23



Condensed Interim Financial Report for the Half Year Ended 30 September 2023

Contents

- Results for announcement to the market (including required Appendix 4D information)
- Directors' half year report
- Consolidated interim financial report for the half year ended 30 September 2023



Results for announcement to the market

For the half year ended 30 September 2023

Appendix 4D

(Previous corresponding period: half year ended 30 September 2022)

	\$M			
Revenue from ordinary activities	Up	2.4%	to	1,222.5
Revenue from underlying operations	Up	7.4%	To	1,284.5
Underlying net profit after tax * attributable to members	Down	1.9%	To	158.4
Profit from ordinary activities after tax attributable to members	Down	9.4%	To	133.5
Net profit for the period attributable to members	Down	9.4%	To	133.5

Dividends

	Amount per ordinary share	Franked amount per ordinary share
Interim dividend	19.6 cents	3.9 cents
Previous corresponding period	20.3 cents	nil cents

Record date for determining entitlements to the interim dividend: 24 November 2023

The dividend reinvestment plan (DRP) will remain suspended whilst the Company's on-market share buyback remains operative.

Additional dividend information:

Details of dividends declared or paid during or subsequent to the half year ended 30 September 2023 are as follows:

Record date	Payment date	Type	Amount per ordinary share	Total dividend	Franked amount per ordinary share	Conduit foreign income per ordinary share
13 June 2023	6 July 2023	Final 2023	19.4 cents	\$93.9m	1.9 cents	17.5 cents
24 Nov 2023	14 Dec 2023	Interim 2024	19.6 cents	\$94.9m	3.9 cents	15.7 cents

Other financial information:

	Current period	Previous corresponding period
Basic earnings per ordinary share	27.6 cents	30.5 cents
Basic underlying * earnings per ordinary share	32.7 cents	33.4 cents
Net tangible assets per ordinary share	(57.6) cents	(62.3) cents

* Refer to page 5 of the attached Interim Financial Report for a reconciliation of Underlying net profit after tax to Statutory net profit after tax.

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 30 September 2023 Interim Financial Report. The unqualified review report of the company's auditor, EY, is attached to this document and highlights no areas of dispute.

Sign here: Date: 14/11/2023

Michael Pearson, Company Secretary



Directors' report

The directors present their report together with the condensed consolidated interim financial report for the half year ended 30 September 2023 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half year are:

BRUCE PHILLIPS B Sc (Hons) (Geology)
Chairman and Independent Non-Executive Director

Appointed a director 2015 and appointed Chairman 2016.

MALCOLM DEANE Bachelor of Laws (Masters) Juris Doctor
Managing Director and Chief Executive Officer

Appointed Managing Director and Chief Executive Officer May 2023.

JOHN MULCAHY PhD, B E (Civil Eng) (Hons), FIE Aust
Independent Non-Executive Director

Appointed a director 2012.

TONIANNE DWYER B Juris (Hons), LLB (Hons), GAICD
Independent Non-Executive Director

Appointed a director 2016.

SIDDHARTHA KADIA PhD Biomedical Engineering, B.E., Electronics and Telecommunication
Independent Non-Executive Director

Appointed a director 2019.

LESLIE DESJARDINS B Industrial Admin, Finance (Kettering), MS Business (MIT)
Independent Non-Executive Director

Appointed a director 2019.

PETER POSSEMIERS Bachelor of Applied Science in Chemistry and Microbiology
Independent Non-Executive Director

Appointed a director 2022.

NIGEL GARRARD Bachelor of Economics, Chartered Accountant
Independent Non-Executive Director

Appointed a director June 2023.

CHARLIE SARTAIN B Eng (Hons) (Mining), FAusIMM, FTSE
Independent Non-Executive Director

Appointed a director 2015. Retired June 2023.



Review and results of operations

Financial performance

The Group achieved revenue from continuing operations of \$1,285 million, up 7.4% compared to \$1,197 million recorded in the prior corresponding period (pcp). Organic revenue growth contributed 0.7% to the uplift, with acquisition growth contributing 2.9%, and a positive FX impact of 3.8% due to depreciation of the Australian dollar against main currencies (Euro, Pound Sterling and US dollar) during H1 FY24. The revenue growth was primarily driven by our Environmental business and the Commodities division.

The Groups' core Geochemistry and Environmental businesses continue to demonstrate that they are global leaders in their respective markets. Both businesses have maintained industry leading operating margins despite operating in a challenging economic environment, reflecting the quality of their hub and spoke operating model, client service offering, and investment into both technology & innovation. Both businesses combined represent 64% of H1 FY24 Group revenue and remain well positioned to capture strategic industry megatrends. The balance sheet remains strong and positioned to support the Group's growth agenda with liquidity of \$486 million and leverage well within banking covenants.

In a challenging environment, the Group delivered an underlying EBIT margin of 19.1% in H1 FY24, representing a decline of 161 basis points (bps) compared to the pcp. The margin contraction reflects the challenging economic environment and reduced new product development in the Pharmaceutical business. Margin contraction was partially offset by strong performances within Environmental and a resilient Geochemistry performance. The H1 FY24 Group margin remained above the FY27 target floor of 19%, and the Group margin (ex. Nuvisan) was 20.3%.

The Group delivered H1 FY24 statutory NPAT of \$134 million, compared to the \$147 million recorded in the pcp. The decrease of \$14 million in statutory NPAT reported in H1 FY24 is primarily due to underperformance of the Pharmaceutical business, increased one-off costs and disposal of the Asset Care business.

On an underlying basis, the Group recorded NPAT of \$158 million, down 2% compared to \$161 million reported in the pcp, but exceeded the top end of our market guidance. This was a good performance given the challenging market backdrop.

The Group delivered strong cash flow before capex of \$236 million, an increase of \$10 million compared to the pcp. 82% of underlying EBITDA was converted to cash in the period, an increase of 241 bps from the pcp and in-line with expectations.

The Group's overall operational capital expenditure increased in H1 FY24 by \$31 million to \$85 million compared to pcp, with spending targeted on key growth opportunities in Life Sciences and Commodities. The capex-to-revenue ratio was 6.6% in H1 FY24 of which 4.2% linked to growth capex and 2.4% for maintenance capex. The continued investment in growth opportunities supported the Environmental business growth agenda and new greenfield opportunities in Life Sciences.

The Group completed 6 acquisitions¹, contributing approximately \$36 million of revenue on a full year basis at a total cost of approximately \$77 million. The transactions were aligned to our long-term goal to capitalise on industry megatrends linked to sustainability and Life Sciences. Most transactions were focused within the Environmental sector, providing geographic expansion and new service offerings for the Group.

The acquisition strategy remains balanced and disciplined in current market conditions irrespective of the long-term FY27 scope growth objective. The Group remains focused on value-enhancing acquisitions and targeting opportunities that fit within existing capability frameworks or attractive adjacent markets. Bolt-on size transactions remain key to the overall acquisition strategy, noting that new transactions are likely to reflect the current size of the Group. The pipeline of opportunities remains supportive of the Group's growth ambitions in key geographies and services.

The Group's balance sheet remains strong with the leverage ratio at 2.0 times at 30 September 2023 (30 March 2023: 1.8 times) and 73% of drawn total debt fixed at an average rate of 2.92%. In October 2023, the Group secured ~A\$224 million of new US Private Placement (USPP) senior notes. The new USPP facility includes: 5-year bullet maturity, 3 currencies (EUR50 million, C\$80 million and A\$50 million) and weighted average cost of 5.65%. The new facility provides additional liquidity to the Group as it continues to execute on its growth strategy and eliminates the potential refinance risk in the short-term. The updated mix of debt by currency supports the existing natural debt profile hedge and cash generation in our main currencies. Following the issuance, 80% of drawn debt is fixed at 3.74% with a weighted average maturity greater than 5 years. The Group has available liquidity of \$486 million (as at 30 September 2023) and post USPP issuance, the Group available liquidity will increase to \$580 million.

Based on the operating performance, strong financial position and positive outlook, the Directors have declared a partly franked interim dividend for the year of 19.6 cents per share, 20% partially franked (2023: 20.3 cents, unfranked), representing a dividend payout ratio of 60% of underlying net profit after tax. The dividends will be paid on 14 December 2023 on all shares registered in the Company's register at the close of business on the 24 November 2023 record date. The existing \$100 million share buy-back program remains active and as such, the Board has determined not to activate the dividend reinvestment plan (DRP) at this time.

¹ As of November 2023, including one acquisition through associate



The Group's financial performance for the half year to 30 September 2023 is summarised as follows:

H1 FY24 \$m	Underlying results ² (incl Nuvisan proportionately consolidated @ 49%)	49% of Nuvisan's Underlying results	Nuvisan Equity Share of Profit incl in Statutory results	Restructuring & other items ²	Amortisation of intangibles	Statutory result
Revenue	1,284.5	(61.9)	-	-	-	1,222.5
EBITDA ³	332.9	(6.9)	(4.3)	(19.4)	-	302.4
Depreciation & amortisation	(87.7)	7.6	-	-	(6.6)	(86.7)
EBIT ³	245.2	0.7	(4.3)	(19.4)	(6.6)	215.7
Net interest expense	(23.1)	(0.6)	-	(1.6)	-	(25.2)
Tax expense	(63.4)	-	-	5.8	1.1	(56.5)
	158.8	0.1	(4.3)	(15.2)	(5.5)	133.9
Non-controlling interests	(0.4)	-	-	-	-	(0.4)
Net profit/(loss) after tax (NPAT)	158.4	0.1	(4.3)	(15.2)	(5.5)	133.5
Basic EPS (cents)	32.7					27.6
Diluted EPS (cents)	32.5					27.4

H1 FY23 \$m	Continuing operations Underlying results ⁴ (incl Nuvisan proportionately consolidated @ 49%)	49% of Nuvisan's Underlying results	Nuvisan Equity Share of Profit incl in Statutory results	Discontinued operations ⁵	Restructuring & other items ²	Amortisation of intangibles	Statutory result
Revenue	1,196.5	(73.7)	-	71.4	-	-	1,194.2
EBITDA ⁶	323.6	(16.3)	3.7	7.9	(9.6)	-	309.3
Depreciation & amortisation	(75.8)	7.5	-	(3.4)	-	(4.0)	(75.7)
EBIT ³	247.8	(8.8)	3.7	4.5	(9.6)	(4.0)	233.6
Net interest expense	(20.3)	0.1	-	(0.3)	(1.1)	-	(21.6)
Tax expense	(65.4)	0.9	-	(1.3)	1.4	0.5	(63.9)
	162.1	(7.8)	3.7	2.9	(9.3)	(3.5)	148.1
Non-controlling interests	(0.7)	-	-	-	-	-	(0.7)
Net profit/(loss) after tax (NPAT)	161.4	(7.8)	3.7	2.9	(9.3)	(3.5)	147.4
Basic EPS (cents)	33.4						30.5
Diluted EPS (cents)	33.3						30.4

² The terms Underlying Results, Restructuring & Other Items are non-IFRS disclosures. These terms have been presented to assist in the assessment of the relative performance of the Group from period to period. The calculations thereof are based on non-IFRS information and are not subject to review procedures. Refer to table on next page for details of restructuring & other items.

³ EBIT = Earnings before interest and tax. EBITDA = EBIT plus depreciation and amortisation. The terms EBITDA and EBIT are non-IFRS disclosures and have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e., non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are not subject to review procedures.

⁴ The terms Underlying Results, Restructuring & Other Items are non-IFRS disclosures. These terms have been presented to assist in the assessment of the relative performance of the Group from period to period. The calculations thereof are based on non-IFRS information and are not subject to review procedures. Refer to table on next page for details of restructuring & other items.

⁵ In February 2023 the Group sold its Australian Asset Care business.

⁶ EBIT = Earnings before interest and tax. EBITDA = EBIT plus depreciation and amortisation. The terms EBITDA and EBIT are non-IFRS disclosures and have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e., non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are not subject to review procedures.



Restructuring & other items	H1 FY24 \$M	H1 FY23 \$M
Greenfield start-up cost	2.4	1.9
Acquisition costs	1.3	3.2
Impairment of right-of-use asset and other site closures	1.7	0.4
SaaS development costs	12.5	2.9
Other, including employee redundancy costs	1.5	1.2
	19.4	9.6

The Group has two reportable operating segments as at 30 September 2023: Life Sciences and Commodities.

Contributions from business segments are set out below.

Life Sciences Non-Statutory Financial Performance (incl Nuvisan) ⁷	H1 FY24 \$M	H1 FY23 \$M	Variance
Revenue ⁸	739.4	656.0	12.7%
Segment EBIT ⁹	104.9	107.5	
Restructuring and other items ⁹	5.6	3.7	
Underlying segment EBIT ⁹	110.5	111.2	(0.6%)
Margin (underlying segment EBIT to revenue)	14.9%	17.0%	
Underlying segment EBITDA ⁹	165.1	157.6	4.8%
Margin (underlying segment EBITDA to revenue)	22.3%	24.0%	

The Life Sciences division delivered modest organic revenue growth of 1.7% and complemented by scope growth of 4.5% with strategic acquisitions in Food and Environmental businesses. Growth was driven by good performance of our core Environmental businesses but partially offset by the slowdown in new product development revenues in the Pharmaceutical business. Underlying organic revenue growth CCY (ex. Nuvisan) was 5.0% reflecting the continued strength and scale of our market leading and global Environmental business, underpinned by strong industry megatrends.

The division delivered an underlying EBIT margin of 14.9% in H1 FY24 (16.4% excluding Nuvisan), which was a contraction of 201 bps compared to the pcp. Both results reflect the impacts from economic conditions, geopolitical conflicts, and restrictive monetary policy inhibiting new product development.

The Environmental business delivered strong growth across all regions, achieving organic revenue growth of 8.5% supported by market share growth in key geographies and successful price management. The business was able to successfully increase margins by leveraging its large global footprint and scale. Growth from emerging contaminants, e.g., PFAS, materially outpaced total market segment growth.

The Food business delivered modest organic revenue growth of 3.1%, with both volumes and margins recovering late in the period.

The Pharmaceutical business was impacted by the reduced level of funding for new drug development, with financings normalising to pre-COVID levels. The business saw organic revenue decline by 15.9%. Excluding Nuvisan, the organic revenue decline was 7.7%.

Both Food and Pharmaceutical businesses are expected to deliver margin improvement in H2 FY24.

The Nuvisan 49% minority interest is now under strategic review following a sustained period of underperformance and with the option window commencing in January 2024. As part of the strategic review, the Group is examining the long-term market fundamentals for both Contract Research Organisation (CRO) and Contract Development and Manufacturing Organisation (CDMO), the overall business structure, and potential operational synergies within the existing Pharmaceutical portfolio. All potential ownership structures permitted within the available options are being considered. The Group expects to deliver a final decision in early calendar 2024.

⁷ Life Sciences underlying results plus 49% of Nuvisan's revenue and expenses (non IFRS)

⁸ 2022 revenue restated for AASB15, nil EBIT and EBITDA impact.

⁹ EBIT = Earnings before interest and tax. EBITDA = EBIT plus depreciation and amortisation. Restructuring and Other Items and Underlying segment EBIT/EBITDA are non-IFRS disclosures. These terms have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e., non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are not subject to review procedures.



Medium to Long-term Outlook

The Life Sciences portfolio remains well supported by sustainable global market segments, underpinned by industry megatrends, in particular emerging global contaminants, such as PFAS, following increased global regulatory legislation.

In addition, the division expects to continue to grow market share in key end markets across the Life Sciences portfolio. This will be achieved organically and through strategic acquisitions that expand existing service offerings and overall geographic footprint.

Commodities Financial performance	H1 FY24 \$M	H1 FY23 \$M	Variance
Revenue	545.1	540.5	0.9%
Segment EBIT ¹⁰	161.1	160.7	
Restructuring and other items ¹⁰	-	-	
Underlying segment EBIT ¹⁰	161.1	160.7	0.2%
Margin (underlying segment EBIT to revenue)	29.6%	29.7%	
Underlying segment EBITDA ¹⁰	193.7	189.6	2.2%
Margin (underlying segment EBITDA to revenue)	35.5%	35.1%	

The Commodities division closed H1 FY24 with a modest organic revenue decline of 0.4%. This was a result of slowing mining exploration activities due to softening capital markets. Growth was limited in the period due to the expected lower levels of mining exploration following softer capital markets. Overall sample volume decline was partially offset by strong price management and increased uptake of value-added services by our mining clients. All businesses excluding Geochemistry delivered strong growth.

The division delivered an underlying EBIT margin of 29.6%, a minor contraction of 18 bps vs pcp, which reflects the superior service offering of the Geochemistry business and continued growth of down-stream activities.

The Geochemistry business delivered an organic revenue decline of 5.8% following the expected slowdown of exploration activities during the period, with our sample volumes declining by 13%. The business was able to successfully minimize the impact of softer volumes in the period with good price discipline, increased uptake of premium value-added services, strong cost management, and effective capacity planning. Geochemistry margins were resilient in the period, remaining above 33%, a result of strategic growth in down-stream activities and investment into innovation, such as high-performance methods.

The Metallurgy business grew organic revenue by 24.5% driven by the strong mining sector activity in energy and battery related metals, new project wins and market-share growth. The pipeline of projects remains high, particularly for battery related metals.

The Inspection business posted organic revenue growth of 14.1% due to strong global commodity trading activities. The business was able to deliver good margin improvement through its cost discipline. It remains focused on global growth of commodity inspection and testing services.

The Oil & Lubricants business had organic revenue of 10.1% with all regions performing well. Margins continued to improve in the period following successful implementation of cost control measures.

The Coal business delivered strong organic growth of 20.5% with solid margin improvement. Coal prices remain buoyant supporting recovery of both production and exploration activities. The business remains focused on operational efficiencies and revenue growth. Coal EBIT represents 1.5% of total Group EBIT.

Medium to Long-term Outlook

The Geochemistry business is the largest provider of analytical services to the global mining industry and has demonstrated its ability to grow both market share and capacity over the years. The business has maintained the largest market share in the industry due to its superior execution, testing capabilities, geographical footprint and available capacity.

The future profitability of this business is expected to be supported by 1) global electrification trends supporting base metal demand required for clean energy transition, 2) increased level of demand for high-performance testing methods, 3) a highly scalable hub and spoke business model, 4) a strategic shift into more downstream activities

¹⁰ EBIT = Earnings before interest and tax. EBITDA = EBIT plus depreciation and amortisation. Restructuring and Other Items and Underlying segment EBIT/EBITDA are non-IFRS disclosures. These terms have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e., non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are not subject to review procedures.



including new innovation & data analytics, and 5) declining metals discovery rate. Further upside growth opportunity supported by further global exploration spend to meet long-term commodity demand shortfalls.

Acquisitions post balance date

Subsequent to 30 September 2023 the Group entered into the following sale purchase agreement. This purchase is expected to be completed in the near term and is subject to normal terms and conditions precedent. The acquisition and its expected purchase price is as follows:

Business Acquired	ALS Segment	Consideration \$M
Algoritmos	Life Sciences	34.0

USPP debt issuance

The Group has successfully placed AUD\$224 million equivalent of new, long-term US Private Placement (USPP) senior notes. The key terms of the new USPP issuance include: 5-year bullet maturity, 3 currencies (EUR50 million, CAD\$80 million and AUD\$50 million) and weighted average cost of 5.65%. The offer was fully subscribed by investors and was funded on 8 November 2023.

Lead auditor’s Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor’s independence declaration is set out on page 23 and forms part of the Directors’ Report for the half year ended 30 September 2023.

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the financial report and directors’ report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

Bruce Phillips
Chairman

Brisbane
14 November 2023

Malcolm Deane
Managing Director

Brisbane
14 November 2023



Consolidated interim statement of profit and loss and other comprehensive income

For the half year ended 30 September 2023

In millions of AUD	Note	30 Sep 2023	30 Sep 2022
Continuing operations			
Revenue	6	1,222.5	1,122.8
Expenses		(921.0)	(826.9)
Share of profit of equity-accounted investees, net of tax		0.8	5.7
Profit before financing cost, depreciation and amortisation		302.4	301.6
Amortisation on right-of-use assets		(30.5)	(25.8)
Amortisation and depreciation		(56.2)	(46.6)
Profit before net financing costs (EBIT)		215.7	229.3
Finance income		5.0	2.0
Finance cost on loans and borrowings		(24.5)	(18.5)
Finance cost on deferred consideration		(1.6)	(1.1)
Finance cost on lease liabilities		(4.2)	(3.6)
Net financing costs		(25.2)	(21.3)
Profit before tax		190.5	208.0
Income tax expense		(56.5)	(62.9)
Profit from continuing operations		133.9	145.1
Discontinued operations			
Profit of discontinued operations, net of tax		-	2.9
Profit for the period		133.9	148.1
Profit attributable to:			
Equity holders of the Company		133.5	147.4
Non-controlling interest		0.4	0.7
Profit for the period		133.9	148.1
Other comprehensive income			
<i>Items that may be reclassified to profit and loss in subsequent periods:</i>			
Foreign exchange translation		19.1	102.2
(Loss) on hedge of net investments in foreign subsidiaries		(5.4)	(10.6)
(Loss) on cash flow hedges taken to equity, net of tax		-	(3.4)
Other comprehensive income that may be reclassified to profit and loss in subsequent periods, net of tax		13.8	88.2
<i>Items that will not be reclassified to profit and loss in subsequent periods:</i>			
Share of other comprehensive income of an associate		1.3	-
Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax		1.3	-
Total Other comprehensive income for the period, net of tax		15.1	236.3
Total comprehensive income/(loss) attributable to:			
Equity holders of the company		148.6	235.6
Non-controlling interest		0.4	0.7
Total comprehensive income/(loss) for the period		149.0	236.3
Basic earnings per share attributable to equity holders		27.57c	30.50c
Diluted earnings per share attributable to equity holders		27.41c	30.38c
Basic earnings per share attributable to equity holders from continuing operations		27.57c	29.90c
Diluted earnings per share attributable to equity holders from continuing operations		27.41c	29.78c

The interim statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the interim financial report set out on pages 13 to 20.



Consolidated interim balance sheet

As at 30 September 2023

In millions of AUD	Note	30 Sep 2023	31 Mar 2023
Current Assets			
Cash and cash equivalents		192.0	179.6
Trade and other receivables		476.7	416.6
Inventories		103.7	101.3
Other assets		58.6	55.8
Total current assets		831.0	753.3
Non-current assets			
Investment property		9.6	9.8
Investments accounted for using the equity method		282.0	283.7
Deferred tax assets		41.7	24.3
Property, plant and equipment		619.7	580.8
Right of use assets		228.2	231.7
Intangible assets		1,482.1	1,413.9
Other assets		35.1	32.7
Total non-current assets		2,698.4	2,576.8
Total assets		3,529.4	3,330.1
Current Liabilities			
Trade and other payables		351.2	346.3
Loans and borrowings	8	404.9	179.5
Employee benefits		64.7	58.4
Other liabilities		42.8	28.6
Total current liabilities		863.6	612.8
Non-current liabilities			
Loans and borrowings	8	1,184.6	1,268.7
Deferred tax liabilities		23.0	22.5
Employee benefits		8.9	7.9
Other liabilities		17.9	40.0
Total non-current liabilities		1,234.4	1,339.1
Total liabilities		2,098.0	1,951.9
Net assets		1,431.4	1,378.2
Equity			
Share capital		1,325.9	1,326.1
Reserves		6.0	(8.7)
Retained earnings		88.5	49.5
Total equity attributable to equity holders of the company		1,420.4	1,366.9
Non-controlling interest		11.0	11.3
Total equity		1,431.4	1,378.2

The interim balance sheet is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 20.



Consolidated interim statement of changes in equity

For the half year ended 30 September 2023

In millions of AUD	Share Capital	Foreign Currency Translation	Other reserves	Employee share-based awards	Retained earnings	Total	Non-controlling Interest	Total Equity
Balance 31 March 2023	1,326.1	(21.8)	(0.1)	13.3	49.5	1,366.9	11.3	1,378.2
Profit for the period	-	-	-	-	133.5	133.5	0.4	133.9
Other comprehensive profit	-	13.8	-	-	1.3	15.1	-	15.1
Total comprehensive (loss)/ income for the period	-	13.8	-	-	134.8	148.6	0.4	149.0
Dividends provided for or paid	-	-	-	-	(93.9)	(93.9)	(1.0)	(95.0)
Equity-settled performance rights awarded and vested	(0.2)	-	-	0.9	(1.8)	(1.1)	-	(1.1)
Total contributions and distributions to owners	(0.2)	-	-	0.9	(95.8)	(95.0)	(1.0)	(96.0)
Acquisition of non-controlling interest without change in control	-	-	-	-	-	-	0.3	0.3
Total changes in ownership interest	-	-	-	-	-	-	0.3	0.3
Total transactions with owners	(0.2)	-	-	0.9	(95.8)	(95.0)	(0.7)	(95.7)
Balance at 30 September 2023	1,325.9	(8.0)	(0.1)	14.2	88.5	1,420.4	11.0	1,431.4
Balance 31 March 2022	1,321.0	(137.2)	3.3	9.2	(76.2)	1,120.1	10.6	1,130.7
Profit for the period	-	-	-	-	147.4	147.4	0.7	148.1
Other comprehensive profit	-	91.5	(3.3)	-	-	88.2	-	88.2
Total comprehensive (loss)/ income for the period	-	91.5	(3.3)	-	147.4	235.6	0.7	236.3
Transactions with owners in their capacity as owners:								
Dividends provided for or paid	-	-	-	-	(82.2)	(82.2)	(0.2)	(82.4)
Share issued under dividend reinvestment plan (456,310 shares @ \$11.59 per share)	5.3	-	-	-	-	5.3	-	5.3
Equity-settled performance rights awarded and vested	(0.3)	-	-	(0.3)	(3.1)	(3.7)	-	(3.7)
Total contributions and distributions to owners	5.0	-	-	(0.3)	(85.3)	(80.6)	(0.2)	(80.8)
Changes in ownership interests:								
Acquisition of non-controlling interest without change in control	-	-	(0.1)	-	-	(0.1)	0.3	0.2
Non-controlling interest ownership of subsidiary acquired	-	-	-	-	-	-	(0.1)	(0.1)
Total changes in ownership interest	-	-	(0.1)	-	-	(0.1)	0.2	0.1
Total transactions with owners	5.0	-	(0.1)	(0.3)	(85.3)	(80.7)	-	(80.7)
Balance at 30 September 2022	1,326.1	(45.8)	(0.1)	8.9	(14.2)	1,274.9	11.3	1,286.2

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 20.



Consolidated interim statement of cash flows

For the half year ended 30 September 2023

In millions of AUD	30 Sep 2023	30 Sep 2022
Cash flows from operating activities		
Cash receipts from customers	1,329.5	1,270.7
Cash paid to suppliers and employees	(1,093.9)	(1,025.8)
Cash generated from operations	235.6	244.9
Interest paid	(28.7)	(22.4)
Interest received	5.0	2.0
Income taxes paid	(55.8)	(43.0)
Net cash from operating activities	156.1	181.5
Cash flows from investing activities		
Payments for property, plant and equipment	(84.8)	(57.7)
Payments for net assets on acquisition of businesses and subsidiaries (net of cash acquired)	(39.2)	(114.1)
Deferred payments for acquisitions of controlled entities	(18.1)	(17.9)
Deferred proceeds from sale of controlled entities	-	18.3
Sale of controlled entities	(3.0)	-
Loan repayments/(advances) from/(to) associates	(0.9)	1.4
Dividend from associate	6.5	7.7
Proceeds from sale of other non-current assets	1.8	1.7
Net cash used in investing activities	(137.7)	(160.6)
Cash flows from financing activities		
Proceeds from borrowings	128.5	479.3
Repayment of borrowings	(5.0)	(360.5)
Right-of-use asset lease payments	(29.5)	(26.6)
Dividends paid	(93.9)	(77.2)
Net cash from (used in)/from financing activities	0.1	15.0
Net movement in cash and cash equivalents	18.5	35.9
Cash and cash equivalents at 1 April	179.6	122.8
Effect of exchange rate fluctuations on cash held	(6.1)	6.5
Cash and cash equivalents at 30 September	192.0	165.2

The interim statement of cash flows is to be read in conjunction with the notes to the interim financial statements set out on pages 13 to 20.



Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2023

1. Reporting entity

ALS Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company as at and for the six months ended 30 September 2023 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 31 March 2023 is available upon request from the Company's registered office at Level 2, 299 Coronation Drive, Milton, QLD, 4064 or at www.alsglobal.com.

2. Statement of compliance

The condensed consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The condensed consolidated interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 March 2023. This condensed consolidated interim financial report was approved by the Board of Directors on 14 November 2023.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statement as at and for the year ended 31 March 2023, except for the adoption of new standards effective as of 1 April 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The impact of the amendments on the Group's consolidated financial statements for the year ending 31 March 2024 are currently being assessed by the Group.

Several other amendments apply for the first time in FY24, but do not have an impact on the interim condensed consolidated financial statements of the Group.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 March 2023.

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 March 2023.

Fair values of financial instruments

The Group's financial assets and liabilities are included in the balance sheet at amounts that approximate fair values. The fair value at 30 September 2023 of derivative assets held for risk management purposes, which are the Group's only financial instruments carried at fair value, was a liability of \$0.8 million (March 2023: \$Nil) measured using Level 2



valuation techniques as defined in the fair value hierarchy. The Group does not have any financial instruments that are categorised as Level 1 or Level 3 in the fair value hierarchy.

Fair value hierarchy

In valuing financial instruments, the Group uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation.

6. Revenue

The Group’s operations and main revenue streams are those described in the last annual financial statements. The Group’s revenue is derived from contracts with customers.

Disaggregation of revenue

Revenue is disaggregated by geographical location of customers.

In millions of AUD	30 Sep 2023	30 Sep 2022
Africa	28.7	30.8
Asia/Pacific	394.6	376.8
Europe and Middle East	290.3	244.8
Americas	508.9	470.6
Total operations	1,222.5	1,122.8

7. Segment reporting

The Group has two reportable segments, as described below, representing two distinct strategic divisions each of which is managed separately and offers different products and services. For each of the strategic business units, the CEO reviews internal management reports on at least a monthly basis.

The following summary describes the operations in each of the Group’s reportable segments:

- Commodities - provides assaying and analytical testing services and metallurgical services for mining and mineral exploration companies and provides specialist services to the coal industry such as coal sampling, analysis and certification, formation evaluation services, tribology testing services and related analytical testing.
- Life Sciences - provides analytical testing data to assist consulting and engineering firms, industry, and governments around the world in making informed decisions about environmental, food and pharmaceutical, electronics, and animal health testing matters.



7. Segment reporting (continued)

2023 In millions of AUD	Commodities Statutory	Life Sciences Non- Statutory ¹¹	Life Sciences 49% Nuvisan ¹²	Life Sciences Statutory excl Nuvisan ¹³	Other Statutory ¹⁴	Consolida ted Non- Statutory ¹⁵	Elimi- nating Nuvisan ¹⁶	Consolidat ed Statutory
Revenue	545.1	739.4	61.9	677.5	-	1,284.5	(61.9)	1,222.5
<i>Africa</i>	28.7	-	-	-	-	28.7	-	28.7
<i>Asia/Pacific</i>	222.4	172.2	-	172.2	-	394.6	-	394.6
<i>Europe & Middle East</i>	60.5	291.8	61.9	229.8	-	352.2	(61.9)	290.3
<i>Americas</i>	233.5	275.5	-	275.5	-	508.9	-	508.9
Underlying EBITDA ¹⁷	193.7	165.1	6.9	158.2	(25.9)	332.9	(11.1)	321.8
Amortisation on right-of-use assets	(14.6)	(21.2)	(5.5)	(15.8)	(0.1)	(36.0)	5.5	(30.5)
Depreciation and amortisation	(18.0)	(33.4)	(2.1)	(31.3)	(0.3)	(51.7)	2.1	(49.6)
Underlying EBIT ¹⁷	161.1	110.5	(0.7)	111.2	(26.4)	245.2	(3.6)	241.7
Restructuring & other items ¹⁷	-	(5.6)	(0.5)	(5.1)	(14.3)	(19.9)	0.5	(19.4)
Amortisation of intangibles	-	-	-	-	(6.6)	(6.6)	-	(6.6)
Segment EBIT	161.1	104.9	(1.2)	106.1	(47.3)	218.7	(3.1)	215.7
Net interest	(1.7)	(1.9)	0.6	(2.5)	(21.0)	(24.7)	-0.6	(25.2)
Segment profit before income tax	159.4	103.0	(0.6)	103.6	(68.3)	194.1	(3.6)	190.5
Underlying EBIT margin	29.6%	14.9%	(1.1%)	16.4%		19.1%		19.8%
Underlying EBITDA margin	35.5%	22.3%	11.1%	23.4%		25.9%		26.3%
Segment assets	1,178.4	-	-	2,088.9	28.3	3,295.7	-	3,295.7
Cash and cash equivalents	-	-	-	-	-	192.0	-	192.0
Tax Assets	-	-	-	-	-	41.7	-	41.7
Total assets per the balance sheet						3,529.4		3,529.4
Segment liabilities	(237.8)	-	-	(426.9)	(22.9)	(687.6)	-	(687.6)
Loans, borrowings & bank overdraft	-	-	-	-	-	(1,345.4)	-	(1,345.4)
Tax liabilities	-	-	-	-	-	(65.0)	-	(65.0)
Total liabilities per the balance sheet						(2,098.0)		(2,098.0)

¹¹ Includes Life Sciences Statutory results plus 49% of Nuvisan's revenue and expenses, non-IFRS.

¹² 49% of Nuvisan's revenue and expenses.

¹³ EBIT and EBITDA excludes the Group's share of loss in Nuvisan of \$4.3 million.

¹⁴ Represents unallocated corporate costs. Net expenses of \$26.4 million comprise net foreign exchange gain of \$1.5 million and other corporate costs of \$27.9 million.

¹⁵ Consolidated statutory results plus 49% of Nuvisan's revenue and expenses, excluding the Group's share of loss in Nuvisan of \$4.3 million, non-IFRS.

¹⁶ 49% of Nuvisan's revenue and expense plus the Group's share of loss in Nuvisan of \$4.3 million.

¹⁷ Underlying EBITDA = Underlying EBIT plus depreciation and amortisation. Underlying EBIT = Underlying Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures and are not subject to review procedures. The terms Underlying and Restructuring & other items are defined in the Directors' report.



7. Segment reporting (continued)

2022 In millions of AUD	Commodities Statutory	Life Sciences Non-Statutory ¹⁸	Life Sciences 49% Nuvisan ¹⁹	Life Sciences Statutory excl Nuvisan ²⁰	Other Statutory ²¹	Consolidated Non-Statutory ²²	Eliminating Nuvisan ²³	Discontinued operations	Consolidated Statutory
Revenue	540.5	656.0	73.7	582.3	-	1,196.5	(73.7)	71.4	1,194.2
<i>Africa</i>	<i>30.8</i>	-	-	-	-	<i>30.8</i>	-	-	<i>30.8</i>
<i>Asia/Pacific</i>	<i>212.5</i>	<i>164.2</i>	-	<i>164.2</i>	-	<i>376.6</i>	-	<i>68.8</i>	<i>445.4</i>
<i>Europe & Middle East</i>	<i>58.8</i>	<i>259.7</i>	<i>73.7</i>	<i>186.0</i>	-	<i>318.5</i>	<i>(73.7)</i>	-	<i>244.8</i>
<i>Americas</i>	<i>238.5</i>	<i>232.1</i>	-	<i>232.1</i>	-	<i>470.6</i>	-	<i>2.6</i>	<i>473.2</i>
Underlying EBITDA ²⁴	189.6	157.6	16.3	141.3	(23.6)	323.6	(12.6)	7.9	318.9
Amortisation on right-of-use assets	(12.7)	(18.6)	(5.6)	(13.0)	-	(31.4)	5.6	(1.5)	(27.3)
Depreciation and amortisation	(16.2)	(27.8)	(1.9)	(25.9)	(0.4)	(44.4)	1.9	(1.8)	(44.4)
Underlying EBIT ²⁴	160.7	111.2	8.8	102.4	(24.2)	247.8	(5.1)	4.5	247.2
Restructuring & other items ²⁴	-	(3.7)	(0.6)	(3.1)	(6.5)	(10.2)	0.6	-	(9.6)
Amortisation of intangibles	-	-	-	-	(4.0)	(4.0)	-	-	(4.0)
Segment EBIT	160.7	107.5	8.2	99.3	(34.5)	233.6	(4.5)	4.5	233.6
Net interest	(1.6)	(2.0)	(0.1)	(1.9)	(17.8)	(21.4)	0.1	(0.3)	(21.6)
Segment profit before income tax	159.1	105.5	8.1	97.4	(52.3)	212.2	(4.4)	4.2	212.0
Underlying EBIT margin	29.7%	17.0%	11.9%	17.6%		20.7%		6.3%	20.7%
Underlying EBITDA margin	35.1%	24.0%	22.1%	24.3%		27.0%		11.0%	26.7%
Segment assets	1,127.6	-	-	1,767.4	28.5	2,923.5	-	92.2	3,015.7
Cash and cash equivalents									165.3
Tax Assets									39.3
Total assets per the balance sheet									3,220.3
Segment liabilities	(263.4)	-	-	(374.7)	(7.9)	(646.0)	-	(40.0)	(686.1)
Loans, borrowings & bank overdraft									(1,193.3)
Tax liabilities									(54.7)
Total liabilities per the balance sheet									(1,934.1)

¹⁸ Includes Life Sciences Statutory results plus 49% of Nuvisan's revenue and expenses, non-IFRS.

¹⁹ 49% of Nuvisan's revenue and expenses.

²⁰ EBIT and EBITDA excludes the Group's share of profit in Nuvisan of \$3.7 million.

²¹ Represents unallocated corporate costs. Net expenses of \$24.0 million comprise net foreign exchange gain of \$2.4 million and other corporate costs of \$26.4 million.

²² Consolidated statutory results plus 49% of Nuvisan's revenue and expenses, excluding the Group's share of profit in Nuvisan of \$3.7 million, non-IFRS.

²³ 49% of Nuvisan's revenue and expense plus the Group's share of profit in Nuvisan of \$3.7 million.

²⁴ Underlying EBITDA = Underlying EBIT plus depreciation and amortisation. Underlying EBIT = Underlying Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures and are not subject to review procedures. The terms Underlying and Restructuring & other items are defined in the Directors' report.



8. Loans and borrowings

In millions of AUD	30 Sep 2023	31 Mar 2023
Current Liabilities		
Bank loans	353.5	128.3
Lease liabilities	51.4	51.2
	404.9	179.5
Non-current liabilities		
Long term notes	849.3	831.9
Bank loans	142.5	242.4
Lease liabilities	192.8	194.4
	1,184.6	1,268.7

Bank loans

The Group has entered into multi-currency revolving facilities totalling USD\$450 million. These multi-currency facilities are provided by a geographically diverse selection of banks including Australia and New Zealand Banking Group, Westpac Banking Corporation, Hong Kong and Shanghai Banking Corporation, JP Morgan, Bank of America, and Mizuho Bank. The facilities mature in May 2024 (USD\$200 million), May 2025 (USD\$100million) and May 2026 (USD\$150 million).

These revolving facilities provide a strong level of liquidity to support the Group's growth strategy and ongoing global funding requirements. As of 30 September 2023, USD\$250.0 million (AUD\$388.6 million equivalent) remains undrawn in relation to these committed bank facilities.

The Group has also entered into bilateral EUR denominated loan arrangements totalling EUR110.0 million (AUD\$180.8 million equivalent) with Hong Kong and Shanghai Banking Corporation. These EUR denominated loans will mature in October 2023 (EUR79 million) and September 2024 (EUR31 million) respectively. As part of the broader capital management plan, these debt facilities support the Group's FX strategy of aligning the debt currency profile with the cash flows of the operating businesses.

The Group's undrawn bank debt facilities will provide the Group with funding flexibility and additional liquidity to fund growth opportunities including acquisitions and will also be used for general corporate purposes.

Long term notes

The Company's controlled entities have previously issued long term, fixed rate notes to investors in the US Private Placement market which remain unpaid at balance date. All loan notes on issue have total fixed interest coupons ranging between 1.50% - 4.64% and bullet maturity dates repayable at various intervals between November 2030 and July 2034.

The weighted average interest rate (incorporating the effect of interest rate contracts) for all bank loans and long-term notes at balance date is 3.6% (March 2023: 3.3%). The amount of fixed rate bank loans and long term notes at balance date is 73% of total amounts drawn, whereas 27% of bank loans and long term notes are variable rate instruments.

9. Investments accounted for using the equity method

The Group has a 49% shareholding in both Nuvisan GmbH and Nuvisan ICB GmbH (collectively Nuvisan), both pharmaceutical testing companies with operations in Germany and France. The Group's interest in Nuvisan is accounted for using the equity method in the consolidated financial statements. There have been no changes to the arrangement with Nuvisan since 31 March 2023. The Group's share of net loss for the period at 49% is \$4.3 million (2023: \$3.7 million profit) and the Group received dividends of \$4.8 million (2023: \$5.9 million).

10. Dividends

The following dividend was declared and paid by the Company during the half year:

In millions of AUD	30 Sep 2023	30 Sep 2022
Final 2023 dividend paid 6 July 2023 (4 July 2022)	93.9	82.2

Since 30 September 2023, directors have declared an unfranked interim dividend of 19.6 cents per share amounting to \$94.9 million payable on 14 December 2023. The dividend is payable on all ordinary shares registered in the Company's register at the close of business on 24 November 2023. The financial effect of this dividend has not been brought to account in the financial report for the period ended 30 September 2023.



11. Share-based payments

Performance-hurdle rights granted

The Group has granted performance-hurdle rights under its Long-Term Incentive (LTI) plan which is designed as a reward and retention tool for high performing personnel. Under the plan key employees may be granted conditional rights to receive ordinary shares in the Company at no cost to the employees (or in limited cases to receive cash-settled awards).

The terms and conditions of LTI rights granted during the prior periods are set out below:

	Half year ended 30 Sep 2023
Equity-settled	
Date of grant	26 July 2023
Number of performance-hurdle rights	1,267,619
Weighted average fair value at date of grant of performance-hurdle rights	\$9.05
Testing date for performance hurdles	31 March 2026
Vesting date and testing date for service condition	1 July 2026
Cash-settled	
Date of grant	26 July 2023
Number of performance-hurdle rights	33,637
Weighted average fair value at date of grant of performance-hurdle rights	\$9.05
Testing date for performance hurdles	31 March 2026
Vesting date and testing date for service condition	1 July 2026

The fair value of services received in return for performance rights issued in the current period is based on the fair value of the rights granted measured using Binomial Tree (EPS, EBITDA and RoCE hurdles) and Monte-Carlo Simulation (TSR hurdle) valuation methodologies.

Vesting conditions in relation to performance-hurdle rights issued in current period:

Employees must remain employed by the Group until vesting date. The rights vest only if underlying Earnings Per Share ("EPS"), relative underlying EBITDA margin, underlying Return on Capital Employed ("RoCE") or relative Total Shareholder Return ("TSR") hurdles are achieved by the Company over the specified performance period. Each employee's rights are subject to EPS, EBITDA, RoCE and TSR hurdles in equal measure.

Service based rights granted (deferred STI compensation)

During the period the Group granted service-based rights under its Short-Term Incentive (STI) plan being deferred STI compensation. Employees achieving "outperformance" stretch targets during the year ended March 2023 were granted rights to ALS shares in July 2023 as deferred compensation for the "outperformance" component of their incentives. A total of 155,546 service-based rights were granted during the half year (2022: 192,997). An estimated accrual for the fair value of services received in return for these rights has been made at 30 September 2023.

As at 30 September 2023 there was a total of 566,687 equity-settled service based rights on issue to employees of the Company relating to both deferred STI compensation and talent retention.

12. Business acquisitions

During H1 FY24 the Group acquired the shares of the following entities:

Legal entity	Month	Interest Acquired	Jurisdiction	Division	Purchase price \$M
Hidro.Lab. d.o.o.	April 23	100%	Croatia	Life Sciences	3.1
Laboratorios ASR Ltda & ASR Centro de Toxicologia Aplicada Ltda	April 23	100%	Brazil	Life Sciences	16.3
Indtech Instruments Private Limited	September 23	85.6%	India	Life Sciences	18.6
Pro-Analiz Group	August 23	100%	Türkiye	Life Sciences	5.1



Business acquisitions are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The interim condensed consolidated financial statements include the results of these acquisitions for the period since acquisition date. All acquired amounts were recorded on a provisional basis as at 30 September 2023. Transaction costs of \$1.3 million have been expensed and are included in expenses in the statement of profit and loss and are part of operating cash flows in the statement of cash flow.

These acquisitions were done for the purpose of broadening the environmental, food and pharma service reach of the Group. The intangibles recognised on acquisition are attributable mainly to the skills and technical talent of the acquired business' workforce and the synergies expected to be achieved from integrating the acquired entities in the Group's existing business. Goodwill is not expected to be deductible for income tax purposes.

Summary of all business acquisitions	2023 \$M
Property, plant and equipment	1.2
Trade and other receivables	3.0
Cash and cash equivalents	0.8
Tax liabilities	(0.2)
Trade and other payables	(1.3)
Employee benefits	(0.2)
Net identifiable assets and liabilities	3.3
Intangibles on acquisition	39.8
Total consideration	43.1
Deferred consideration	(3.9)
Paid in cash	39.2
Cash (acquired)	(0.8)
Net cash outflow	38.4

13. Events subsequent to balance date

Acquisitions post balance date

Subsequent to 30 September 2023 the Group entered into the following sale purchase agreement. This purchase is expected to be completed in the near term and is subject to normal terms and conditions precedent. The acquisition and its expected purchase price is as follows:

Business Acquired	ALS Segment	Consideration \$M
Algoritmos	Life Sciences	34.0

USPP debt issuance

The Group has successfully placed AUD\$224 million equivalent of new, long-term US Private Placement (USPP) senior notes. The key terms of the new USPP issuance include: 5-year bullet maturity, 3 currencies (EUR50 million, CAD\$80 million and AUD\$50 million) and weighted average cost of 5.65%. The offer was fully subscribed by investors and was funded on 8 November 2023.

Other than the above-mentioned items, there has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.



Directors' declaration

In the opinion of the directors of ALS Limited ("the Company"):

1. The financial statements and notes set out on pages 13 to 20, are in accordance with the Corporations Act 2001 including:
 - a) giving a true and fair view of the Group's financial position as at 30 September 2023 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and
 - b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Handwritten signature of Bruce Phillips in black ink.

Bruce Phillips
Chairman

Brisbane
14 November 2023

Handwritten signature of Malcolm Deane in black ink.

Malcolm Deane
Managing Director

Brisbane
14 November 2023



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Independent auditor's review report to the members of ALS Limited

Conclusion

We have reviewed the accompanying half-year financial report of ALS Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 30 September 2023, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 September 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads "Ernst & Young".

Ernst & Young

A handwritten signature in cursive script that reads "Brad Tozer".

Brad Tozer
Partner
Brisbane
14 November 2023



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Auditor's Independence Declaration to the Directors of ALS Limited

As lead auditor for the review of the half year financial report of ALS Limited for the half-year ended 30 September 2023, I declare to the best of my knowledge and belief, there have been:

- a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) No contraventions of any applicable code of professional conduct in relation to the review; and
- c) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of ALS Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads "Ernst & Young".

Ernst & Young

A handwritten signature in black ink that reads "Brad Tozer".

Brad Tozer
Partner
14 November 2023