



26 March 2024

ALS strategically expands and strengthens its European and USA Life Sciences presence

ALS Limited (ASX: ALQ) today announces the acquisitions of Northeast USA-based York Analytical Laboratories (**York**) and Europe-based Wessling Holding GmbH & Co. KG (**Wessling**), supporting ALS' strategic growth agenda in its Life Sciences portfolio, more specifically, the Environmental business.

These acquisitions are expected to contribute ~A\$195 million in revenues on a full-year basis. The total cost of the acquisitions is approximately A\$225 million and will be funded from existing bank debt facilities. The Group's pro-forma FY24 leverage ratio post-transaction funding is expected to be at the top-end of its targeted gearing range (1.7x - 2.3x). The Group is confident it retains a strong balance sheet and cashflow generation and is committed to reducing gearing toward the mid-point of its targeted range over the next 12-18 months.

The York acquisition will be effective 1 April 2024. Wessling is subject to approval from European authorities which is expected to take 45-60 days and will likely be effective from June 2024. ALS has prepared integration plans for employees, clients and stakeholders of both businesses.

CEO & Managing Director, Malcolm Deane, commented: "These acquisitions demonstrate our ability to execute on transactions within our strategic growth framework, with a focus on expanding both geographic reach and service offerings for existing and new clients. York Analytical will accelerate our expansion into the USA environmental market, particularly in the fast-emerging northeast region where investment in infrastructure and contamination issues, such as PFAS, support the long-term outlook. Wessling provides an immediate pathway and operational footprint into the large German and French environmental, food and pharmaceutical markets, which will complement our existing reach in Europe.

"These businesses are expected to improve their underlying profitability through operational improvements, sales growth and efficiencies unlocked within the ALS portfolio, with margins trending towards the current Life Sciences portfolio average. Overall, we expect these projects to deliver returns of mid-teens over the medium to longer term.

"The Company remains open to opportunities that fit within our strategic growth framework. The near-term focus of the management team is on delivering both the successful integration and improvement of key assets."

York Analytical Laboratories

York, which generated revenues of ~A\$35 million in calendar 2023, is a full-service environmental testing business, located in Northeast USA across 8 locations, specializing in the analysis of water, soil, air and drinking water for regulated contaminants, with an orientation towards per- and polyfluoroalkyl substances (**PFAS**) testing. York has approximately 200 employees. The acquisition of York supports ALS strategic expansion into the largest global environmental market, providing additional scale and leveraging York's technical leadership capabilities within the PFAS testing market. York has delivered strong organic revenue growth with a CAGR of more than 20 per cent from 2019 to 2023, and is expected to contribute meaningful growth to ALS' USA environmental business.

Wessling

Wessling, which generated revenues of ~A\$160 million in calendar 2023, provides environmental, food and pharmaceutical testing across 22 locations in Europe. Wessling has approximately 1,200 employees. The acquisition provides a unique opportunity for ALS to build a sizeable presence in Europe's largest testing, inspection and certification (**TIC**) markets, expanding ALS' geographic reach and service offering into key regions, such as Germany, France and Switzerland, that previously have not been captured by ALS.

Wessling is expected to benefit from integration into the ALS operating model, with operational improvements, sales growth and efficiencies to materialise over the short to medium term.



Approved for release by the Board of Directors.

For further information please contact:

Cameron Sinclair
Head of Investor Relations
ALS Limited
+61 412 430 393
c.sinclair@alsglobal.com

About ALS Limited

A global leader in testing, ALS provides comprehensive testing solutions to clients in a wide range of industries around the world. Using state-of-the-art technologies and innovative methodologies, our dedicated international teams deliver the highest-quality testing services and personalized solutions supported by local expertise. We help our clients leverage the power of data-driven insights for a safer and healthier world.