



Raj Naran
CEO & Managing Director
ALS Limited ACN 009 657 489

Annual General Meeting
10:00am on 1 August 2018

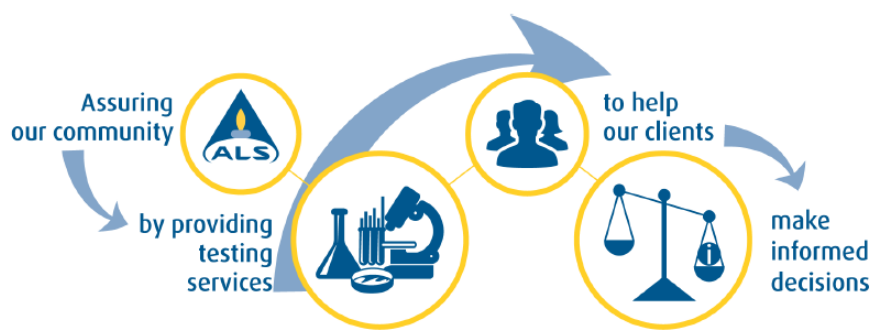
Good morning

Thank you to our Chairman of the Board, Bruce Phillips, the members of the Board, and to all the shareholders, investors and staff in attendance today.

In my first address to shareholders last year, I spoke about how ALS had commenced to execute on a Five-year Strategic Plan and how we would be focusing on what we do best; being a testing services company of the highest quality and integrity.

As we look back on the first year of that plan, I am happy to report that we continue to focus on our goal of being a top tier global TIC company. Instead of thinking about ALS as a technical services company, we are zeroing in on our core competency. This focus has been, and continues to be driven by the ALS management team. Testing is our core business, and it is what we do best.

Vision 2022: Our purpose





Overall the year under review has been a positive one for ALS and its shareholders as global economic conditions improved, especially in the mineral commodities sector. The impact of this improvement saw material increases in the geochemistry, coal, inspection and metallurgy businesses.

Revenue in the Life Sciences business increased in all regions during the year however, the effects of competition and lingering integration issues saw underlying segment contributions remain steady.

The Industrial division revenue was flat year on year as increased sales from Tribology business were largely offset by softer conditions experienced in Asset Care.

During the year, we have focused, and will continue to keep our attention on smaller opportunities in the food and pharmaceutical sector in Europe and the Americas whilst ensuring that integration of acquisitions made in 2017 are finalized and all benefits have been fully derived from their addition to the ALS family.

The company divested itself from most of the Oil & Gas business stream during the second half of 2017, and we will soon sell the smaller laboratory component of that business in the coming months.

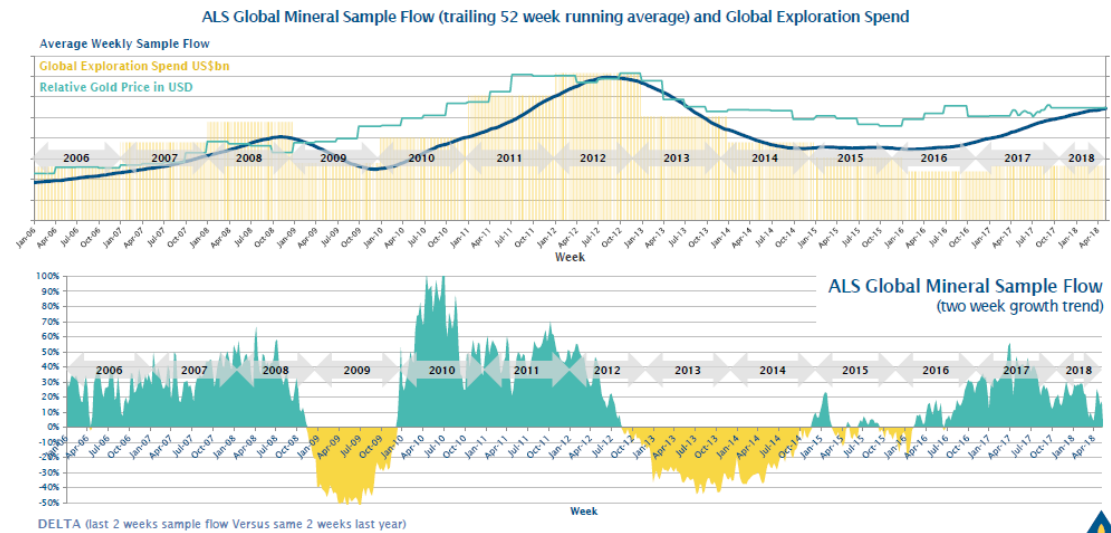
Specific details of the individual business streams in the last financial year are well documented in the end of financial year releases to the ASX in May and are included in the Annual Report released in mid-June. I do not intend to reiterate that detail again, but I am happy to answer any questions about specific matters during question time, later in the meeting.

I did however, want to focus on some areas that have been of interest for our shareholders and investors following the release of the financial year results.

Firstly, I would like to provide some color about our performance and what we are seeing in the geochemistry business as well as the other commodities businesses generally.



Geochemistry - The Recovery looks real



Clearly, we are very pleased with the continued performance of the geochemistry business. Geochemistry sample flows increased globally as established mining clients and junior explorers continue to lift their activity spending levels. Specifically, during 2018, sample flows in the Geochem business were 26% higher than FY17.

When we overlay our sample flow data with what we view as the global exploration spend, it is evident to us that the commodity recovery is ongoing, and that ALS is benefiting from an increase in its' market share in the sector. The two-week sample flow growth trend evident in April 2018 in the lower chart displayed here has continued during the first quarter of FY19.

The question is always how long the cycle will run and no one really knows the answer to that. We do know that ALS is, and will remain, well positioned to benefit through the cycle and beyond because of its market leading position in the sector.



Commodities. Overview

Geochemistry

- ▶ Sample volumes up 26% pcp
- ▶ Revenue up 27% pcp
- ▶ Contribution margin 27% versus 24% pcp

Metallurgy

- ▶ Revenue up 2.5% pcp
- ▶ Contribution margin records improved performance due to cost base reductions
- ▶ Pricing and volume outlook improving

Inspection

- ▶ Revenue up 16.7% pcp
- ▶ Contribution margin up 0.8% pcp
- ▶ UK hub laboratory processing increasing sample volumes benefiting from recent capacity upgrades

Coal

- ▶ Revenue up 3.6% pcp
- ▶ Contribution margin 14.5% versus 13.3% pcp
- ▶ New mine site operations providing increased revenues

Underlying results (AUD)	FY18	FY17	Change
Revenue	\$518.9 mn	\$427.2 mn	+21.5 %
EBITDA	\$146.3 mn	\$109.8 mn	+33.2 %
EBITDA Margin	28.2 %	25.7 %	+250 bps
EBIT	\$123.5 mn	\$86.1 mn	+43.5 %



Whilst not as material, the uplift in the commodity cycle is flowing through to our metallurgy, coal and inspection businesses which all performed exceptionally well in FY18 and are continuing to show positive signs during the first quarter of 2019.

The challenge for ALS is to ensure that our non-cyclical Life Sciences division delivers on and outperforms expectations. In part, the division has done this during FY18 where revenue has increased by 14.4% and organic growth has been achieved across all geographies. However, the continuing challenge for the business is to guard against declining margins and profitability which have impacted certain segments of the business in recent years due to delayed integration of some recent acquisitions and the stalling of funding in the environmental sector in the USA in FY18.



Life Sciences. Overview

Environmental

- ▶ Revenue growth (in AUD)
 - Asia (+16.7%)
 - Australia (+5.2%)
 - Europe & Middle East (+20.1%)
- ▶ Ongoing cost reduction initiatives introduced in the Americas and UK markets to improve FY19 ROS

- ▶ Focus on developing new greenfield opportunities within selected Asian and European markets to deliver new growth prospects
- ▶ Organic growth remains strong throughout the Australian and Asian markets and new contract wins in South America reinforce optimistic outlook

Food & Pharma

- ▶ Revenue growth (in AUD)
 - Europe (+33.1%)
 - Australia (+7.3%) – all organic
- ▶ New Marshfield (US) acquisition creates the beachhead for further North American food expansion

Underlying results (AUD)	FY18	FY17	Change	H2FY18	H2FY17	Change
Revenue	\$734.1 mn	\$641.6 mn	+14.4 %	\$368.4 mn	\$320.6 mn	+14.9 %
EBITDA	\$140.7 mn	\$134.3 mn	+4.8 %	\$65.8 mn	\$61.7 mn	+6.6 %
EBITDA Margin	19.2 %	20.9 %	-169 bps	17.9 %	19.2 %	-130 bps
EBIT	\$102.1 mn	\$99.8 mn	+2.3 %	\$46.2 mn	\$44.2 mn	+4.5 %



These issues have been identified, and I can say that initiatives have been developed and are being implemented. We are seeing improvement in the profitability of the USA and the UK businesses due to recent contract wins and operational efficiencies from the Alcontrol acquisition which is now consistently delivering the contributions we anticipated in our business acquisition model.

In addition to these wins, a global process improvement initiative is underway across the Americas to eliminate waste and to improve the business performance. We are already seeing positive results coming out of the Canadian and Latin American operations that will flow through to the bottom line.

This combined with our continued investment in M&A opportunities in the food and pharmaceutical sector makes me confident that our investors and shareholders will see continued improvement in the profitability of the Life Sciences business stream over future reporting periods. The Board has recently approved almost \$18M for bolt-on acquisitions in this sector that will close within the next 30 days.

Another exciting initiative that we have focused on during the year has been in innovation and technology. In recent months, ALS has entered into strategic partnerships with leading academics and experts at the frontier of deep learning to investigate and develop products, methods and data flow analysis that we are confident will make a tangible difference to the way we operate our business. This extremely exciting initiative has the ALS Board, senior management and staff energized because our clients, staff, shareholders, community, and the environment will benefit from the continued sophistication of our business.



I am proud of the progress that ALS is making in Sustainability and I would like to speak briefly about our achievements.

Sustainability Program. 2017-18 Achievements

<p>Health & Safety Safety as a Priority</p> <p>Diversity & equality Respecting differences</p>	<p>Training & development investing in talent development</p> <p>Human rights Worker's rights upheld</p>	<p>People</p> 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 53% female new hires <input checked="" type="checkbox"/> Record Low Injury Rates <input checked="" type="checkbox"/> Global employee survey completed <input checked="" type="checkbox"/> 44,000 training sessions completed >50% <input checked="" type="checkbox"/> Hazard observations >50%
<p>Operational Environmental Performance Management of adverse environmental emissions</p> <p>Energy management The pursuit of energy efficiency</p>	<p>Waste reduction Reduce, reuse, recycle</p> <p>Water conservation Managing a scarce resource</p> <p>Climate Change Estimating CO₂ emissions and its economic impact</p>	<p>Environment</p> 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Energy Intensity reduced by average of 7% <input checked="" type="checkbox"/> No uncontrolled releases <input checked="" type="checkbox"/> >2500 kg Extra glass diverted from landfill
<p>Economic Contributions Paying our fair share of tax</p> <p>Local investment Investing in the local community</p>	<p>Employment creation Creating jobs in the local community</p>	<p>Society</p> 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> 1300 new employees <input checked="" type="checkbox"/> Support of science education programs <input checked="" type="checkbox"/> \$47M taxes
<p>Financial performance Maximise return for shareholders</p> <p>Anti-bribery & corruption Zero tolerance for bribery and corruption</p>	<p>Honesty & integrity An ALS core value</p> <p>Regulatory compliance Systems to maintain legal compliance</p>	<p>Governance</p> 	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Modern slavery statement published <input checked="" type="checkbox"/> 9500 Code of Conduct training sessions completed <input checked="" type="checkbox"/> Re- invigorated whistle-blower program & hotline

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This year was the second year that ALS released a very comprehensive and informative Sustainability Report which I encourage you all to read – a copy is available on our website.

The report provides in-depth and practical examples of the efforts being made on a global basis to improve the way we work and to lessen the negative impact that the business has on the environment and community. I commend the ALS staff around the globe for their efforts in this regard. To me personally, our commitment to sustainability reflects the true culture of ALS, and I encourage our clients, shareholders and investors to join us as we strive to keep making progress in this area in future years.

We as a company have prided ourselves on our dedication to the values of quality, integrity, reliability and innovation. These values ensure that we deliver the highest level of client services. We value efficiency, safety and diversity in our workplaces. We value the leadership and learning that develops our people and our businesses. Additionally, we value sustainability and social responsibility.



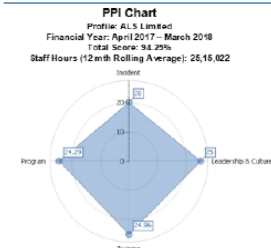
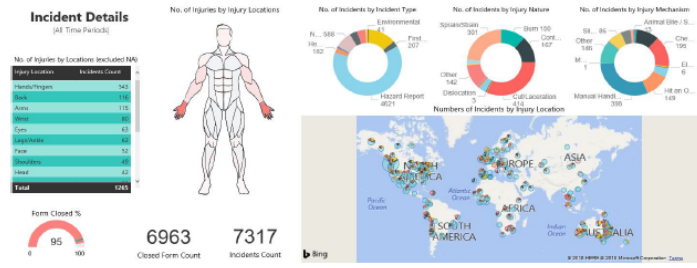
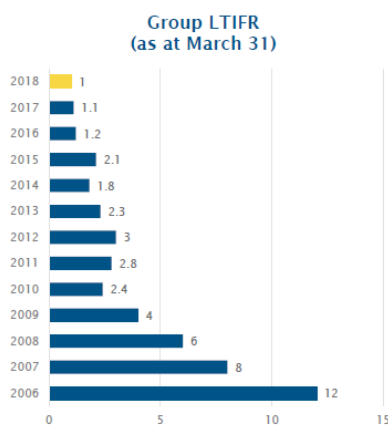
Core values



Safety continues to be our highest priority with an emphasis on a safe working environment for our employees and clients. As CEO, I feel very strongly that our safety initiatives continue to be optimized and enforced.

Safety Performance

Historical Record Low Injury Rates



Key Performance Indicators

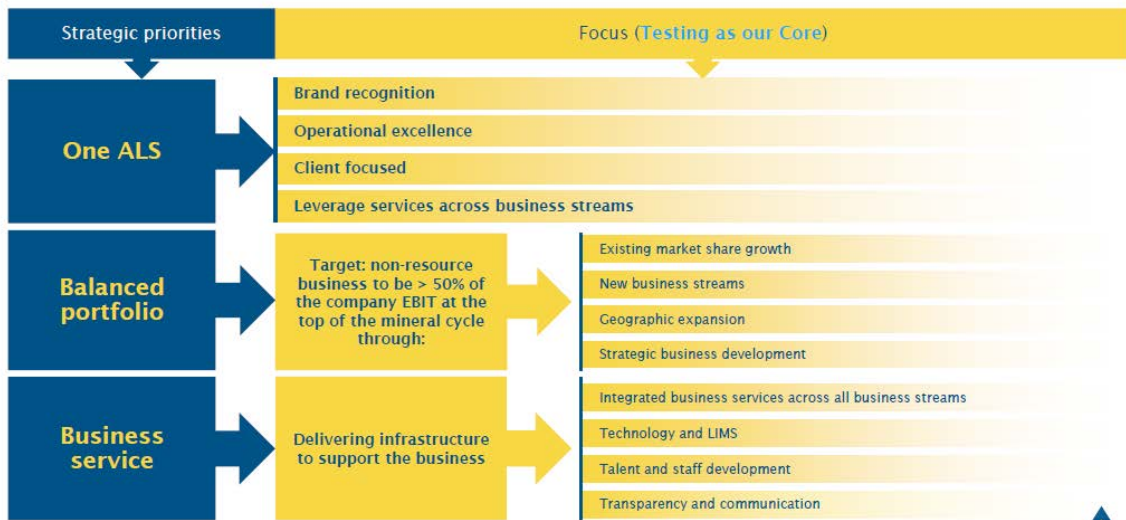
- ALS Group LTIFR of 1.0 is a historical all time low.
- Overall score of 94% for PPI Scorecard
- 95% close out of incident report corrective actions across all business streams
- 100% of all employee compliance training completed



In summary, it is worthwhile to remind everyone of the strategic priorities of ALS and targets that we are striving to achieve.



Strategic priorities



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Our “Everest” for 2022 remains \$2.2 billion in revenue with \$500 million in operating profit. We will focus on strong cash conversion, a solid return on invested capital, improvement in earnings per share and reliable investor returns. I am pleased to report that we have achieved our first year’s target of our 2022 Everest.

Vision 2022: Our Everest (excluding significant acquisitions)



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We also need to achieve the right balance in our portfolio. By 2022, we want our non-resource businesses to account for more than 50 percent of the company's operating profit at what we anticipate will be the peak of the current commodity cycle. We plan to achieve this goal through:

- Existing market share growth;
- The acquisition of new business streams;
- Geographic expansion; and
- Strategic business development.

I think it is important to restate the business philosophy under my leadership, and these are the same as I mentioned at last year's AGM, namely:

- We have a commitment to provide a safe and productive workplace for our employees;
- We have an obligation to provide high quality and timely data to our clients;
- We must have a sense of urgency in everything we do;
- We must keep our business model simple and client-service focused; and finally,
- We need to provide a solid return to our shareholders.

At ALS, we do not take our success for granted. We do face stiff competition, pricing continues to erode, and technology is constantly evolving. We have started "thinking differently" and embracing technology, driving our focus on operational efficiencies, improving the "ALS Experience", and promoting our OneALS initiative.

To conclude, I would like to thank the Board of Directors for their strategic leadership and oversight, the entire global ALS staff, the ALS management team and my family for their commitment and support. I also thank you, our shareholders for your continuing investment and loyalty. ALS is committed to work hard to increasing returns for all our shareholders and investors.

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