



Business Update

USPP Conference – Miami

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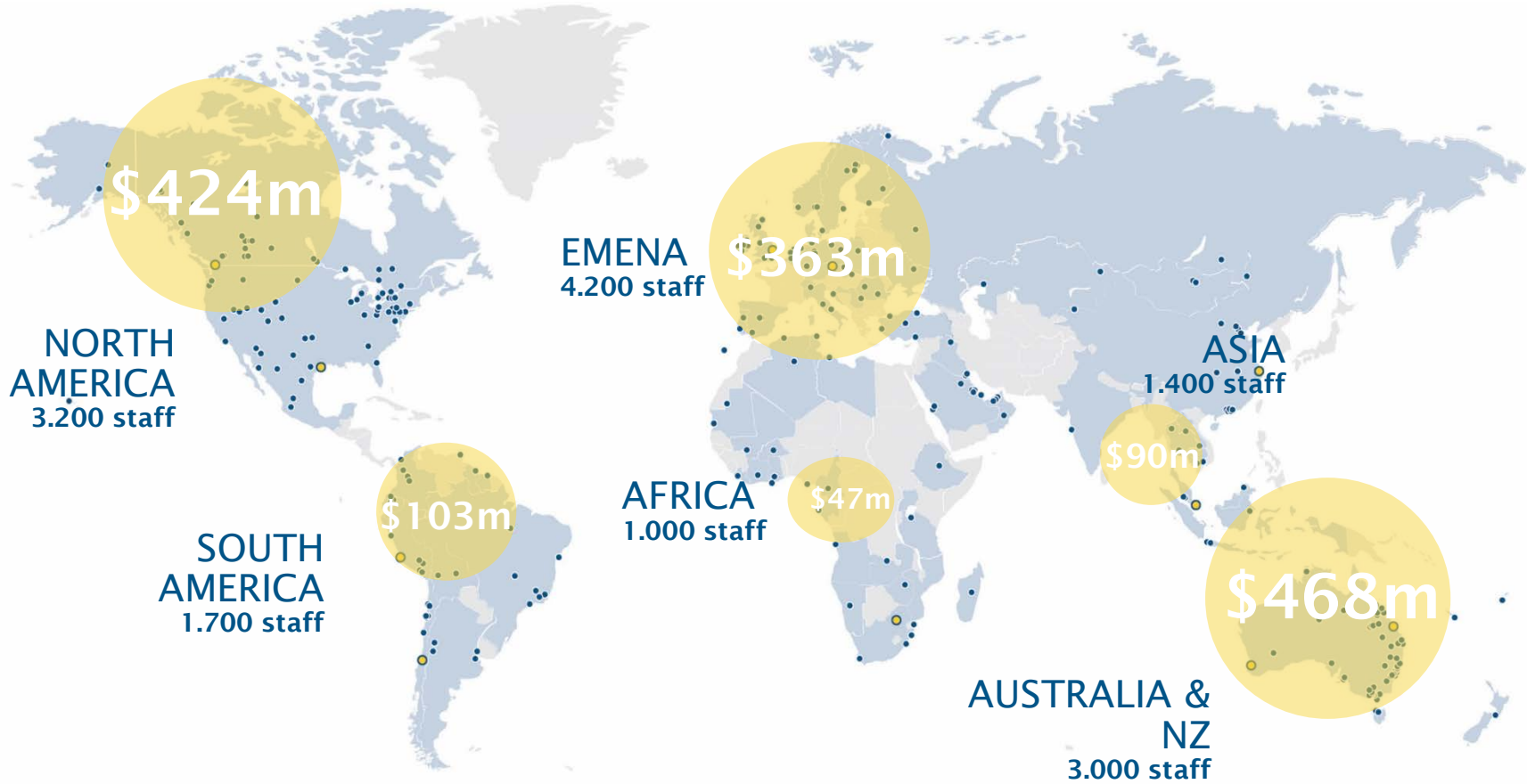
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ALS Segments and Business Streams Revenue split



Geographic Revenue and People Split



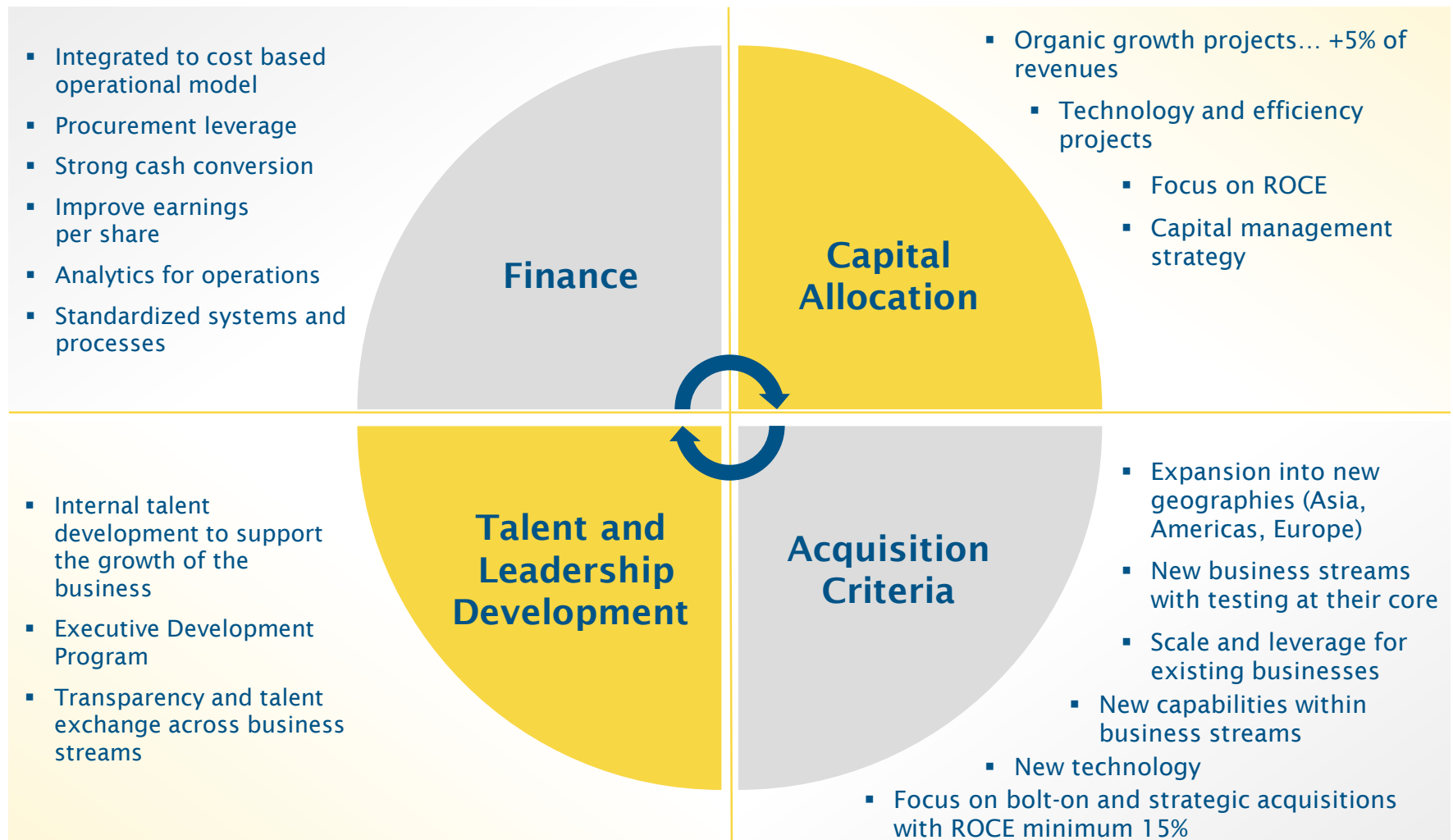
70+ Countries
 350+ Locations
 40+ Years of strong performance
 14,000+ Staff worldwide
 20+ million Processed samples per year
 \$1.6+ billion Global revenue (annualized)

Total FY18 Global Revenue – \$1,495m

Strategic Priorities Unchanged

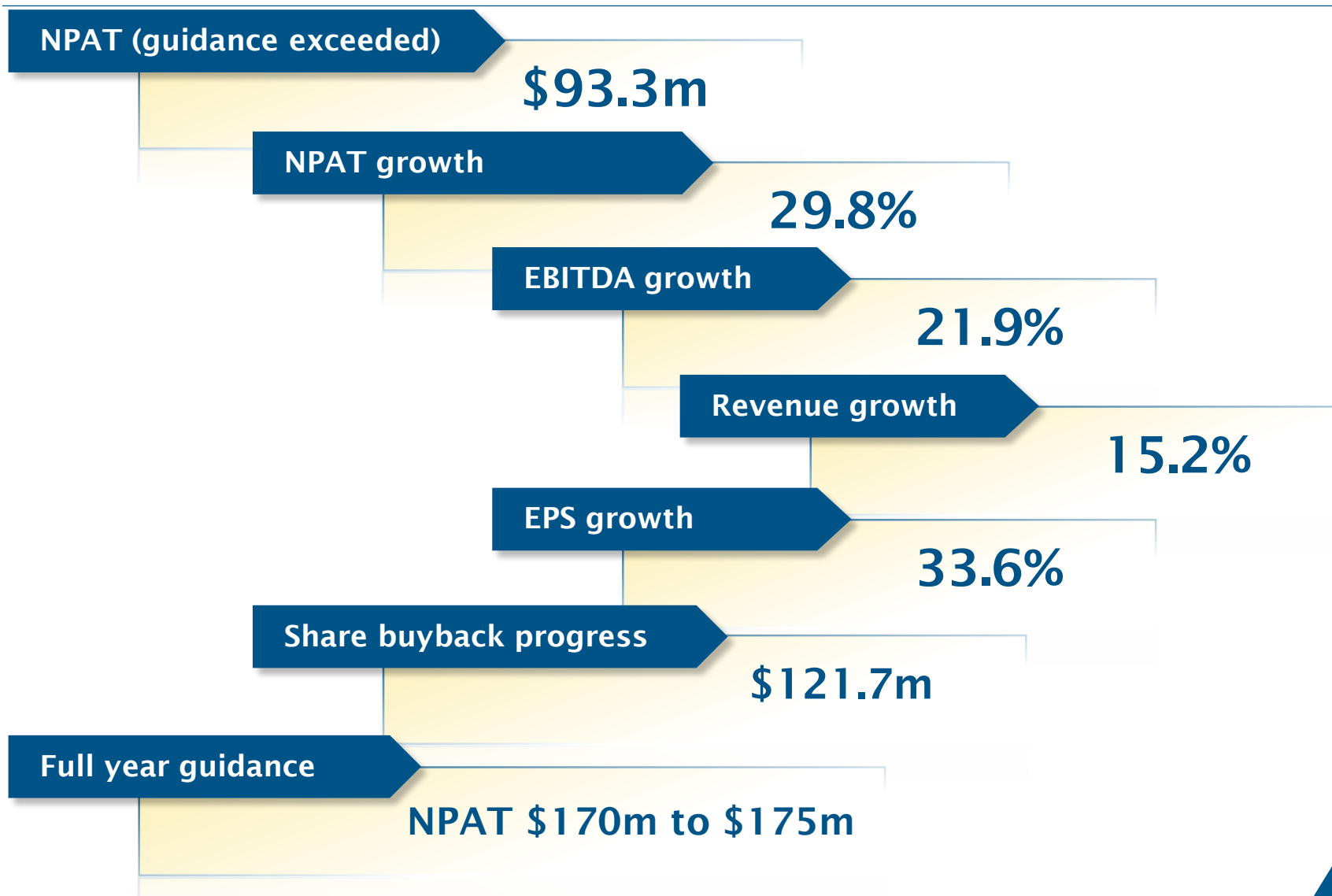


Strategic Roadmap



Half Year FY19 Financial Summary

Underlying performance from continuing operations



Cash Flow



FREE CASH FLOW



CAPEX

45.8 million = 5.5% of revenue  17% on H1 FY18

SHARES BOUGHT BACK



14.9 million ON MARKET H1 FY19

Half year	H1 FY18 AUD mn	H1 FY19 AUD mn
Underlying operating profit (EBIT)	110.5	141.4
Depreciation & Amortisation	38.1	35.8
EBITDA	148.6	177.2
Working capital	(50.3)	(43.7)
CAPEX	(39.2)	(45.8)
Other	4.3	0.3
Free cash flow	63.4	88.0
Acquisitions	(17.9)	(17.1)
Divestments	79.5	-
Dividends paid	(40.3)	(44.5)
Issued capital bought back	-	(14.9)
Borrowings - movement	-	(0.4)
Interest and Tax	(34.0)	(39.8)
Restructuring costs	(6.7)	(6.1)
Net increase/(decrease) in cash	44.0	(34.8)
Opening net cash	248.9	187.2
Effect of FX on cash held	0.4	0.5
Closing net cash	293.3	152.9

Analysis includes both continuing and discontinued operations

Capital management

Share Buyback Program

- ▶ Buyback extended for 12 months to a total of **\$225 million** through to December 2019

Dividend

- ▶ Half Year underlying payout ratio **57.4%** (interim dividend 11.0c per share)
- ▶ Existing dividend policy remains unchanged

Buyback Progress

- ▶ **17.5 million shares** (representing 3.5% of the original base) have been bought back on-market for an overall consideration of **\$121.7 million**
- ▶ The Company will continue to use its existing cash balances and free cash flow to fund the buy-back program

Balance Sheet

- ▶ Company retains strong balance sheet and flexibility to pursue opportunities (leverage **1.8 times** at 30 September 2018)
- ▶ Positive market environment will support generation of additional free cash flow to fund the buy-back
- ▶ Company will also pursue its growth agenda through bolt-on targeted acquisitions
- ▶ New 3 year USD300 million revolving multi-currency bank facilities finalised in October provide funding liquidity and flexibility



Life Sciences. Overview

Environmental

- ▶ Revenue growth (in AUD) 10%
- ▶ Ongoing cost controls and procurement synergies introduced in the Americas improving H1 FY19 ROS
- ▶ Margin improvements in Europe and Canada offset by declines in USA and Asia
- ▶ Organic revenue growth remains strong throughout the Australian, Asian and Canadian markets and new contract wins in Latin America

Food & Pharma

- ▶ Revenue growth (in AUD) 17%
- ▶ Acquisition of Truesdail (US) and Labfor (Brazil) increase platform within the Americas for further expansion in the sector

Underlying results (AUD)	H1 FY19	H1 FY18	Change
Revenue	\$406.0 mn	\$365.7 mn	+11.0 %
EBITDA	\$81.7 mn	\$74.9 mn	+9.1 %
EBITDA Margin	20.1 %	20.5 %	-40 bps
EBIT	\$61.2 mn	\$55.9 mn	+9.5 %



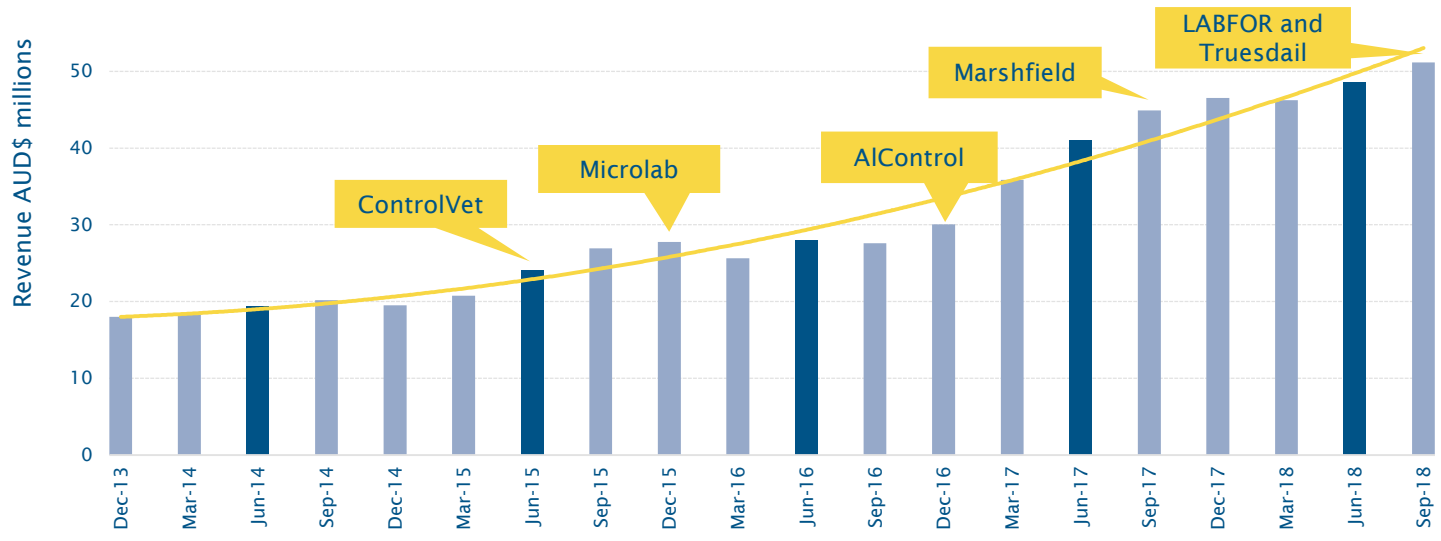
Life Sciences. Strategy

- ▶ Continued focus on bolt on acquisitions for food business (\$17m spent YTD). Solid pipeline
 - ▶ Food strategy on target to deliver \$200m in revenue this fiscal year
 - ▶ New unique service offerings to provide market differentiator
 - ▶ Global strategy now focused on building pharmaceutical business
 - ▶ New greenfield start ups globally in food, pharmaceutical and environmental
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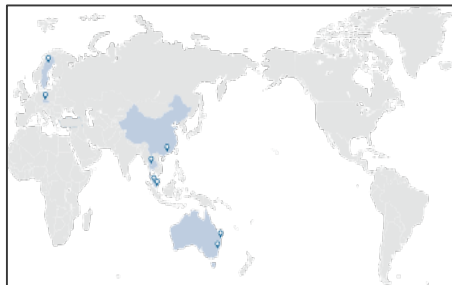


5 year growth story – Food/Pharmaceutical

ALS
Food/Pharma



2018
2013



1H FY2019
Revenue growth
17%

FY2019
Revenue target
AUD 200m



Commodities. Overview

Geochemistry

- ▶ Sample volumes up 14% pcp
- ▶ Market share increases evident from new contract wins
- ▶ Contribution margin up from 27% to 31%

Metallurgy

- ▶ Revenue up 63% pcp
- ▶ Contribution margin up from 6% to 22%
- ▶ Pricing and volume outlook improving

Inspection

- ▶ Revenue up 33% pcp
- ▶ Contribution margin up from 18% to 30%
- ▶ Continued capitalisation on capacity upgrade in UK hub laboratory, with significant sample volume increases

Coal

- ▶ Revenue up 13% pcp
- ▶ Contribution margin up from 14% to 17%
- ▶ Increased market share in bore core and superintending services lines

Underlying results (AUD)	H1 FY19	H1 FY18	Change
Revenue	\$313.8 mn	\$251.4 mn	+24.8 %
EBITDA	\$94.6 mn	\$69.5 mn	+36.1 %
EBITDA Margin	30.2 %	27.7 %	+250 bps
EBIT	\$83.8 mn	\$57.9 mn	+44.7 %



Commodities. Outlook

▶ Geochemistry expects current market conditions to continue with growth levels on pcp basis to slightly moderate

▶ Geochemistry market share gains to translate into improved FY19 performance

▶ Metallurgy experiencing strong increases in activity in traditional gold, iron ore, and base metal projects, alongside new revenues from battery related materials

▶ Demand for coal services increasing underpinned by both growing market demand and significant market share gains

▶ Strategic expansion program actively in progress to broaden the Inspection global footprint whilst market conditions remain very supportive

Geochemistry



H1 FY19 Highlights

- ▶ Financial performance
- ▶ Growth in all regions
- ▶ Increased sample volumes
- ▶ Work mix
- ▶ Market share
- ▶ Hub laboratories
- ▶ Mine site laboratories

Strategic Focus

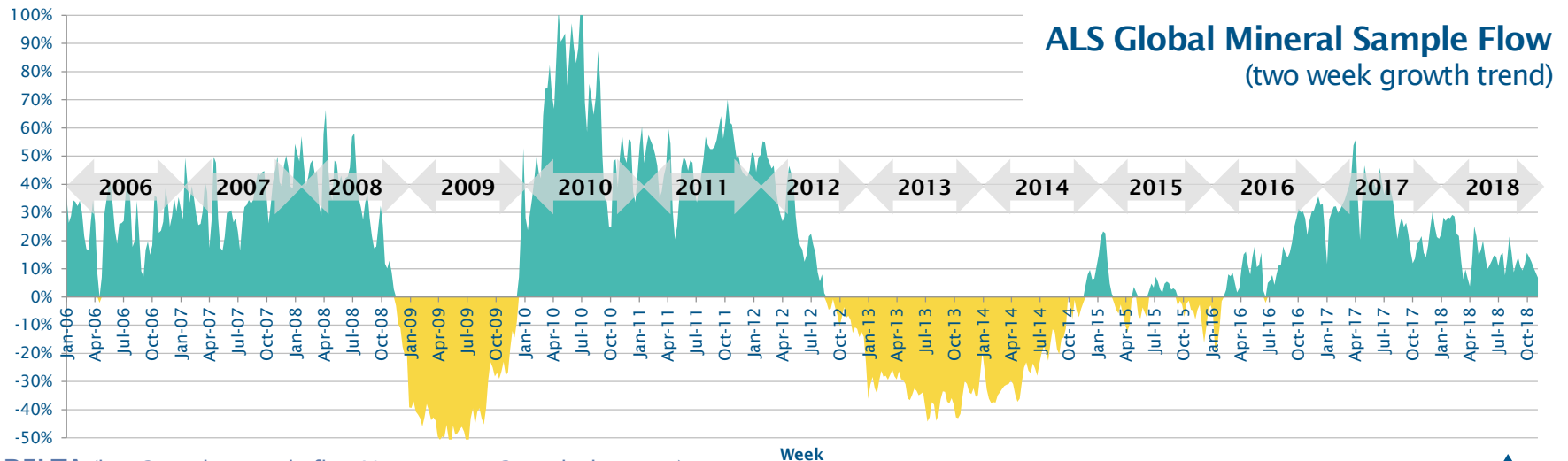
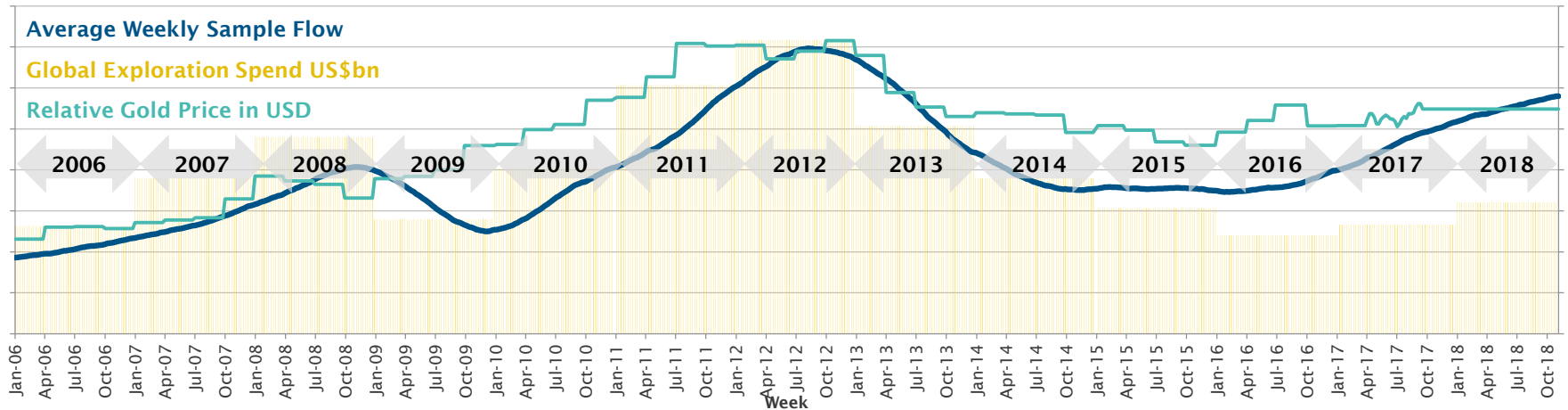
- ▶ Innovative Productivity
- ▶ Technical Development
- ▶ Cost base
- ▶ Investment & Expansion
 - Capacity
 - Geographies
 - Mine site services

Outlook

- ▶ Continued sample volume growth in H2 FY19, circa 8-10%
- ▶ Mine site start ups (awarded)

Geochemistry – The Recovery continues

ALS Global Mineral Sample Flow (trailing 52 week running average) and Global Exploration Spend



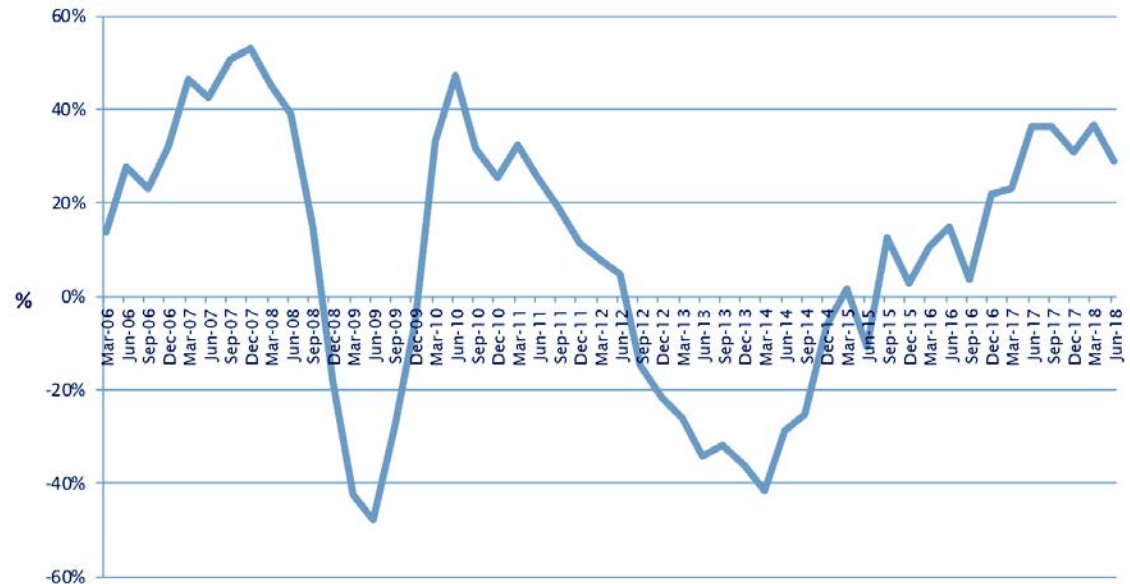
DELTA (last 2 weeks sample flow Versus same 2 weeks last year)



Geochemistry – Market

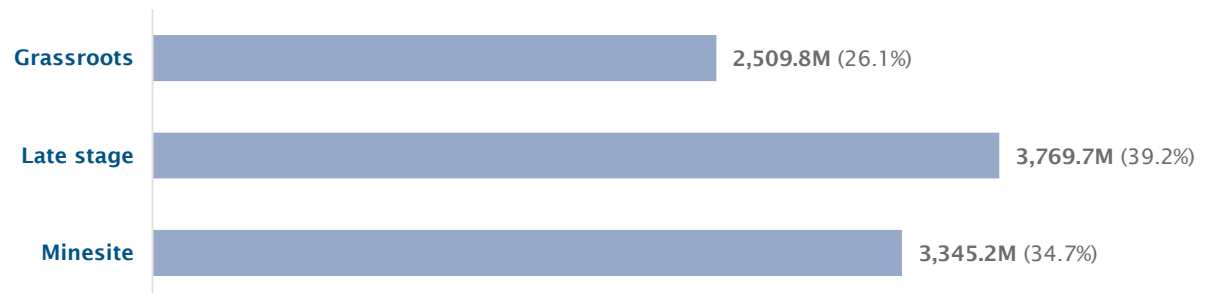
Exploration Dollars – AUST Growth pcp (excl. Iron Ore and Coal)

(i.e. quarter v equivalent quarter the previous year)



Exploration budgets by stage of development, 2018 (US\$M)

(1.651 companies budgeting US\$9.62 billion)

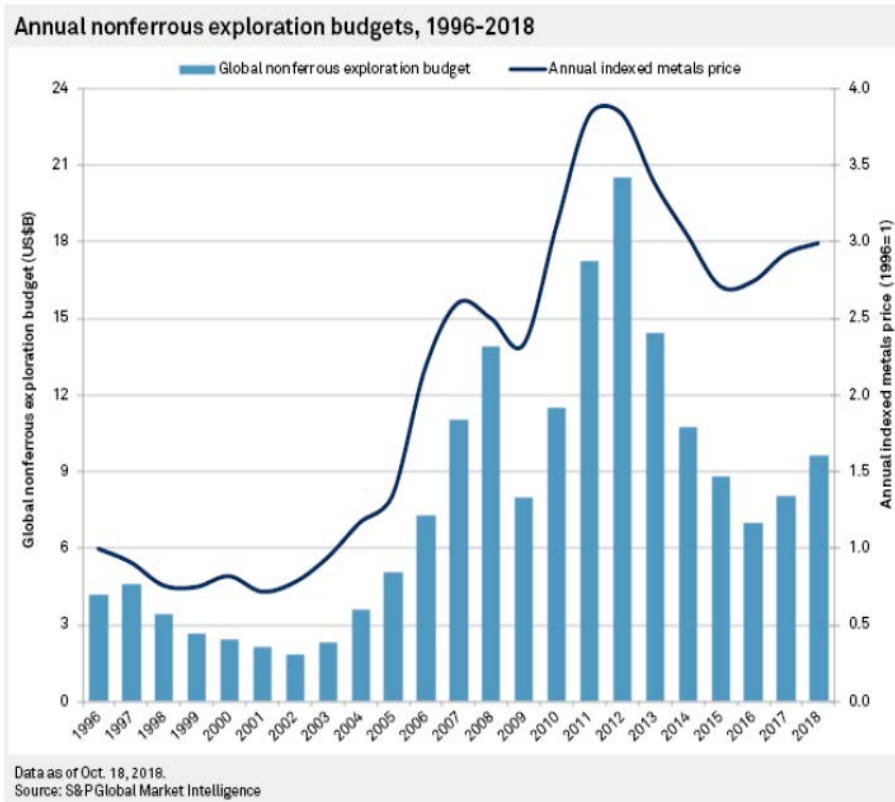


Data as of Oct. 29, 2018.
Source: S&P Global Market Intelligence

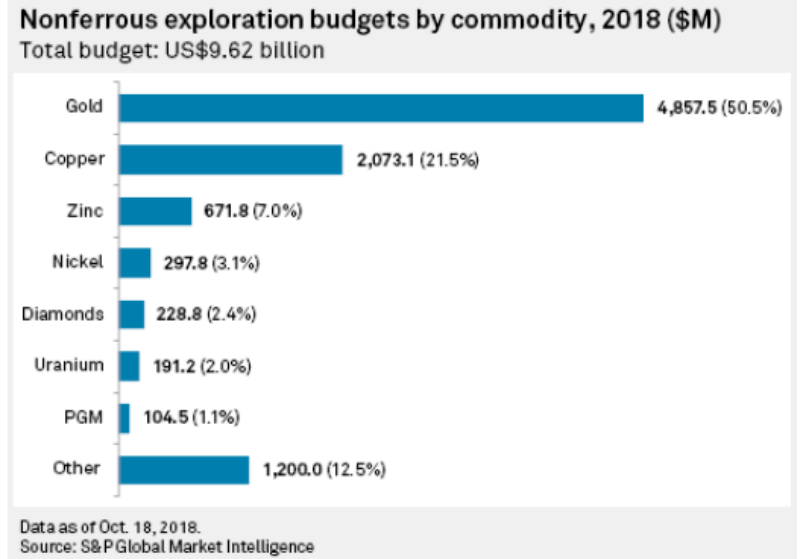


Global Mineral Exploration Market

Market Activity



Analytical Spend Drivers



- Global spend on exploration activities continues to rebound across a broad base of commodities both traditional and non-traditional (i.e. rare earths)
- ALS' focus on systems, productivity and innovation enable superior quality and turnaround outcomes relative to its competitors within this sector



Industrial. Overview

Asset Care

- Maintenance contracts wins in Australia generate increased revenues albeit this work is being undertaken in some cases at lower margins
- New business development plans help to deliver 15% pcp increase in revenues in US market
- Market remains highly price sensitive

Tribology

- Revenue growth delivered in all regions – Australasia, North America and South America and strong margins maintained
- Improved sales and marketing efforts creating new contract wins and increased volumes
- Automation of lab workflow processes together with data management continues to be a key focus

Underlying results (AUD)	H1 FY19	H1 FY18	Change
Revenue	\$106.3 mn	\$99.7 mn	6.6 %
EBITDA	\$15.7 mn	\$18.0 mn	(12.8) %
EBITDA Margin	14.7 %	18.1%	-340 bps
EBIT	\$12.6 mn	\$15.0 mn	(16.0) %



Industrial. Outlook

- ▶ Well positioned to support mining, oil & gas and power generation maintenance programs in Australia
- ▶ Construction projects and recently introduced maintenance-related service lines in the US to drive organic growth
- ▶ Increasing client interest in online monitoring and data management solutions
- ▶ Strategic focus on expanding geographic reach in key markets – North America, South America, South East Asia and Europe



Next generation TIC, Innovation and Technology



- ▶ Robotics
- ▶ Client Software Platforms
- ▶ Artificial Intelligence and Deep Learning
- ▶ Deeper Supply Chain Engagement
- ▶ Global ERP



H1 FY2019 results

Financial appendix

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Half Year FY19 Financial Summary

Half Year	FY18** (\$mn)	Half Year FY19 (\$mn)					
	Underlying*	Underlying*	Discontinued Operations	Divestment & Impairment Charges	Restructuring & other one off items	Amortisation of Intangibles	Statutory Results
Revenue	716.8	826.1	4.0	-	-	-	830.1
EBITDA	146.4	178.5	(1.3)	-	(6.1)	-	171.1
Depreciation & amortisation	(34.0)	(35.0)	(0.8)	-	-	(1.3)	(37.1)
EBIT	112.4	143.5	(2.1)	-	(6.1)	(1.3)	134.0
Interest expense	(13.1)	(14.9)	-	-	-	-	(14.9)
Tax expense	(26.5)	(35.0)	0.4	-	1.3	-	(33.3)
Non-controlling interests	(0.9)	(0.3)	-	-	-	-	(0.3)
NPAT	71.9	93.3	(1.7)	-	(4.8)	(1.3)	85.5
EPS (basic – cents per share)	14.3	19.1					17.5
Dividend (cents per share)	8.0	11.0					

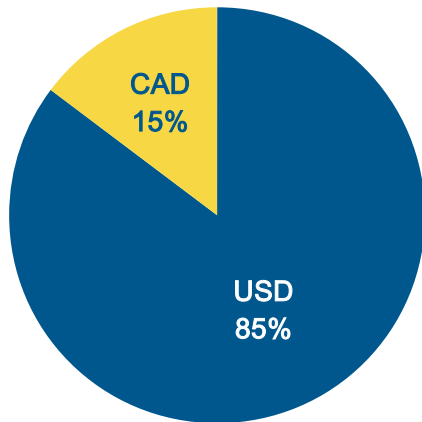
* continuing operations ** restated



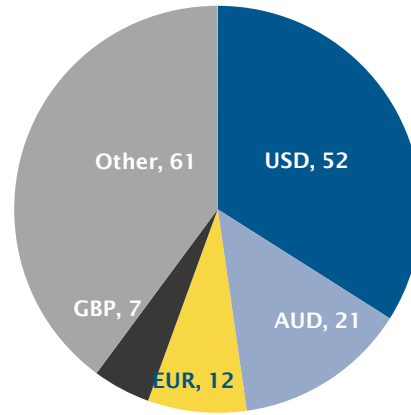
Debt Metrics

	Mar-15	Mar-16	Mar-17	Mar-18	Sep-18
STATISTICS					
Gearing Ratio (comfort 45%)	38%	27%	29%	31%	35%
Leverage (net debt/ EBITDA; max 3.00)	2.5	1.7	1.9	1.7	1.8
EBITDA interest cover (min 3.75)	9.1	7.7	9.2	11.3	11.6
BALANCE SHEET MEASURES					
Total Equity (AUD mn)	1228	1186	1185	1122	1099
Net Debt (AUD mn)	762	438	485	506	585

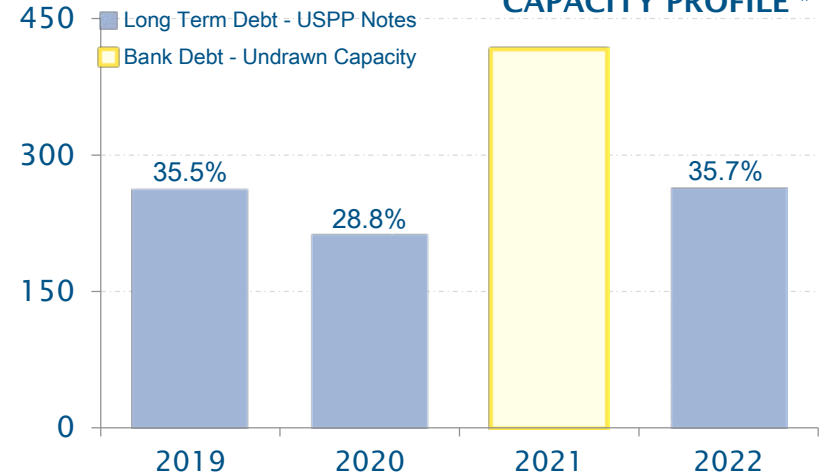
Debt Denomination



Cash Holdings AUD\$m



AUD\$ million



* Adjusted for October 2018 bank refinancing





Questions & Discussion