



Investor Presentation

Australian Investment Conference – New York

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Right Solutions · Right Partner
www.alsglobal.com

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Company's history



ALS can trace its corporate history back to Peter Morrison Campbell who established a small chemical company in Australia in 1863.

That company, Campbell Brothers Limited, became a publicly traded company when it listed on the Australian Stock Exchange in 1952.

Australian Laboratory Services P/L started a small geochemistry laboratory in 1976 in Brisbane (Australia) to service mineral exploration companies exploring the eastern part of Australia.

In 1981, Campbell Brothers Limited acquired Australian Laboratory Services P/L and began a journey that would see ALS become one of the largest, most highly respected, commercial laboratory services companies in the world.

Following rapid growth and diversification across Australia in the 1980s, ALS expanded into Asia and South America in the 1990s, before expanding into North America, Africa and Europe in the early 2000s and finally the Middle East in 2011.

TIC Markets

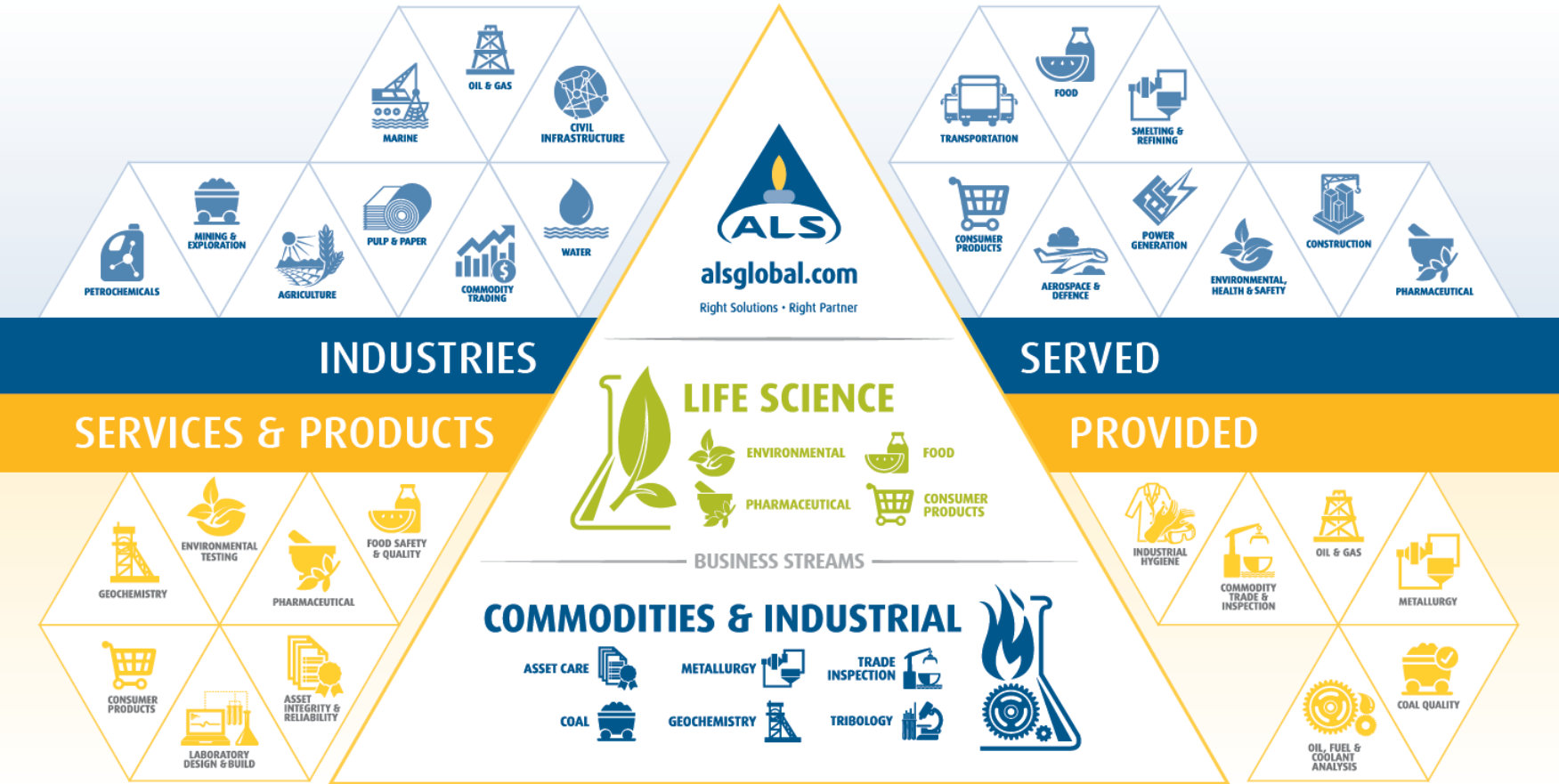
TESTING
taking measurements
either in a laboratory
or in the field



INSPECTION
Visual inspection or physical
measurement (in situ)
of a commodity or piece
of equipment/infrastructure

CERTIFICATION
Verification
of a system or item
against a recognised Standard

Business streams



Global Operations Map



50+
Countries

300+
Locations

40+
Years of strong
business
performance

13,000+
Staff worldwide

20+ million
Processed samples
per year

\$1.4+ billion
Global revenue

FY2018 Highlights

ALS FY2018
Underlying NPAT
within guidance at
\$142.2 million, up
21.1% on
prior year

Final dividend
9.0 cents
per share,
FY18 total dividend
up 25.9%

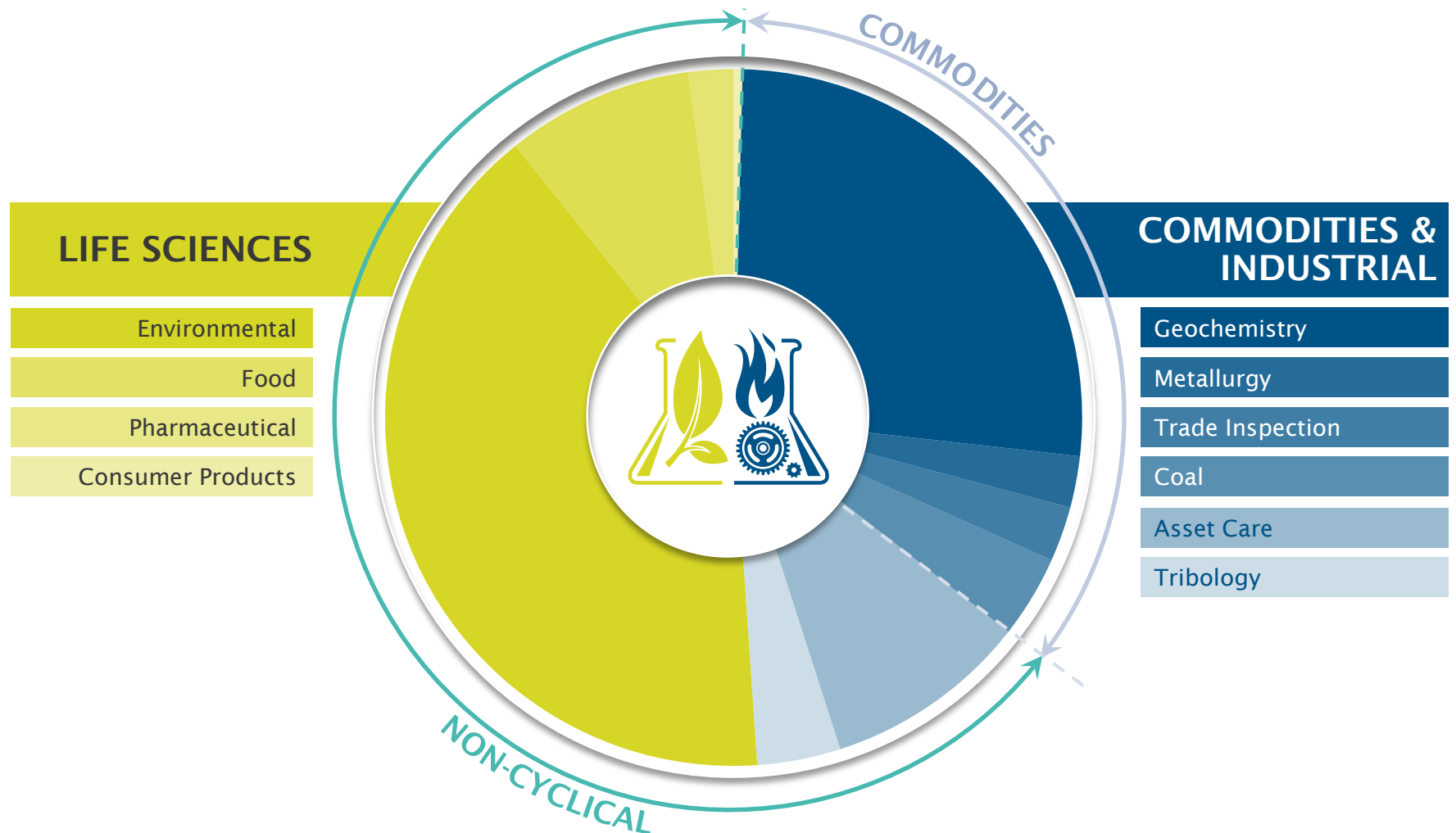
Underlying EPS is
28.4 cents
per share,
up 22%

On-market
Share Buyback
to continue

Business outlook
continues
to remain stable

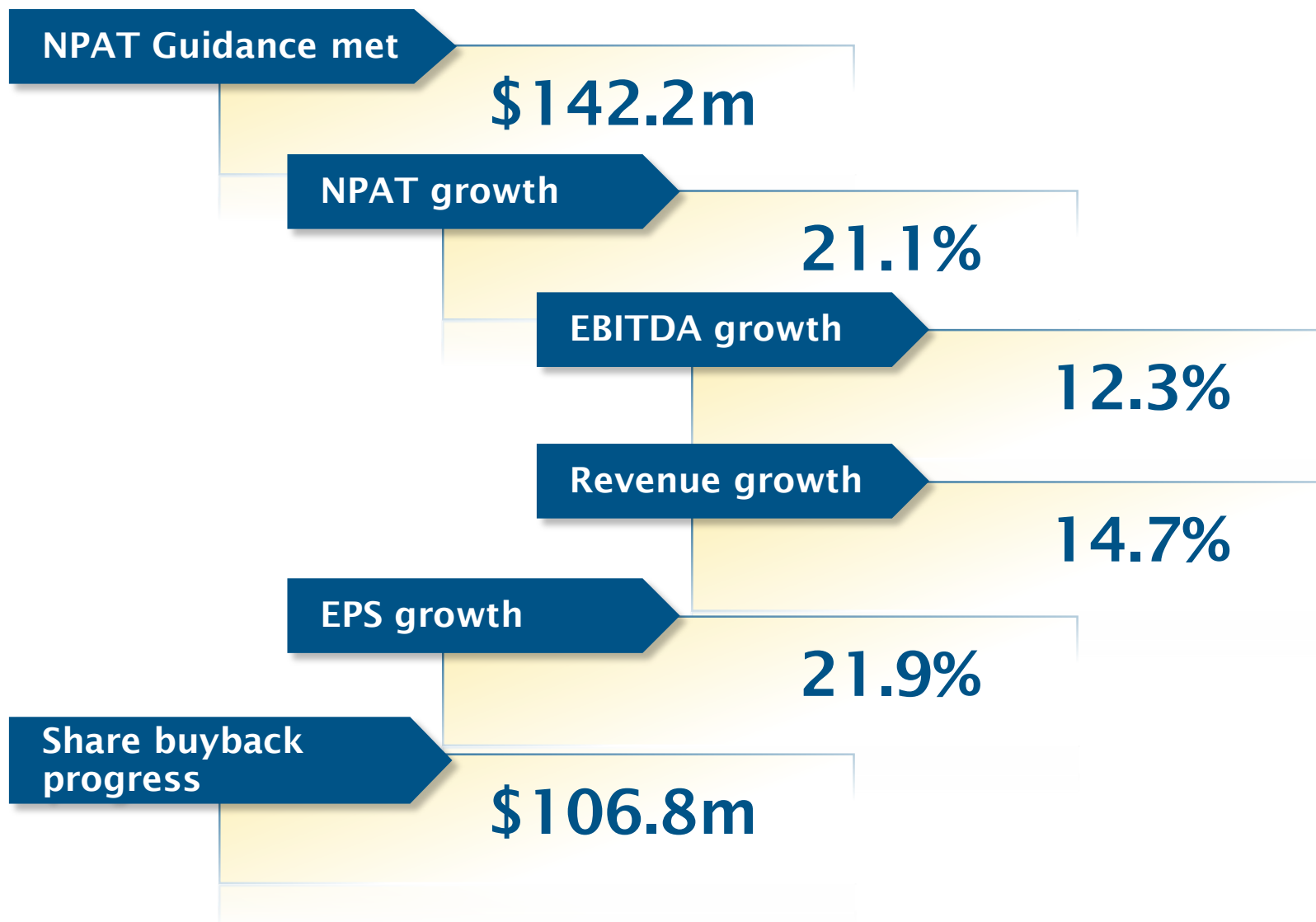
Proposed
Divestment of
Oil & Gas
laboratories

ALS Segments and Business Streams Revenue split

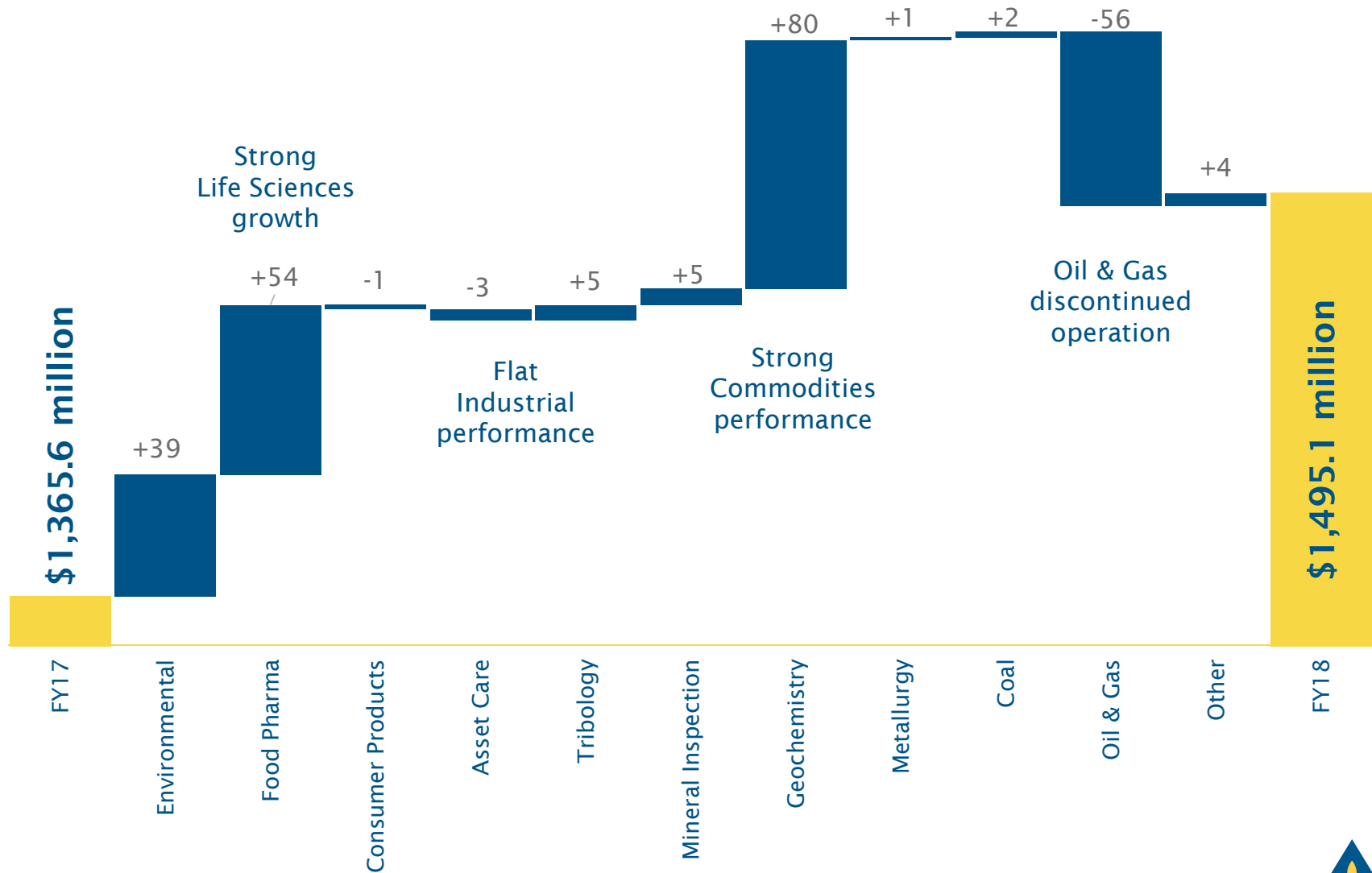


Full Year FY18 Financial Summary

Underlying performance from continuing operations



Revenue waterfall FY17 vs FY18 – all operations



Cash Flow

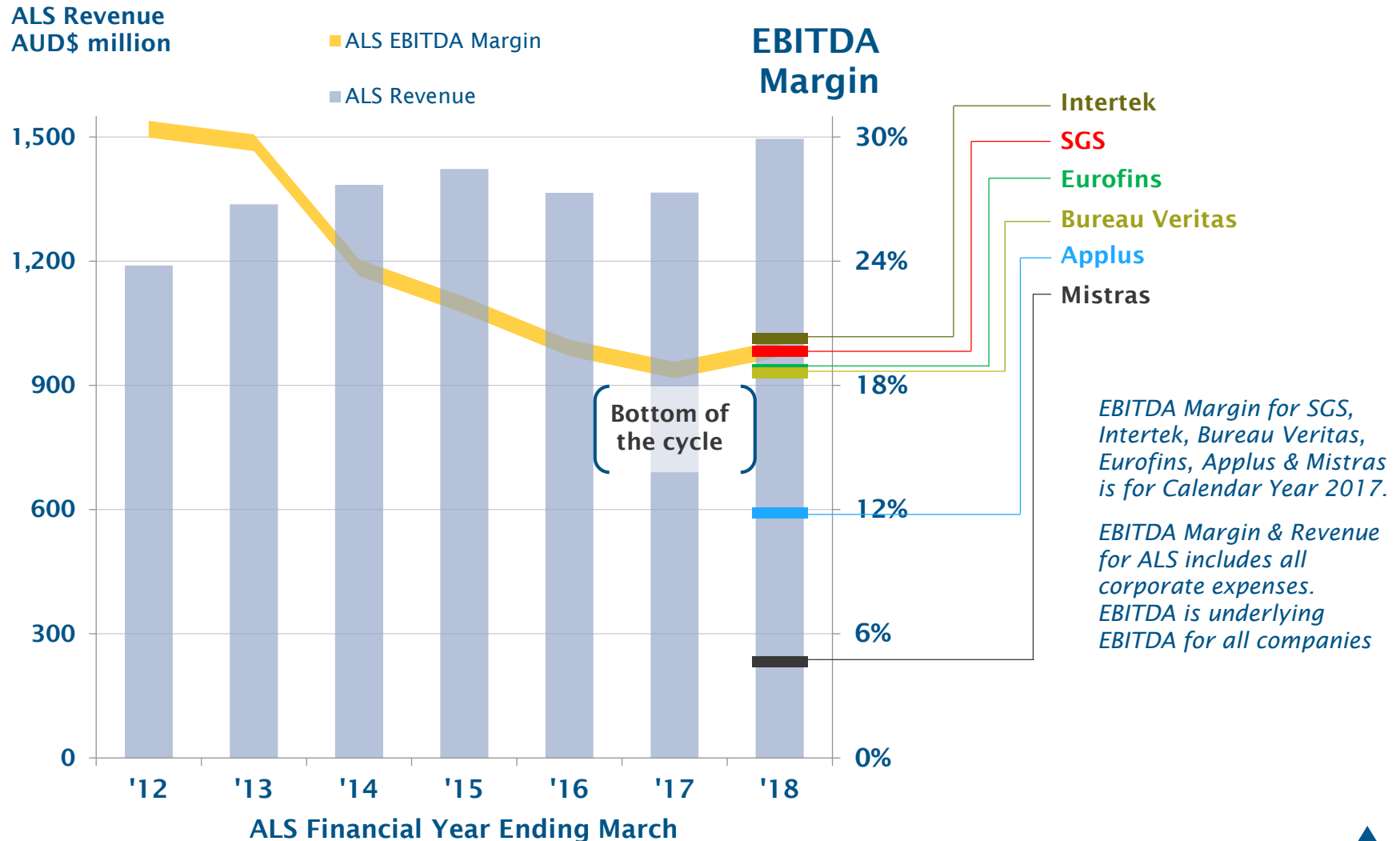


Full year	FY17 AUD mn	FY18 AUD mn
Underlying operating profit (EBIT)	171.6	216.7
Depreciation & Amortisation	78.8	72.9
EBITDA	250.4	289.6
Working capital	12.3	(16.1)
CAPEX	(58.7)	(73.4)
Other	5.0	7.6
Free cash flow	209.0	207.7
Acquisitions	(106.4)	(31.8)
Divestments	-	79.5
Dividends paid	(58.0)	(80.8)
Issued capital bought back	-	(106.8)
Borrowings - movement	-	(38.4)
Interest and Tax	(68.3)	(73.5)
Restructuring costs	(19.1)	(14.2)
Net increase/(decrease) in cash	(42.8)	(58.3)
Opening net cash	297.9	248.9
Effect of FX on cash held	(6.2)	(3.4)
Closing net cash	248.9	187.2

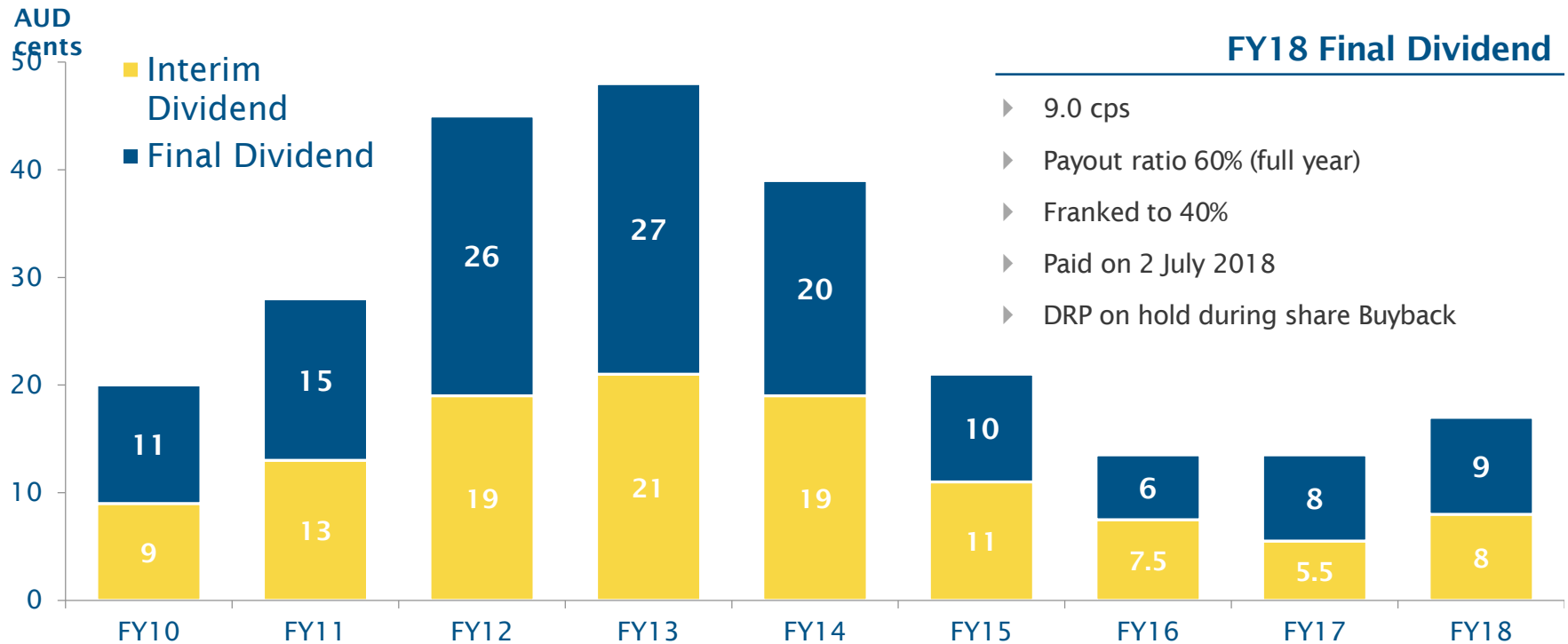
Analysis includes both continuing and discontinued operations

[^] Based on statutory EBITDA

Margin strong post bottom of the cycle



Final H2 FY18 Dividend



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

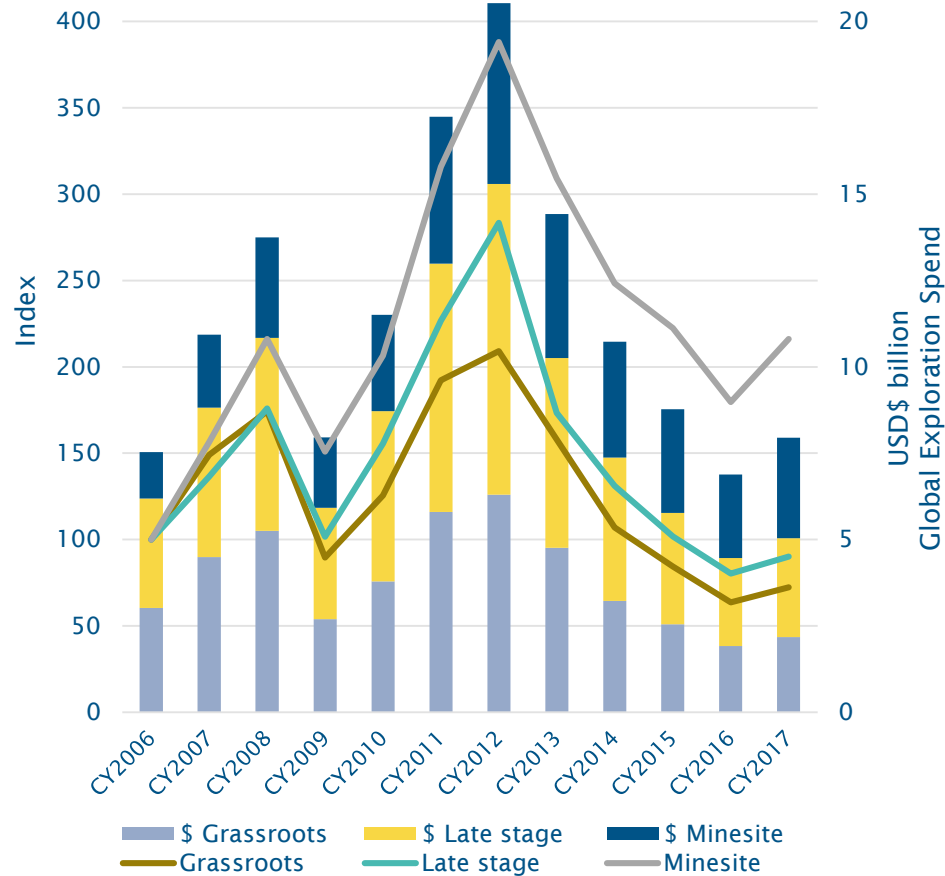
Coal

- ▶ 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 %

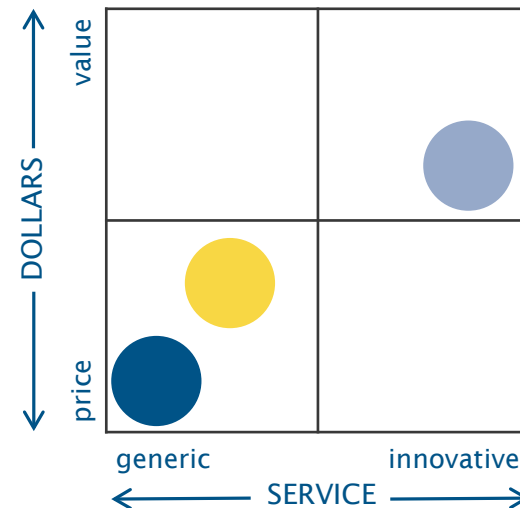
Global Mineral Exploration Market

Market Trends



Source: SNL Data

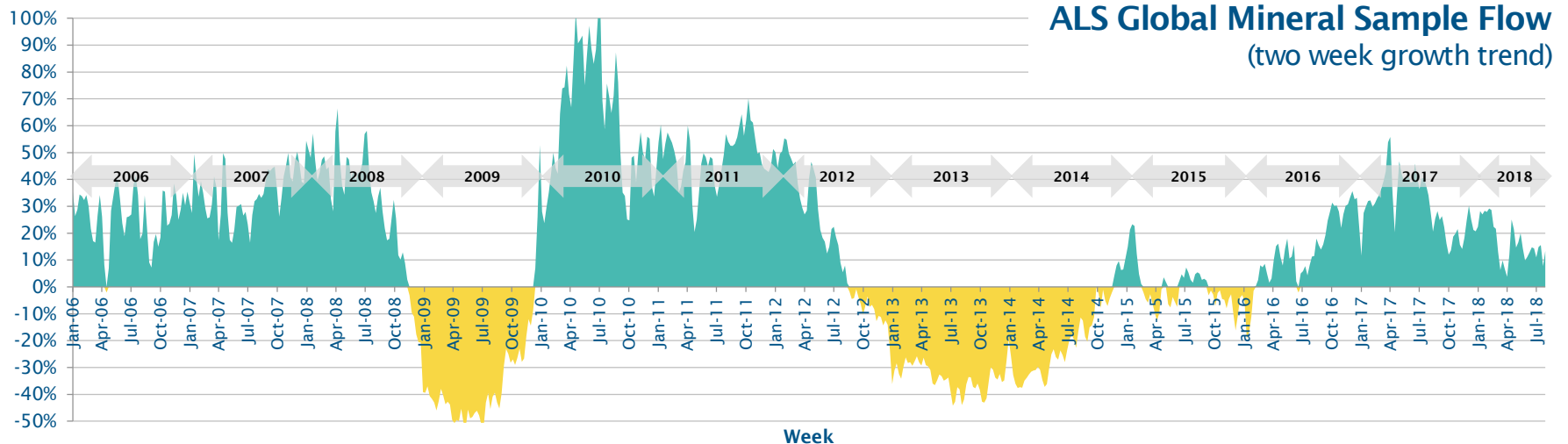
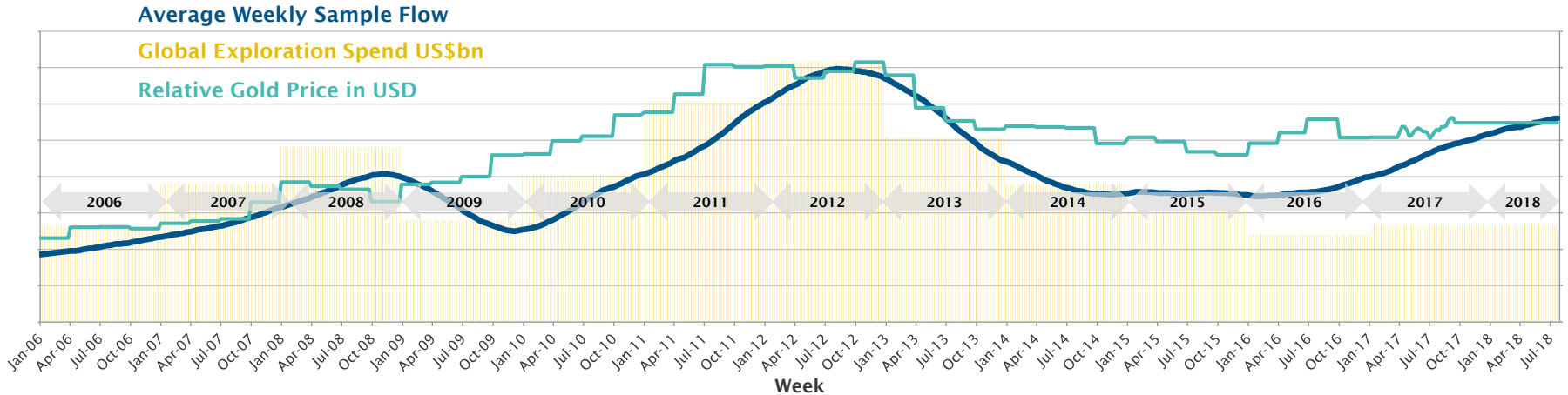
Analytical Spend Drivers



- ALS continued investment to maintain technical capabilities and feed innovation to high end value added services
- ALS focus on systems, productivity and cost base to maintain volume in generic services market sector

Geochemistry – The Recovery looks real

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)

Commodities. Outlook

- ▶ Continuation of positive market sentiment and improved market conditions for geochemistry
- ▶ Geochemistry market share gains globally to translate into improved FY19 performance
- ▶ Gradual but sustained improvement in Metallurgy expected to carry on throughout FY19
- ▶ Demand for coal services remains and will be underpinned by recent new contract wins
- ▶ Inspection business benefiting from capacity upgrade and is focused on cost-based management

Life Sciences. Overview

Environmental

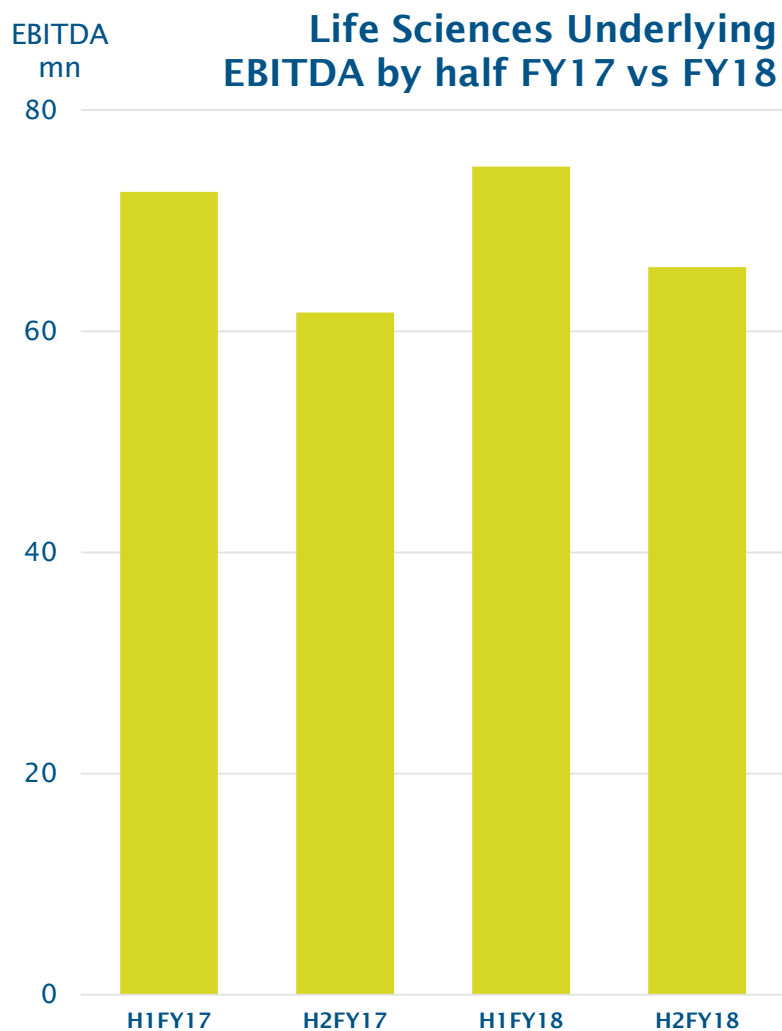
- ▶ Revenue growth (in AUD)
Asia (+16.7%)
Australia (+5.2%)
Europe & Middle East (+20.1%)
- ▶ Ongoing cost reduction initiatives introduced in the Americas and UK markets to improve FY19 ROS
- ▶ Focus on developing new greenfield opportunities within selected Asian and European markets to deliver new 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

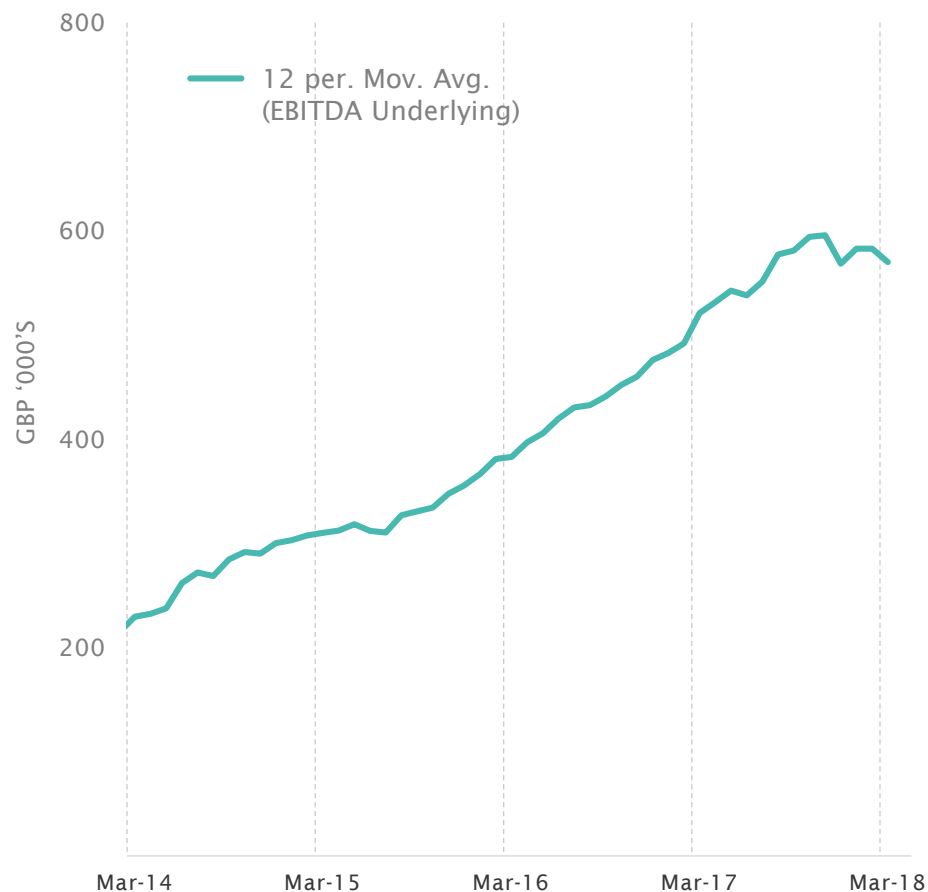
Underlying results (AUD)	FY18	FY17	Change	H2FY18	H2FY17	Change
Revenue	\$734.1 mn	\$641.6 mn	+14.4 %	\$368.4 mn	\$320.6 mn	+14.9 %
EBITDA	\$140.7 mn	\$134.3 mn	+4.8 %	\$65.8 mn	\$61.7 mn	+6.6 %
EBITDA Margin	19.2 %	20.9 %	-169 bps	17.9 %	19.2 %	-130 bps
EBIT	\$102.1 mn	\$99.8 mn	+2.3 %	\$46.2 mn	\$44.2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

Financial update: Longer term trends, Life Sciences



Food & Pharmaceutical, UK

Monthly development, underlying EBITDA



Life Sciences. Outlook

- ▶ Focus on automation and workflow centralisation to improve future operating margins
- ▶ Food safety and pharmaceutical strategy will continue expansion via targeted acquisitions
- ▶ The environmental businesses in the Americas and Europe continue to demonstrate improved revenue performance
- ▶ EMENA revenue growth driven by UK improvement following integration restructure and recent acquisition in Sweden
- ▶ New greenfield life science business in India to be operational in H2FY19

Industrial. Overview

Asset Care

- In Australia, growth in Mining maintenance services offset smaller FY18 power generation outage program and O&G maintenance services
- Continued investment in technologies to support maintenance contracts
- Market remains highly price sensitive

Tribology

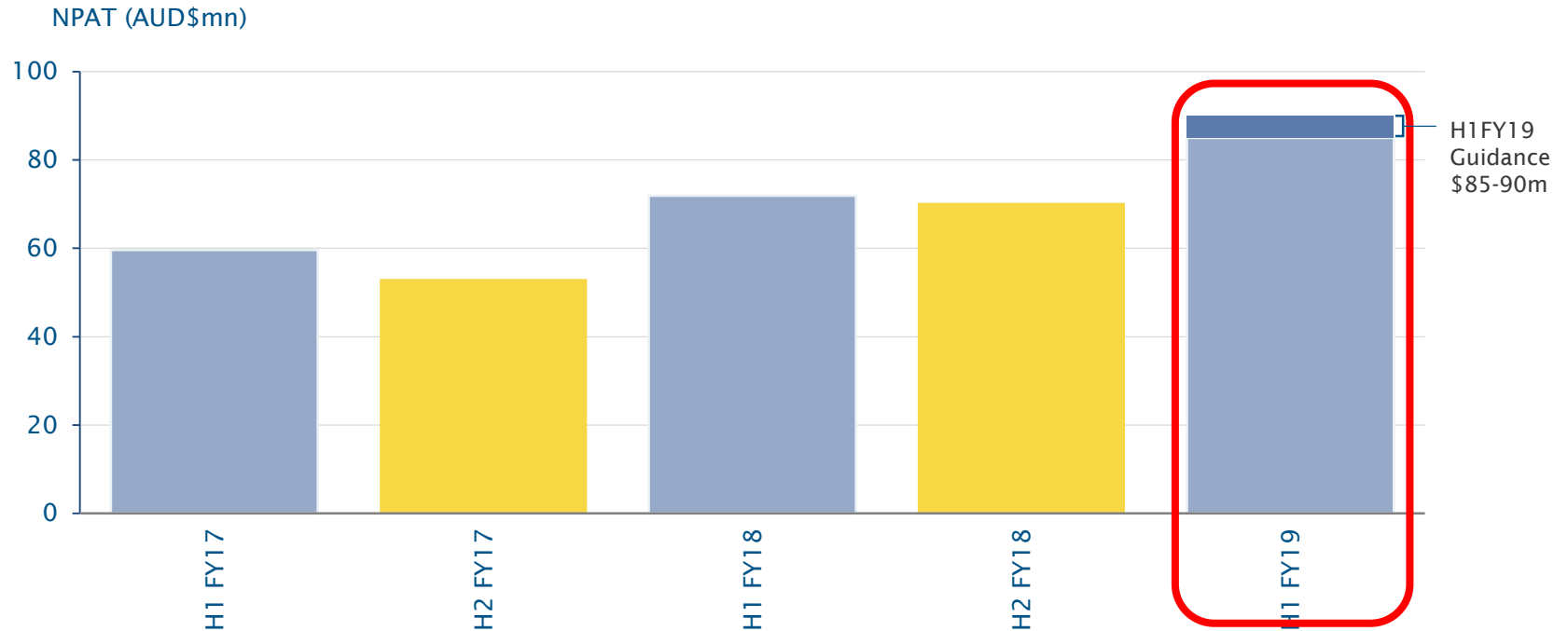
- Revenue growth and margin improvement delivered in all regions – Australasia, North America and South America
- OILCHECK acquisition in Brazil delivering in line with expectations (completed May 2017)
- Continued investment in laboratory automation and data management

Underlying results (AUD)	FY18	FY17	Change
Revenue	\$193.9 mn	\$192.7 mn	0.6 %
EBITDA	\$32.1 mn	\$32.7 mn	(1.8) %
EBITDA Margin	16.6 %	17.0 %	-40 bps
EBIT	\$26.2 mn	\$26.5 mn	(1.2) %

Industrial. Outlook

- ▶ Despite headwinds, well positioned to support mining, O&G, and power generation maintenance programs in Australia. Market to remain highly price sensitive
 - ▶ Mobilisation of US construction projects in FY19 H1 to underpin FY19 regional growth
 - ▶ Lab automation, online monitoring and data management solutions driving increased efficiency and improved quality
 - ▶ Tribology expansion of Prague operations in FY19 H1, creating a footprint in Europe
 - ▶ Asset Care greenfield start-up established in Thailand in FY19 Q1
-

First Half FY19 guidance



ALS expects that underlying NPAT from continuing operations for the half year ending 30 September 2018 will be in the range of AUD \$85 million to AUD \$90 million

Acquisitions completed during FY2019 to date





Sustainability Program. 2017-18 Achievements

People

Health & Safety

Safety as a Priority

Diversity & equality

Respecting differences

Training & development

Investing in talent development

Human rights

Worker's rights upheld

- ✓ 53% female new hires
- ✓ Record Low Injury Rates
- ✓ Global employee survey completed
- ✓ 44,000 training sessions completed >50%
- ✓ Hazard observations >50%

Environment

Operational Environmental Performance

Management of adverse environmental emissions

Energy management

The pursuit of energy efficiency

Waste reduction

Reduce, reuse, recycle

Water conservation

Managing a scarce resource

Climate Change

Estimating CO₂ emissions and its economic impact



- ✓ Energy Intensity reduced by average of 7%
- ✓ No uncontrolled releases
- ✓ >2500 kg Extra glass diverted from landfill

Society

Economic Contributions

Paying our fair share of tax

Local investment

Investing in the local community

Employment creation

Creating jobs in the local community



- ✓ 1300 new employees
- ✓ Support of science education programs
- ✓ \$47M taxes

Governance

Financial performance

Maximise return for shareholders

Anti-bribery & corruption

Zero tolerance for bribery and corruption

Honesty & integrity

An ALS core value

Regulatory compliance

Systems to maintain legal compliance



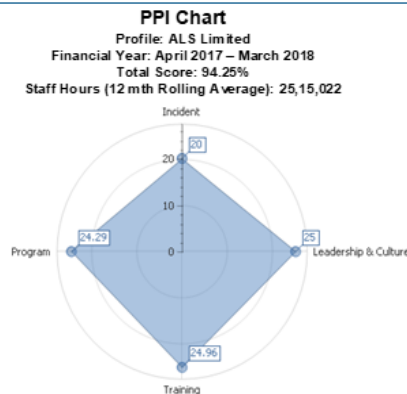
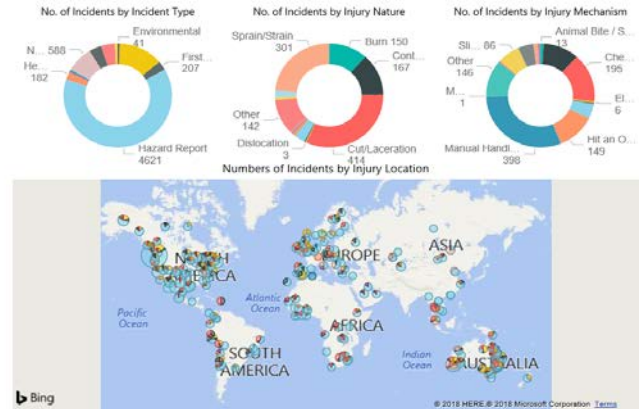
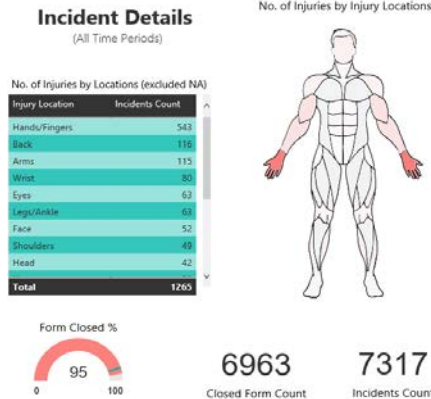
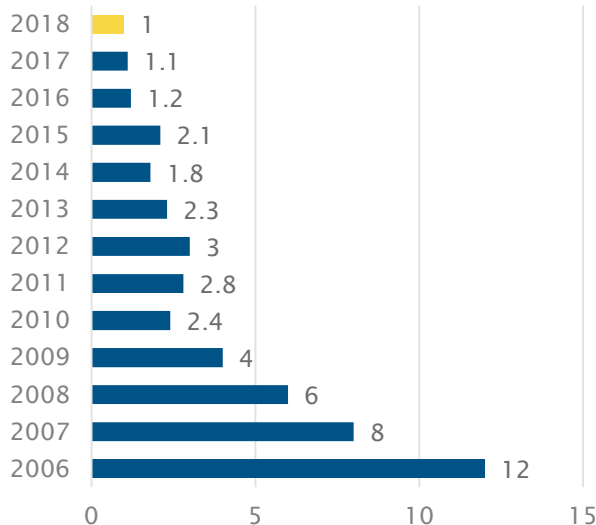
- ✓ Modern slavery statement published
- ✓ 9500 Code of Conduct training sessions completed
- ✓ Re- invigorated whistle-blower program & hotline



Safety Performance

Historical Record Low
Injury Rates

Group LTIFR
(as at March 31)



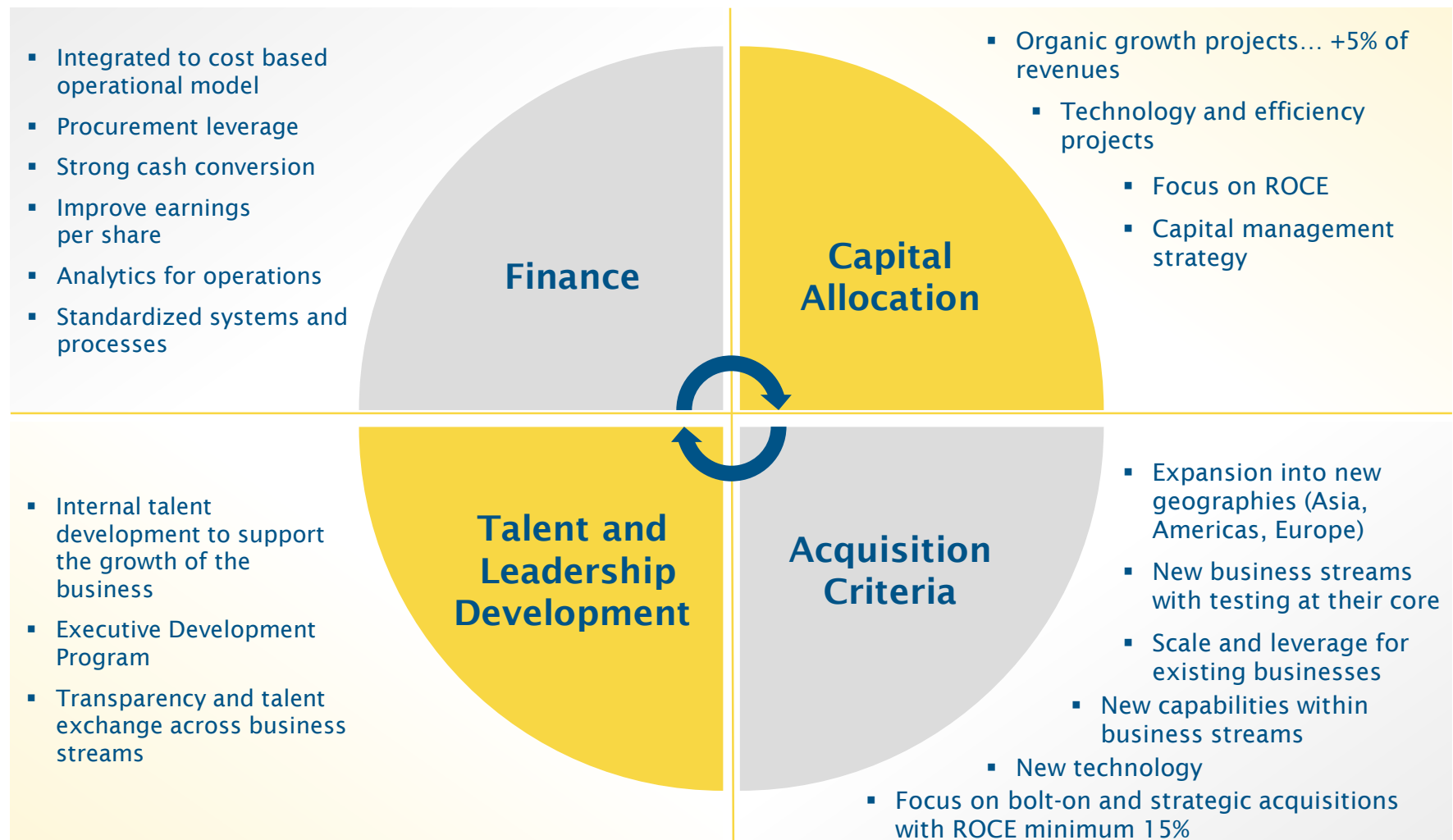
Key Performance Indicators

- 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

Strategic Priorities Unchanged



Strategic Roadmap



Vision 2022: Our Everest (excluding significant acquisitions)





FY2018 results

Financial appendix

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Full Year FY18 Financial Summary

Full Year	FY17** (\$mn)	Full Year FY18 (\$mn)					
	Underlying*	Underlying*	Discontinued Operations	Divestment & Impairment Charges	Restructuring & other one off items	Amortisation of Intangibles	Statutory Results
Revenue	1,261.5	1,446.9	48.2	-	-	-	1,495.1
EBITDA	257.6	289.3	0.3	0.9	(15.1)	-	275.4
Impairment charges & FX losses transferred from FCTR	-	-	-	(74.1)	-	-	(74.1)
Depreciation & amortisation	(65.2)	(68.0)	(4.9)	-	-	(2.6)	(75.5)
EBIT	192.4	221.3	(4.6)	(73.2)	(15.1)	(2.6)	125.8
Interest expense	(27.3)	(25.8)	-	-	-	-	(25.8)
Tax expense	(46.5)	(51.7)	1.2	-	3.9	-	(46.6)
Non-controlling interests	(1.2)	(1.6)	-	-	-	-	(1.6)
NPAT	117.4	142.2	(3.4)	(73.2)	(11.2)	(2.6)	51.8
EPS (basic – cents per share)	23.3	28.4					10.3
Dividend (cents per share)	13.5	17.0					

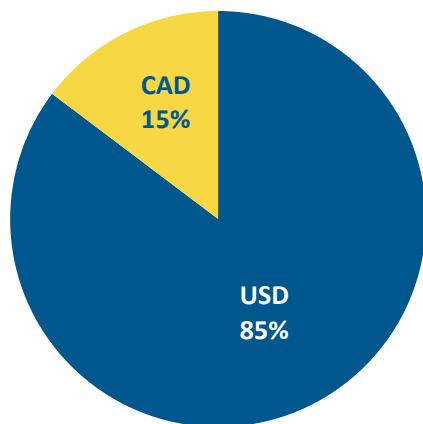
* continuing operations ** restated



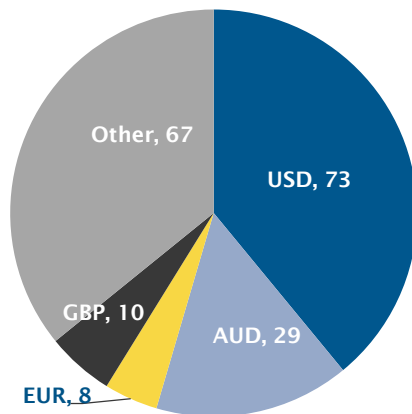
Debt Metrics

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18
STATISTICS					
Gearing Ratio (comfort 45%)	34%	38%	27%	29%	31%
Leverage (net debt/ EBITDA; max 3.00)	2.2	2.5	1.7	1.9	1.7
EBITDA interest cover (min 3.75)	12.2	9.1	7.7	9.2	11.3
BALANCE SHEET MEASURES					
Total Equity (AUD mn)	1419	1228	1186	1185	1122
Net Debt (AUD mn)	722	762	438	485	506

Debt Denomination



Cash Holdings AUD\$m



AUD\$ million

