



# Our new 5-year vision 2023 - 2027

13 September 2022  
Sydney

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# Today's agenda



**Raj Naran**

Managing Director & Chief Executive Officer

ALS – market leader in TIC Industry  
New 5-year strategy

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**Luis Damasceno**

Chief Financial Officer

Our financial and performance framework

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**Bruce McDonald**

Executive General Manager, Minerals

Staying ahead of the curve

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**Tim Kilmister**

Executive General Manager, Environmental

Digital integration & robotics within Environmental

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**Andreas Jonsson**

Executive General Manager, Food & Pharmaceutical

Journey of Life Sciences

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**Raj Naran**

Managing Director & Chief Executive Officer

Why invest in ALS





# ALS – A market leader in the TIC industry with a new 5-year strategy

Raj Naran  
Managing Director and CEO





# ALS 5-year strategy: key messages

**1**

**Focused on core business, exposed to high growth and margin markets**

**2**

**Underpinned by strong growth drivers in our end-markets**

**3**

**Leaders in technology and innovation through advanced data management and analytics**

**4**

**Well positioned to manage inflation and lower economic activity**

**5**

**Disciplined and pro-active capital allocation strategy**

**6**

**Support our clients on their sustainability journey**

**7**

**Exposure to green metal upside opportunity**





## OUR **VISION**

To be the global leader in the discipline of scientific analysis in pursuit of a better world for all.

## OUR **MISSION**

ALS is using the power of testing to solve complex challenges. With a passion for science, we serve clients with data-driven insights for a safer and healthier world.

## OUR **PURPOSE**

SCIENCE. ASSURANCE. SUSTAINABILITY.

## OUR **VALUES**

**SAFE**

**RESILIENT**

**CURIOUS**

**COMMITTED**

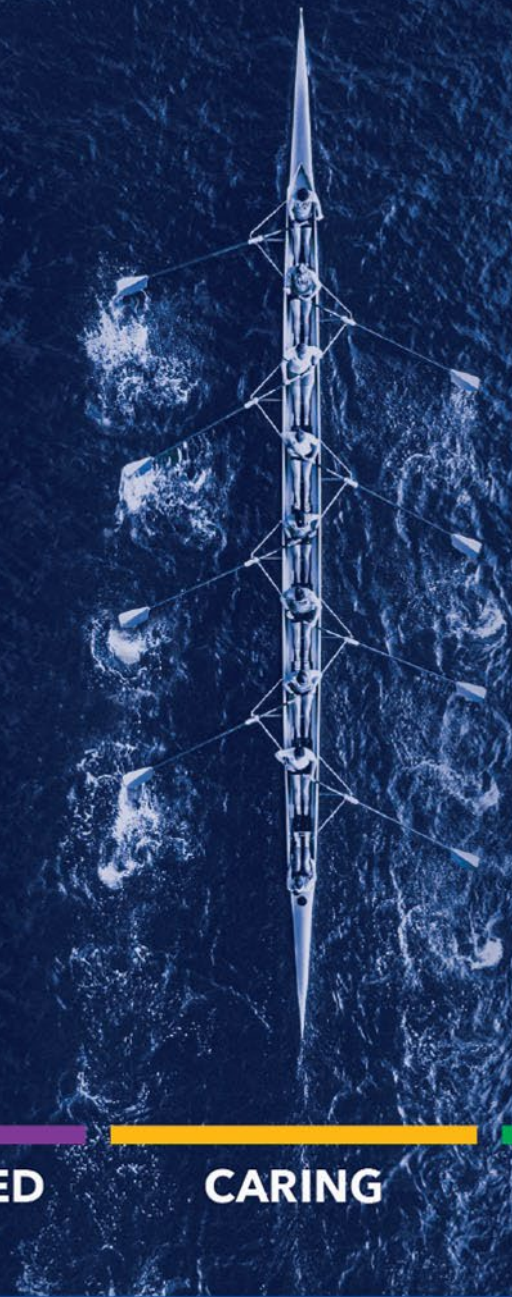
**CARING**

**HONEST**



right solutions.  
right partner.

one  
**ALS**





# ALS executive team



**Raj Naran**

Managing Director & Chief Executive Officer



**Luis Damasceno**

Chief Financial Officer



**Bruce McDonald**

Executive General Manager, Minerals



**Andreas Jonsson**

Executive General Manager, Food & Pharmaceutical



**Tim Kilmister**

Executive General Manager, Environmental



**Grace Coiley**

Executive General Manager, Commodity Inspection



**Malcolm Deane**

Chief Strategy Officer



**Michael Pearson**

General Counsel & Company Secretary



**Lisa McClain**

Chief Information Officer



**Michael Burcham**

Chief Sustainability Officer



**Rickard Olofsson**

Chief Digital Officer



**Mark Zorbas**

Chief HR Officer

**ALS management team committed to successful delivery of the next 5 year strategy**



# An efficient and lean organisation

- **Exceptional Global executive team**

- Re-aligned to portfolio
- Global focus on growth
- Committed to delivery of strategy
- Originate and support M&A / capex investment opportunities

- **Our people supporting the organisation's vision**

- Employees understand, are inspired by, and believe in the vision and live the values of the Company
- Committed to building the knowledge and skills of our people to support both individual and company growth
- Talent development framework supports skill development, talent acquisition and deployment





# Our near-term sustainability commitments



ACHIEVING **CLIMATE NEUTRAL\*** OPERATIONS IN FY23

 Reduce Demand

 Improve Efficiency

 Renewable Energy

 Sustainable Purchasing

 Efficient Buildings

 Carbon Offsets





 Carbon Neutral

roadmap to **NET ZERO** to be released in 2023

\* Scope 1 and 2 emissions

# Our sustainability strategy



Our sustainability pillars:	<b>People</b> 	<b>Environment</b> 	<b>Society</b> 	<b>Governance</b> 
Our Guiding Principles:	<b>Deliver world-class health and safety outcomes, and attract a diverse, capable and engaged workforce.</b>	<b>Minimise our environmental footprint and build our resilience to climate related impacts.</b>	<b>Make a positive contribution to our local communities.</b>	<b>Operate ethically and responsibly to deliver sustainable outcomes for our stakeholders.</b>
<b>Through ongoing engagement and consultation we identify the material issues important to all Stakeholders and create targeted programs to ensure the achievement of our agreed ESG ambitions:</b>	<b>Health &amp; Safety</b> <ul style="list-style-type: none"> <li>• Safety Culture</li> <li>• Life Saving Rules</li> <li>• Wellbeing</li> </ul> <b>Diversity &amp; Equity</b> <ul style="list-style-type: none"> <li>• Respecting differences</li> <li>• Supportive Work Environment</li> </ul> <b>Training &amp; Development</b> <ul style="list-style-type: none"> <li>• Investing in talent development</li> </ul>	<b>Climate Change</b> <ul style="list-style-type: none"> <li>• CO<sub>2</sub> &amp; Green House Gas emissions</li> <li>• Task Force on Climate-related Financial Disclosures (TCFD)</li> <li>• Efficient buildings, plant &amp; equipment</li> <li>• Carbon neutral (Scope 1 and 2 emissions)</li> <li>• Net zero roadmap to be released in 2023</li> </ul> <b>Waste Reduction</b> <ul style="list-style-type: none"> <li>• Resource conservation</li> <li>• Regulated waste</li> </ul> <b>Operational Environmental Performance</b> <ul style="list-style-type: none"> <li>• Management of adverse environmental emissions</li> <li>• Efficient operations</li> </ul>	<b>Economic Contributions</b> <ul style="list-style-type: none"> <li>• Paying our fair share of tax</li> <li>• Charitable giving</li> </ul> <b>Local Contributions</b> <ul style="list-style-type: none"> <li>• ALS Cares</li> <li>• Science education support programs</li> <li>• Local employment</li> </ul> <b>Human Rights</b> <ul style="list-style-type: none"> <li>• Worker's rights</li> <li>• Modern Slavery Assessments</li> </ul>	<b>Financial Performance</b> <ul style="list-style-type: none"> <li>• Maximise return for shareholders</li> </ul> <b>Conduct and Culture</b> <ul style="list-style-type: none"> <li>• Data integrity &amp; traceability</li> <li>• Ethical business conduct</li> </ul> <b>Regulatory Compliance</b> <ul style="list-style-type: none"> <li>• Systems to maintain legal compliance, Anti-bribery &amp; Anti-corruption</li> </ul> <b>Enterprise Risk Management</b> <ul style="list-style-type: none"> <li>• Management of external, strategic, financial and operational risks</li> </ul> <b>Innovation &amp; Technology</b> <ul style="list-style-type: none"> <li>• Strategy, Investment &amp; Collaboration, Service lifecycle management</li> </ul>



# Our CSR ratings





# ALS committed to building a better world



## Focus on our PEOPLE

Maintain our Industry Leading Safety Performance



## FY2027

We will be in the **top quartile of our peers** as measured by our published injury frequency rates



## Focus on our PLANET

Maintain carbon neutrality for our scope 1 and 2 emissions while making substantial progress against achieving our goal of Net Zero



## FY2027

We will have reduced our carbon emissions by **27% against our FY2020 baseline year**



## Focus on our COMMUNITIES

Continue our support for the local communities in which we live and work



## FY2027

We will have established ALS Cares (our Workplace Giving Program) and Science Ed (our schools and universities support program) in **all ALS Business Streams and Regions**



## Focus on our BUSINESS PRACTICES

Ensure we operate in line with our core values and Code of Conduct to deliver ethical and sustainable returns for our stakeholders



## FY2027

We will have **greater than 95%** of all employees completing mandatory training in our Code of Conduct on an annual basis.



# Our scientific analysis supports our clients to achieve improved sustainability outcomes



## Commodities



**Our scientific analysis supports our mining clients to achieve improved sustainability outcomes**

### Geochemistry

- Key provider of testing for energy, battery and critical minerals analysis
- Develop geochemical methods for various minerals supporting energy transition

### Metallurgy

- Identify most efficient way to extract minerals from ore
- Assist clients with process flowsheet and optimisation to generate saleable products, e.g. lithium-ion batteries

## Environment



**Our involvement in the environmental industry helps to keep communities clean and safe**

### Water testing

- Testing of surface and ground water
- Testing of wastewater and trade effluents

### Air testing

- Ensuring regulations for release of regulated compounds are met

### Soil, solid and biota testing

- Determine risk contaminated material poses to environment, and design and implement site remediation projects

## Food & Pharma



**Our involvement in food & beverage and pharmaceutical industry keeps people safe and living longer**

### Food & beverage

- Determine key constituents of food & beverages, including nutrition facts, vitamins, minerals and additives
- Testing for contamination (industrial or environmental waste, pesticides or agrochemicals)
- Testing for allergens in food

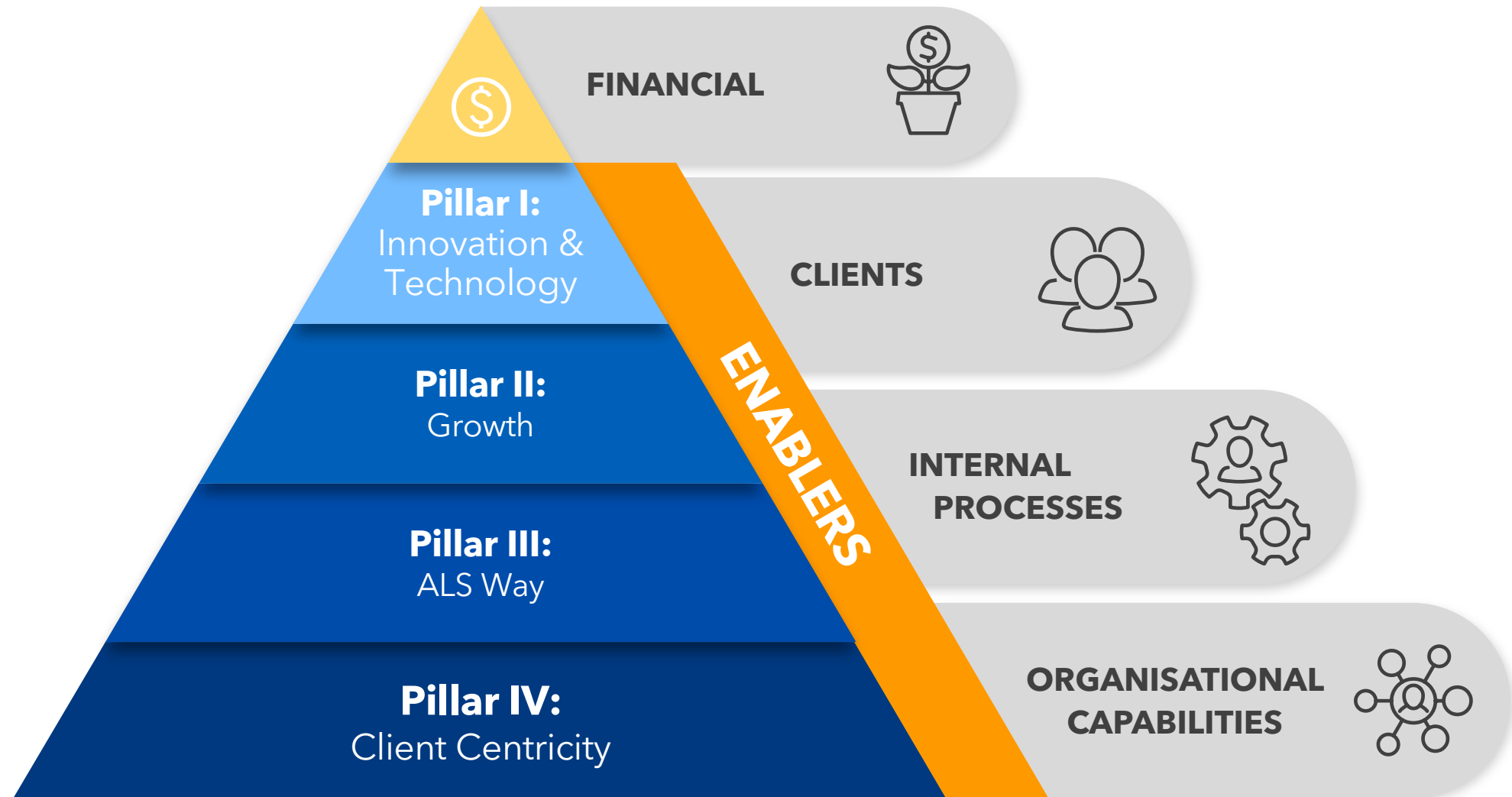
### Pharmaceutical

- Support physical, chemical and analytical testing needs across entirety of pharmaceutical manufacturing operations





# Our vision for 2027



# Our new 5-year financial targets



## Increase revenue

- **Total FY27 revenues of \$3.3B,**  
+50% (FY22 \$2.2B)

## Improve profitability

- **Total FY27 EBIT of \$0.6B,**  
+55% (FY22 \$0.4B)
- **Group margin above 19%**

## Improve total shareholder returns

- **Cash conversion >90%**
- **Continued improvement in ROCE, >20%**



# Our enablers to achieve our vision for 2027





# Strategic themes supporting our vision



# Industries we serve



Business streams	
Commodity Inspection	>
Environmental	>
Food	>
Industrial	>
Minerals	>
Pharmaceutical	>





# Key end-markets to outgrow the large potential TIC market



**TIC market potential:  
US\$269B by 2027<sup>1</sup>**

**Testing market remains largest:  
US\$151B**

**Outsourcing growth trend  
to continue**

**Testing market to  
grow at 4% CAGR**



**Our key end-markets<sup>1</sup> exposure to  
outpace overall TIC market**

**Exposed to largest and fastest  
growing end-markets >4%**  
(environmental, life sciences and food)

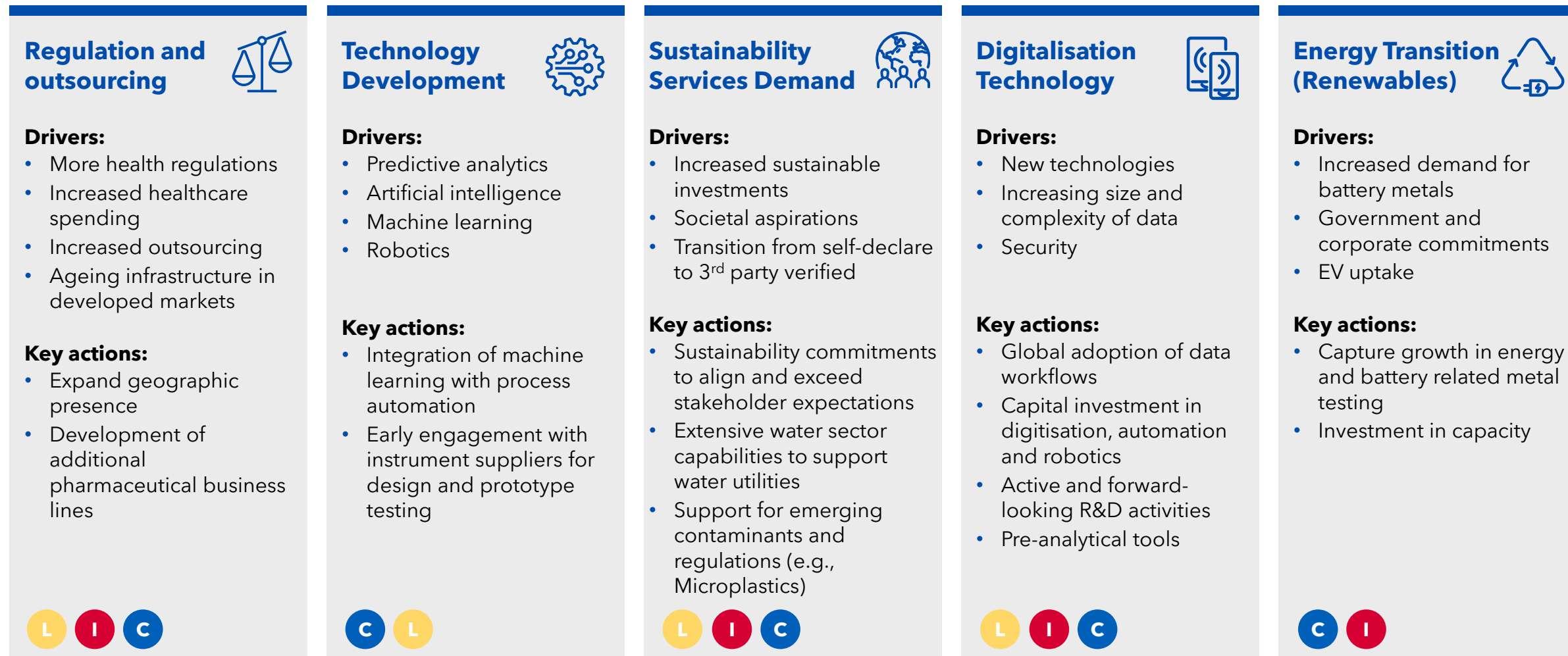
**Consolidated position across  
mining industry**

**Increased exposure to industry  
megatrends such as ESG and  
electrification**

Source: Markets and Markets

1. Refer Appendix for further detail on our key end-market exposures. Market estimates are based in real terms

# Strategic plan aligned to industry megatrends



L Life Sciences
 I Industrial
 C Commodities





# Our financial and performance framework

Luis Damasceno  
Chief Financial Officer

# Exceeded our 5-year strategic plan (FY17-22)



## Targets:

- ✓ **Zero harm to our people**
- ✓ **\$2 billion in revenue**  
**Mid-single digit organic growth**
- ✓ **\$400 million in underlying EBIT**
- ✓ **Strong cash conversion**  
**Solid return on invested capital**
- ✓ **Earnings per share improvement**  
**Solid investor returns**

## Achievements:

**43% improvement**  
in injury frequency rates vs FY17

**\$2.2 billion**  
+73% vs FY17

**9.7%**  
5-year Organic CAGR

**\$409 million**  
+113% vs FY17

**18.8% margin**  
+350 bps vs FY17

**>90%**  
cash conversion (FY17-22)

**20.1% ROCE**  
+782 bps vs FY17

**+135% EPS**  
18.6% CAGR since FY17

**131.2% TSR**  
Cumulative return since FY17

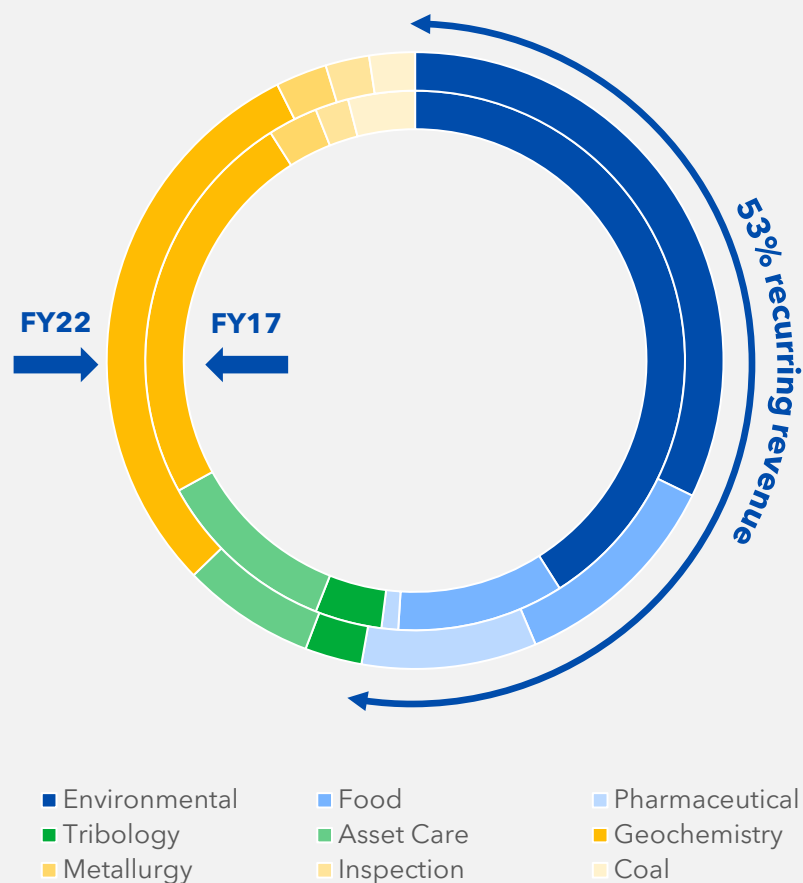


# Improved diversity of earnings within the portfolio



## FY17 vs FY22 portfolio revenue contribution

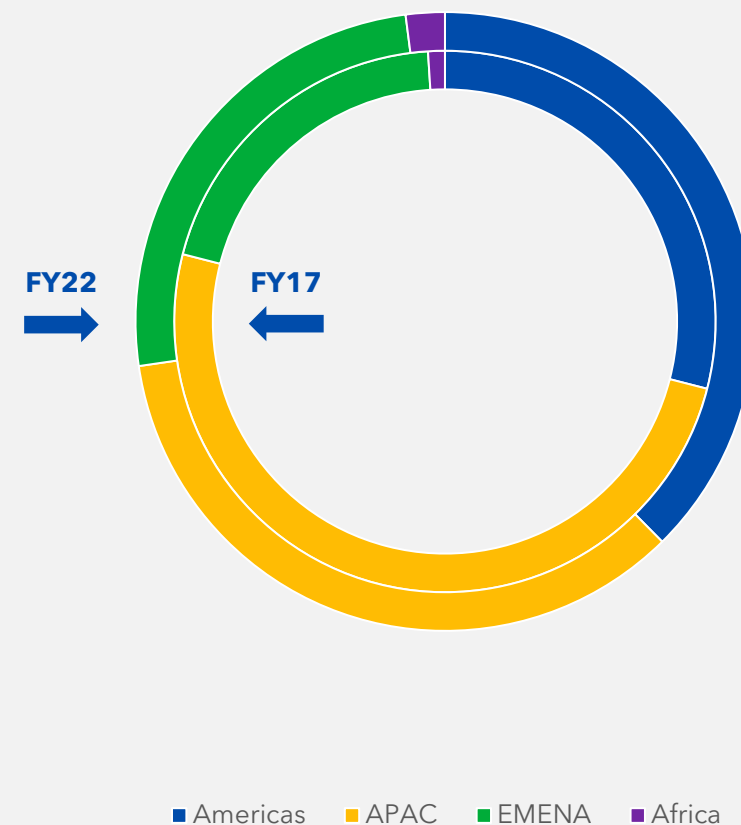
In % of Group revenue



- Over 50% of revenue is recurring, supported by future growth within Life Sciences portfolio
- Reduced overall cyclical of portfolio and increased exposure to future sustainability trends
- Global portfolio aligned with megatrends and demographics
- Strategically increased regional exposure to key growth regions in the Americas and Europe
- Rationalised portfolio resulting in minimal exposure to harder to abate industries

## FY17 vs F22 regional revenue distribution

In % of Group revenue



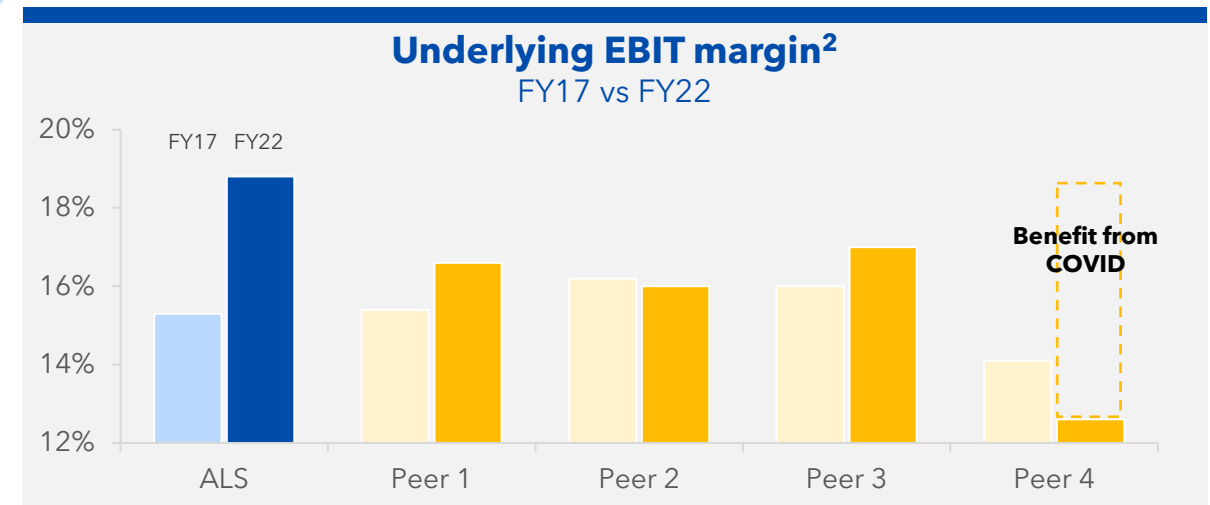
# Impressive revenue growth and industry leading profitability



- Strong performing revenue growth relative to Peers<sup>1</sup> and improvement in underlying EBIT margin, without benefit from temporary COVID-19 earnings
- Revenue growth outpaced overall TIC market
- Steady yoy improvement in both overall market share and profitability
- Sustainable market leading EBIT margin profitability

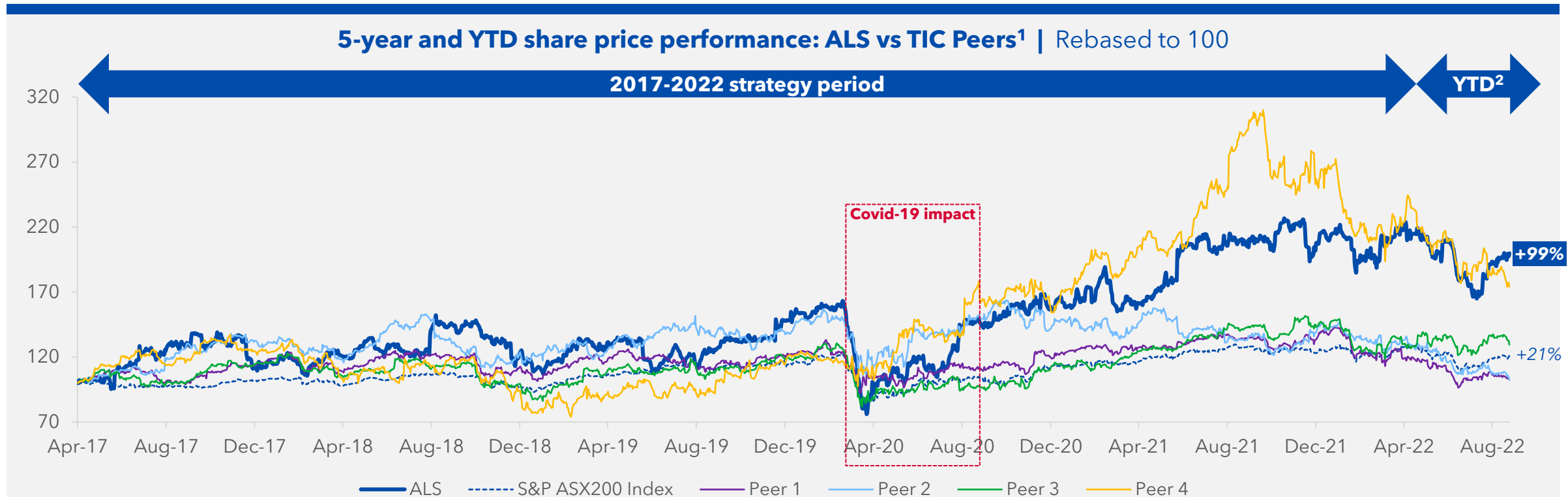
Note: Source: Company websites. ALS Financial Year concludes March. Eurofins, Bureau Veritas, SGS, and Intertek Financial Year conclude December.

1. Peer Group consist of Bureau Veritas, SGS, Eurofins and Intertek, in no particular order
2. Peer 4 revenue growth and margins adjusted for COVID-19 activities. Margin baselined to FY18 and FY19 average





# Market leading share price performance



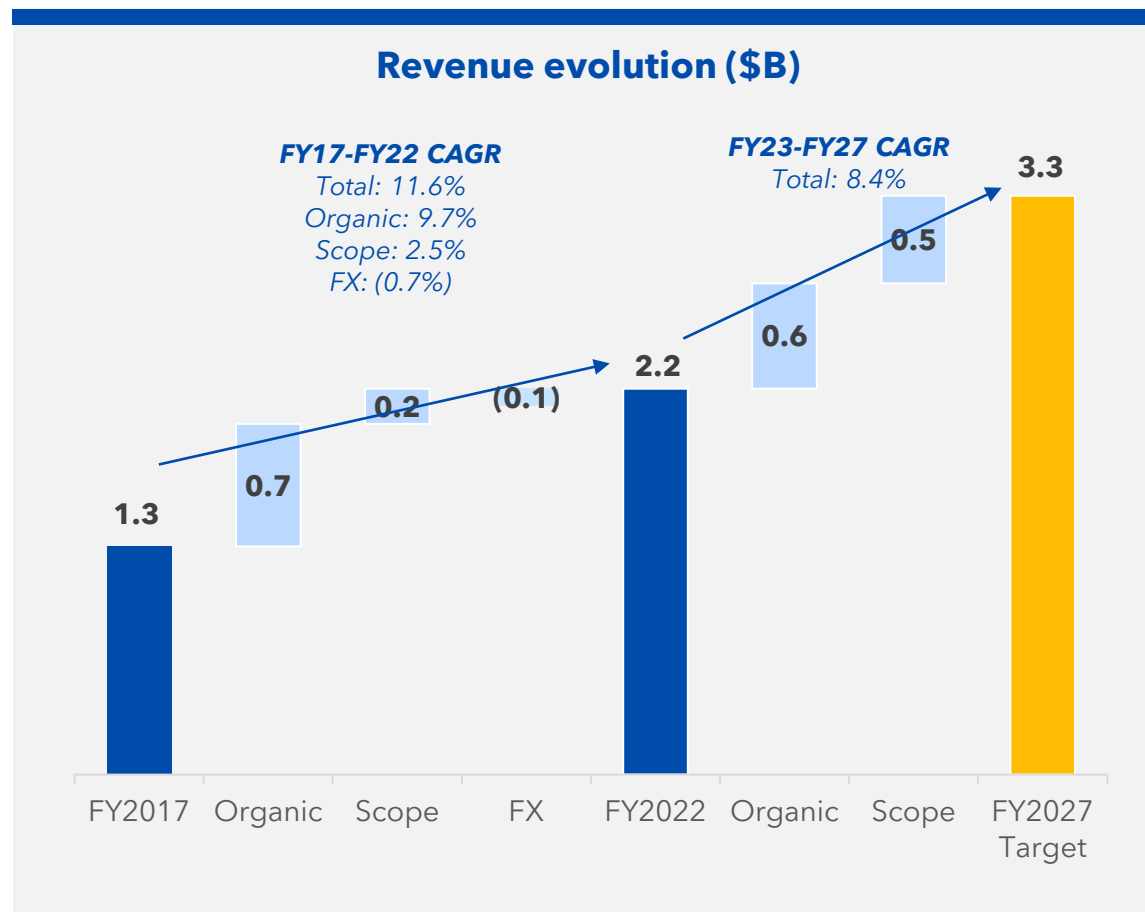
- Strong performing share price performance over the 5 year period (2017 to 2022)
- Maintained share price performance YTD
- Share price supported by our diverse end-markets and key focus on sustainable revenue growth

Source: NASDAQ

1. Peer Group consist of SGS, Intertek, Eurofins and Bureau Veritas and not in that order

2. As at 26 August 2022

# Strong revenue ambition



## FY23-27 ambitions:

- **Organic CAGR of ~6% (Life Sciences ~7%)**
- **Scope CAGR of ~3% (Life Sciences ~7%)**
- **Growth ambitions supported by:**
  - Strong projected growth in key end-markets
  - Capitalization of Industry megatrends
  - Disciplined execution of acquisition strategy



**Strategic focus on leveraging mega-trend opportunities in key end-markets**



# Successful track record of acquisitions

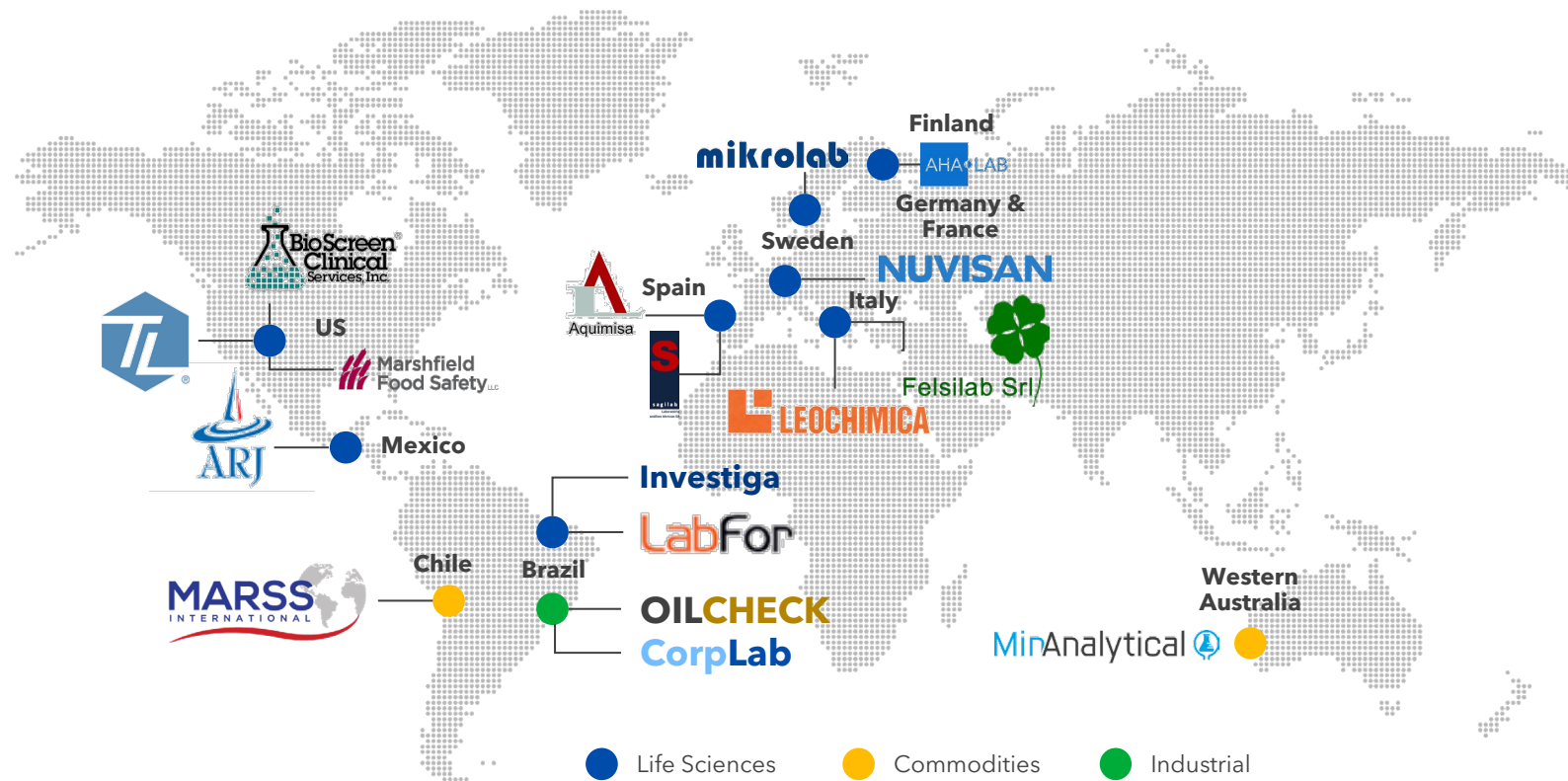


## ACHIEVEMENTS:

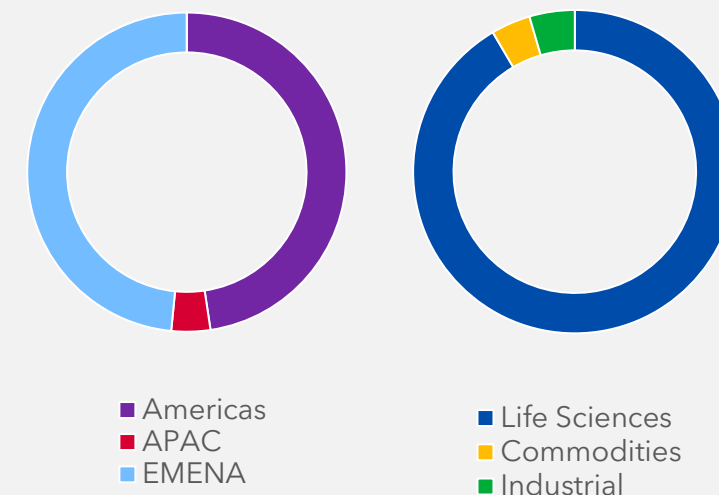
**17 acquisitions**  
completed

**\$264 million<sup>1</sup> revenue**  
acquired over 2017-2022<sup>2</sup>

Acquisition **performance**  
**according** to business plan



## Scope revenue acquired<sup>1</sup> distribution by region and division



1. Contribution to FY22 revenue
2. Completed 5 acquisitions in FY23 to date, contributing ~\$60M revenue on a full year run-rate

# FY23 - FY27 acquisition strategy



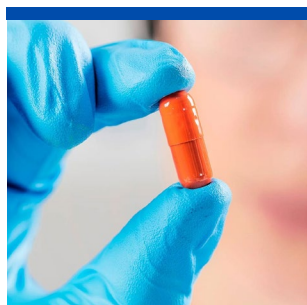
## Strategic approach:

- Focus on Life Sciences, particularly in the Food and Pharmaceutical markets
- Commodity acquisitions targeting new technologies and data analytics
- Target acquisitions that fit with existing capabilities or expand into attractive adjacent markets



## Disciplined acquisition governance, process, and methodology:

- Target companies aligned to strategy
- Detailed due diligence and post-merger integration plans



## Value enhancing acquisitions that increase shareholder value

**FY23 - FY27**

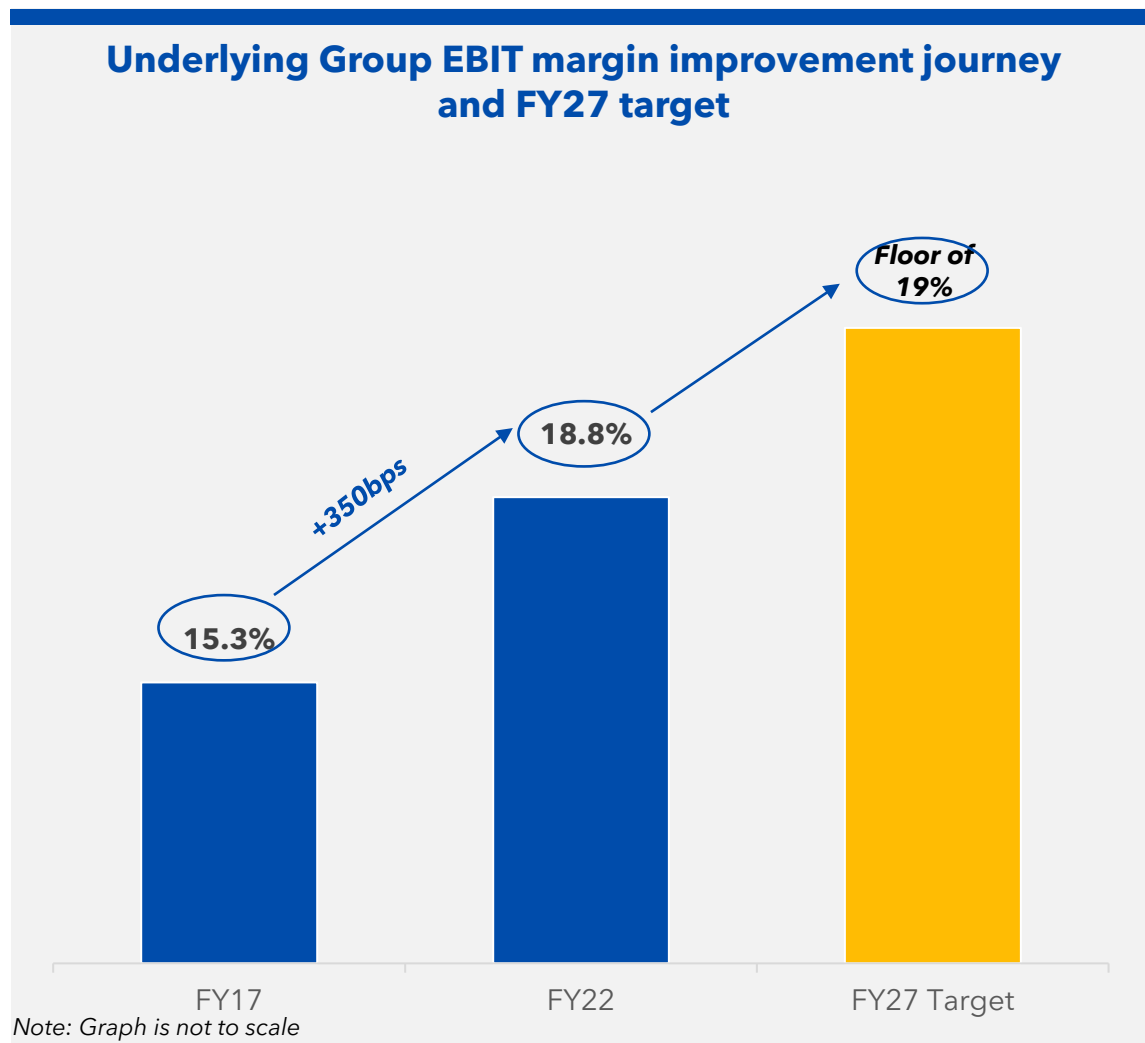
**~\$1B  
over  
planned  
period**

**Investment capacity supported by  
a strong balance sheet**

**~\$500M**

**Incremental scope revenue**

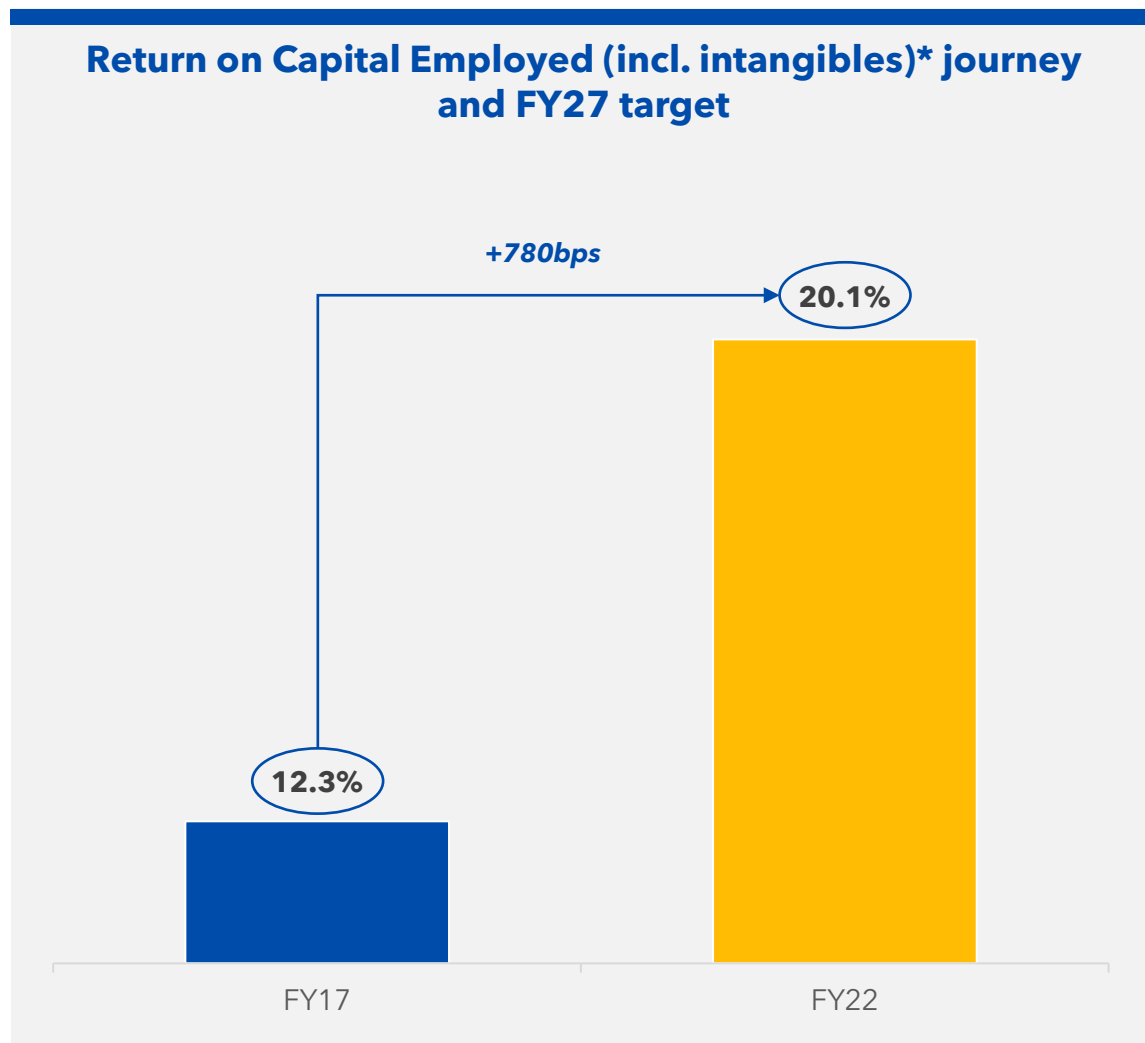
# Underlying EBIT margin retention strategy



- **Industry leading Group margin supported by:**
  - Portfolio optimisation
  - Strengthening of procurement processes and practices
  - Continuous focus on technology and innovation
- **Further margin expansion in Life Sciences supported by:**
  - Price management of our services
  - Shift to higher margin businesses
  - Focus on hub and spoke model
  - Standardisation and automation of operational processes
  - Globalisation of business
- **EBIT contribution from Life Sciences expected to increase following additional organic and scope growth**



# Return on Capital Employed improvement journey



- **Significant improvement in ROCE achieved over last 5 years supported by:**

- Expansion of operating margin
- Strong cash conversion
- Disciplined capital allocation
- Successful execution of M&A

- **Targeting >20% in FY27 supported by:**

- Strong growth and sustained margin
- Further improvement on working capital
- Continued focus on M&A execution
- Portfolio optimisation

\* ROCE: Underlying EBIT / net operating assets (ex. Cash and long-term debt)

# Capital management framework



**Underpinned by a disciplined and pro-active approach to capital management**

1. FCF before capex



# Staying ahead of the curve

Bruce McDonald  
Executive General Manager, Minerals



# Megatrends and priorities in Commodities



**Electrification and growth of alternative energy**



**Technology evolution**



**Discovery rate decreases**



**Infrastructure investment**

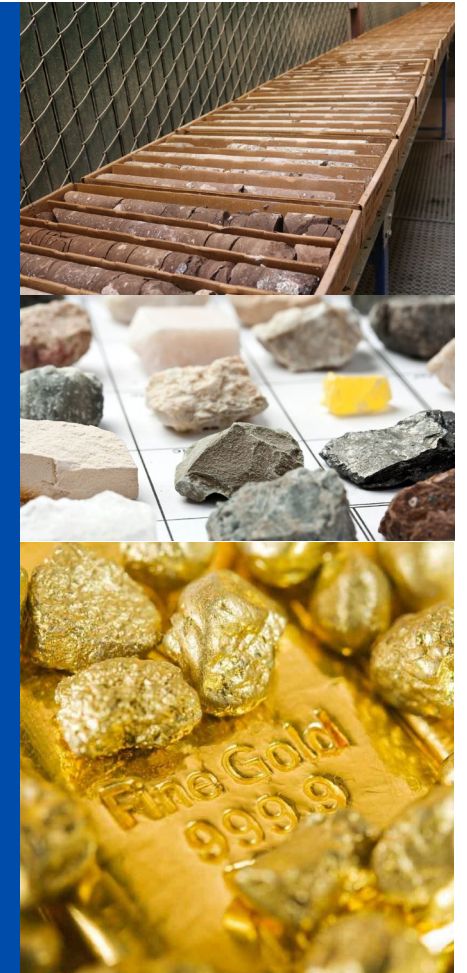


**Geopolitical tensions**



## **Staying ahead of the curve**

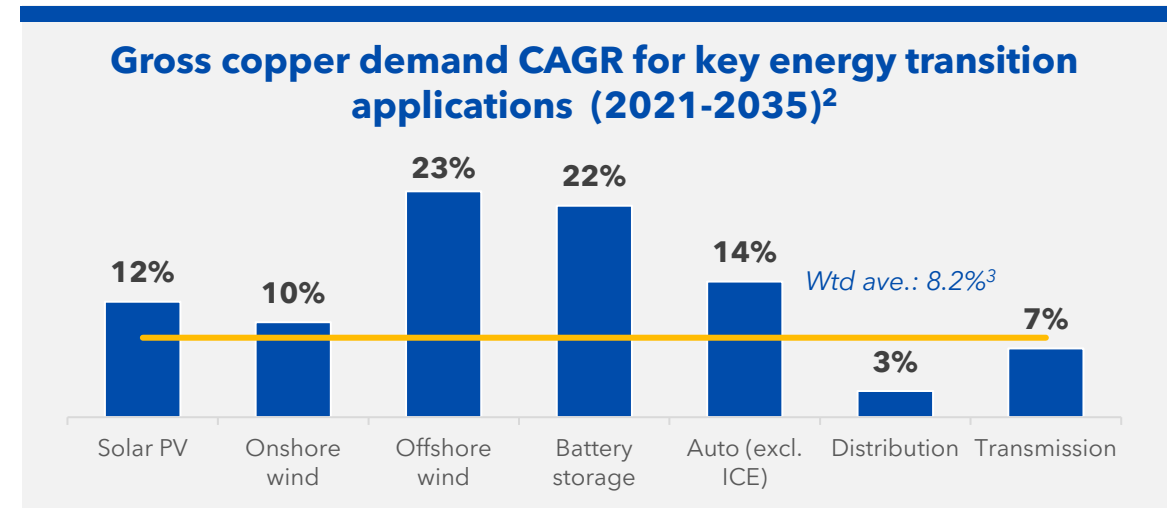
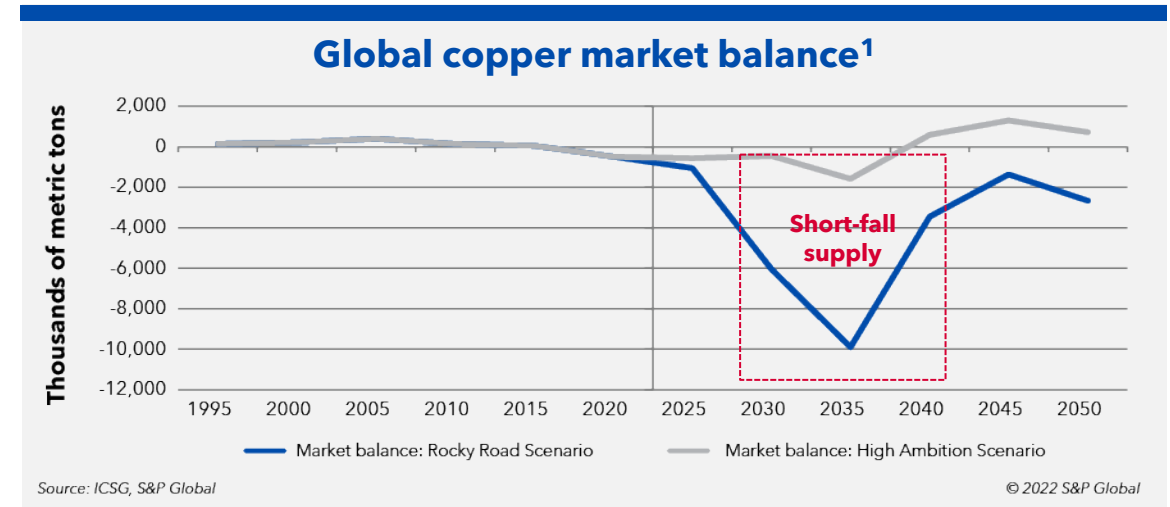
- Most trusted provider of geochemical data
- Industry-leading method sensitivity and performance
- Largest and best-distributed network of dedicated Geochemistry locations
- Largest investment in capacity of any peer in recent years
- Active and forward-looking R&D activities focussed on improved analytical performance, client oriented data tools, and internal efficiency/waste improvements
- Capture growth in energy and battery related metal testing



# Copper demand underpinned by energy transition



- Copper is essential to all energy transition plans
- Technologies critical to energy transition require more copper than conventional fossil-based counterparts
- Copper demand from energy transition to accelerate steeply through to 2035 (from 25MMt today to ~50MMt by 2035)
- Energy transition technologies account for ~45% of growth in future demand



1. Source: S&P Global - The Future of Copper. High Ambition Scenario: based on highly optimistic assumptions about advances in recycling and capacity utilisation of mines and refineries. Rocky Road Scenario: based on a continuation of recent recycling and capacity utilisation rates, which are lower
2. Based on S&P Global's Multitech Mitigation Scenario: US values adjusted to align with Biden administration's net-zero ambitions
3. The weighted average includes all energy technologies analysed, including CSP, biomass and waste, geothermal, tidal, BEV charging, and transformers, which are not shown on this chart

# Range of metals important for future clean energy technologies



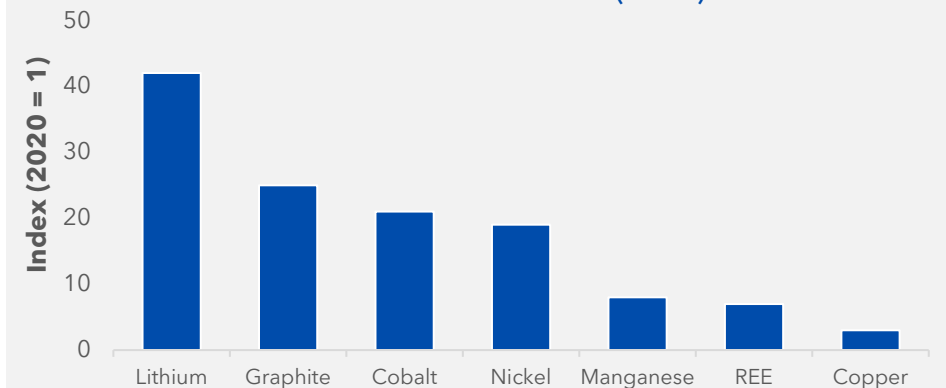
## Critical minerals needs for clean energy technologies

	Cu	Co	Ni	Li	REEs	Cr	Zn	PGM	Al
Solar PV	●	●	●	●	●	●	●	●	●
Wind	●	●	●	●	●	●	●	●	●
Hydro	●	●	●	●	●	●	●	●	●
CSP	●	●	●	●	●	●	●	●	●
Bioenergy	●	●	●	●	●	●	●	●	●
Geothermal	●	●	●	●	●	●	●	●	●
Nuclear	●	●	●	●	●	●	●	●	●
Electricity networks	●	●	●	●	●	●	●	●	●
EV's and battery storage	●	●	●	●	●	●	●	●	●
Hydrogen	●	●	●	●	●	●	●	●	●
<b>% of demand for clean energy transition by 2040 (SDS)</b>	<b>45%</b>	<b>69%</b>	<b>61%</b>	<b>92%</b>	<b>41%</b>	<b>n/a<sup>2</sup></b>	<b>n/a<sup>2</sup></b>	<b>n/a<sup>2</sup></b>	<b>n/a<sup>2</sup></b>

Relative importance of minerals to particular clean energy: ● High ● Moderate ● Low

- Clean energy technologies require a wide range of minerals and metals
- Rapid deployment of clean energy technologies implies significant increase in demand for minerals
- Investment in new projects required to prevent metal shortages in order to achieve Net Zero ambitions
- Long project lead times increase risk of a mismatch in timing between demand and new projects coming online

## Growth in demand for select battery-related minerals from clean energy<sup>1</sup> 2040 relative to 2020 (SDS)



1. Source: IEA – Role of critical minerals in clean energy transitions. SDS = IEA Sustainable Development Scenario

2. Estimate not available



# Technology and innovation



- Early engagement with instrument supplier design performance requirements and prototype testing
- Automation of internal process-flow steps to improve efficiency and reduce waste
- Introduction of simple pre-analytical tests to determine Method Performance Characteristics
  - Allows refinement of analytical procedures for best performance outcomes
  - Reduce errors, reduce re-work, reduce waste
- Integration of machine learning technologies with process automation



# Our core and new services



## Exploration

- **Grow and consolidate market share**



**Core business with geographic growth**

## Mine site production

- **Growth focus area**
- **Supported by existing exploration testing relationships**
- **Structural tie-in and insights from Metallurgical group**
- **Leadership in data interface tools**



**Growth focus**

## Consulting and technology

- **Machine learning to assist clients in processing and integrating the increasingly complex datasets**
- **Automation of internal process flow steps**



**New services**

## Sustainability and assurance

- **Onsite assurance processes aided LIMS system**
- **Auditable operating processes are maintained and reviewed in on-site implementations by clients or other independents**





# Digitisation, digital integration and robotics within Environmental

Tim Kilmister  
Executive General Manager,  
Environmental



# Megatrends and priorities in Environmental



## MEGATRENDS

**Emerging  
contaminants**



**Infrastructure and  
development spend**



**Closure of landfills  
and circular plastic  
economy**



**Increasing demand  
from society for a  
“cleaner” environment**

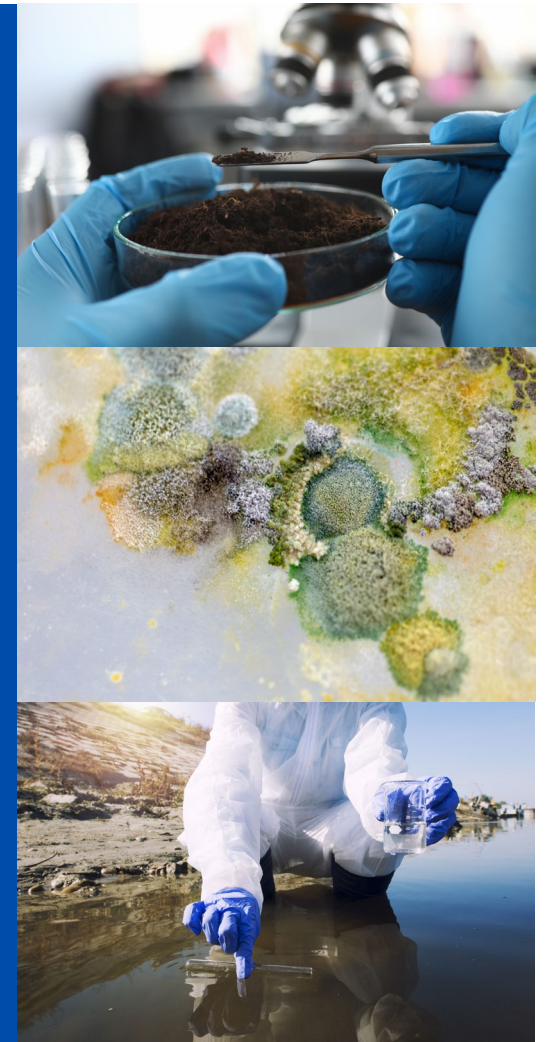


**Increased regulation  
and enforcement**



## Priorities

- Focus on growth following global reorganisation alignment to market segments
  - Prioritize three client segments: environmental consultants, water and industry direct
  - Growth through market share gains, scope diversification and commitment to emerging contaminants
  - Disciplined M&A in target markets and segments
- Focus on higher margin end-markets and services
- Leveraging better practice sharing and investment globally



# Digitisation, digital integration and robotics



- Customer centric digital solutions – third party software integration, web portals, mobile applications and website
- Seen as a leader in client data management solutions; agnostic APIs, industry platforms and client side data management platforms
- Global adoption of data workflows on ALS platforms – web and mobile
- Capital investment in digitisation, automation and robotics
  - Electronic workflows; data analytics, productivity and IoT
  - Harmonised line of business applications
  - Continuing evolution of laboratory automation platforms
  - Bespoke robotic solutions for sample handling
- Our use of digitisation, digital integration and robotics extends beyond the Environmental business

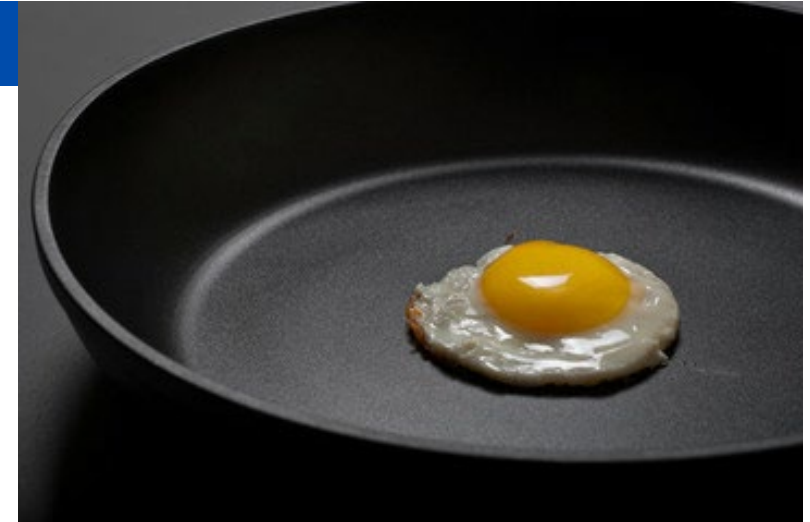


# PFAS case study



## PFAS – persistent, toxic and bio-accumulative contaminant

- Wide use dating back to the 1940's, including; non stick cookware, stain resistant fabrics and carpets, cosmetics and some fire fighting foams
- Detected world wide in water, air and soil
- ALS has a technical leadership position dating back to 2000's
- Expanding regulatory framework globally; lower limits of detection, more compounds and broader application and enforcement
- Global testing and remediation estimates range from \$10-500B over the coming 10 years
- Laboratory testing required during site investigation, remediation and ongoing monitoring stages
- Barriers to competition in testing; capital investment, technical expertise, experience and capacity







# Journey of Life Sciences

Andreas Jonsson  
Executive General Manager, Food &  
Pharmaceutical

# Megatrends and priorities in Food and Pharmaceutical



## MEGATRENDS

Increasing government regulations



New product developments (GMOs, packaging)



Consumer demands and awareness for quality/safe food



Regulatory bodies more demanding to improve safety



Expansion of new drugs and increasing complexity of testing



Growing and aging global population



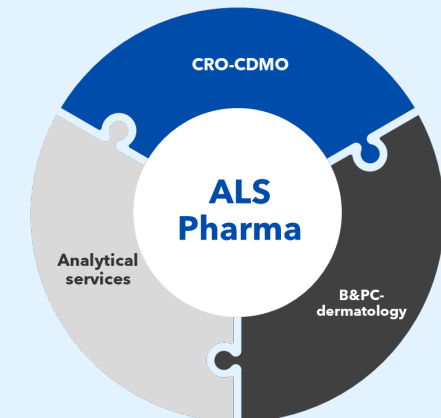
## Food

- Expand geographic presence to further support global clients
- Provide services throughout the entire farm to fork process
- Focus to identify niche opportunities that provide higher margins through value-added services/end-market specialisation

## Pharmaceutical

- Develop 3 pharmaceutical business lines
- Provide services throughout the entire development and production processes
- Strong focus on inorganic growth

## Vision for ALS Pharma

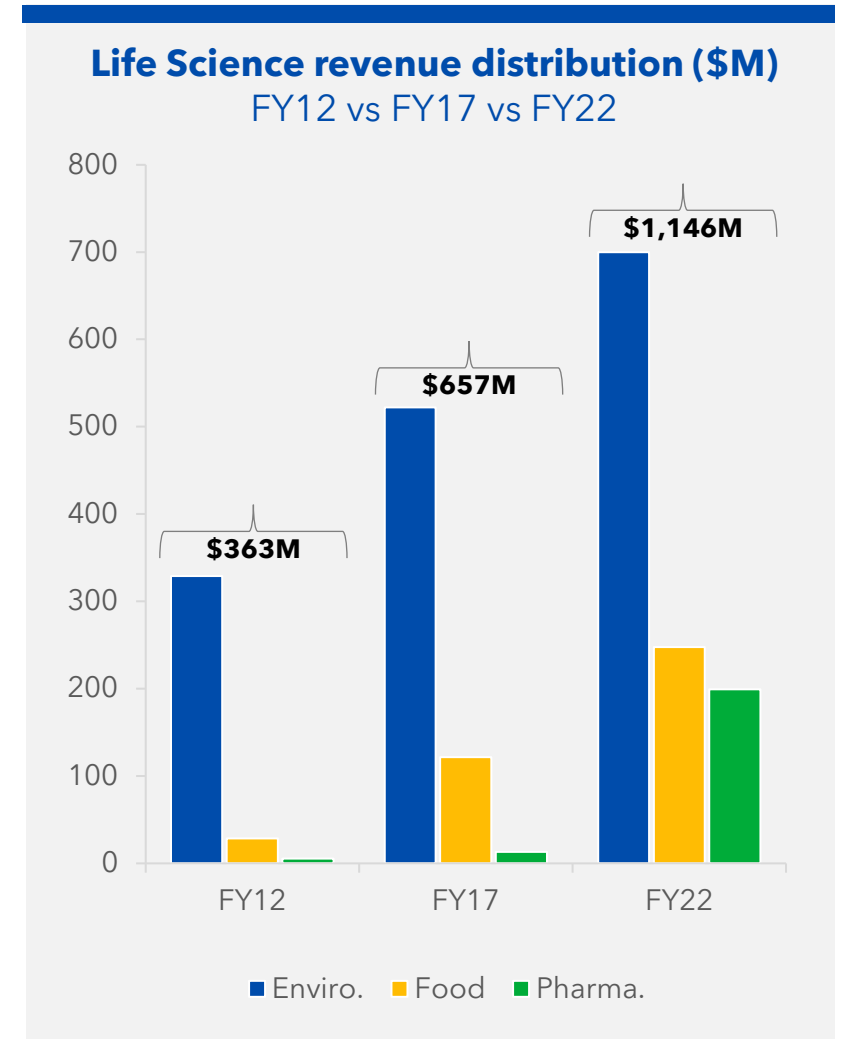


**CRO-CDMO:** Clinical research organisation-contract development and manufacturing organisation  
**B&PC:** Beauty & personal care

# Journey of Life Sciences



- **Created a life sciences business supported by sustainable global market segments underpinned by the main TIC megatrends**
- **History of our Life Sciences' journey**
  - Global market leading environmental business over the past 25 years
  - Diversified life sciences activities into food safety & pharmaceutical quality testing
  - Developed a global network of laboratories over the last 10 years
  - Accelerated Life Sciences growth with services to the global Pharmaceutical market over the last 5 years
    - Clinical services to the beauty and personal care market segment
    - Entry into the CRO market segment to support pharmaceutical companies throughout the entire drug development process





# Transforming our Pharmaceutical business



- Becoming a global leader through offering complete industry solutions from Discovery to Distribution
- Expanding network for analytical services
- High-quality global provider of clinical research, marketing, and sensory analysis for the beauty & personal care market
- Developing relationships with larger clients
- Leverage ALS core values and culture, well aligned with drivers in the pharmaceutical industry

## Large addressable global market

- ✓ Opportunity for growth above market rates
- ✓ Current market share low single digits

- ✓ **Global re-organisation structure implemented** to address global markets and leverage services
- ✓ **Economies of scale** with hub and spoke, and centre of excellence model
- ✓ **Knowledge and technology** transfers to support growth
- ✓ **Digital solutions** for easy access and data analytics

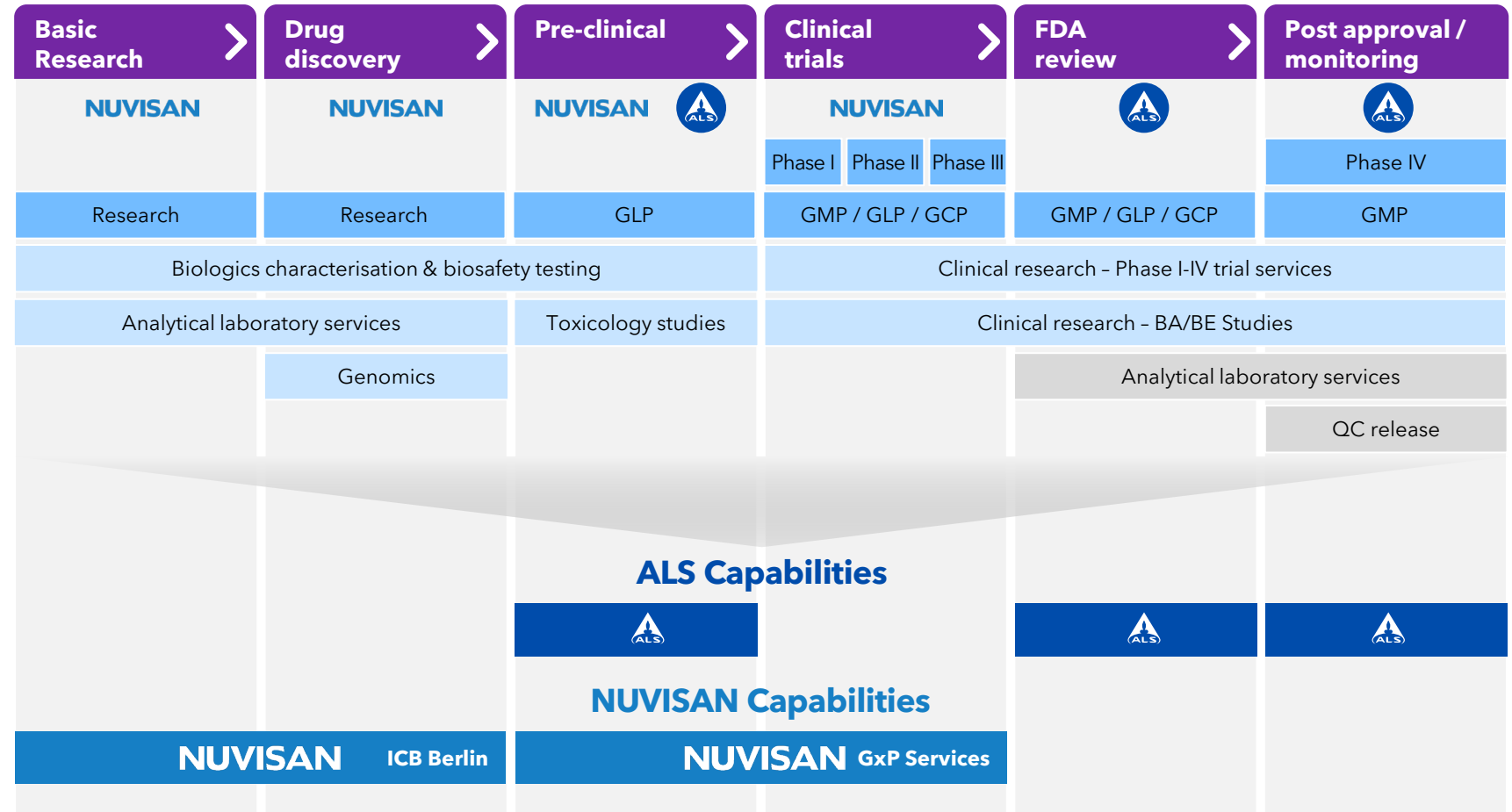


# Nuvisan case study



- The science CRO: 1200 highly educated employees in Germany and France
- Organic growth driven by strong pharmaceutical outsourcing trends in the industry
- Outsourcing of fully integrated projects: from early discovery to molecule to patient
- Uniquely positioned for Pharma, Biotech and Venture Capital
- Leverage ALS global footprint to expand CRO/CDMO services globally

## Pharmaceutical Value Chain - drug discovery to distribution



# Continued growth within Food



- Focus on end-market specialisation to grow higher margin testing
  - Upstream client focus, including expanded pesticide capabilities
  - Downstream global roll-out of technical services offering
  - Innovative diagnostic kit solutions
- Leverage technical services offering globally to add value to clients, creating further outsourcing opportunities
- Geographic and capabilities expansion

## HRL acquisition:



- Expansion into NZ to strengthen our position in APAC (major environmental and food export markets)
- Provide specialist testing services in dairy and honey
- Augmented global offering with centre of excellence and expertise. Replicate services in new geographies, enhancing testing, product development and authenticity services

## Upstream and downstream expansion FY23:

- Laber and Biolab acquisitions in Spain
- Corthorn Quality in Chile, upstream expansion into new market, with new segment capabilities







# Why invest in ALS

Raj Naran  
Managing Director and CEO

# ALS by FY27



## Rebalanced Portfolio

**Review** of business streams that are not core, to leverage time and resources to **focus on core businesses and end-markets**

## Life Sciences Growth

Organic and inorganic investments to capitalize megatrends linked to sustainability and Life Sciences (Food and Pharma)

## Geochemistry Leadership

Strengthen our **market leading position** by investing in new technologies and capabilities

## Digitalisation and Data Focus

**Standardization** of systems and solutions across business streams to **leverage data** to provide increased client value

## People

Strong **culture of innovation** and collaboration with high level of employee engagement

## Sustainability

**\$3B Economic Contribution** by 2027

**Carbon neutral** for Scope 1 and 2 emissions

**Net Zero roadmap** to be released in 2023

**Total Revenue of \$3.3B by 2027**

Total revenue growth of 8% CAGR

**Total Revenue CAGR for Life Sciences 14%**

**Total EBIT of \$0.6B**  
Group margin above 19%

**Strong cash generation:**  
cash conversion > 90%

**Continued improvement on ROCE\* >20%**

# Why invest in us?



**Supported by regulation, outsourcing, ESG, digitalisation and renewable demands**



Positioned to capture industry megatrends

**Minimal exposure to harder to abate industries**



Portfolio re-aligned with decarbonisation trends

**90% cash conversion and average \$450 million FCF p.a.**



Strong cash generation supporting dividends and shareholder returns

**Conservatively leveraged within target gearing range**



Balance sheet capacity to support growth agenda



Increased focus on growing recurring revenue streams



**Targeting >60% recurring revenue by 2027**

Leading industry margins across portfolio



**Average Group EBIT margin floor of 19%**

Track record of disciplined capital management



**Returned \$647 million to shareholders since 2017**

Industry leading shareholder returns



**Best share price improvement (+99%) from April 2017 to August 2022**





# Questions



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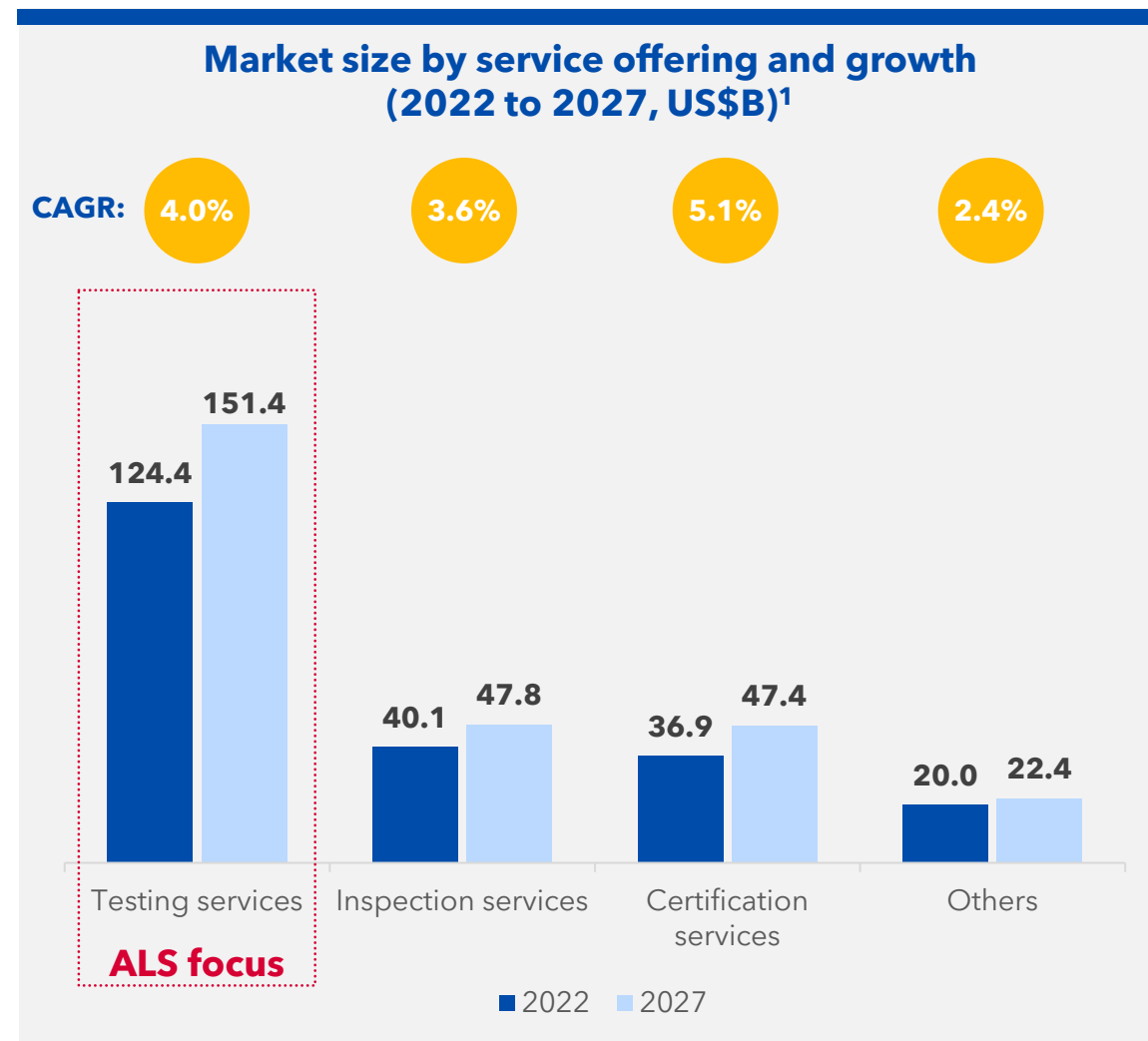
## Appendix

# US\$269B global TIC market expected to grow 4% p.a. by 2027



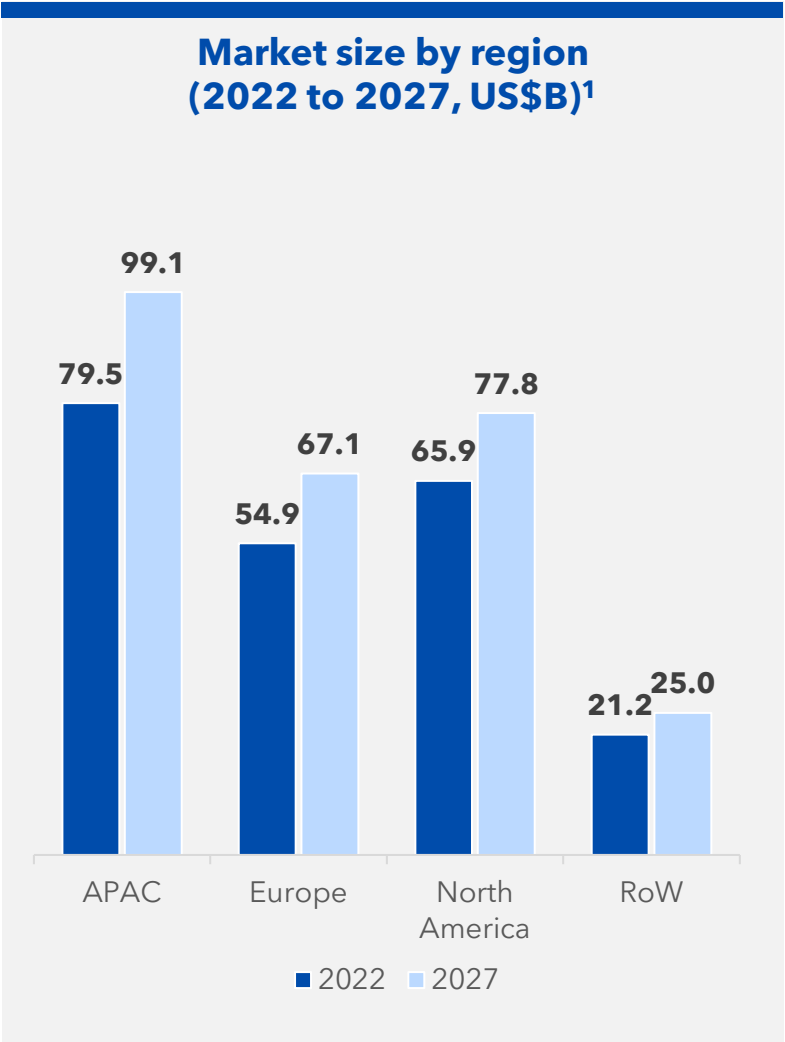
- Total market expected to grow to **US\$269B** by 2027, from **US\$221B** in 2022
- ALS highest exposure is to testing services
- Market growth supported by:
  - Increase in demand for consumer goods and retail applications, medical and life sciences applications
  - Strict regulatory standards by governments to ensure product safety and environmental protection
  - Increased focus of manufacturing companies on customer retention by providing high-quality products

1. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms





# TIC market size and growth by region



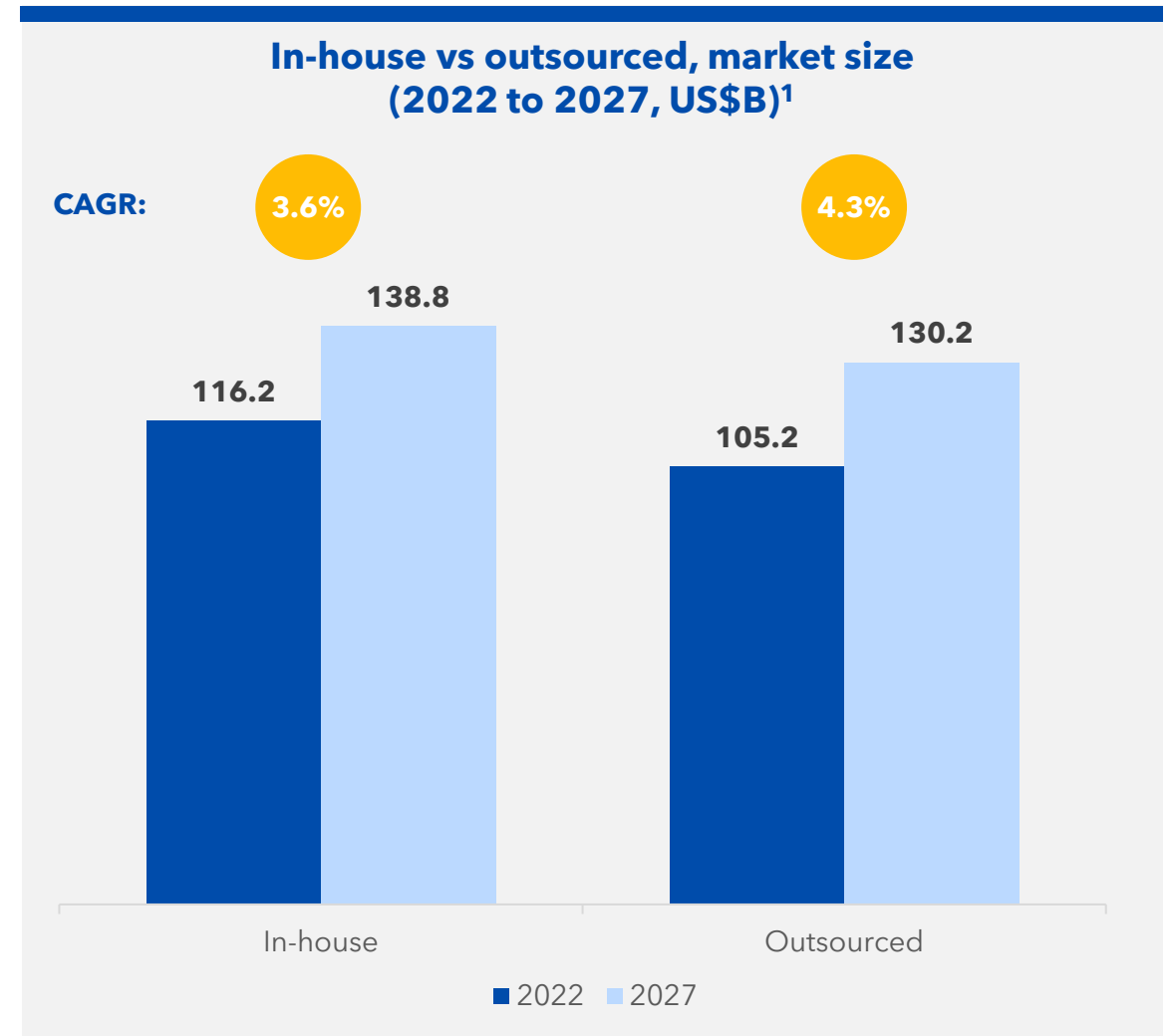
1. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms

# In-house testing vs. outsourcing trend

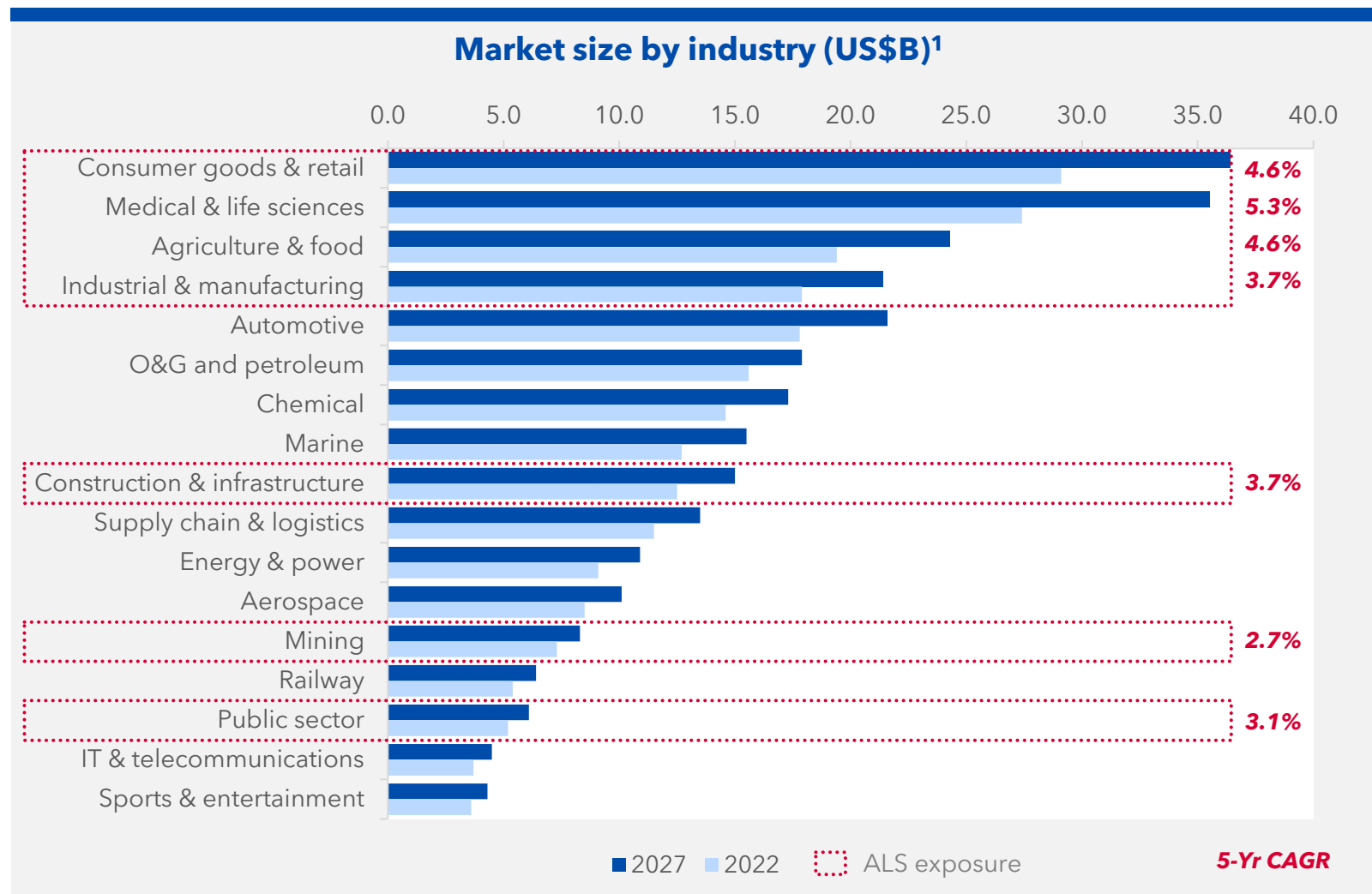


- Market for outsourced services to grow at an accelerating rate, with growth supported by:
  - Manufacturing companies and privatisation of state-owned laboratories
  - Client's achieving cost and capital savings by not developing infrastructure required to develop testing
  - Clients achieve higher product quality through expertise provided by external testing

1. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms



# Strong growth within our focused end-markets



- ALS exposed to the largest and fastest growing end-markets
- Medical and life sciences projected to grow at highest CAGR of 5.3%
- Consolidated position across mining industry

1. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms



# Pharmaceutical end-markets



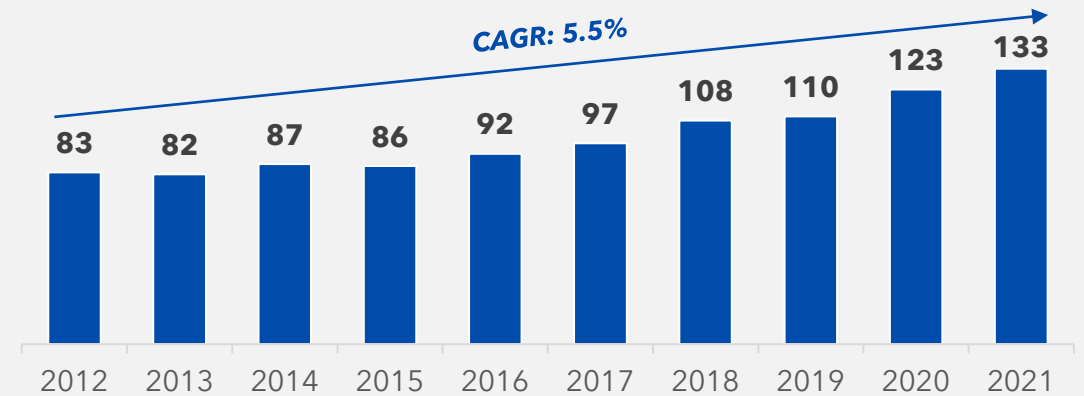
## Key demand drivers

- Expansion of new drugs
- R&D outsourcing
- Regulatory bodies more demanding to improve safety
- Increased complexity of testing
- Spend per trial is increasing

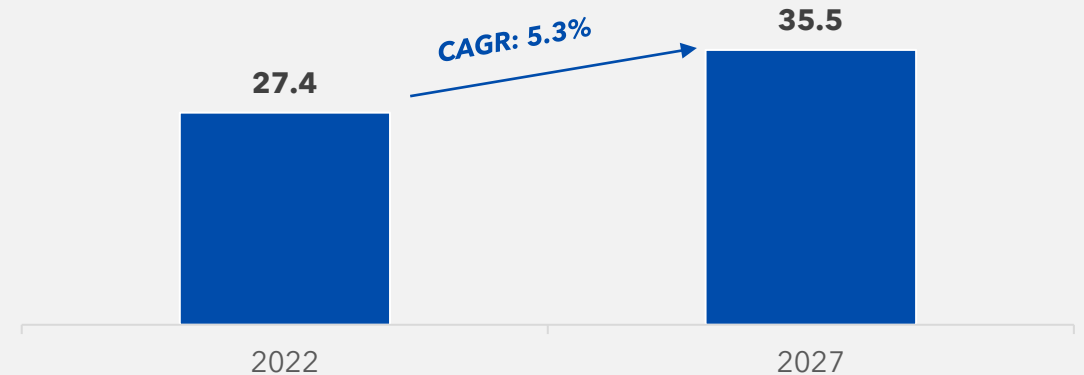
1. IQVIA Institute estimate

2. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms

## Large pharmaceutical R&D spend (US\$B)<sup>1</sup>



## Medical and Life Sciences testing market size (US\$B)<sup>2</sup>



# Food end-markets



## Key demand drivers

- Food supply disruptions
- New product developments (GMOs, packaging)
- Outsourcing
- Increased Government regulation
- Consumer demand and awareness for quality and safe food

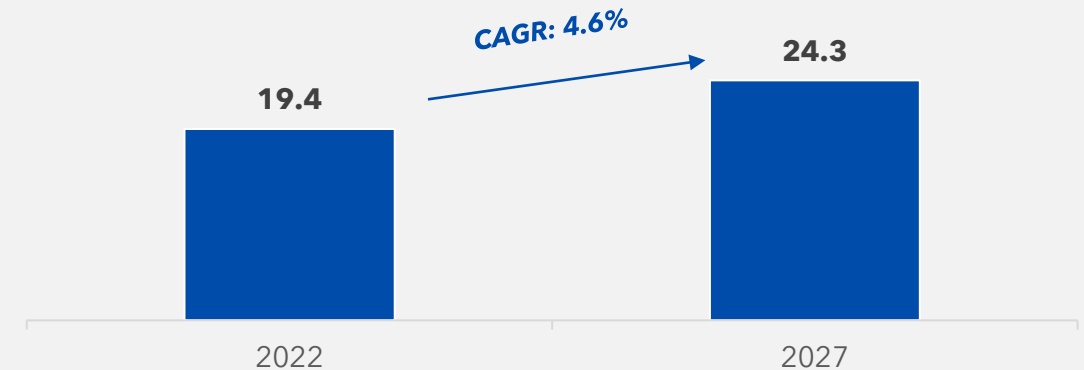
1. Technavio - Global Food Safety Testing Market 2022-2026

2. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms

Global food retail value (US\$B)<sup>1</sup>



Agriculture and food testing market size (US\$B)<sup>2</sup>



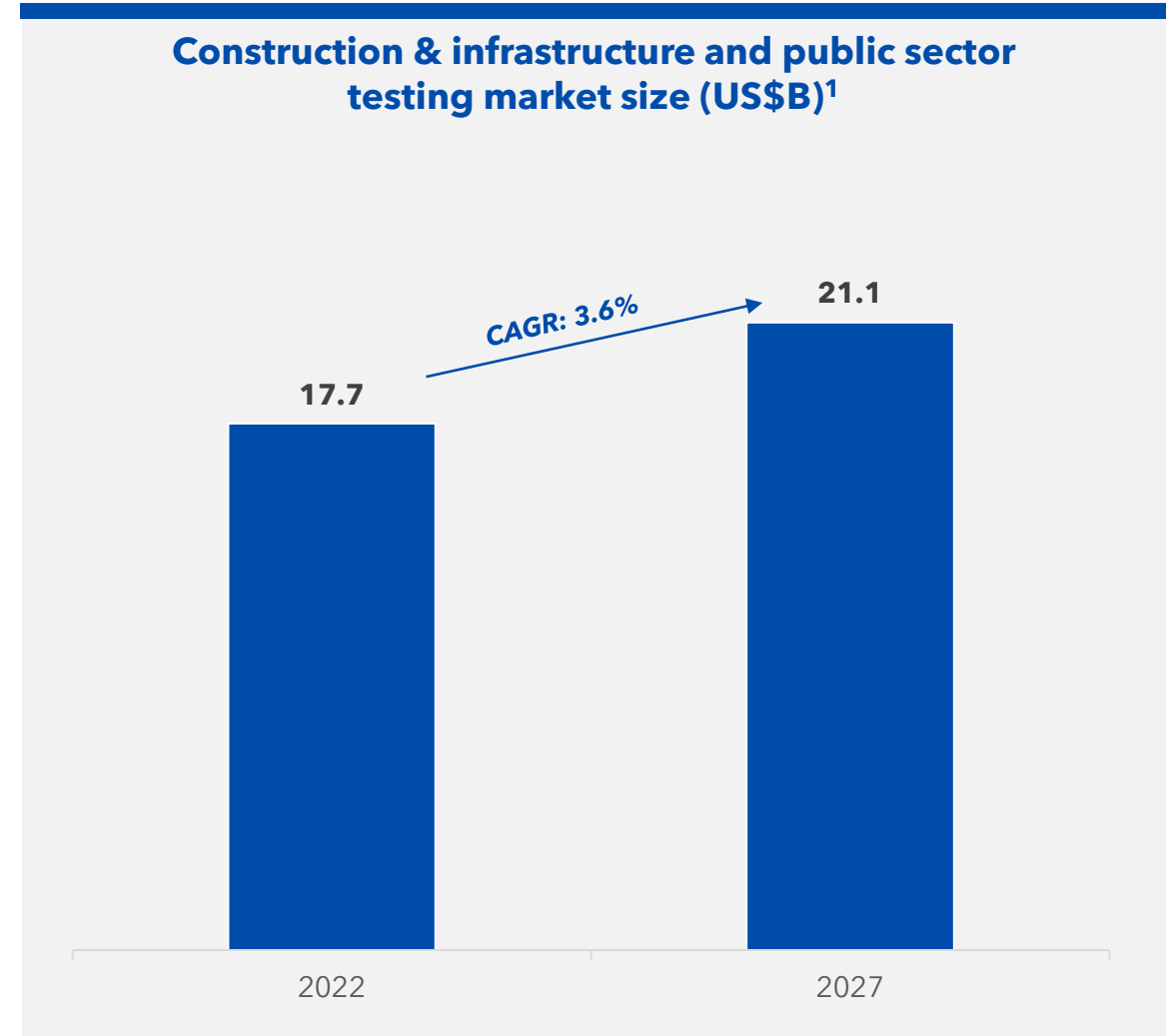
# Environmental end-markets



## Key demand drivers

- Increasing regulatory changes
- Societal demands
- Emerging contaminants (e.g. PFAS)
- Brownfield site redevelopment
- Global infrastructure spend

1. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms





# Commodity end-markets

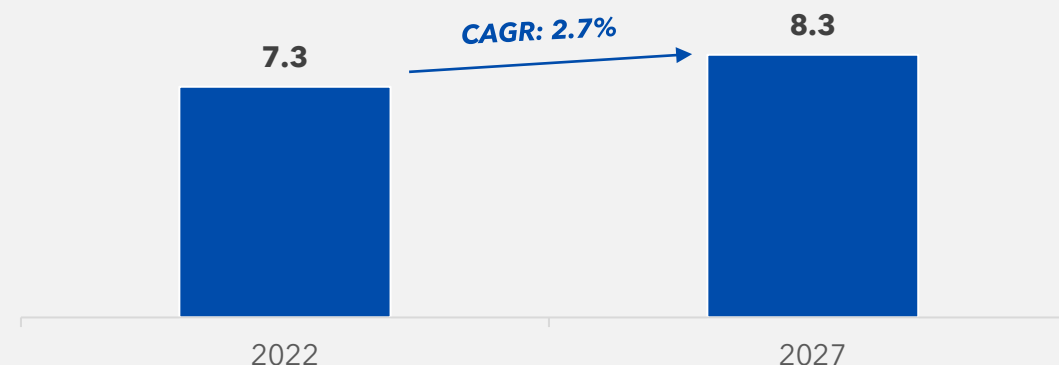


## Key demand drivers

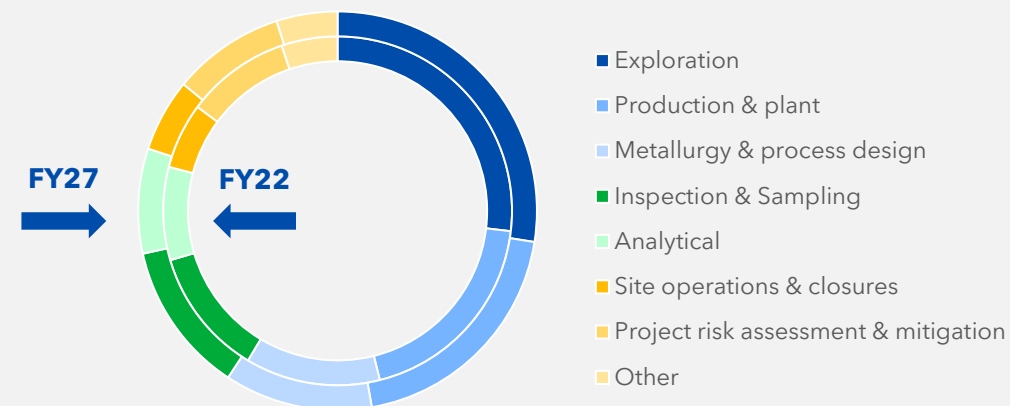
- Increasing electrification and global decarbonisation supporting demand for conductor metals, battery metals and electronic metals
- Geopolitical tensions disrupting supply sources
- Required development of new mining projects to replace reserves
- Continued infrastructure investment
- Growth of analytical / data technology innovations within exploration services & onsite services

1. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms

## Mining testing market size (US\$B)<sup>1</sup> and market share



## TIC market for mining application by type (2022 vs 2027)



# Industrial end-markets

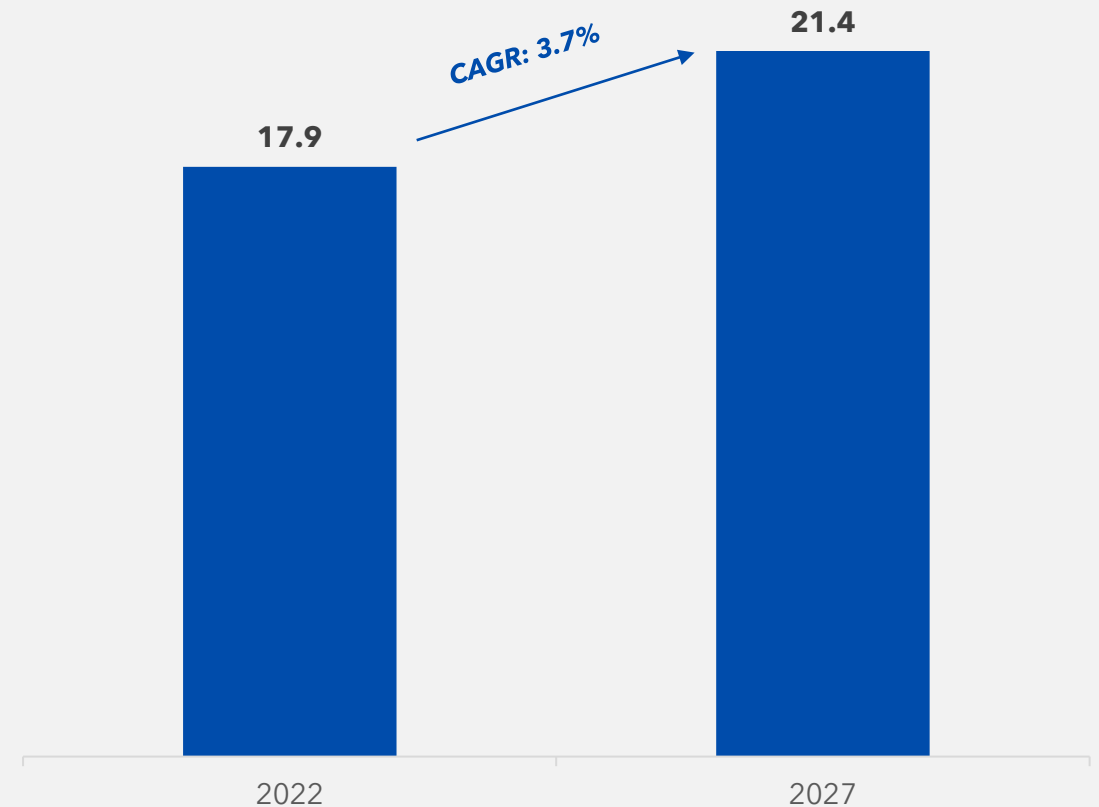


## Key demand drivers

- Increased adoption of electric vehicles and fluids to offset lower diesel fuel demand
- Lubricant demand linked to mining sector growth and expansion into new geographic markets
- Energy markets to support new market growth following support for renewable energy transition and regulatory drivers
- Agriculture market to provide stable growth platform

1. Source: Markets and Markets: Testing, Inspection, and Certification Market with COVID-19 impact analysis. Based on 'realistic scenario' which considers the presence of the COVID-19 pandemic to project the growth of the TIC market. Market estimates are based in real terms

## Industrial & manufacturing testing market size (US\$B)<sup>1</sup>





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