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ALS Limited
ABN 92 009 657 489

CONDENSED INTERIM FINANCIAL REPORT

For the half year ended 30 September 2024

Contents

Condensed Interim Financial Report for the Half Year Ended 30 September 2024

Contents

Results for announcement to the market

For the half year ended 30 September 2024

Appendix 4D

(Previous corresponding period: half year ended 30 September 2023)

	$M			
Revenue from ordinary activities	Up	19.8%	to	1,464.2
Revenue from underlying operations	Up	14.0%	To	1,464.2
Underlying net profit after tax * attributable to members	Down	3.9%	To	152.3
Profit from ordinary activities after tax attributable to members	Down	5.0%	To	126.8
Net profit for the period attributable to members	Down	5.0%	To	126.8

Dividends

	Amount per ordinary share	Franked amount per ordinary share
Interim dividend	18.9 cents	5.7 cents
Previous corresponding period	19.6 cents	3.9 cents

Record Date for determining entitlements to the interim dividend: 28 November 2024

DRP Election Date 29 November 2024

The Company's dividend reinvestment plan ("DRP") will be active for the 2025 interim dividend, and new shares will be issued to eligible shareholders opting into the DRP program at a nil discount to the 5 day volume-weighted average price ("VWAP") post the DRP Election Date (per the DRP Plan Rules).

Additional dividend information:

Details of dividends declared or paid during or subsequent to the half year ended 30 September 2024 are as follows:

Record date	Payment date	Type	Amount per ordinary share	Total dividend	Franked amount per ordinary share	Conduit foreign income per ordinary share
13 June 2024	2 July 2024	Final 2024	19.6 cents	$94.9m	3.9 cents	15.7 cents
28 Nov 2024	19 Dec 2024	Interim 2025	18.9 cents	$91.6m	5.7 cents	13.2 cents

Other financial information:

	Current period	Previous corresponding period
Basic earnings per ordinary share	26.2 cents	27.6 cents
Basic underlying * earnings per ordinary share	31.4 cents	32.7 cents
Net tangible assets per ordinary share	(166.2) cents	(57.6) cents

* *Refer to page 6 of the attached Interim Financial Report for a reconciliation of Underlying net profit after tax to Statutory net profit after tax.*

Details of investments in associates

	Current period	Previous corresponding period
Australian Laboratory Services Arabia Co. Ltd.	42%	42%
ALS Technichem (M) Sdn Bhd	40%	40%
CAIQTest (Pacific) Limited	26%	26%
PT. ALS Indonesia	20%	20%
Nuvisan GMBH (refer to note below)	-	49%
Nuvisan ICB GMBH (refer to note below)	-	49%

On 25 March 2024 the Group announced that it had agreed with the majority shareholder, Nuvisan Pharma Holdings (GmbH), to acquire the remaining 51% interest in Nuvisan GMBH and Nuvisan ICB GMBH ("Nuvisan") for consideration of €1. The Group took control of Nuvisan from this date.

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 30 September 2024 Interim Financial Report. The unqualified review report of the company's auditor, EY, is attached to this document and highlights no areas of dispute.

Sign here: .... Date: 19 November 2024

Dayna Field, Company Secretary

Directors' report

The directors present their report together with the condensed consolidated interim financial report for the half year ended 30 September 2024 and the auditor's review report thereon.

Directors

The directors of the Company at any time during or since the end of the half year are:

NIGEL GARRARD Bachelor of Economics, Chartered Accountant
Chairman and Independent Non-Executive Director

Appointed a director 7 June 2023 and appointed Chairman 31 July 2024.

MALCOLM DEANE Bachelor of Laws (Masters) Juris Doctor
Managing Director and Chief Executive Officer

Appointed Managing Director and Chief Executive Officer 8 May 2023.

JOHN MULCAHY PhD, B E (Civil Eng) (Hons), FIE Aust
Independent Non-Executive Director

Appointed a director 1 February 2012.

TONIANNE DWYER B Juris (Hons), LLB (Hons), GAICD
Independent Non-Executive Director

Appointed a director 1 July 2016.

SIDDHARTHA KADIA PhD Biomedical Engineering, B.E., Electronics and Telecommunication
Independent Non-Executive Director

Appointed a director 15 January 2019.

PETER POSSEMIERS Bachelor of Applied Science in Chemistry and Microbiology
Independent Non-Executive Director

Appointed a director 1 November 2022.

LESLIE DESJARDINS B Industrial Admin, Finance (Kettering), MS Business (MIT)
Independent Non-Executive Director

Appointed a director 21 November 2019.

ERICA MANN Dip Analytical Chemistry, Marketing Management, GAICD
Independent Non-Executive Director

Appointed a director 1 March 2024.

BRUCE PHILLIPS B Sc (Hons) (Geology)
Former Chairman and Independent Non-Executive Director

Appointed a director 1 August 2015 and appointed Chairman 26 July 2016. Retired 31 July 2024.

Review and results of operations

Financial performance

The Group achieved underlying revenue from continuing operations of $1,464.2 million, up 14.0% compared to $1,284.5 million recorded in the prior corresponding period ("pcp"). Organic revenue growth contributed 5.6% to the uplift, with acquisition growth contributing 11.6%, and a negative FX impact of 3.2% due to a stronger Australian dollar against the major currencies (Euro, Pound Sterling and US dollar) during H1 FY25. The revenue growth was primarily driven by our Environmental, Food, and Industrial Materials businesses respectively.

This strong revenue performance was reflected in an improvement in underlying EBIT by 2.1% to $250.4 million, up 8.5% to $266.0 million on a constant currency basis ("CCY"). Underlying NPAT was down 3.9% to $152.3 million but up 3.3% to $163.7 million on a CCY basis.

The Group's Geochemistry and Environmental businesses continue to competitively leverage their global service reach within their respective end markets. The Environmental business has importantly increased its market presence during the period in key Northeastern USA and Western European locations following recent acquisitions of York and Wessling. The Geochemistry and Environmental businesses have delivered resilient performance reflecting the quality of their hub and spoke operating models, client service offering, and ongoing investment into both technology & innovation. Both businesses combined represent 63% of H1 FY25 Group revenue and remain well positioned to capture strategic industry megatrends. The balance sheet remains strong and positioned to support the Group's growth agenda with liquidity of $375 million and leverage well within banking covenants.

In a challenging environment, the Group delivered an underlying EBIT margin of 17.1% in H1 FY25, representing an overall decline of 199 basis points ("bps") compared to the pcp. The organic margin decline was only 11bps (solid improvement in Life Sciences offset by volume related headwinds in Minerals), negative FX impact of 56 bps with the remainder of the margin contraction (132 bps) from the dilutionary impact of recent Life Sciences acquisitions. Pleasingly, the legacy Life Sciences operating margin (excluding recent dilutive acquisitions) grew organically by 69 bps, which includes 88bps improvement within the Environmental business. The Minerals margin remained resilient notwithstanding a 0.5% decline in overall sample flows, at 31.2%.

The Group delivered H1 FY25 statutory NPAT of $126.8 million, compared to $133.5 million recorded in the pcp. The decrease in statutory NPAT reported is primarily attributable to a stronger Australian dollar impacting profit retranslation, together with a continuation of soft global exploration conditions impacting Minerals, mixed performance of the Pharmaceutical businesses and higher net interest costs related to recent acquisitions. Statutory EPS was 26.2 cents per share a decline of 5.1% vs pcp.

On an underlying basis, the Group recorded NPAT of $152.3 million, down 3.9% compared to $158.4 million reported in the pcp, in line with the most recent market trading update. This result represents solid performance given the challenging market backdrop. Underlying EPS was 31.4 cents per share a decline of 4.0% vs pcp.

The Group delivered a strong improvement in free cash flow generation vs pcp, with cash flow before capex of $274 million, an increase of $38 million. Cash conversion in the period was 91% of underlying EBITDA, an increase of 87 bps from the pcp, reflecting the focus management has brought to both cash collections and improving working capital management.

Operational capital expenditure decreased in H1 FY25 by $11 million to $74 million, with spending targeted on key growth opportunities in Life Sciences and Commodities. The capex-to-revenue ratio was 5.1% in H1 FY25 of which 3.2% linked to growth capex and 1.9% for maintenance capex. The continued investment in growth opportunities supported the Environmental business growth agenda including increasing capability within PFAS testing and in Minerals with the expansion of new mine site locations.

Two bolt-on acquisitions, York and Wessling, were completed in H1, contributing pro rata revenues of approximately $76 million. Total share purchase consideration for the York and Wessling acquisitions totalled $172 million (net of assumed debt) and each of these transactions were aligned to our long-term goal to capitalise on industry megatrends linked to sustainability and Life Sciences.

The Group's balance sheet remains strong with the leverage ratio at 2.3 times at 30 September 2024 (30 March 2024: 2.0 times) and 67% of drawn total debt fixed at a weighted average rate of 3.70%. In April 2024 the Group secured a new 3-year US$300m (A$433.2m) revolving multi-currency facility with its existing Lender Group which comprises seven current bank lenders. This new revolving facility will expire in April 2027. Separately, in September 2024, the Group entered into new fixed rate maturity loans with HSBC totalling €10m and CHF20m respectively to refinance an existing €31m maturity. These new fixed rate EUR and CHF loans each have a maturity in August 2029. These combined new loan facilities provide additional liquidity to the Group as it continues to execute on its growth strategy and eliminates potential refinance risk in the short-term. The updated mix of debt by currency supports the existing natural asset hedge profile and cash generation in our main currencies. Following these new issuances, the Group maintains a weighted average maturity of 4.8 years. The Group has undrawn committed bank facilities of $251 million (as at 30 September 2024) and with surplus cash reserves has available liquidity of $375 million.

Based on the operating performance, strong financial position and current market conditions, the Directors have declared a partly franked interim dividend for the year of 18.9 cents per share, 30% partially franked (2024: 19.6 cents, 20% franked), representing a dividend payout ratio of 60% of underlying net profit after tax. The dividends will be paid on 19 December 2024 on all shares registered in the Company's register at the close of business on 28 November 2024 record date. The Board has determined that the dividend reinvestment plan ("DRP") will continue to operate for the interim dividend at a nil discount to the 5 day VWAP post the DRP Election Date on 29 November 2024 (per the DRP Plan Rules).

The Group's financial performance for the half year to 30 September 2024 is summarised as follows:

H1 FY25 $m	Underlying results[1]	Restructuring & other items[1]	Amortisation of intangibles	Statutory result
Revenue	1,464.2	-	-	1,464.2
EBITDA[2]	354.0	(20.8)	-	333.2
Depreciation & amortisation	(103.6)	-	(9.4)	(113.0)
EBIT[2]	250.4	(20.8)	(9.4)	220.2
Net interest expense	(41.0)	(0.3)	-	(41.3)
Tax expense	(56.2)	4.4	0.6	(51.2)
Profit for the period	153.2	(16.7)	(8.8)	127.7
Non-controlling interests	(0.9)	-	-	(0.9)
Net profit/(loss) after tax (NPAT)	152.3	(16.7)	(8.8)	126.8
Basic EPS (cents)	31.4			26.2
Diluted EPS (cents)	31.3			26.0

H1 FY24 $m	Underlying results[1] (incl Nuvisan proportionately consolidated @ 49%)	49% of Nuvisan's Underlying results[1]	Nuvisan Equity Share of Profit incl in Statutory results	Restructuring & other items[1]	Amortisation of intangibles	Statutory result
Revenue	1,284.5	(61.9)	-	-	-	1,222.5
EBITDA[2]	332.9	(6.9)	(4.3)	(19.4)	-	302.4
Depreciation & amortisation	(87.7)	7.6	-	-	(6.6)	(86.7)
EBIT[2]	245.2	0.7	(4.3)	(19.4)	(6.6)	215.7
Net interest expense	(23.1)	(0.6)	-	(1.6)	-	(25.2)
Tax expense	(63.4)	-	-	5.8	1.1	(56.5)
Profit for the period	158.8	0.1	(4.3)	(15.2)	(5.5)	133.9
Non-controlling interests	(0.4)	-	-	-	-	(0.4)
Net profit/(loss) after tax (NPAT)	158.4	0.1	(4.3)	(15.2)	(5.5)	133.5
Basic EPS (cents)	32.7					27.6
Diluted EPS (cents)	32.5					27.4

1 *The terms Underlying Results, Restructuring & Other Items are non-IFRS disclosures. These terms have been presented to assist in the assessment of the relative performance of the Group from period to period. The calculations thereof are based on non-IFRS information and are not subject to review procedures. Refer to table on next page for details of restructuring & other items.*

2 *EBIT = Earnings before interest and tax. EBITDA = EBIT plus depreciation and amortisation. The terms EBITDA and EBIT are non-IFRS disclosures and have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e., non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are not subject to review procedures.*

Restructuring & other items	H1 FY25 $M	H1 FY24 $M
Greenfield start-up cost	0.8	2.4
Acquisition costs	8.0	1.3
Impairment of right-of-use asset and other site closures	1.6	1.7
SaaS development costs	5.5	12.5
Other, including employee redundancy and recent acquisition integration costs	4.9	1.5
Total restructuring & other items	20.8	19.4

The Group has two reportable operating segments as at 30 September 2024: Life Sciences and Commodities.

Contributions from business segments are set out below.

LIFE SCIENCES

Life Sciences Non-Statutory Financial Performance	H1 FY25 $M	H1 FY24 $M (incl Nuvisan proportionately consolidated @ 49%)[3]	Variance
Revenue	928.5	739.4	25.6%
Segment EBIT[4]	128.3	104.9	
Restructuring and other items[4]	5.4	5.6	
Underlying segment EBIT[4]	133.7	110.5	21.0%
Margin (underlying segment EBIT to revenue)	14.4%	14.9%	
Underlying segment EBITDA[4]	200.7	165.1	21.5%
Margin (underlying segment EBITDA to revenue)	21.6%	22.3%	

The Life Sciences division delivered revenue growth of 25.6%, led by strong organic revenue growth of 7.8%, scope growth of 20.4% with bolt-on acquisitions growing market presence in the key geographies of Northeastern USA and Western Europe particularly in Environmental. The adverse FX impact was (2.6%).

Segment growth was driven by market leading double digit organic growth performance of our core Environmental businesses across almost all regions, together with revenue growth tailwinds associated with new product development workflows in the Food business. These strong growth contributions were partially offset by mixed performance in the Pharmaceutical operations due to some modest weakness in Beauty and Personal Care offset by and improving contribution from Nuvisan. Underlying segment organic revenue growth in CCY (excl. Nuvisan) was 9.3% reflecting the continued strength and scale of our market leading global Environmental business, underpinned by strong industry megatrends.

The division delivered an underlying EBIT margin of 14.4% in H1 FY25 (17.1% legacy operations excl. recent acquisitions), which was a contraction of 55 bps compared to the 14.9% in the pcp. This result reflects the expected margin dilution impact from the recent bolt-on acquisitions (-170bps) and the increased ownership contribution from Nuvisan (now 100% interest) which is in turnaround mode. Organic margin growth in legacy operations was a pleasing 114 bps, and it is expected margins will continue to improve in H2 FY25 and beyond, with the ongoing integration and optimisation of all Life Sciences divisions.

The Environmental business delivered strong double-digit growth across all regions (excluding North America), achieving organic revenue growth of 11.8% supported by market share growth in key geographies and successful price management. The business was able to successfully increase margins in its legacy operations by leveraging its large global footprint and scale. Growth from emerging contaminants, e.g., PFAS, continues to outpace total market segment growth.

The Food business delivered solid organic revenue growth of 7.0%, with both growth split equally between both volumes associated largely with new product development workflows in Europe and also price increases during the period.

3 *Life Sciences underlying results plus 49% of Nuvisan's revenue and expenses (non IFRS)*

4 *EBIT = Earnings before interest and tax. EBITDA = EBIT plus depreciation and amortisation. Restructuring and Other Items and Underlying segment EBIT/EBITDA are non-IFRS disclosures. These terms have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e., non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are not subject to review procedures.*

The Pharmaceutical business was impacted by underperformance in the Beauty and Personal Care operations in the Americas offset by mid-single digit revenue growth in the batch testing operations in key markets. Overall, excluding Nuvisan, organic revenue growth was a subdued 0.6%. The Nuvisan business transformation plan has seen EUR13m of cost reduction initiatives implemented in H1 FY25, being slightly ahead of plan, which will progressively impact H2 FY25 and beyond. The business is on track to deliver the commitment of EUR25m exit run rate of cost reductions by the end of FY26. Nuvisan made a positive low single digit margin contribution in H1 FY25 and is expected to maintain ongoing profitability.

Medium to Long-term Outlook

The Life Sciences portfolio remains well supported by sustainable global market segments, underpinned by industry megatrends, in particular emerging global contaminants, such as PFAS, following increased global regulatory legislation.

In addition, the division expects to continue to grow market share in key end markets across the Life Sciences portfolio. This will be achieved organically and through acquisitions that expand existing service offerings and overall geographic footprint.

COMMODITIES

Commodities Financial performance	H1 FY25 $M	H1 FY24 $M	Variance
Revenue	535.7	545.1	(1.7%)
Segment EBIT[5]	149.4	161.1	
Restructuring and other items[5]	1.5	-	
Underlying segment EBIT[5]	150.9	161.1	(6.3%)
Margin (underlying segment EBIT to revenue)	28.2%	29.6%	
Underlying segment EBITDA[5]	185.1	193.7	(4.5%)
Margin (underlying segment EBITDA to revenue)	34.5%	35.5%	

The Commodities division finished H1 FY25 with a modest organic revenue decline of 1.7%. This was a result of continued subdued mining exploration and metallurgical activities. Organic revenue growth of 2.6% was still delivered despite these variable and volatile market conditions, with FX negatively impacting reported revenues by (4.1%). Overall sample volume decline was more than offset by the increased uptake of value-added services by our mining clients. Commodities organic revenue growth was driven by the Coal and Oil and Lubricants businesses, with low single digit revenue growth in both Inspection and Geochemistry, offsetting weakness in Metallurgy.

On a constant currency basis, the division delivered an underlying EBIT margin of 28.2%, a contraction of 99 bps vs pcp, reflecting volume variability and related difficulties in managing the cost base. The margin contraction from adverse FX was 41 bps. The Minerals margin remained resilient at 31.2%.

The Geochemistry business delivered an organic revenue increase of 2.7% despite continued soft market conditions for exploration activities during the period with our sample volumes declining by 0.5%. The business was able to improve its revenue mix through increased uptake of premium value-added services, strong cost management, and maintaining price discipline. The more variable and volatile nature of sample flows particularly in Q2, made capacity planning more challenging during the period, where clear volume trends were difficult to discern. This sample flow dynamic put some pressure on margins as a result, however, these still maintained resilient   Notwithstanding the softer and variable market environment, Geochemistry margin was 31.8%, including an adverse FX impact of 46bps. The business benefited from further growth in down-stream mine site production activities and investment into innovation, including internal process improvement initiatives.

The Metallurgy business saw an organic revenue decline of 15.7% as compared to the previous record pcp. The decline was attributable to a higher proportion of smaller brownfield projects in the current period and some larger project deferrals. The pipeline of projects remains solid, particularly for battery related metals and gold.

The Inspection business posted flat organic revenue growth performance of 0.1% primarily due to the decline in the copper price impacting the market and overall business performance. This was particularly noticeable in both Chile and China, being the biggest export and importer countries respectively. Pleasingly, all of the volume decline was able to be fully offset through effective price increases achieved during the period.

5 *EBIT = Earnings before interest and tax. EBITDA = EBIT plus depreciation and amortisation. Restructuring and Other Items and Underlying segment EBIT/EBITDA are non-IFRS disclosures. These terms have been presented to provide a measure of the Group's performance before the impact of depreciation and amortisation (i.e., non-cash items) as well as that of interest and tax expenses. The calculations thereof are based on non-IFRS information and are not subject to review procedures.*

The Oil & Lubricants business had strong organic revenue growth of 13.4% with all key regions performing well. Margins continued to improve in the period through continued cost base management initiatives and increased sample volumes.

The Coal business delivered very strong organic growth of 23.1% with solid margin improvement. The business has benefited from increased volumes and market share growth across both production and exploration activities. The business remains focused on operational efficiencies and revenue growth.

Medium to Long-term Outlook

The Geochemistry business is the largest provider of analytical services to the global mining industry and has demonstrated its ability to grow both market share and capacity over the years. The business has maintained the largest market share in the industry due to its superior execution, testing capabilities, geographical footprint and available capacity.

The future growth and profitability of the Group's Commodities division is expected to be supported by 1) global electrification trends supporting base metal demand required for clean energy transition, 2) increased level of demand for high-performance testing methods, 3) a highly scalable hub and spoke business model, 4) a strategic shift into more downstream activities including new innovation & data analytics, and 5) declining metals discovery rate. Further growth opportunities align with innovating, diversifying and expanding our technical capabilities into less cyclical downstream market opportunities, to further leverage our proven competitive advantages.

Lead auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 24 and forms part of the Directors' Report for the half year ended 30 September 2024.

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the financial report and directors' report have been rounded off to the nearest one hundred thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

Nigel Garrard
Chairman

Brisbane
19 November 2024

Malcolm Deane
Managing Director

Brisbane
19 November 2024

Consolidated interim statement of profit and loss and other comprehensive income

For the half year ended 30 September 2024

In millions of AUD	Note	30 Sep 2024	30 Sep 2023
Continuing operations			
Revenue	7	1,464.2	1,222.5
Expenses		(1,136.9)	(921.0)
Share of profit of equity-accounted investees, net of tax		5.9	0.8
Profit before financing cost, depreciation and amortisation		**333.2**	**302.4**
Amortisation on right-of-use assets		(45.1)	(30.5)
Amortisation and depreciation		(67.9)	(56.2)
Profit before net financing costs (EBIT)		**220.2**	**215.7**
Finance income		5.2	5.0
Finance cost on loans and borrowings		(39.2)	(24.5)
Finance cost on deferred consideration and defined benefits pension plans		(0.3)	(1.6)
Finance cost on lease liabilities		(7.0)	(4.2)
Net financing costs		**(41.3)**	**(25.2)**
Profit before tax		**178.9**	**190.5**
Income tax expense		(51.2)	(56.5)
Profit for the period		**127.7**	**133.9**
Profit attributable to:			
Equity holders of the Company		126.8	133.5
Non-controlling interest		0.9	0.4
Profit for the period		**127.7**	**133.9**
Other comprehensive income			
Items that may be reclassified to profit and loss in subsequent periods:			
Foreign exchange translation		(96.9)	19.1
Gain / (loss) on hedge of net investments in foreign subsidiaries		15.8	(5.4)
Other comprehensive income that may be reclassified to profit and loss in subsequent periods, net of tax		**(81.1)**	**13.8**
Items that will not be reclassified to profit and loss in subsequent periods:			
Share of other comprehensive income of an associate		-	1.3
Net gain / (loss) on equity instruments designated at fair value through OCI		0.1	-
Remeasurements of defined benefit pension plans		(1.3)	-
Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax		**(1.2)**	**1.3**
Total other comprehensive income / (loss) for the period, net of tax		**(82.3)**	**15.1**
Total comprehensive income / (loss) attributable to:			
Equity holders of the company		44.5	148.6
Non-controlling interest		0.9	0.4
Total comprehensive income / (loss) for the period		**45.4**	**149.0**
Basic earnings per share attributable to equity holders		26.2c	27.6c
Diluted earnings per share attributable to equity holders		26.0c	27.4c
Basic earnings per share attributable to equity holders from continuing operations		26.2c	27.6c
Diluted earnings per share attributable to equity holders from continuing operations		26.2c	27.4c

The interim statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the interim financial report set out on pages 14 to 21.

Consolidated interim balance sheet

As at 30 September 2024

In millions of AUD	Note	30 Sep 2024	31 Mar 2024
Current Assets			
Cash and cash equivalents		254.6	299.9
Trade and other receivables		585.4	542.9
Inventories		112.1	108.5
Other assets		85.0	76.7
Total current assets		**1,037.1**	**1,028.0**
Non-current assets			
Investment property		13.3	13.4
Investments accounted for using the equity method		29.3	27.2
Deferred tax assets		48.0	55.1
Property, plant and equipment		685.6	657.4
Right of use assets		347.4	367.8
Intangible assets		1,605.6	1,510.0
Other assets		37.4	37.3
Total non-current assets		**2,766.6**	**2,668.2**
Total assets		**3,803.7**	**3,696.2**
Current Liabilities			
Trade and other payables		482.5	455.0
Loans and borrowings	9	162.6	317.8
Employee benefits		68.6	64.5
Other liabilities		-	14.2
Total current liabilities		**713.7**	**851.5**
Non-current liabilities			
Loans and borrowings	9	1,851.7	1,554.0
Deferred tax liabilities		35.1	36.7
Employee benefits		24.9	22.1
Other liabilities		30.6	35.0
Total non-current liabilities		**1,942.3**	**1,647.8**
Total liabilities		**2,656.0**	**2,499.2**
Net assets		**1,147.7**	**1,196.9**
Equity			
Share capital		1,332.6	1,325.9
Reserves		(98.5)	(13.2)
Retained earnings		(100.3)	(129.4)
Total equity attributable to equity holders of the company		**1,133.8**	**1,183.3**
Non-controlling interest		13.9	13.6
Total equity		**1,147.7**	**1,196.9**

The interim balance sheet is to be read in conjunction with the notes to the interim financial statements set out on pages 14 to 21.

Consolidated interim statement of changes in equity

For the half year ended 30 September 2024

In millions of AUD	Share Capital	Foreign Currency Translation	Other reserves	Employee share-based awards	Retained earnings	Total	Non-controlling Interest	Total Equity
Balance 31 March 2024	**1,325.9**	**(29.4)**	**(0.1)**	**16.4**	**(129.4)**	**1,183.3**	**13.6**	**1,196.9**
Profit for the period	-	-	-	-	126.8	126.8	0.9	127.7
Other comprehensive profit	-	(81.1)	-	-	(1.2)	(82.3)	-	(82.3)
Total comprehensive (loss)/ income for the period	**-**	**(81.1)**	**-**	**-**	**125.6**	**44.5**	**0.9**	**45.4**
Transactions with owners in their capacity as owners:								
Dividends provided for or paid	-	-	-	-	(94.9)	(94.9)	(0.8)	(95.7)
Share issued under dividend reinvestment plan (405,167 shares @ $14.42 per share)	5.8	-	-	-	-	5.8	-	5.8
Equity-settled performance rights awarded and vested	0.9	-	-	(4.3)	(1.6)	(5.0)	-	(5.0)
Total contributions and distributions to owners	**6.7**	**-**	**-**	**(4.3)**	**(96.5)**	**(94.1)**	**(0.8)**	**(94.9)**
Changes in ownership interests:								
Acquisition of non-controlling interest without change in control	-	-	-	-	-	-	0.2	0.2
Total changes in ownership interest	**-**	**-**	**-**	**-**	**-**	**-**	**0.2**	**0.2**
Total transactions with owners	**6.7**	**-**	**-**	**(4.3)**	**(96.5)**	**(94.1)**	**(0.6)**	**(94.7)**
Balance at 30 September 2024	**1,332.6**	**(110.5)**	**(0.1)**	**12.1**	**(100.3)**	**1,133.8**	**13.9**	**1,147.7**
Balance 31 March 2023	**1,326.1**	**(21.8)**	**(0.1)**	**13.3**	**49.5**	**1,366.9**	**11.3**	**1,378.2**
Profit for the period	-	-	-	-	133.5	133.5	0.4	133.9
Other comprehensive profit	-	13.8	-	-	1.3	15.1	-	15.1
Total comprehensive (loss)/ income for the period	**-**	**13.8**	**-**	**-**	**134.8**	**148.6**	**0.4**	**149.0**
Transactions with owners in their capacity as owners:								
Dividends provided for or paid	-	-	-	-	(93.9)	(93.9)	(1.0)	(95.0)
Equity-settled performance rights awarded and vested	(0.2)	-	-	0.9	(1.8)	(1.1)	-	(1.1)
Total contributions and distributions to owners	**(0.2)**	**-**	**-**	**0.9**	**(95.8)**	**(95.0)**	**(1.0)**	**(96.0)**
Changes in ownership interests:								
Acquisition of non-controlling interest without change in control	-	-	-	-	-	-	0.3	0.3
Total changes in ownership interest	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**	**0.3**
Total transactions with owners	**(0.2)**	**-**	**-**	**0.9**	**(95.8)**	**(95.0)**	**(0.7)**	**(95.7)**
Balance at 30 September 2023	**1,325.9**	**(8.0)**	**(0.1)**	**14.2**	**88.5**	**1,420.4**	**11.0**	**1,431.4**

The interim statement of changes in equity is to be read in conjunction with the notes to the interim financial statements set out on pages 14 to 21.

Consolidated interim statement of cash flows

For the half year ended 30 September 2024

In millions of AUD	30 Sep 2024	30 Sep 2023
Cash flows from operating activities		
Cash receipts from customers	1,612.7	1,329.5
Cash paid to suppliers and employees	(1,333.8)	(1,093.9)
Cash generated from operations	**278.9**	**235.6**
Interest paid	(38.7)	(28.7)
Interest received	5.2	5.0
Income taxes paid	(64.6)	(55.8)
Net cash from operating activities	**180.8**	**156.1**
Cash flows from investing activities		
Payments for property, plant and equipment	(74.0)	(84.8)
Payments for net assets on acquisition of businesses and subsidiaries (net of cash acquired)	(167.0)	(39.2)
Deferred payments for acquisitions of controlled entities	(6.8)	(18.1)
Sale of controlled entities	-	(3.0)
Loan repayments/(advances) from/(to) associates	0.7	(0.9)
Dividend from associate	3.8	6.5
Proceeds from sale of other non-current assets	0.7	1.8
Net cash used in investing activities	**(242.6)**	**(137.7)**
Cash flows from financing activities		
Proceeds from borrowings	323.7	128.5
Repayment of borrowings	(158.8)	(5.0)
Right-of-use asset lease payments	(43.2)	(29.5)
Dividends paid	(89.9)	(93.9)
Net cash from financing activities	**31.9**	**0.1**
Net movement in cash and cash equivalents	(34.1)	18.5
Cash and cash equivalents at 1 April	299.9	179.6
Effect of exchange rate fluctuations on cash held	(15.4)	(6.1)
Cash and cash equivalents at 30 September	**254.6**	**192.0**

The interim statement of cash flows is to be read in conjunction with the notes to the interim financial statements set out on pages 14 to 21.

Condensed notes to the consolidated interim financial report

For the half year ended 30 September 2024

1. Reporting entity

ALS Limited (the "Company") is a company domiciled in Australia. The interim financial report of the Company as at and for the six months ended 30 September 2024 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 31 March 2024 is available upon request from the Company's registered office at Level 9B, 25 King Street, Bowen Hills, QLD, 4006 or at www.alsglobal.com.

2. Statement of compliance

The condensed consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The condensed consolidated interim financial report does not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 31 March 2024. This condensed consolidated interim financial report was approved by the Board of Directors on 18 November 2024

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest million dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statement as at and for the year ended 31 March 2024, except for the adoption of new standards effective as of 1 April 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the Organization for Economic Cooperation and Development ("OECD")'s Base Erosion Profit Shifting ("BEPS") Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The impact of the amendments on the Group's consolidated financial statements for the half year ended 30 September 2024 is not considered to be material based on preliminary analysis undertaken by the Group.

Several other amendments apply for the first time in FY25, but do not have an impact on the interim condensed consolidated financial statements of the Group.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 March 2024.

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 31 March 2024.

Fair values of financial instruments

The Group's financial assets and liabilities are included in the balance sheet at amounts that approximate fair values. The fair value at 30 September 2024 of derivative assets held for risk management purposes, which are the Group's only financial instruments carried at fair value, was a liability of $nil (March 2024: $0.4 million) measured using Level 2 valuation techniques as defined in the fair value hierarchy. The Group does not have any financial instruments that are categorised as Level 1 or Level 3 in the fair value hierarchy.

Fair value hierarchy

In valuing financial instruments, the Group uses the following fair value measurement hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

6. Contingencies

ALS Coal Australian Superintending and Certification Unit (ACIRL Quality Testing Services Pty Ltd)

On 24 July 2024 Korea Midland Power Co Ltd, served proceedings against ACIRL in the Federal Court of Australia ("KOMIPO Proceedings") claiming losses totalling USD419,113.57 which are said to be attributable to alleged discrepancies in the certified attributes of four coal shipments between May 2018 and May 2019.

On 14 October 2024, a second related Korean power entity, Korea South-East Power Co Ltd, served proceedings against ACIRL in the Federal Court of Australia ("KOEN Proceedings") claiming unquantified losses which are said to be attributable to alleged discrepancies in the certified attributes of seven coal shipments between October 2018 and December 2019. Both the KOMIPO and KOEN Proceedings are being vigorously defended.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets is not disclosed in relation to the KOMIPO Proceedings or the KOEN Proceedings on the grounds that it can be expected to prejudice seriously the outcome of the litigation.

7. Revenue

The Group's operations and main revenue streams are those described in the last annual financial statements. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue by geographical location of customers is presented in note 8 Segment Reporting.

8. Segment reporting

The Group has two reportable segments, as described below, representing two distinct strategic divisions each of which is managed separately and offers different products and services. For each of the strategic business units, the CEO reviews internal management reports on at least a monthly basis.

The following summary describes the operations in each of the Group's reportable segments:

- Commodities - provides assaying and analytical testing services and metallurgical services for mining and mineral exploration companies and provides specialist services to the coal industry such as coal sampling, analysis and certification, formation evaluation services, tribology testing services and related analytical testing.
- Life Sciences - provides analytical testing data to assist consulting and engineering firms, industry, and governments around the world in making informed decisions about environmental, food and pharmaceutical, electronics, and animal health testing matters.

2024 In millions of AUD	Commodities	Life Sciences	Other[6]	Consolidated
Revenue	535.7	928.5	-	1,464.2
Africa	*34.0*	-	-	*34.0*
Asia/Pacific	*225.8*	*194.0*	-	*419.8*
Europe & Middle East	*58.7*	*431.5*	-	*490.1*
Americas	*217.2*	*303.0*	-	*520.2*
Share of profit of equity-accounted investees, net of tax	4.1	1.8	-	5.9
Underlying EBITDA[7]	185.1	200.7	(31.8)	354.0
Amortisation on right-of-use assets	(16.4)	(28.5)	(0.2)	(45.1)
Depreciation and amortisation	(17.8)	(38.5)	(2.2)	(58.5)
Underlying EBIT[7]	150.9	133.7	(34.2)	250.4
Restructuring & other items[7]	(1.5)	(5.4)	(13.9)	(20.8)
Amortisation of intangibles	-	-	(9.4)	(9.4)
Net interest	(2.0)	(4.8)	(34.5)	(41.3)
Segment profit before income tax	147.4	123.5	(92.0)	178.9
Total assets per the balance sheet	1,159.3	2,307.7	336.7	3,803.7
Total liabilities per the balance sheet	(242.5)	(701.4)	(1,712.1)	(2,656.0)

6 *Represents unallocated corporate costs. Net expenses of $34.2 million comprise net foreign exchange loss of $2.8 million and other corporate costs of $31.4 million.*

7 *Underlying EBITDA = Underlying EBIT plus depreciation and amortisation. Underlying EBIT = Underlying Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures and are not subject to review procedures. The terms Underlying and Restructuring & other items are defined in the Directors' report.*

8. Segment reporting (continued)

2023 In millions of AUD[8]	Commodities	Life Sciences	Other[9]	Consolidated
Revenue	545.1	677.5	-	1,222.5
Africa	*28.7*	-	-	*28.7*
Asia/Pacific	*222.4*	*172.2*	-	*394.6*
Europe & Middle East	*60.5*	*229.8*	-	*290.3*
Americas	*233.5*	*275.5*	-	*508.9*
Share of profit of equity-accounted investees, net of tax	(3.5)	2.7	-	(0.8)
Underlying EBITDA[10]	193.7	154.0	(25.9)	321.8
Amortisation on right-of-use assets	(14.6)	(15.8)	(0.1)	(30.5)
Depreciation and amortisation	(18.0)	(31.3)	(0.3)	(49.6)
Underlying EBIT[10]	161.1	106.9	(26.3)	241.7
Restructuring & other items[10]	-	(5.1)	(14.3)	(19.4)
Amortisation of intangibles	-	-	(6.6)	(6.6)
Net interest	(1.7)	(2.5)	(21.0)	(25.2)
Segment profit before income tax	159.4	99.3	(68.2)	190.5
Total assets per the balance sheet	1,178.4	2,088.9	262.1	3,529.4
Total liabilities per the balance sheet	(237.8)	(426.9)	(1,433.3)	(2,098.0)

8 *Life Sciences segment restated prior year to include Group's share of profit in Nuvisan of $4.3 million and exclude 49% of Nuvisan's revenue and expenses. Segment report restated for consistency of format.*

9 *Represents unallocated corporate costs. Net expenses of $26.4 million comprise net foreign exchange gain of $1.5 million and other corporate costs of $27.9 million.*

10 *Underlying EBITDA = Underlying EBIT plus depreciation and amortisation. Underlying EBIT = Underlying Earnings before interest and tax. The terms EBITDA and EBIT are non-IFRS disclosures and are not subject to review procedures. The terms Underlying and Restructuring & other items are defined in the Directors' report.*

9. Loans and borrowings

In millions of AUD	30 Sep 2024	31 Mar 2024
Current Liabilities		
Bank loans	82.2	239.6
Lease liabilities	80.4	78.1
	162.6	**317.7**
Non-current liabilities		
Long term notes	1,038.7	1,070.6
Bank loans	516.3	164.6
Lease liabilities	296.7	318.8
	1,851.7	**1,554.0**

Bank loans

The Group has entered into multi-currency revolving facilities totalling USD$550 million. These multi-currency facilities are provided by a geographically diverse selection of banks including Australia and New Zealand Banking Group, Westpac Banking Corporation, Commonwealth Bank of Australia, Hong Kong and Shanghai Banking Corporation (HSBC), JP Morgan, Bank of America, and Mizuho Bank. The facilities mature in May 2025 (USD$100 million), May 2026 (USD$150 million) and April 2027 (USD$300 million). Refer to commentary below for activity in the period.

These revolving facilities provide a strong level of liquidity to support the Group's growth strategy and ongoing global funding requirements. As of 30 September 2024, USD$173.8 million (AUD$251.0 million equivalent) remains undrawn in relation to these committed bank facilities.

Activity in the period

In April 2024, the Group secured a new 3-year USD300m (A$433.2m) revolving multi-currency facility with its existing lender group. This facility matures in April 2027. Furthermore, in September 2024, the Group repaid an existing bilateral loan arrangement totalling €31.0 million (AUD$49.8 million) with HSBC. To replace this facility, new fixed rate bilateral €10m and CHF20m denominated loans were entered into with HSBC, both mature in August 2029. As part of the broader capital management plan, these new debt facilities support the Group's FX strategy of aligning the debt currency profile with the cash flows of the operating businesses.

The Group's undrawn bank debt facilities provide funding flexibility and additional liquidity to support investing in growth opportunities including acquisitions and will also be used for general corporate purposes.

Long term notes

The Company's controlled entities have previously issued long term, fixed rate notes to investors in the US Private Placement market which remain unpaid at balance date. All loan notes on issue have total fixed interest coupons ranging between 1.50% - 6.48% and bullet maturity dates repayable at various intervals between November 2028 and July 2034.

The weighted average interest rate (incorporating the effect of interest rate contracts) for all bank loans and long-term notes at balance date is 4.4% (March 2024: 4.3%). The amount of fixed rate bank loans and long term notes at balance date is 67% of total amounts drawn, whereas 33% of bank loans and long term notes are variable rate instruments.

10. Investments accounted for using the equity method

On 25 March 2024 the Group announced that it had agreed with majority shareholder, Nuvisan Pharma Holdings (GmbH), to acquire the remaining 51% interest in both Nuvisan GmbH and Nuvisan ICB GmbH (collectively "Nuvisan") for €1. Nuvisan is a pharmaceutical testing business with operations in Germany and France. Effective from this date Nuvisan is accounted for as an investment in controlled entities.

Prior to 25 March 2024, the investment in Nuvisan was accounted for using the equity method.

For half year ended 30 September 2023, the Group's share of net loss for the period at 49% was $4.3 million and the Group received dividends of $4.8 million.

11. Dividends

The following dividend was declared and paid by the Company during the half year:

In millions of AUD	30 Sep 2024	30 Sep 2023
Final dividend paid 2 July 2024 (6 July 2023)	94.9	93.9

Since 30 September 2024, the directors have declared an unfranked interim dividend of 18.9 cents per share amounting to $91.6 million payable on 19 December 2024. The dividend is payable on all ordinary shares registered in the Company's register at the close of business on 28 November 2024. The financial effect of this dividend has not been brought to account in the interim financial report for the period ended 30 September 2024.

12. Share-based payments

Performance-hurdle rights granted

The Group has granted performance-hurdle rights under its Long-Term Incentive ("LTI") plan which is designed as a reward and retention tool for high performing personnel. Under the plan key employees may be granted conditional rights to receive ordinary shares in the Company at no cost to the employees (or in limited cases to receive cash-settled awards).

The terms and conditions of LTI rights granted during the prior periods are set out below:

	Half year ended 30 Sep 2024
Equity-settled	
Date of grant	31 July 2024
Number of performance-hurdle rights	1,056,346
Weighted average fair value at date of grant of performance-hurdle rights	$13.28
Testing date for performance hurdles	31 March 2027
Vesting date and testing date for service condition	1 July 2027
Cash-settled	
Date of grant	31 July 2024
Number of performance-hurdle rights	51,509
Weighted average fair value at date of grant of performance-hurdle rights	$13.28
Testing date for performance hurdles	31 March 2027
Vesting date and testing date for service condition	1 July 2027

The fair value of services received in return for performance rights issued in the current period is based on the fair value of the rights granted measured using Binomial Tree (Earnings Per Share ("EPS"), EBITDA and Return on Capital Employed ("RoCE") hurdles) and Monte-Carlo Simulation (Total Shareholder Return ("TSR") hurdle) valuation methodologies.

Vesting conditions in relation to performance-hurdle rights issued in current period:

Employees must remain employed by the Group until vesting date. The rights vest only if underlying EPS, relative underlying EBITDA margin, underlying RoCE or relative TSR hurdles are achieved by the Company over the specified performance period. Each employee's rights are subject to EPS, EBITDA, RoCE and TSR hurdles in equal measure.

Service based rights granted (deferred STI compensation)

During the period, the Group granted service-based rights as part of its Short-Term Incentive (STI) plan, constituting deferred STI compensation. Senior executives, whose annual remuneration is reviewed by the Board, had 30% of their annual STI automatically deferred upon being earned. A total of 67,742 service-based rights were granted during the half-year (2023: 155,546). As of September 30, 2024, an estimated accrual has been made for the fair value of services received in exchange for these rights.

As at 30 September 2024, 275,505 equity-settled service-based rights were outstanding, allocated to employees for both deferred STI compensation and talent retention purposes.

13. Business acquisitions

Acquisition of subsidiaries

During H1 FY25 the Group had material acquisitions of shares of the following entities:

Legal entity	Month	Interest Acquired	Jurisdiction	Division	Purchase price $M
York Analytical Laboratories, Inc.	April 24	100%	USA	Life Sciences	65.3
Wessling Group	June 2024	100%	Germany	Life Sciences	106.3

Business acquisitions are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. The interim condensed consolidated financial statements include the results of these acquisitions for the period since acquisition date. All acquired amounts were recorded on a provisional basis as at 30 September 2024. Transaction costs of $8.0 million have been expensed and are included in expenses in the statement of profit and loss and are part of operating cash flows in the statement of cash flow. There was no contingent consideration relating to the above acquisitions as at 30 September 2024.

These acquisitions were done for the purpose of broadening the environmental, food and pharma service reach of the Group. The intangibles recognised on acquisition are attributable mainly to the skills and technical talent of the acquired business' workforce and the synergies expected to be achieved form integrating the acquired entities in the Group's existing business. Goodwill is not expected to be deductible for income tax purposes.

If the acquisitions had occurred on 1 April 2024, management estimates that the Group's revenue from continuing operations would have been $1,493.1 million and net profit after tax from continuing operations would have increased by $0.6 million to $128.3 million.

York Analytical Laboratories, Inc.	2024 $M
Property, plant and equipment	9.0
ROU assets	4.0
Trade and other receivables	7.1
Inventories	0.3
Cash and cash equivalents	0.7
Identifiable intangible assets	0.2
Deferred tax assets/liabilities	1.0
Interest bearing liabilities	(24.9)
Trade and other payables	(8.0)
Lease liabilities	(4.3)
Employee benefits	(0.3)
Net identifiable assets and liabilities	(15.2)
Intangibles on acquisition	80.5
Total consideration	65.3
Deferred consideration	-
Paid in cash	65.3
Cash (acquired)	(0.7)
Net cash outflow	64.6

In April 2024, the Group acquired 100% of the issued capital of York Analytical Laboratories, Inc. The cash purchase consideration was $65.3 million. The acquired net tangible assets were $6.8 million. In addition to the acquired net tangible assets, goodwill (non-deductible for tax) of $80.5 million was recognised.

The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of York Analytical Laboratories, Inc for the six-month period from the acquisition date. All acquired amounts were recorded on a provisional basis at 30 September 2024.

Directly attributable transaction costs of $2.2 million relating to this acquisition were included in administration and other expenses in the profit and loss statement. In the period to 30 September 2024, York Analytical Laboratories, Inc contributed revenue of $18.4 million and a net profit after tax of $1.3 million to the consolidated net profit after tax for the half-year.

York Analytical Laboratories, Inc was acquired for the purpose of broadening the environmental reach of the Group's existing North American Life Sciences division. The goodwill recognised on acquisition is attributable mainly to skills and technical talent of the acquired business' workforce and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

Wessling Group	2024 $M
Property, plant and equipment	28.0
Trade and other receivables	32.7
Inventories	2.5
Cash and cash equivalents	4.2
Identifiable intangible assets	0.2
Deferred tax assets/liabilities	(0.4)
Interest bearing liabilities	(21.9)
Trade and other payables	(15.0)
Lease liabilities	(0.7)
Income tax liabilities	(0.5)
Employee benefits	(5.2)
Net identifiable assets and liabilities	23.9
Intangibles on acquisition	82.4
Total consideration	106.3
Deferred consideration	-
Paid in cash	106.3
Cash (acquired)	(4.2)
Net cash outflow	102.1

In June 2024, the Group acquired 100% of the issued capital of the Wessling Group. The cash purchase consideration was $106.3 million. The acquired net tangible assets were $23.9 million. In addition to the acquired net tangible assets, goodwill (non-deductible for tax) of $82.4 million was recognised.

The acquisition has been accounted for using the acquisition method. The consolidated financial statements include the results of the Wessling Group for the four-month period from the acquisition date. All acquired amounts were recorded on a provisional basis at 30 September 2024.

Directly attributable transaction costs of $4.2 million relating to this acquisition were included in administration and other expenses in the profit and loss statement. In the period to 30 September 2024, the Wessling Group contributed revenue of $57.8million and a net profit after tax of $1.2 million to the consolidated net profit after tax for the half-year.

The Wessling Group was acquired for the purpose of broadening the environmental reach of the Group's existing European Life Sciences division. The goodwill recognised on acquisition is attributable mainly to skills and technical talent of the acquired business' workforce and the synergies expected to be achieved from integrating the company into the Group's existing business. The goodwill is not expected to be deductible for income tax purposes.

Indtech Instruments Private Limited

The purchase price allocation was finalised in half year to 30 September 2024 for Indtech Instruments Private Limited which resulted in retrospective reduction of goodwill of $0.6m and non-controlling interest of $0.2m and increases in customer relationships of $0.2m and deferred tax liabilities of $0.6m.

14. Events subsequent to balance date

There has not arisen in the interval between the end of the half year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Directors' declaration

In the opinion of the directors of ALS Limited ("the Company"):

1. The financial statements and notes set out on pages 14 to 21, are in accordance with the Corporations Act 2001 including:
   a) giving a true and fair view of the Group's financial position as at 30 September 2024 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and
   b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Nigel Garrard Chairman	Malcolm Deane Managing Director
Brisbane 19 November 2024	Brisbane 19 November 2024

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Independent auditor's review report to the members of ALS Limited

Conclusion

We have reviewed the accompanying condensed half-year financial report of ALS Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 30 September 2024, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 September 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 September 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

McKenzie

Kellie McKenzie
Partner
Brisbane
19 November 2024

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Auditor's independence declaration to the directors of ALS Limited

As lead auditor for the review of the half-year financial report of ALS Limited for the half-year ended 30 September 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of ALS Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

McKenzie

Kellie McKenzie
Partner
Brisbane
19 November 2024