



# Investor presentation

## FY21 results

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26 May 2021

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- All references to dollars are to Australian currency unless otherwise stated.
- FY20 adjusted for AASB 15, increased revenue by \$22m, no EBIT and EBITDA impact.
- EBIT and EBITDA in this presentation is reported post AASB-16 unless stated otherwise.

# Safety is a priority — ALS COVID-19 response



## Supporting our employees

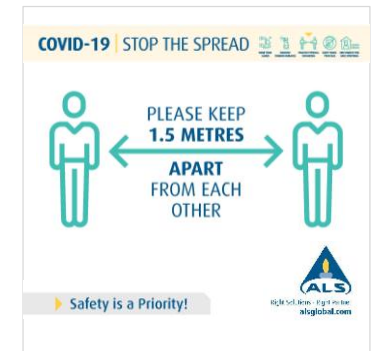
- ▶ Additional sanitisation products and PPE
- ▶ Communication on hygiene and disinfection procedures
- ▶ Screening of all persons entering our sites
- ▶ Physical distancing and separation screens
- ▶ Restrictions on gatherings and travel

## Supporting our community

- ▶ Human swab testing
- ▶ Production and distribution of swab test kits
- ▶ Surface swab testing
- ▶ Training
- ▶ Wastewater testing to support screening of COVID-19 in communities

## Supporting our clients

- ▶ No contact transfer stations installed for delivery on incoming samples.
- ▶ Providing assurance to essential industries throughout the pandemic including; Food, Water, Pharmaceuticals, Medical devices, Energy, Transport, and Defence



# Managing the COVID-19 pandemic — Group

## Growth opportunities

- ▶ **Investment in capacity growth** in several markets in Life Sciences and Geochemistry to meet growing demand
- ▶ **Investment in greenfield operations** including India (Pharmaceutical), Australia (Food) and the USA (Food)
- ▶ **Focus on acquisitions** while maintaining disciplined approach - accretive opportunities in Life Sciences, primarily in the food and pharmaceutical markets
- ▶ **Development and roll-out of COVID testing** in humans, surfaces and wastewater

## Balance sheet strength

- ▶ **Reduced net debt** by \$186m since March 2020
- ▶ **Reduced leverage ratio to 1.6x** at March 2021 from 2.1x at March 2020
- ▶ **Reduced gearing ratio to 36%** (from 42% at March 2020)
- ▶ **Total liquidity** available at March 2021: ~\$650m
- ▶ **Extended debt maturity profile to 6.6 years** (from 4.9 years at March 2020) following completion of \$281m USPP tranche and extension of \$US350m bank debt facilities (completed in May 2021)
- ▶ **Proceeding to voluntarily repay COVID-19 related government subsidies** where repayment mechanisms exist, including Canada (\$20.5m), Australia (\$3.0m) and other regions, due to strong balance sheet position

## Cost reduction

- ▶ **Cost base aligned to client demand** early in pandemic
- ▶ **Hub and spoke model** and variable cost base allow high degree of cost management
- ▶ **Corporate costs reduced** in-line with Group revenue, salary and travel freeze across the Group
- ▶ **EBITDA margin expansion** in all divisions despite impact of the COVID-19 pandemic

## Cash generation

- ▶ **Strong cash flow generation of 102%** following reduction in 'day of sales outstanding' (DSO) and suppliers payment control
- ▶ **Strict CAPEX control** leading to reduction in spend by 33% while focusing on key growth opportunities

# Group FY21 performance vs strategic priorities

## Shorter-term strategic priorities

## FY21 performance

### Life Sciences

Strong organic growth and margin expansion

- -2.7% organic revenue decline due to the impact of the pandemic, growth of +1.9% in 2H FY21
- EBIT margin expansion of 72 bps despite impact of the pandemic

### Commodities

Single digit revenue growth across the division

- 3.8% organic revenue growth, +17.2% in 2H FY21

Stable Geochemistry sample flow volumes

- +2% sample flow vs pcg, with strong recovery in 2H FY21 (+19% vs pcg)

### Industrial

Drive revenue growth and stabilise margin

- -15.5% organic revenue decline with stable margin of -10 bps margin vs pcg

## Longer-term strategic priorities

## FY21 performance

Improve sustainability profile of the Group

- Launched climate change policy targeting 40% reduction in scope 1 and 2 emissions by 2030

Non-cyclical businesses contribute 50% of Group underlying EBIT

- 50% underlying EBIT contribution in FY21 (51% in FY20)

Strong balance sheet to fund growth of Group

- Lowest leverage ratio (1.6x) in 5 years with ~\$650m available to fund growth

Strategic acquisitions in key growth markets

- ARJ, Aquimisa and MARSS performing well
- Investiga acquired to expand presence in USA and LATAM cosmetic and personal care markets
- Highly disciplined acquisition strategy with strong pipeline

Investment in technology and innovation

- Continued investment across businesses with targeted CAPEX spending on automation, technical infrastructure (such as 'LIMS' and ERP platforms) and expansion of capacity despite pandemic
- Development of COVID related testing in response to client needs

# ESG vision

## OUR ESG VISION:



People

Deliver world-class health and safety outcomes, and attract a diverse, capable and engaged workforce.



Environment

Minimise our environmental footprint and build our resilience to climate-related impacts.



Society

Make a positive contribution to our local communities.

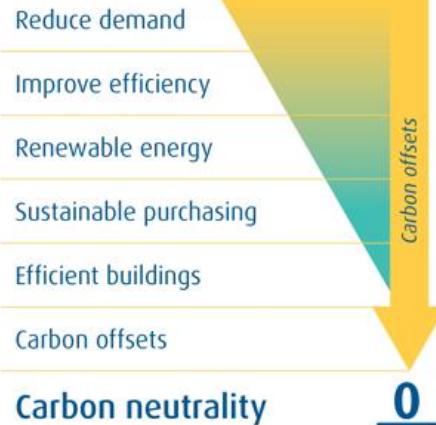


Governance

Operate ethically and responsibly to deliver sustainable outcomes for our stakeholders.

**Our stated goal:**  
40% reduction in Carbon Intensity by 2030

Climate Change Strategic Plan



## Industry-leading Health and Safety Performance



## Science Education Support Program



Supporting science education in our communities

ALS has implemented a robust sustainability program to meet its ESG obligations.

Instead of adopting 3 pillars to address E, S and G, we have created four pillars to highlight “People” under its own segment to align with our core values of “Safety is a Priority” and “People Development”.



# ESG program – FY21 achievements

## Health & Safety

Safety is a Priority

## Diversity & Equality

Respecting differences

## Training & Development

Investing in talent development

## Operational Environmental Performance

Mitigation of environmental emissions

## Energy Management

The pursuit of energy efficiency

## Economic Contributions

Supporting local stakeholders

## Local Investment

Enriching our communities / ALS Workplace Giving / Community Sponsorships

## Financial Performance

Maximise return for shareholders

## Anti-bribery & anti-corruption

Business ethics and conduct / Fair Competition

## Honesty and Integrity

Professional integrity / Data integrity and traceability

## Innovation & Technology

Embracing innovation and technology

## Human Rights

Worker's rights upheld / Modern Slavery Assessments

## Waste Reduction

Reduce, reuse, recycle

## Water Conservation

Managing a scarce resource

## Climate Change

Managing and reducing our CO<sub>2</sub> emissions

## Employment Creation

Creating jobs / in the local community

## Enterprise Risk Management

Reputational risk / Business resilience / Information security

## Regulatory Compliance

Systems to maintain legal compliance

## Innovation & Technology

Strategy, investment & collaboration / Service lifecycle management

## People



- ✓ 26% improvement in total recordable injury frequency rate (compared to FY18).
- ✓ 59% new female professional hires.
- ✓ >5,500 Hazard observations reported (18% increase compared to FY18).

## Environment



- ✓ New Climate Change Action Plan.
- ✓ >5% reduction in scope 2 carbon intensity since 2018.
- ✓ 0 breaches reported or penalties imposed for environmental regulations.
- ✓ >40% reduction in chlorinated solvent use per sample (Life Sciences Canada pilot program).

## Society



- ✓ ALS Cares program.
- ✓ AUD\$1.8 bn economic contribution.
- ✓ Over 700 new employees joined ALS.
- ✓ 32% increase in employee contributions through workplace giving program.
- ✓ COVID testing for humans, wastewater and surfaces.
- ✓ Active collaboration with educational institutions and research organisations.

## Governance



- ✓ Meeting or exceeding Corporations Act and ASX Guideline requirements.
- ✓ >99% of employees completed Code of Conduct Training.
- ✓ 100% completion of Internal Audit Plan.
- ✓ >95% of Risk Treatment Action Plans completed.



# FY21 results

## Group performance

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## FY21 statutory results summary

Statutory Results	FY21 (\$m)	FY20 (\$m)	% change
Revenue	1,761.4	1,858.1	(5.2)%
EBITDA	421.1	469.4	(10.3)%
Depreciation, amortisation and impairment losses	(132.6)	(224.4)	(40.9)%
EBIT	288.5	245.0	17.8%
Interest expense	(40.0)	(42.4)	(5.7)%
Tax expense	(74.4)	(73.1)	1.8%
Non-controlling interests	(1.5)	(1.7)	(11.8)%
NPAT	172.6	127.8	35.1%
EPS (basic – cents per share)	35.8	26.5	35.1%

- *Statutory NPAT increased by \$44.8m, primarily due to the net effect of impairment losses and gain generated by the disposal of the Group's environmental and analytical testing businesses in China in 1H FY20.*

# FY21 underlying NPAT of \$185.9 million, significant improvement in second half

Underlying performance from continuing operations (excludes government subsidies and related direct costs, amortization of intangibles, restructuring costs and other items)

**Revenue, \$1,761m**

-5.0% vs pcp; -0.1% @ CCY \*

- Organic revenue decline of -2.1% with significant improvement in the second half (Q3: -0.7%, Q4:+11.5%)
- Scope growth (net of acquisitions and divestments) of +2.0% driven by strong performance of ARJ and Aquimisa
- FX impact of -4.9%

**EBIT, \$301.4m**

-1.4% vs pcp; +8.9% @ CCY

- EBIT decline of -\$4.4m with resilient margin of 17.1%, +62 bps vs pcp
- At constant currency, EBIT growth was \$27.2m with margin expansion +151 bps margin
- Life Sciences margin of 16.2%, +72 bps vs pcp

**NPAT, \$185.9m**

-1.5% vs pcp

- Earnings per share of 38.5 cps, -1.5% vs pcp
- Final dividend of 14.6 cps (70% franked) compared to 6.1 cps in 2H FY20 with a total declared dividend of 23.1 cps in FY21, an increase of 31.3% compared to FY20 reflecting the favourable trading environment and liquidity

**Balance sheet strength and liquidity**

- Strong EBITDA cash conversion rate of 102% (FY20: 98%) primarily due to reduction in DSO
- Material improvement in leverage ratio of 1.6x and gearing ratio of 36% (FY20: 2.1x and 42% respectively)
- Strong liquidity ~\$650m, including \$554m of undrawn bank facilities

**Current trading update**

- **Life Sciences:** remains resilient, with volumes improving across the majority of the division in early Q1 22
- **Commodities:** strong momentum from H2 FY21 has continued into early Q1 22 as major and junior miners continue to increase sample flow across all regions
- **Industrial:** Asset Care trading environment remains challenging as maintenance budgets are yet to recover in end markets. Tribology seeing solid momentum in early Q1 22 as client activity increases

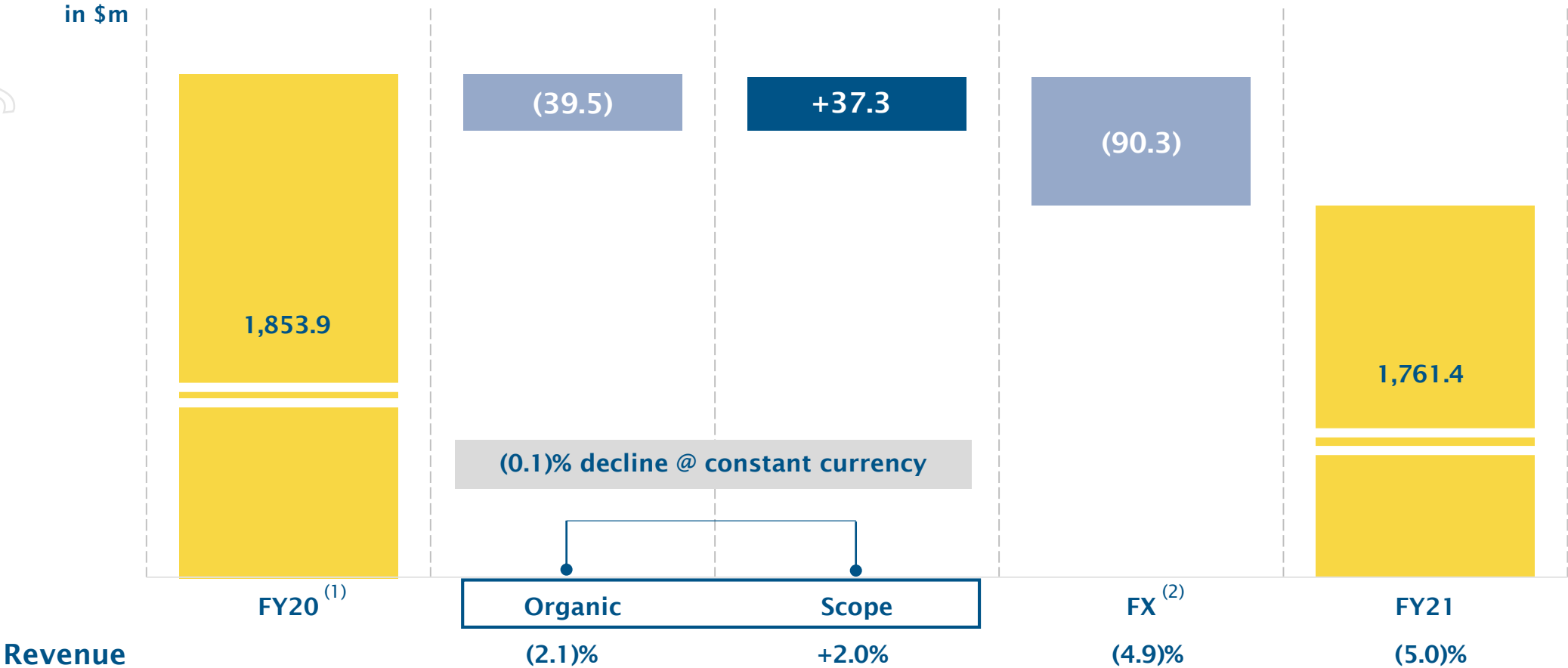
\* Constant currency (CCY), excluding FX impact.

## FY21 underlying results from continuing operations by division

FY21 (\$m)	Life Sciences		Commodities		Industrial		Other		Total Group	
	FY21	VLY	FY21	VLY	FY21	VLY	FY21	VLY	FY21	VLY
Revenue	930.0	(3.2)%	624.8	(2.7)%	206.6	(17.5)%	-	-	1,761.4	(5.0)%
Organic growth	(2.7)%		3.8%		(15.5)%				(2.1)%	
EBITDA	222.4	(0.2)%	210.4	4.4%	33.3	(13.1)%	(41.0)	(32.1)%	425.1	(1.5)%
EBITDA margin	23.9%	+ 73 bps	33.7%	+ 231 bps	16.1%	+ 83 bps	-	-	24.1%	+ 86 bps
EBIT	150.6	1.3%	172.5	4.9%	20.5	(18.7)%	(42.2)	(29.6)%	301.4	(1.4)%
EBIT margin	16.2%	+ 72 bps	27.6%	+ 199 bps	9.9%	(10) bps	-	-	17.1%	+ 62 bps

- ▶ EBITDA margin improvement in all divisions despite the fall in revenue driven by cost control and improvement in trading conditions in Q4 21
- ▶ Group EBITDA margin +86 bps vs pcp, despite FX impact of -89 bps ( translation and working capital FX )

# FY21 revenue evolution – material impact from stronger AUD

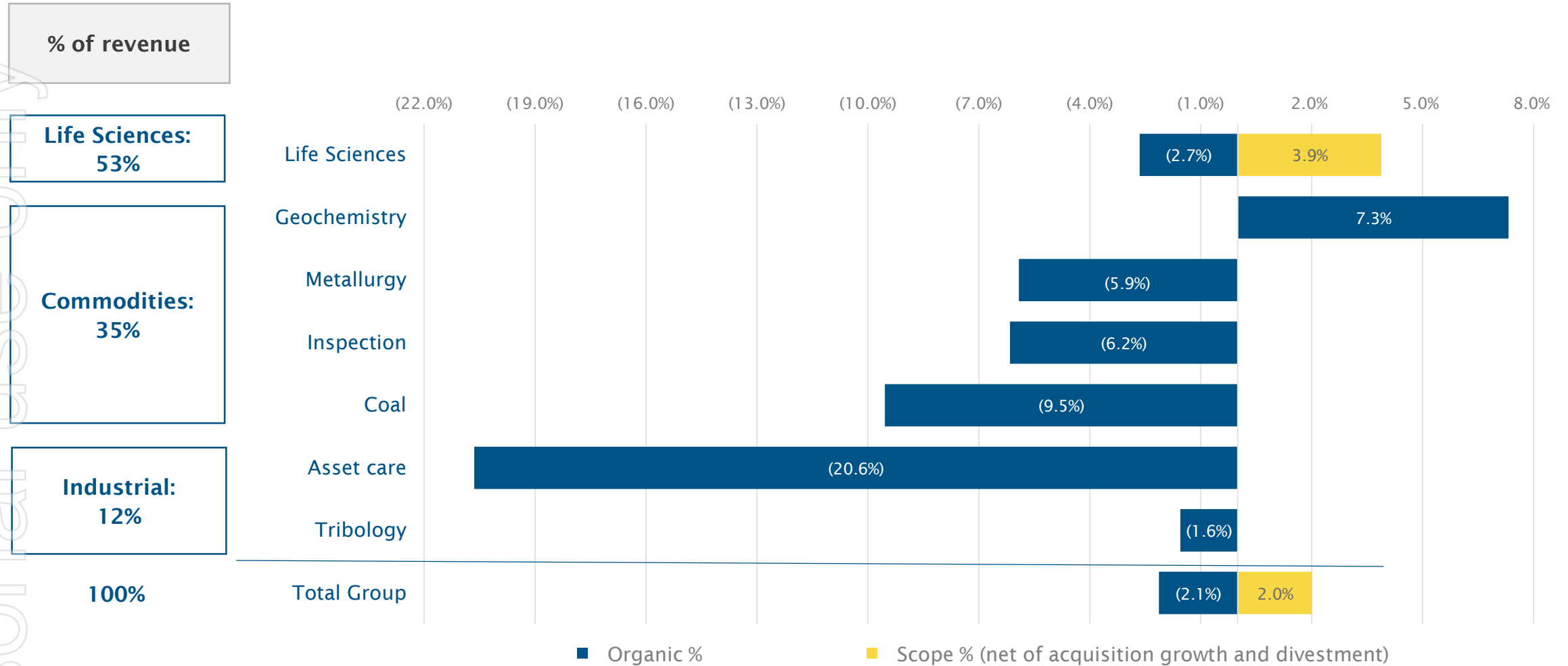


(1) FY20 revenue increased by \$22m to reflect the AASB 15 adjustment.

(2) Translation FX: impact of translating revenue denominated in foreign currencies into AUD (compared to pcp)



# FY21 revenue growth components by business stream (at constant currency)

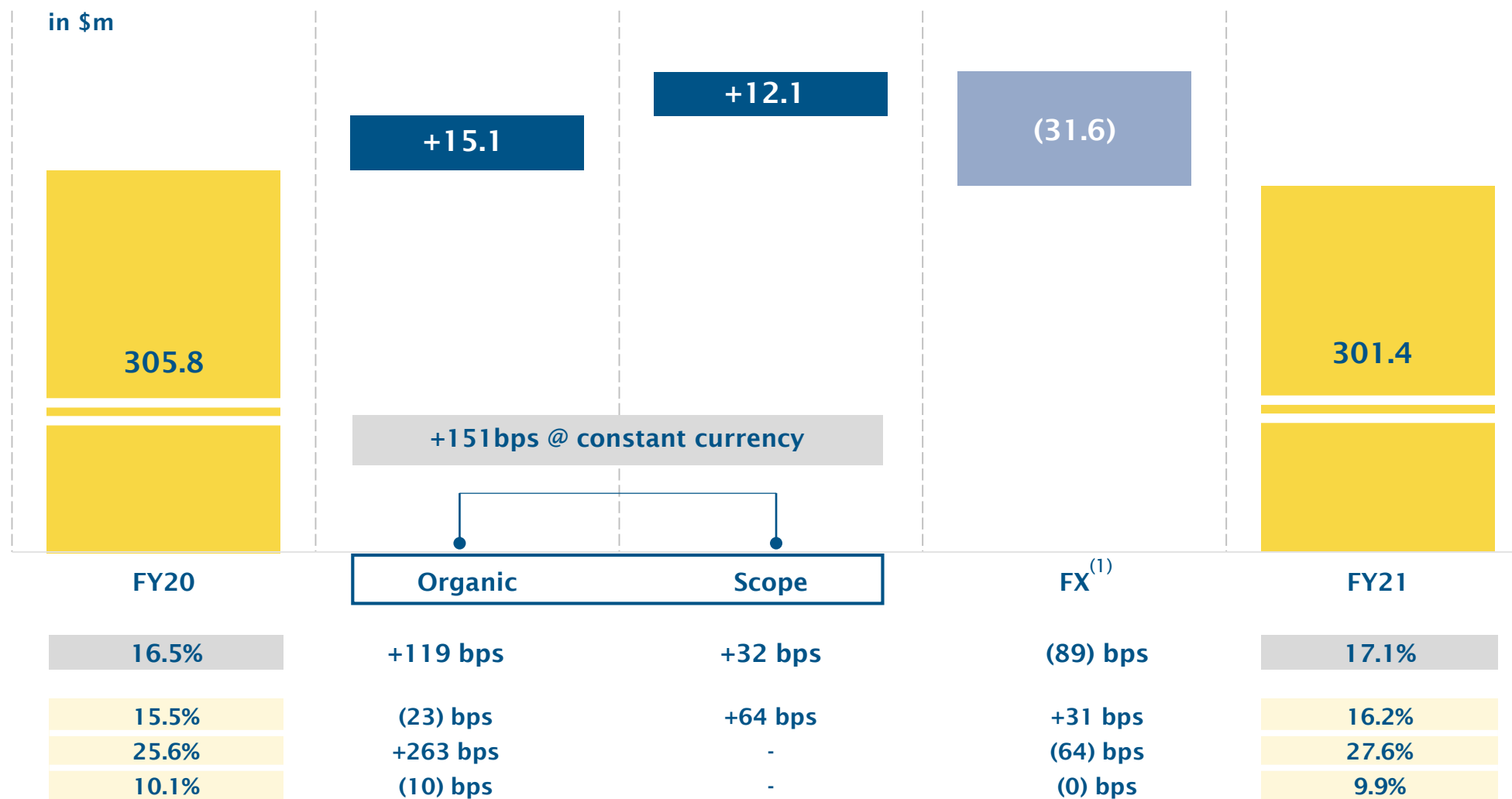


## FY21 organic revenue - significant improvement in H2 with acceleration in Q4

Organic growth %	Q1	Q2	H1	Q3	Q4	H2	FY21
Life Sciences	(10.7)%	(4.4)%	(7.4)%	0.9%	3.0%	1.9%	(2.7)%
Commodities	(14.7)%	(5.1)%	(9.6)%	2.0%	35.6%	17.2%	3.8%
Industrial	(17.0)%	(15.5)%	(16.2)%	(14.9)%	(14.4)%	(14.7)%	(15.5)%
<b>Total Group</b>	(13.0)%	(6.2)%	(9.4)%	(0.7)%	11.5%	5.1%	<b>(2.1)%</b>

- Q4 21 organic growth benefited from comparison to pandemic-impacted Q4 20

# FY21 underlying EBIT – strong improvement in Group margin despite FX headwind and pandemic

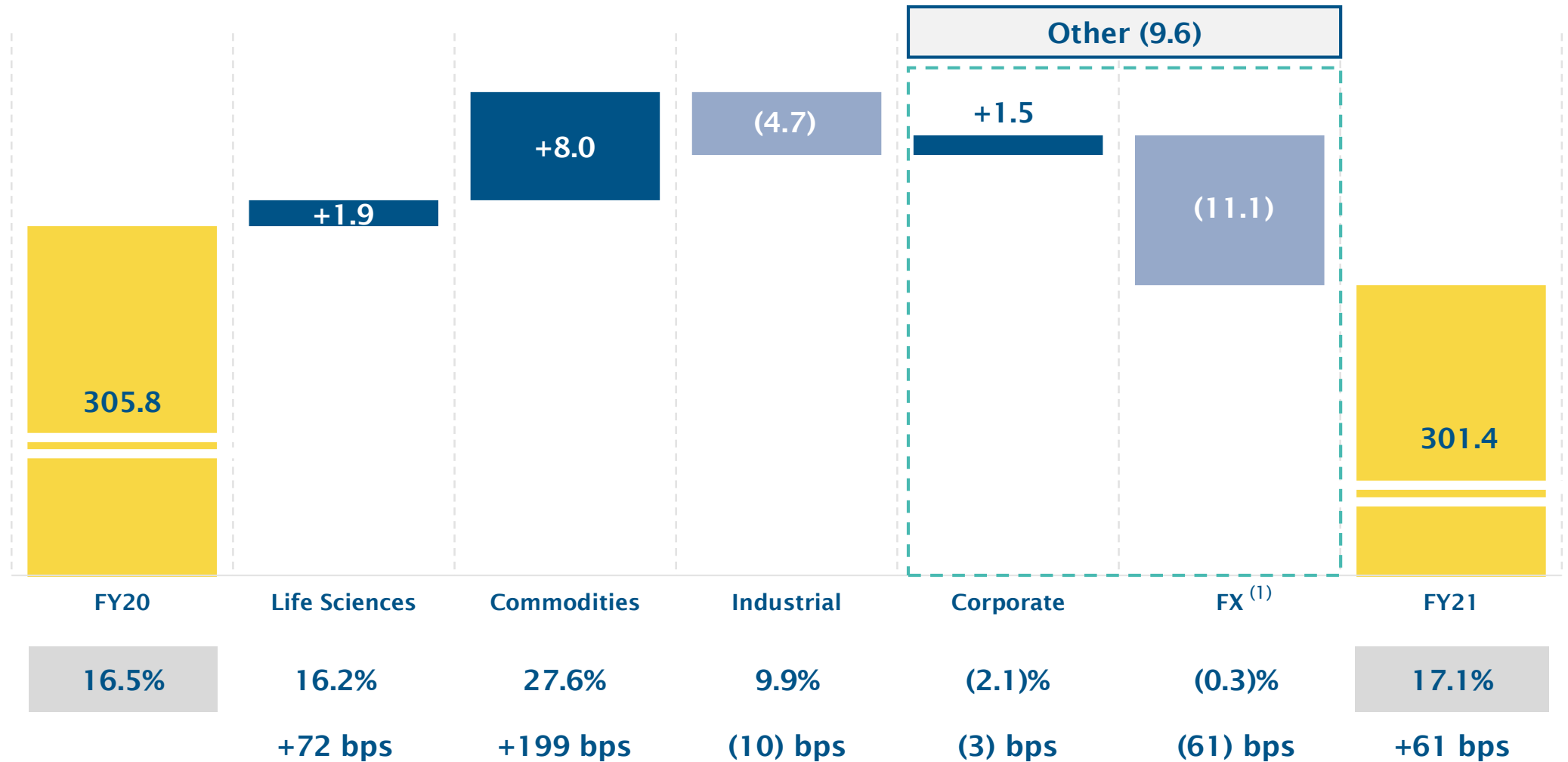


(1) Translation FX and realised/unrealised FX on working capital



# FY21 underlying EBIT evolution – strong margin growth despite FX headwind

in \$m



(1) Realised/unrealised FX on working capital



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# Significant improvement in underlying EBIT margin across divisions

	vs. pcg (in bps)				
	H1	Q3	Q4	H2	FY21
Life Sciences	10	155	91	131	72
Commodities	(107)	160	784	446	199
Industrial	(111)	2	202	99	(10)
<b>Business Divisions</b>	<b>(54)</b>	<b>153</b>	<b>459</b>	<b>295</b>	<b>126</b>
Corporate	7	19	(44)	(11)	(3)
Fx	(65)	(17)	(104)	(58)	(61)
<b>Total Group</b>	<b>(114)</b>	<b>155</b>	<b>311</b>	<b>226</b>	<b>62</b>

- Q4 21 organic growth benefited from comparison to pandemic-impacted Q4 20
- Margin improvement in all businesses in Q3 and Q4
- Corporate margin negative impact in Q4 driven by increasing insurance costs

## FY21 financial summary – reconciliation of underlying to statutory

Full Year	FY20 (\$m)	FY21 (\$m)				
	Underlying *	Underlying *	Restructuring & other items	COVID-19 Subsidies & Grants net of Direct Costs	Amortization of intangibles	Statutory results
Revenue	1,853.9	1,761.4				1,761.4
EBITDA	431.5	425.1	(29.4)	25.4		421.1
Depreciation & amortization	(125.7)	(123.7)			(8.9)	(132.6)
EBIT	305.8	301.4	(29.4)	25.4	(8.9)	288.5
Interest expense	(41.3)	(40.0)				(40.0)
Tax expense	(74.0)	(74.0)	6.0	(7.5)	1.1	(74.4)
Non-controlling interests	(1.7)	(1.5)				(1.5)
NPAT	188.8	185.9	(23.4)	17.9	(7.8)	172.6
EPS (basic – cents per share)	39.1	38.5				35.8
Dividend (cents per share)	17.6	23.1				-

\* continuing operations

## FY21 restructuring & other items – COVID-19 subsidies net of direct costs

in \$m	Start-up	Restructure	Acquisition	Other non-operational items	Total non-recurring costs	COVID-19 subsidies net of direct costs	Total non-recurring
Commodities		3.2			3.2	(10.5)	(7.3)
Life Sciences	2.8	5.3			8.1	(12.4)	(4.3)
Industrial		11.4			11.4	(3.4)	8.0
Corporate	-	0.3	2.7	3.7	6.7	0.9	7.6
<b>Total</b>	<b>2.8</b>	<b>20.2</b>	<b>2.7</b>	<b>3.7</b>	<b>29.4</b>	<b>(25.4)</b>	<b>4.0</b>

<b>Nature of non-recurring costs</b>	<i>Losses incurred during start-up phases of new businesses</i>	<i>Office closures and severance costs linked to business reorganization and restructuring plans</i>	<i>Transactional costs associated with acquisitions</i>	<i>Other non-recurring items</i>	<i>Government grants received in relation to COVID-19, offset by associated direct costs</i>
<b>Comments</b>	<i>Food and pharma green field start-ups</i>	<i>A total of \$13.6m linked to impairment of right-of-use asset and other site closures, of which \$9.9m is in the Industrial division (Asset Care business).</i>		<i>Includes realized FX from intercompany loans, cost of integrating acquisitions, and costs incurred in tax restructuring.</i>	<i>Includes net subsidies of \$3.0m received in Australia (JobKeeper) in the Industrial division, and \$20.5m in Canada in the Commodities and Life Sciences.</i>

# Capital management strategy

## Cash flow from operations

- ▶ Strong underlying EBITDA cash conversion of 102% (FY20: 98%), driven by reduction of days of sales outstanding (DSO) and close management of supplier's payment terms
- ▶ Continue to focus on cash generation (DSO and DPO), leveraging on excellent progress made in FY21

## CAPEX

- ▶ Reduction in CAPEX by 33% vs pcp. Total CAPEX of \$81m representing 4.6% of revenue (3.3% growth and 1.3% maintenance spend)
- ▶ Continued investment in growth opportunities in Life Sciences and in expanding capacity in Geochemistry

## Share buy-back program

- ▶ Share buy-back program maintained until Dec 2021 with total program of \$250m, to be utilised as part of the broader capital management plan when appropriate
- ▶ Since inception of the buy-back program 21.8 million shares (representing 4.3% of the original base) have been bought back on-market for an overall consideration of \$153.4 m, at an average share price of \$7.04
- ▶ The Dividend Reinvestment Plan (DRP) remains suspended while the buy-back program is in place

## Dividend

- ▶ Final dividend of 14.6 cps (70% franked) compared to 6.1 cps in 2H FY20. Total FY21 declared dividend of 23.1 cps, an increase of 31.3% compared to FY20 and payout ratio of 60%
- ▶ Reflects strong current trading conditions and liquidity position

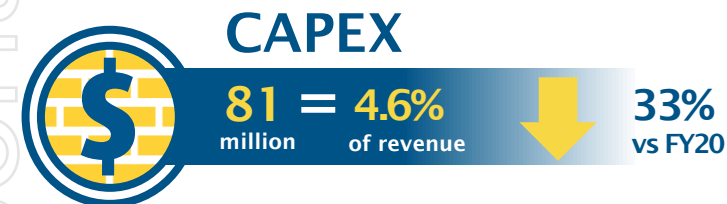
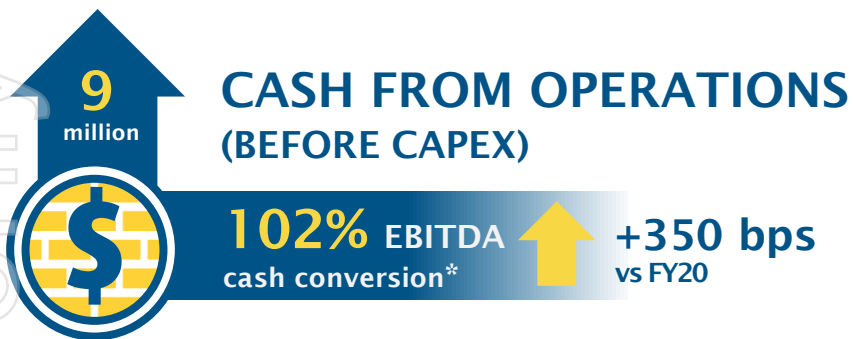
## Balance sheet

- ▶ Significant improvement of leverage ratio (1.6x at Mar 2021 from 2.1x at Mar 2020) and gearing ratio (36% at Mar 2021 from 42% at Mar 2020)
- ▶ Total of ~\$650m in liquidity. Net debt reduced by \$186m in FY21.
- ▶ Denomination of debt by currency better aligned to Group's cash flow and net assets, significantly reducing FX risk
- ▶ Weighted average maturity of debt was extended to 4.9 years as of Mar 2021. New debt facility completed in May 2021 increased this average to 6.6 years
- ▶ Strong balance sheet and flexibility to pursue acquisition opportunities and fund organic growth

## Acquisitions

- ▶ Disciplined acquisition strategy focused on accretive acquisitions, primarily in food and pharmaceutical markets
- ▶ Focus on opportunities that fit with existing capabilities or attractive adjacent markets

# FY21 cash flow – strong cash conversion driven by reduction in DSO



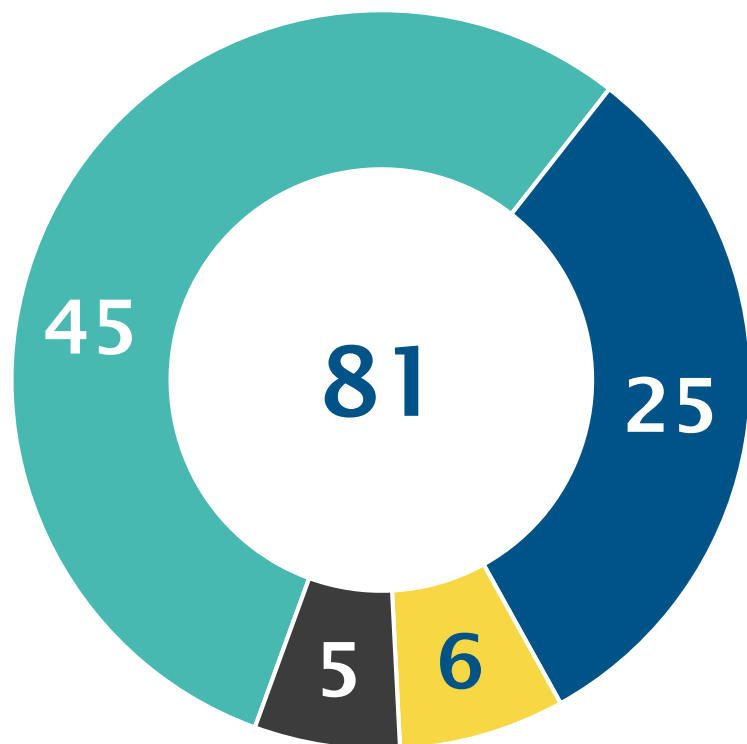
Full year (\$m)	FY20	FY21
Underlying operating EBIT	304.0	301.4
Depreciation & amortization	126.8	123.7
Amortization on ROU	(45.6)	(44.6)
Interest on ROU	(8.0)	(7.2)
EBITDA (Adjusted for ROU lease assets)	377.2	373.3
Working capital	(13.6)	0.6
Other	7.0	6.1
Cash flow before CAPEX	370.6	380.0
CAPEX	(121.1)	(81.1)
Acquisitions	(119.1)	(49.6)
Divestments	66.9	-
Dividends paid	(112.0)	(71.3)
Issued capital bought back	(22.0)	-
Treasury shares bought on-market	(4.3)	(2.7)
Borrowings – movement	349.7	(265.7)
Interest on external debt and tax	(129.4)	(100.7)
Liquidity Hedge – realised cash FX retranslation (hedged against drawn debt)	-	(50.8)
Restructuring costs	(13.9)	(18.1)
Net COVID subsidies received	-	25.4
Net increase/(decrease) in cash	265.4	(234.6)
Opening net cash	148.2	423.9
Effect of FX on cash held	10.3	(20.7)
Closing net cash	423.9	168.6

Analysis includes both continuing and discontinued operations

\* Cash flow before CAPEX as % of underlying EBITDA (before AASB 16)

# CAPEX by business – targeted spending on key growth opportunities

\$m



	CAPEX as % of revenue	Growth	Maintenance	FY21*	FY20
Life Sciences	2.9%	2.9%	2.1%	4.8%	6.9%
Commodities	2.9%	2.9%	0.9%	4.1%	4.7%
Industrial	1.5%	1.5%	1.2%	2.8%	5.3%
Group Infrastructure	0.3%	0.3%	-	0.3%	0.6%
<b>Total Group</b>		<b>3.3%</b>	<b>1.3%</b>	<b>4.6%</b>	<b>6.5%</b>
	<i>vs. pcp (in bps)</i>	<i>(40)</i>	<i>(153)</i>	<i>(192)</i>	

**Life Sciences:** Green field projects and capacity increase

**Commodities:** Geographical expansion and capacity increase

**Industrial:** Growth initiatives in Tribology

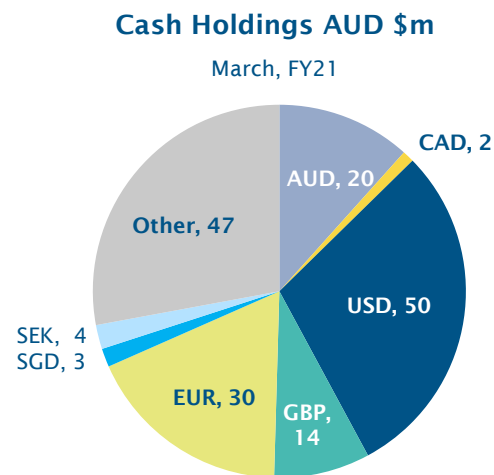
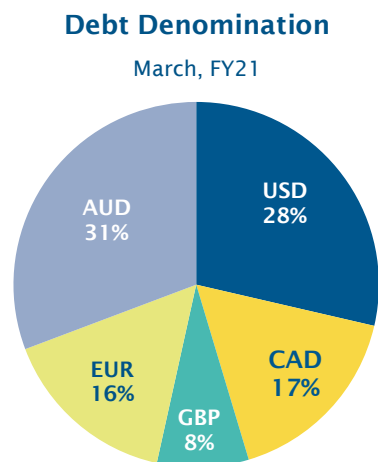
**Group infrastructure:** Investment in systems

\* FY21 CAPEX: -33% reduction vs. pcp (FY20: \$121m).

*Excludes acquisition CAPEX*

# Debt metrics – strong balance sheet with liquidity of \$650m

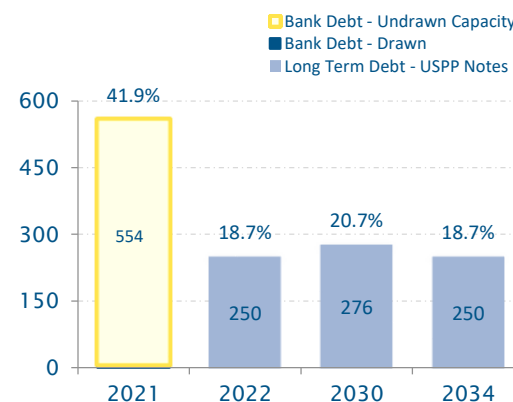
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
<b>STATISTICS</b>					
<b>Gearing Ratio</b> (target <45%)	29%	31%	37%	42%	36%
<b>Leverage</b> (net debt/ EBITDA) (max 3.25)	1.9	1.7	1.8	2.1	1.6
<b>EBITDA interest cover</b> (min 3.75)	9.2	11.3	10.5	11.0	11.4
<b>BALANCE SHEET MEASURES</b>					
<b>Total Equity</b> (in \$m)	1,185	1,122	1,083	1,111	1,080
<b>Net Debt</b> (in \$m) (AUD = 0.76 USD)	485	507	629	800	614



- Aligning debt profile with operational cash flow to create a 'natural hedge'

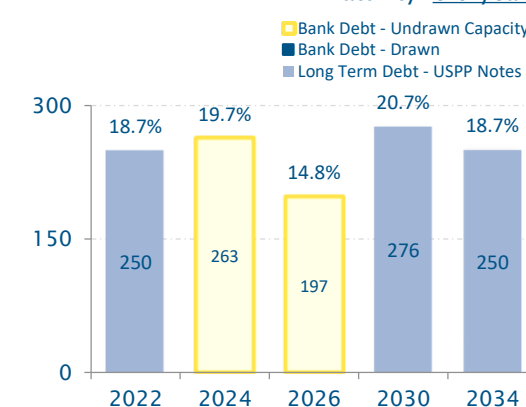
## March, FY21

W. Av. Maturity: 4.9 years



## Post refinance of bank facilities

W. Av. Maturity: 6.6 years



- Increased weighted average debt maturity to 4.9 years as at 31 March 2021, which will further extend to 6.6 years following the re-financing of bank facilities (completed in May 2021)



# FY21 results

Review by division

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# Life Sciences overview – robust performance during pandemic

- ▶ Life Sciences performed resiliently throughout the pandemic as it operates as an essential part of key supply chains
- ▶ Total revenue decline of -3.2%, of which -2.7% organic, +3.9% scope (net of acquisitions and divestments) and -4.5% unfavourable currency impact
- ▶ Significant improvement in organic revenue growth in the second half +1.9%
- ▶ Underlying margin of 16.2%, +72 bps vs pcp, driven by swift actions to align the cost base to client demand, strong performance of acquisitions and volume improvement in H2 FY21
- ▶ Strong margin performance in Canada driven by innovation and process automation, with USA achieving margin expansion in the second half
- ▶ LATAM made strong recovery in H2 FY21 as economic activity and volumes increased, some pandemic and geopolitical risk remain

## Environmental

- ▶ Total organic revenue decline of -3.6% with improvement in Q4 as economic activity increased
- ▶ Robust performance in Australasia with COVID-related wastewater testing contract wins in Australia, Singapore and Hong Kong

## Food and Pharmaceutical

- ▶ Strong performance of Pharmaceutical business with recent Food acquisitions performing well

Underlying results	FY21	FY20 <sup>1</sup>	Change	Change in CCY <sup>2</sup>
Revenue	\$930.0 m	\$961.2 m	(3.2)%	+1.2%
EBITDA	\$222.4 m	\$222.8 m	(0.2)%	+3.4%
EBITDA margin	23.9%	23.2%	+73 bps	+49 bps
EBIT	\$150.6 m	\$148.7 m	+1.3%	+4.1%
EBIT margin	16.2%	15.5%	+72 bps	+41 bps

<sup>1</sup> FY20 adjusted for AASB 15, increased revenue by \$22m, no EBIT and EBITDA impact. FY20 original reported revenue \$939.2m, EBIT \$148.7m, EBIT margin 15.8%.

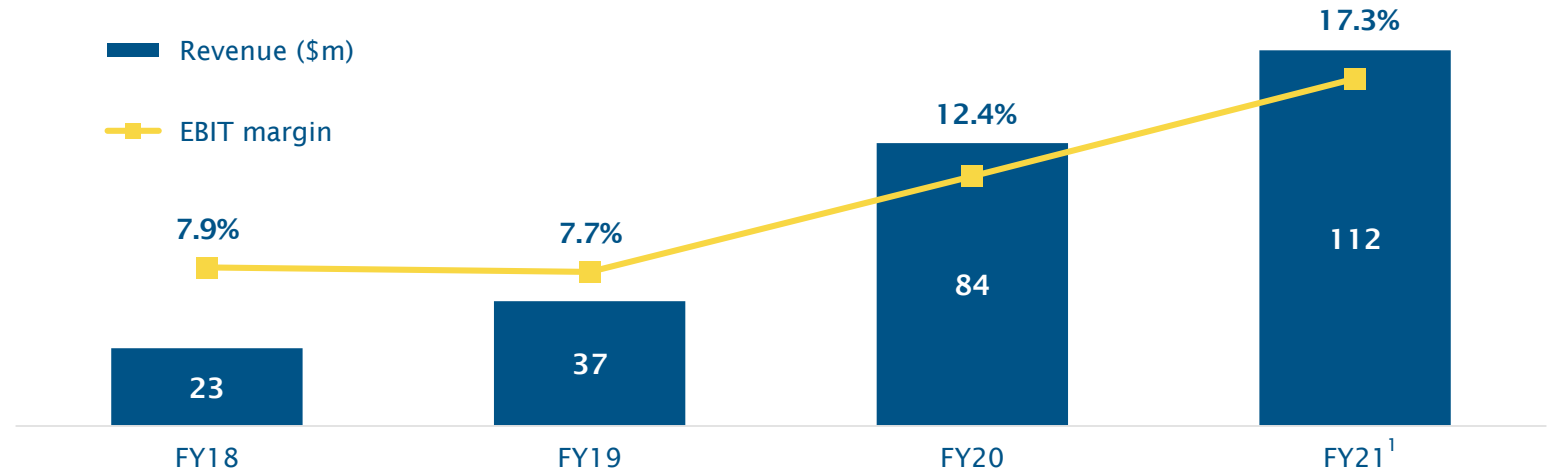
<sup>2</sup> Constant currency (CCY), excluding FX impact.



# Life Sciences - recent acquisitions performing well

- Recent acquisitions ARJ and Aquimisa continue to perform well, exceeding expectations
- Majority of acquisitions made in food and pharmaceutical sector providing strategic additions to existing Life Sciences network
- Disciplined governance, due diligence and integration process in place

Contribution from Life Sciences acquisitions made since FY18



## Investiga

**~\$20 m** ANNUAL REVENUE

- Founded in 1993, pharmaceutical testing business with operations in Brazil and USA
- Annual revenue of ~\$20m with 360 employees
- Specialises in the cosmetic and personal care market
- **Focus on growing presence in the USA which accounts for a quarter of the global market**

<sup>1</sup> FY21 includes 1 month contribution from Investiga.

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# Commodities overview – strong performance in H2 FY21

## Geochemistry

- ▶ Sample volumes +2% vs pcp. Significant improvement in second half (Q3: +13%, Q4: +27% vs pcp)
- ▶ Volume increase largely driven by major miners (76% of total volume) with increasing contribution from junior miners (24% of total volume) in H2 FY21
- ▶ Investment in capacity and ‘hub and spoke’ model leveraged to manage volume growth
- ▶ Organic revenue growth of +7.3%, driven by increased volume, offset by some pricing pressure in H1 FY21 due to the pandemic, some of which was recovered in H2 FY21
- ▶ Very strong EBIT margin of 31%

## Metallurgy

- ▶ Organic revenue -5.9% vs pcp with improved H2 performance +6.1%
- ▶ H2 performance driven by reactivation of projects delayed by the pandemic, combined with commencement of new projects
- ▶ Strong EBIT margin of 24%

## Inspection

- ▶ Revenue decline of -6.2% vs pcp, with recovery in Q4 +2.6%
- ▶ Trading conditions improved as commodities activity increased
- ▶ MARSS acquisition continued to perform well
- ▶ Strong EBIT margin of 27%, +10bps vs. pcp

## Coal

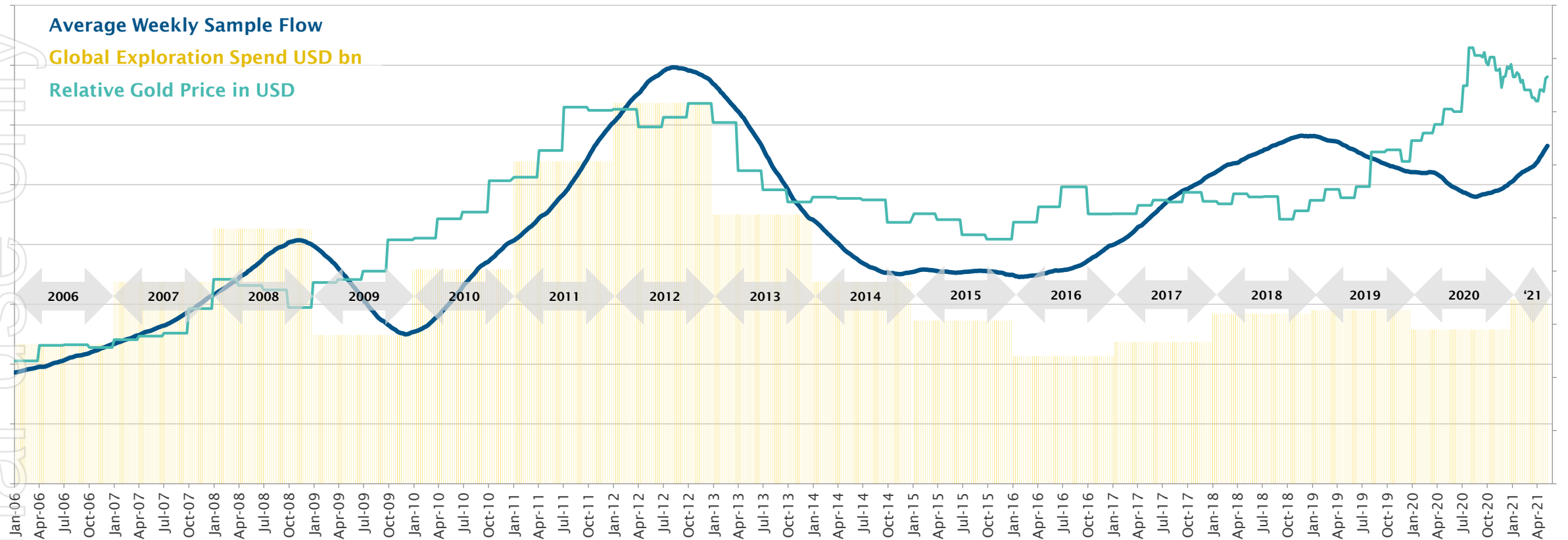
- ▶ Revenue and margin decline driven by reduction in coal price and China trade issues
- ▶ Superintending saw volume reduction
- ▶ Other segments delivered positive organic growth

Underlying results	FY21	FY20	Change	Change in CCY <sup>1</sup>
Revenue	\$624.8 m	\$642.2 m	(2.7)%	+3.8%
EBITDA	\$210.4 m	\$201.4 m	+4.4%	+13.2%
EBITDA margin	33.7%	31.4%	+231 bps	+282 bps
EBIT	\$172.5 m	\$164.5 m	+4.9%	+14.5%
EBIT margin	27.6%	25.6%	+199 bps	+263 bps

<sup>1</sup> Constant currency (CCY), excluding FX impact.

# Geochemistry – supportive gold price

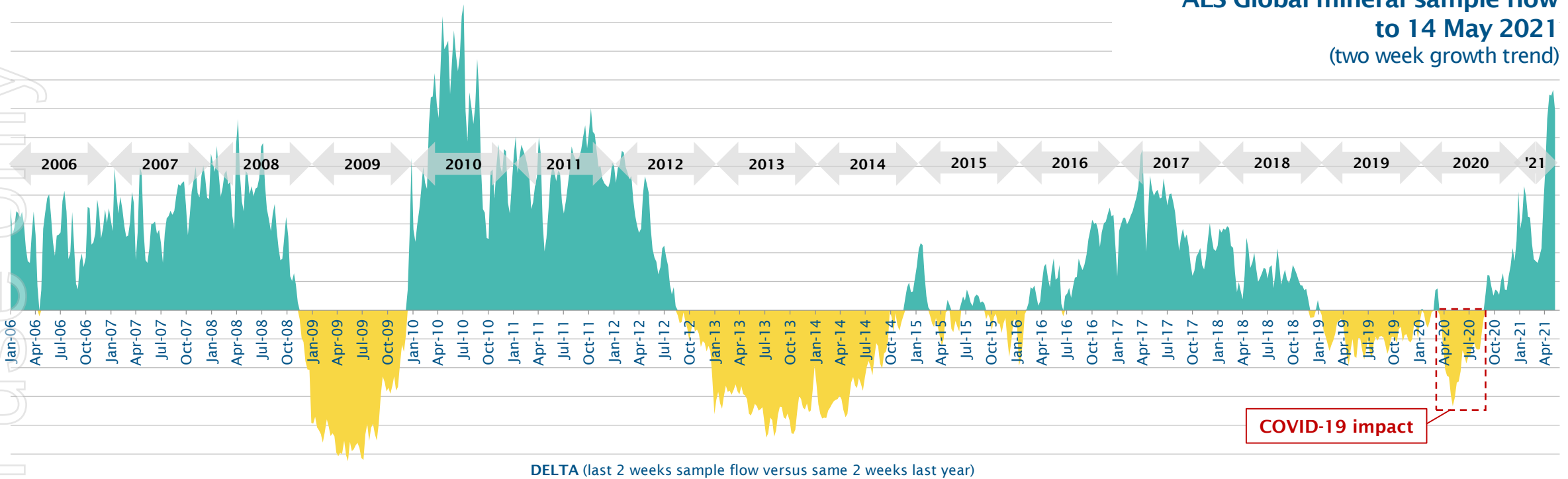
## ALS Global mineral sample flow (trailing 52 week running average) and global exploration spend



- Strong recovery in sample flows in H2 FY21 as commodities activity increased
- Strong increase in junior mining equity raisings since mid CY20, particularly in gold exploration driven by appreciating gold price (53% of volume) with copper (29% of volume) making an increased contribution following strong appreciation in price and mining activity

# Geochemistry – strong sample flow growth in H2 FY21

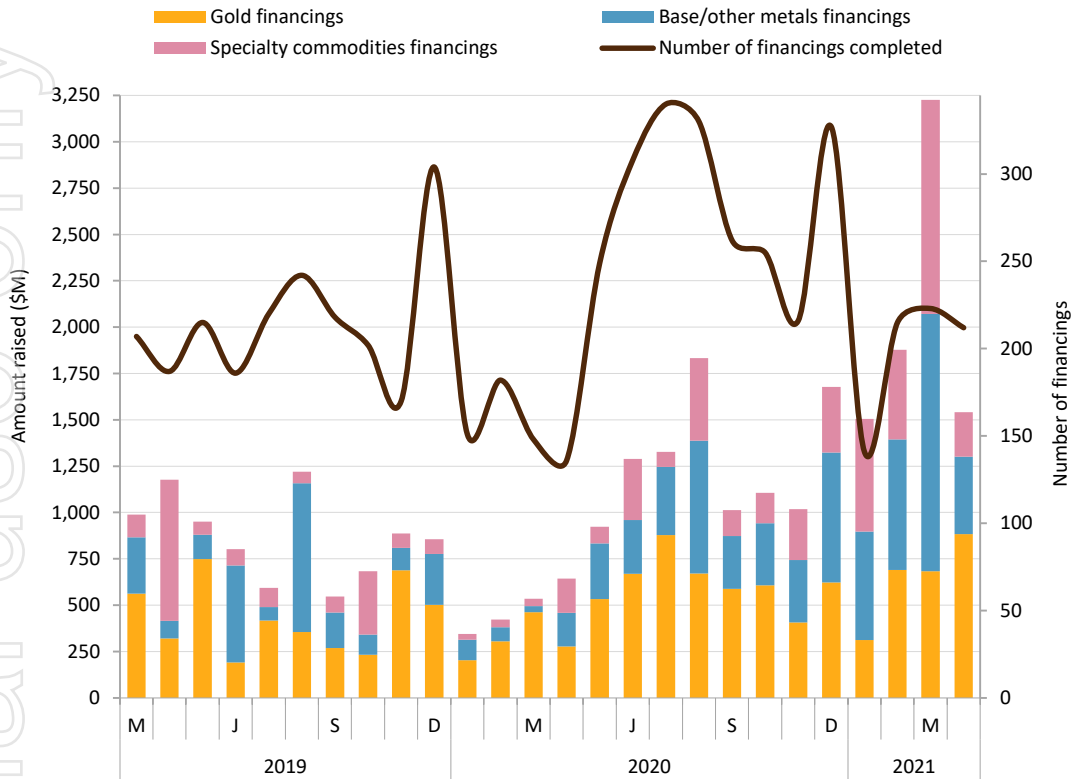
ALS Global mineral sample flow  
to 14 May 2021  
(two week growth trend)



- **Sample flow volume +19% for H2 FY21 vs pcp:**
  - Strong recovery in H2 FY21 (Q3:+13% and Q4:+27% vs pcp), Q4 21 performance benefited from comparable to pandemic-impacted Q4 20
    - Q4 21: +25% vs Q4 19
  - All regions experienced recovery
- **Sample flow growth driven by majors (76% of volume) with increasing contribution from juniors (24% of volume)**

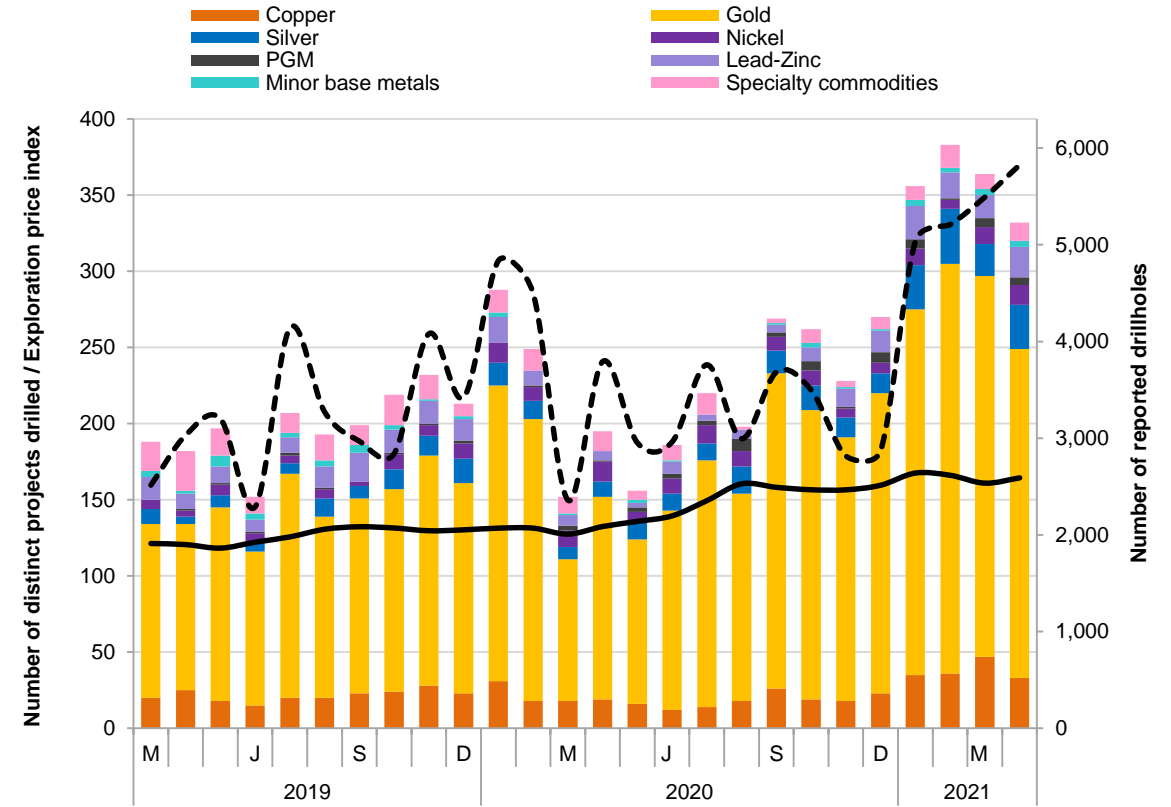
# Junior and intermediate fund raisings and pipeline activity showing strong improvement

## Junior and intermediate financings, Feb 2019 – Apr 2021



Data as at 14 May 2021. Source: S&P Global Market Intelligence

## Project drilling activity by commodity, Feb 2019 – Apr 2021



Data as at 5 May 2021. Source: S&P Global Market Intelligence

- Equity financings for junior and intermediate miners and drilling activity are key lead indicators of Geochemistry sample flow volume
- Strong increase in activity from May 2020 onwards, across most commodities

# Industrial overview – Asset Care trading conditions remain challenging

## Asset Care

- ▶ Total organic revenue decline of -20.6%
- ▶ H1 FY21 impacted by cancellation of projects and difficulty accessing client sites due to the pandemic
- ▶ H2 FY21 impacted by work scope reduction, the shutdown of the welding business in the USA and pricing pressure
  - ▶ Cost base adjusted to reflect market conditions

## Tribology

- ▶ Total organic revenue decline of -1.6%, with H2 organic growth +1.8%
- ▶ Solid improvement in H2 FY21 following recovery in some geographies driven by commodities activity
- ▶ Margin decline primarily driven by USA performance with expansion in Australia and LATAM

Underlying results	FY21	FY20	Change	Change in CCY <sup>1</sup>
Revenue	\$206.6 m	\$250.5 m	(17.5)%	(15.5)%
EBITDA	\$33.3 m	\$38.3 m	(13.1)%	(10.9)%
EBITDA margin	16.1%	15.3%	+83 bps	+82 bps
EBIT	\$20.5 m	\$25.2 m	(18.7)%	(16.3)%
EBIT margin	9.9%	10.1%	(10) bps	(10) bps

<sup>1</sup> Constant currency (CCY), excluding FX impact.



# FY21 results

## Summary

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# FY21 results – summary

## Group

- ▶ **Resilient performance across the Group with strong recovery in H2 FY21**
- ▶ Organic revenue decline of -2.1% and scope growth of +2.0% with strong margin performance by ARJ, Aquimisa and MARSS
- ▶ EBITDA margin growth across all divisions
- ▶ Cash conversion rate of 102%
- ▶ Strong balance sheet with ~\$650m of available liquidity and leverage ratio of 1.6x at March 2021

## Life Sciences

- ▶ Resilient performance throughout FY21, as key provider of essential services
- ▶ **Margin of 16.2%, growth of +72 bps (+41 bps at constant currency) driven by swift action to align cost base with client demand, efficiency gains and recovery of volumes in H2 FY21**

## Commodities

- ▶ **Geochemistry sample volumes increase of +2% vs pcp with significant improvement in H2 (Q3: +13%, Q4: +27% vs. pcp)**
- ▶ Metallurgy recovered strongly in H2 FY21 as activity mining activity increased
- ▶ Coal impacted by falling coal price, trade issues with China and reduction in superintending revenue

## Industrial

- ▶ Asset Care impacted by cancellation of projects and reduction of scope as end markets remain subdued
- ▶ **Tribology saw solid improvement in H2 FY21 driven by a recovery in the commodity sector**

# Current trading

## Group

- ▶ Sustained increase in economic activity continues to drive improved performance across the Group, although risk of new economic shutdowns remain as pandemic continues
- ▶ Focus on executing acquisition strategy focused on accretive opportunities in Life Sciences, (primarily in the food and pharmaceutical markets) with strong pipeline in place
- ▶ **Long-term structural drivers remain strong and offer sustainable growth**

## Life Sciences

- ▶ **Remains resilient, with volumes improving across the division in early Q1 22**
- ▶ Regions most challenged during the majority of FY21, particularly LATAM, seeing ongoing improvement in early Q1 22

## Commodities

- ▶ Strong momentum from H2 FY21 has continued into early Q1 22 as major and junior miners continue to increase sample flow across all regions
- ▶ **Leveraging 'hub and spoke' model and ongoing investment in capacity increase to meet growing demand**

## Industrial

- ▶ Asset Care trading environment remains challenging as maintenance budgets are yet to recover in end markets.
- ▶ **Tribology seeing solid momentum in early Q1 22 as client activity increases**



# Appendix A - FY21 results financial appendix

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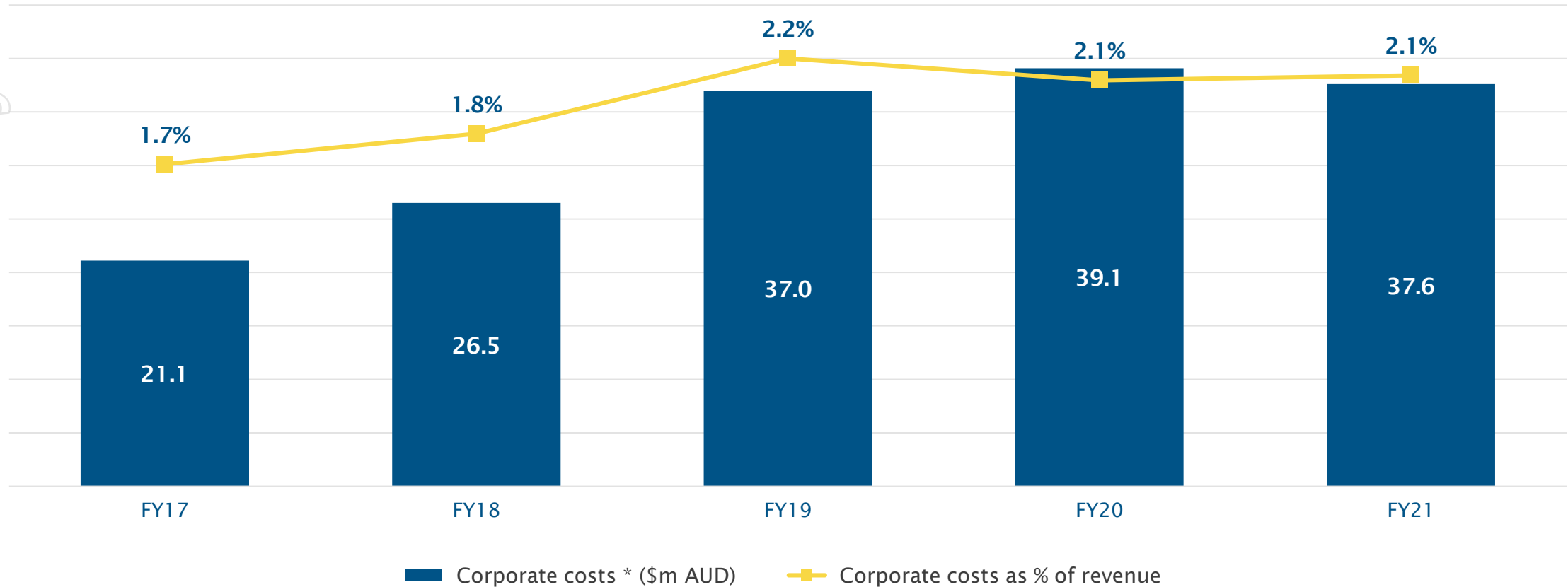
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# Underlying effective tax rate movement

\$m	FY21	FY20	Change YoY
Underlying Profit before Tax <i>(from continuing operations)</i>	261.4	264.5	(1.2)%
Tax	(74.0)	(74.0)	(0.0)%
<b>Effective Tax Rate (ETR)</b>	<b>28.3%</b>	<b>28.0%</b>	<b>+33 bps</b>

**FY22 outlook:** ETR expected to be ~29% on an underlying basis

# Corporate cost\* evolution - reduced in-line with revenue

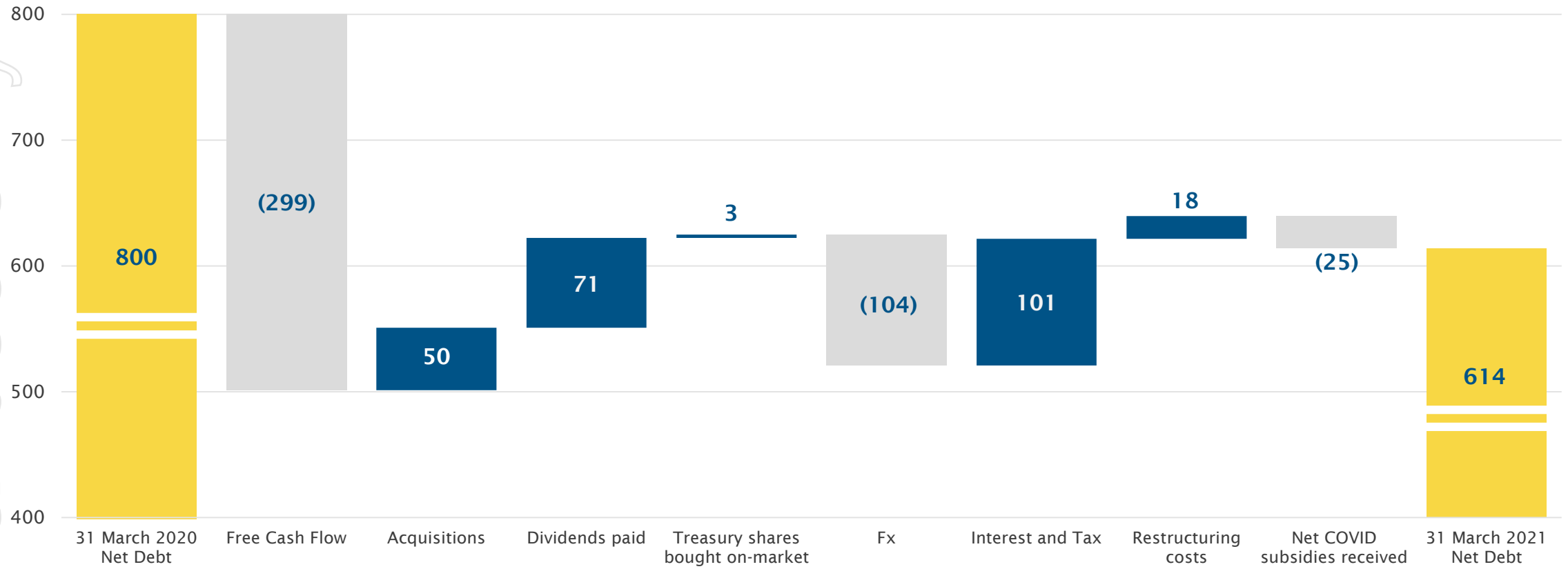


- Strict cost control in Corporate
- Maintained the same cost % of revenue vs. pcp despite significant increase in insurance costs

\* excludes net foreign exchange gain or loss.



# Net debt evolution



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# Appendix B – background

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# Contents

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1 Market and ALS background

2 Life Sciences

3 Commodities and Industrial

4 Strategic roadmap



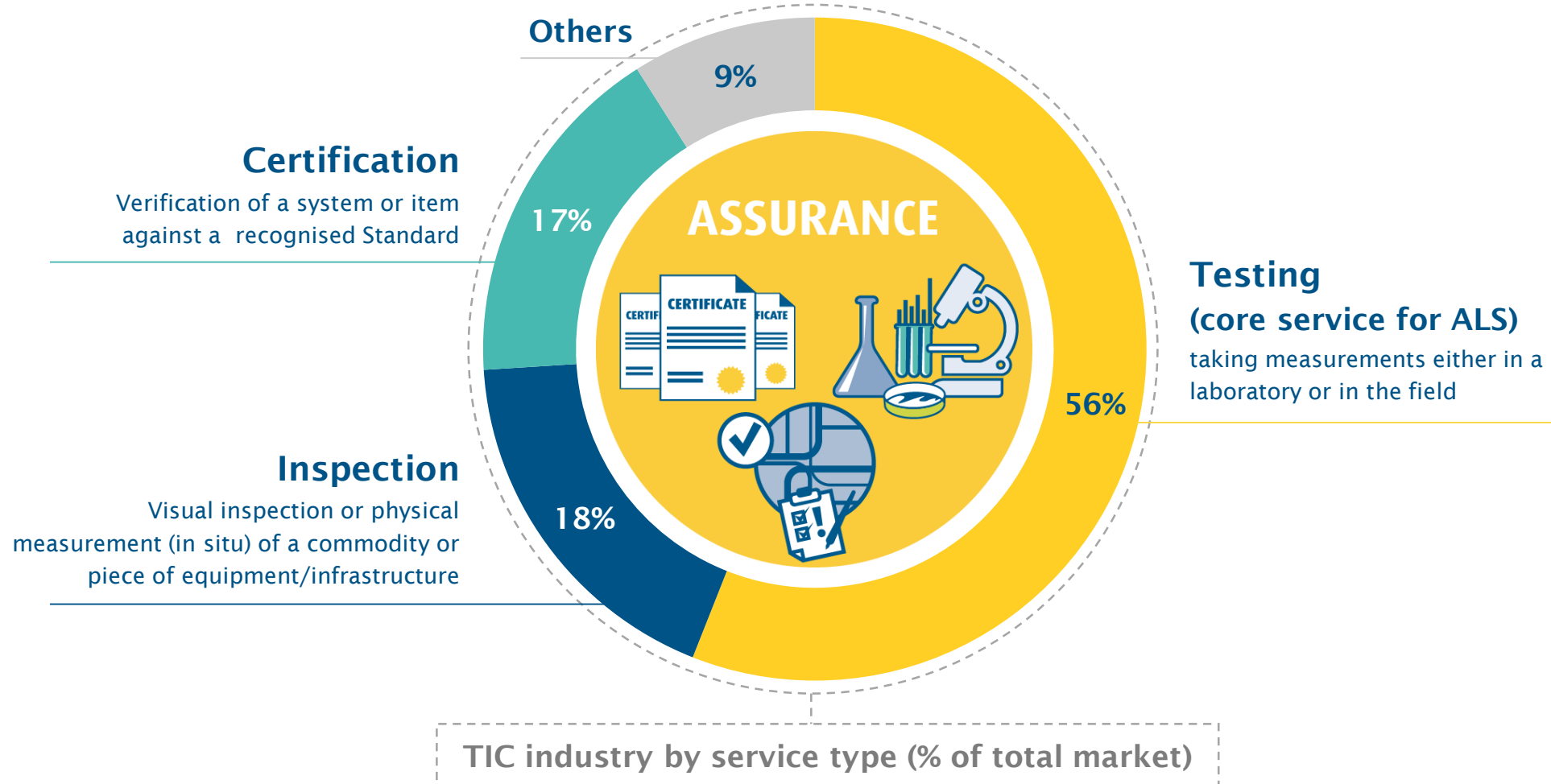


# 1. Market and ALS background

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# Testing, Inspection and Certification (TIC)



Source: Testing, Inspection & Certification (TIC) Market – Global Forecast to 2025. Markets and Markets

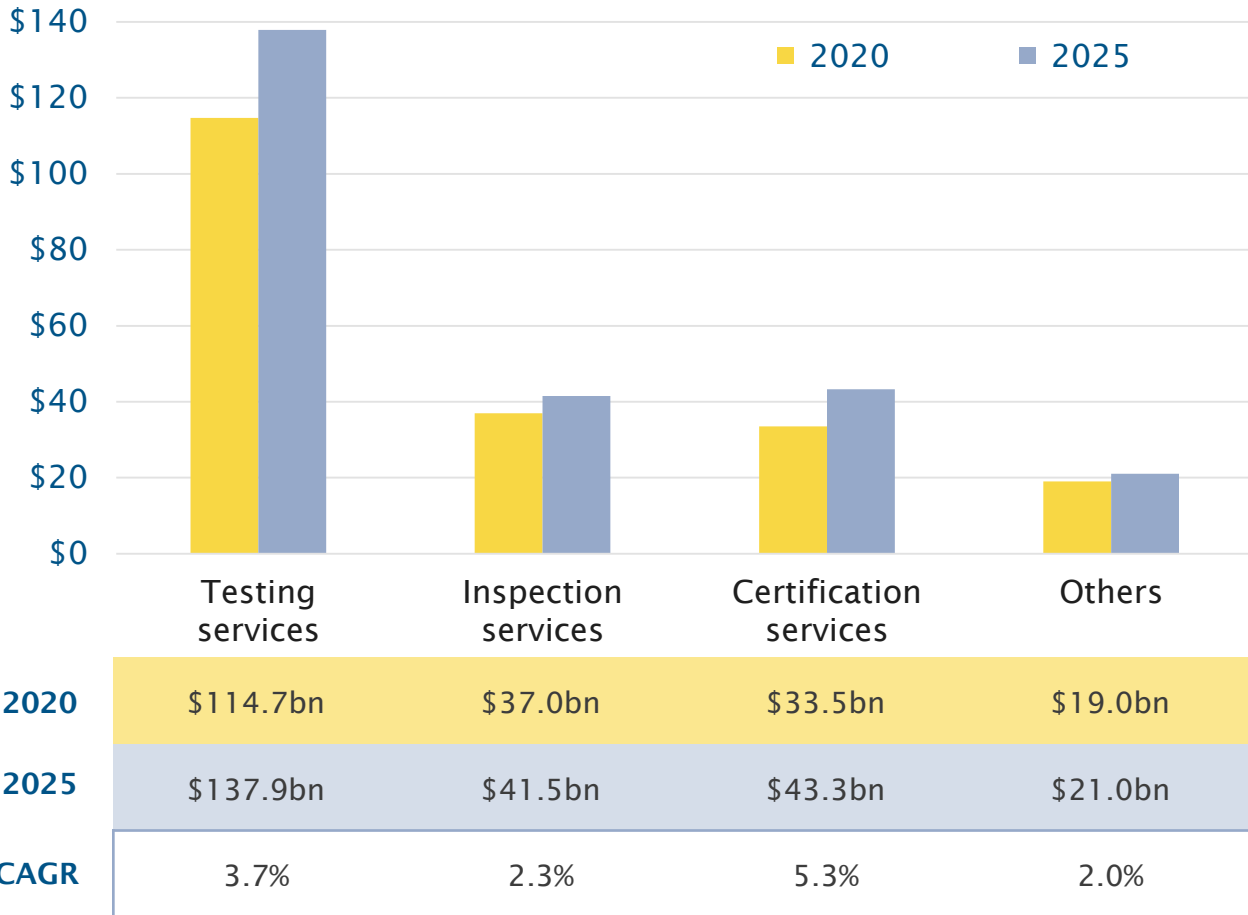
# \$US204bn global TIC market

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## Market drivers

- ▶ Growing trend of outsourcing TIC services to third party providers
- ▶ Increasing number of new regulations and standards to ensure the quality and safety of products
- ▶ Global manufacturing and trading of products requiring greater scrutiny across increasingly complex supply chains
- ▶ Increasing product diversification
- ▶ Growing middle class in developing countries demanding high quality standards

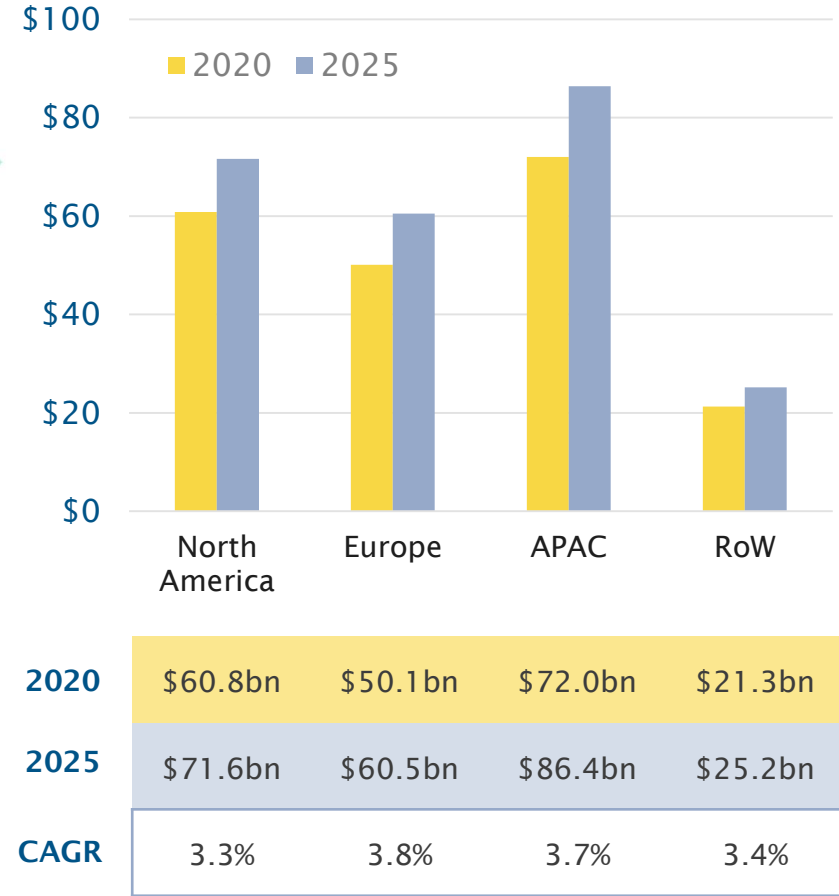
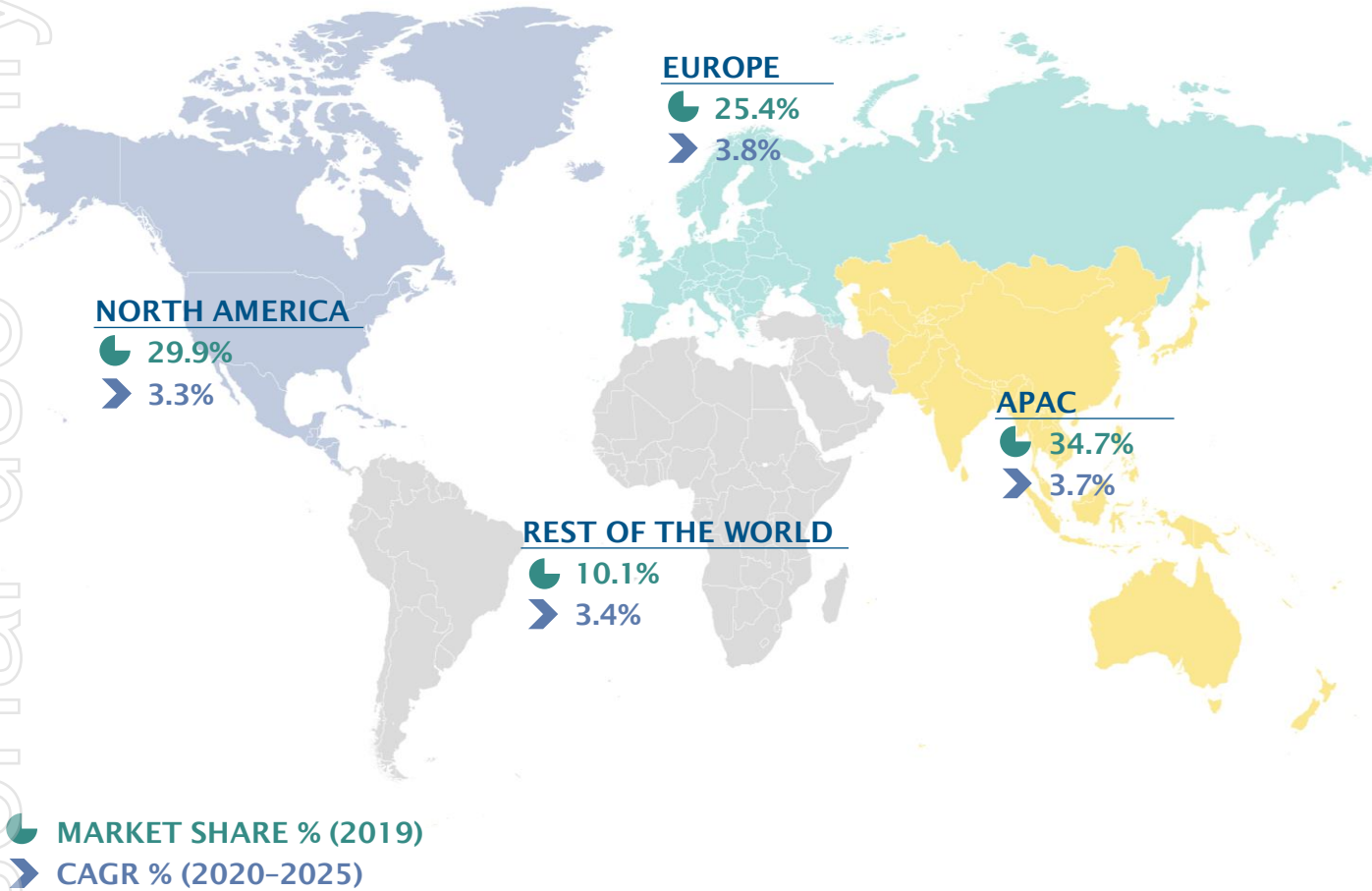
## Market size by service offering and growth to 2025



Source: Testing, Inspection & Certification (TIC) Market – Global Forecast to 2025. Markets and Markets

# TIC market by region – global growth

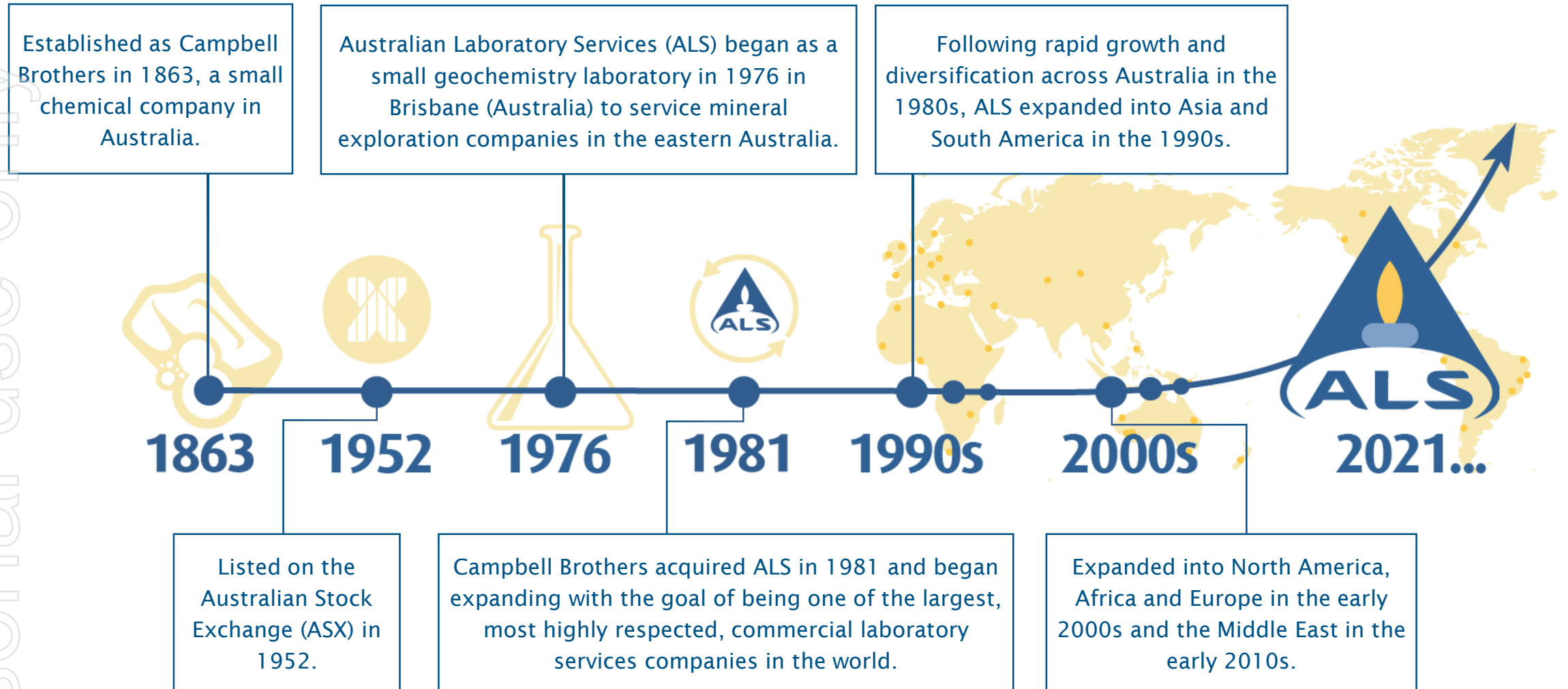
## TIC market size by region and growth to 2025



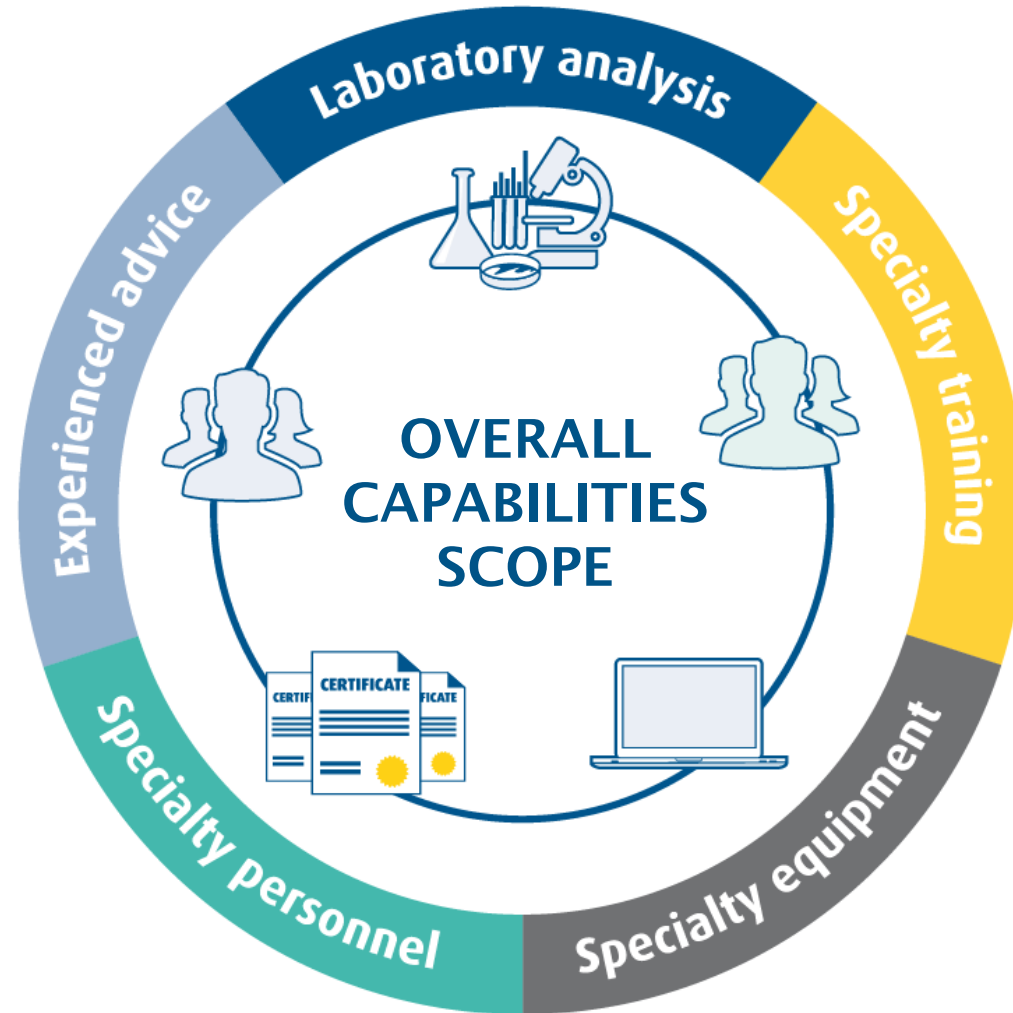
Source: Testing, Inspection & Certification (TIC) Market – Global Forecast to 2025. Markets and Markets



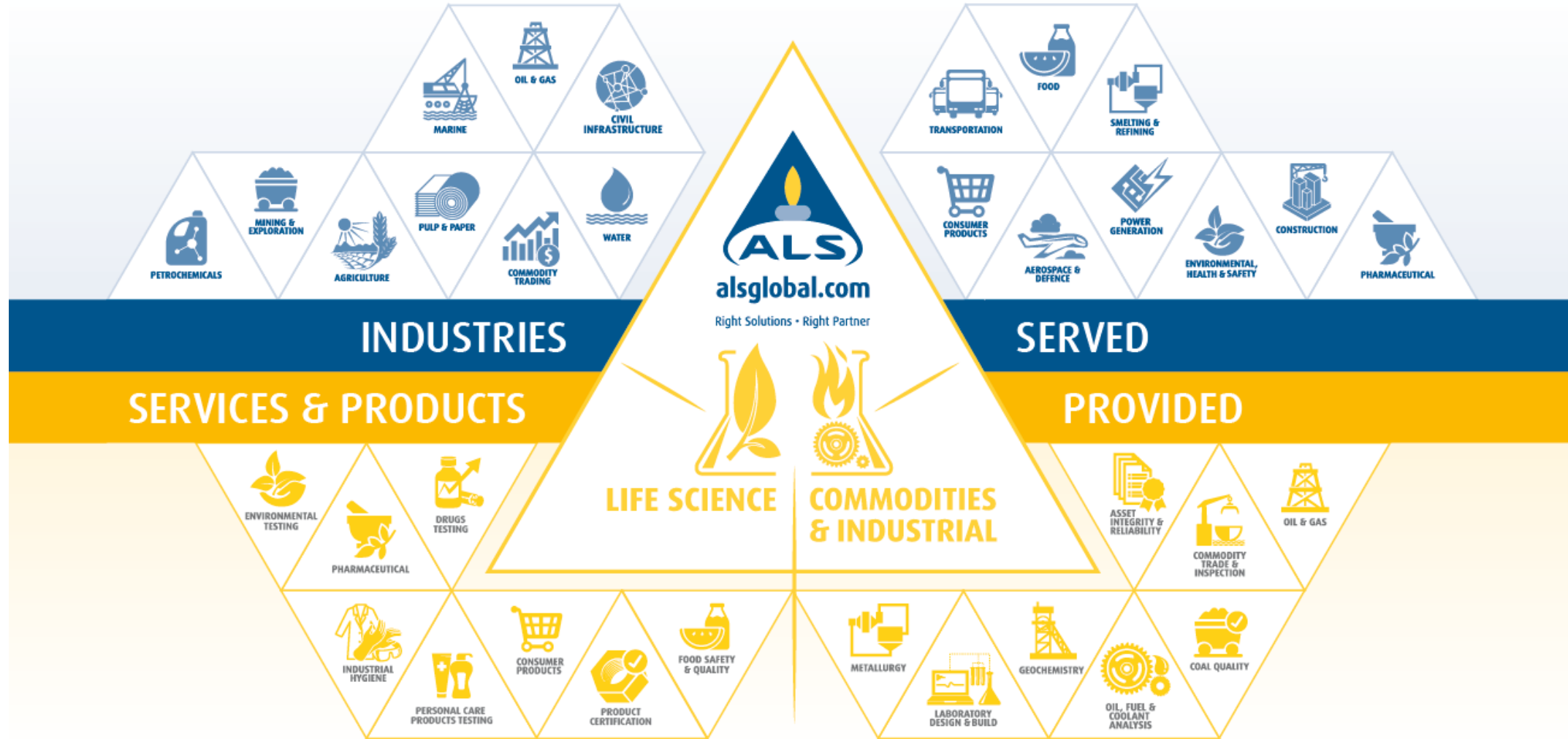
# Company history



# ALS service offering – testing is core

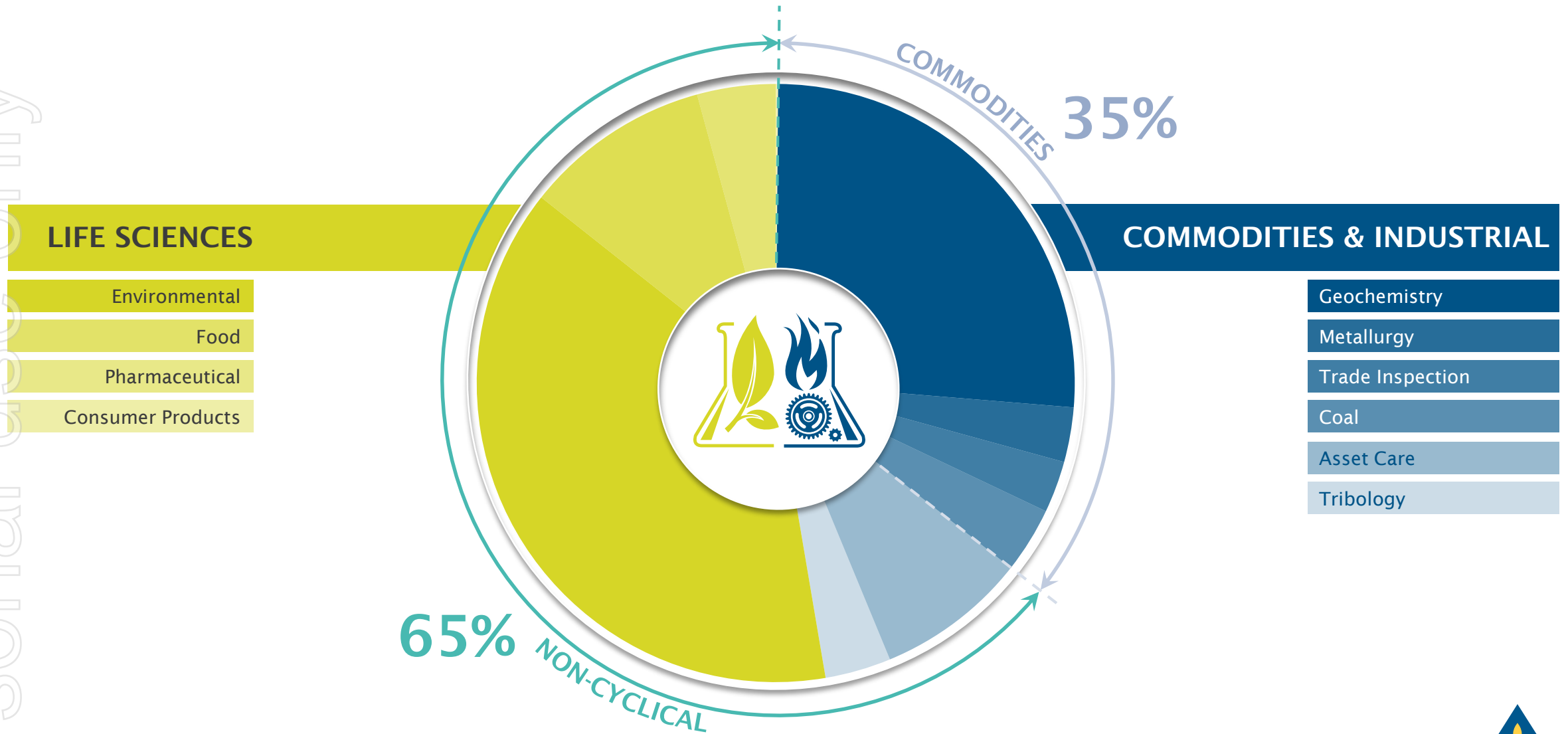


# ALS products and services



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# ALS current cyclical vs non-cyclical revenue split





# ALS global operations by revenue (FY21)

65+  
Countries

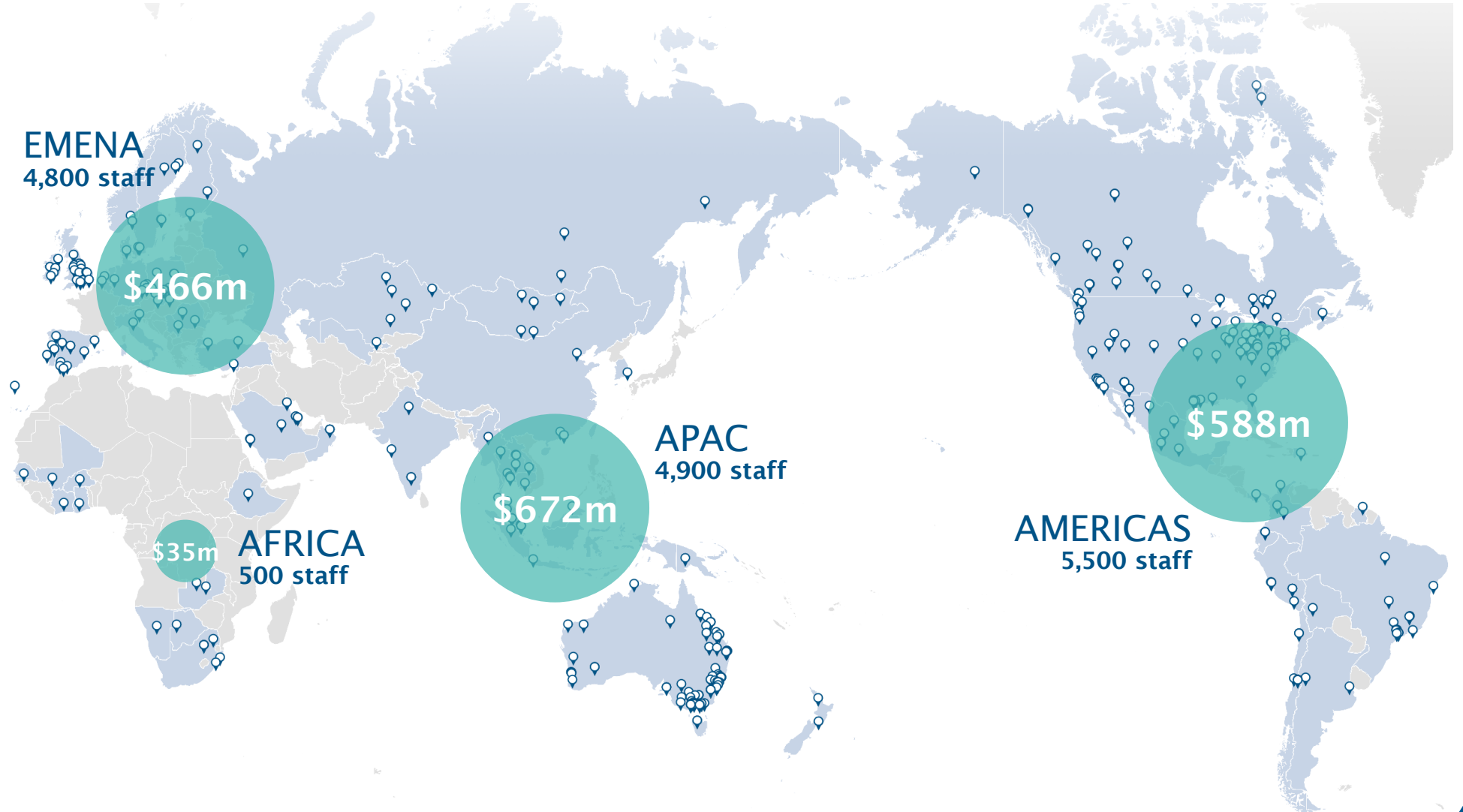
350+  
Locations

40+  
Years of strong  
performance

15,000+  
Staff worldwide

40+ million  
Processed samples  
per year

\$1.8 billion  
Global revenue





## 2. Life Sciences

**Main business streams:**

Environmental testing | Food safety and quality | Pharmaceutical

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# Life Sciences division

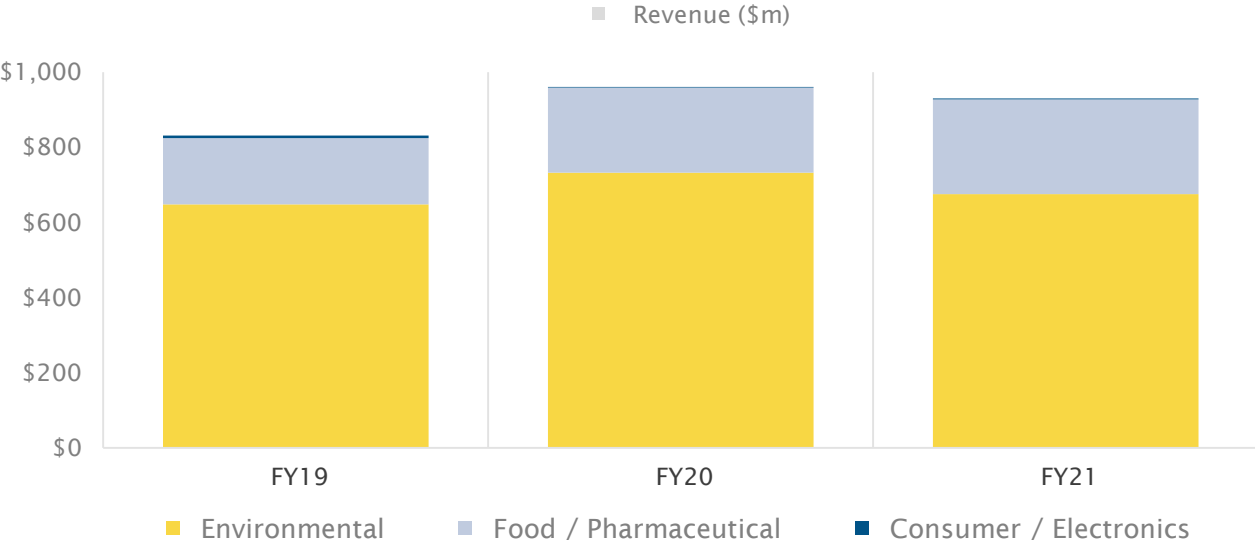
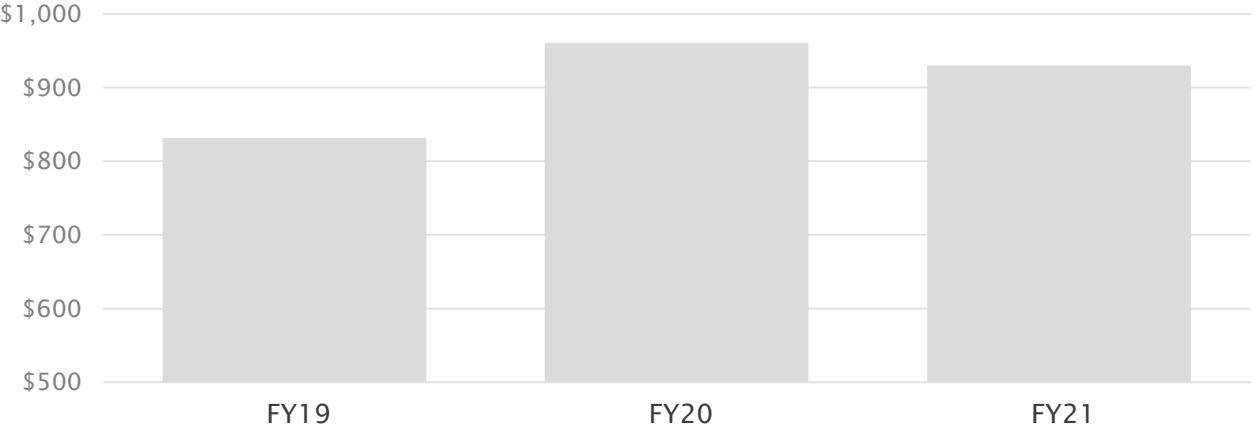
## Key drivers

- Increasing regulation, complexity and specialisation of testing requirements
- Increased outsourcing allowing companies to focus on core competencies
- Focus on high level of quality brand protection, particularly for food and pharmaceutical companies

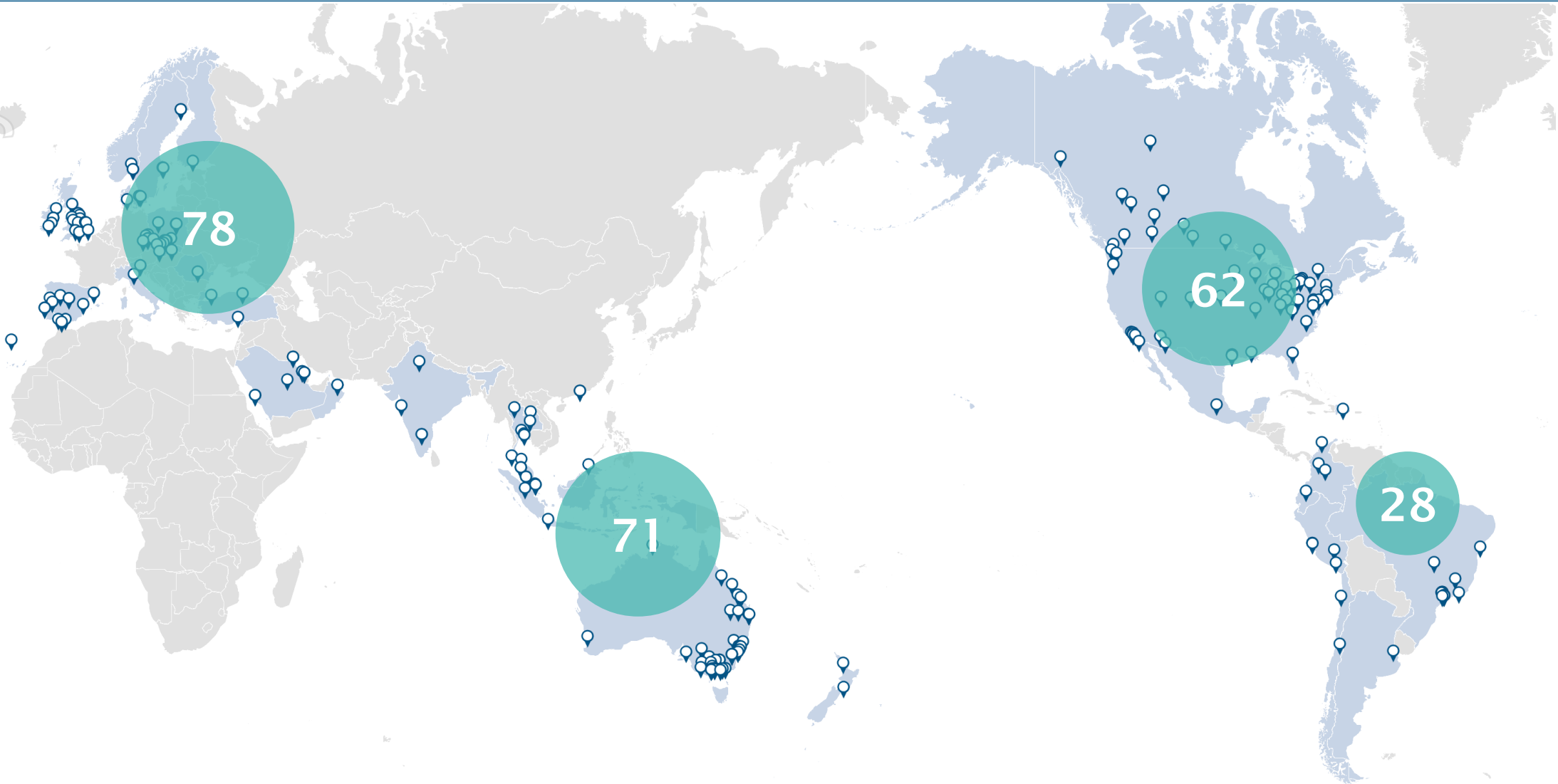
## Strategy

- Organic growth in existing key markets
- Cost base management and automation driving efficiency and improved productivity
- Acquisition strategy focused on food and pharmaceutical opportunities that align with existing capabilities or attractive adjacent markets

### Life Sciences (\$m)



# Life Sciences – 239 global locations



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## 3. Commodities and Industrial

### Commodities:

Geochemistry | Metallurgy | Commodity trade and inspection | Coal quality

### Industrial:

Asset Care | Tribology

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# Commodities division

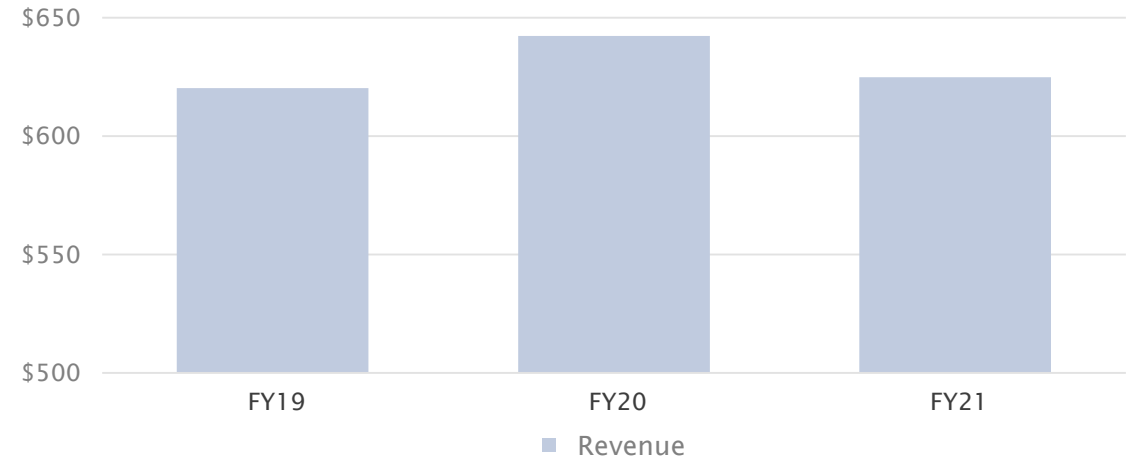
## Key drivers

- Commodity pricing cycle
- Mining capital expenditure by major miners and exploration by junior miners
- Junior miner's exploration generally driven by equity market activity (particularly in the Australian and Canadian markets)

## Strategy

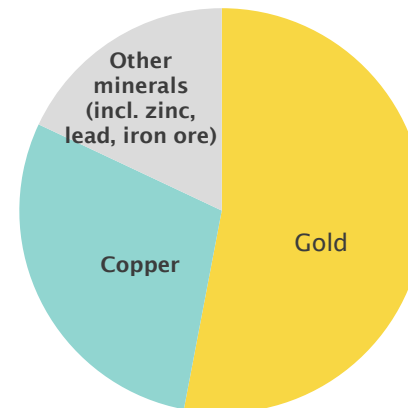
- Market leading position driven by strong offering, client service and global network
- Hub and spoke model allows a degree of margin management based on position in the commodity pricing cycle
- Investment in technology to drive offering and efficiencies

### Commodities (\$m)

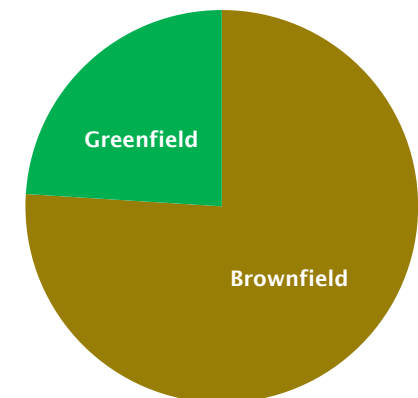


## Geochemistry

### Sample flow mix

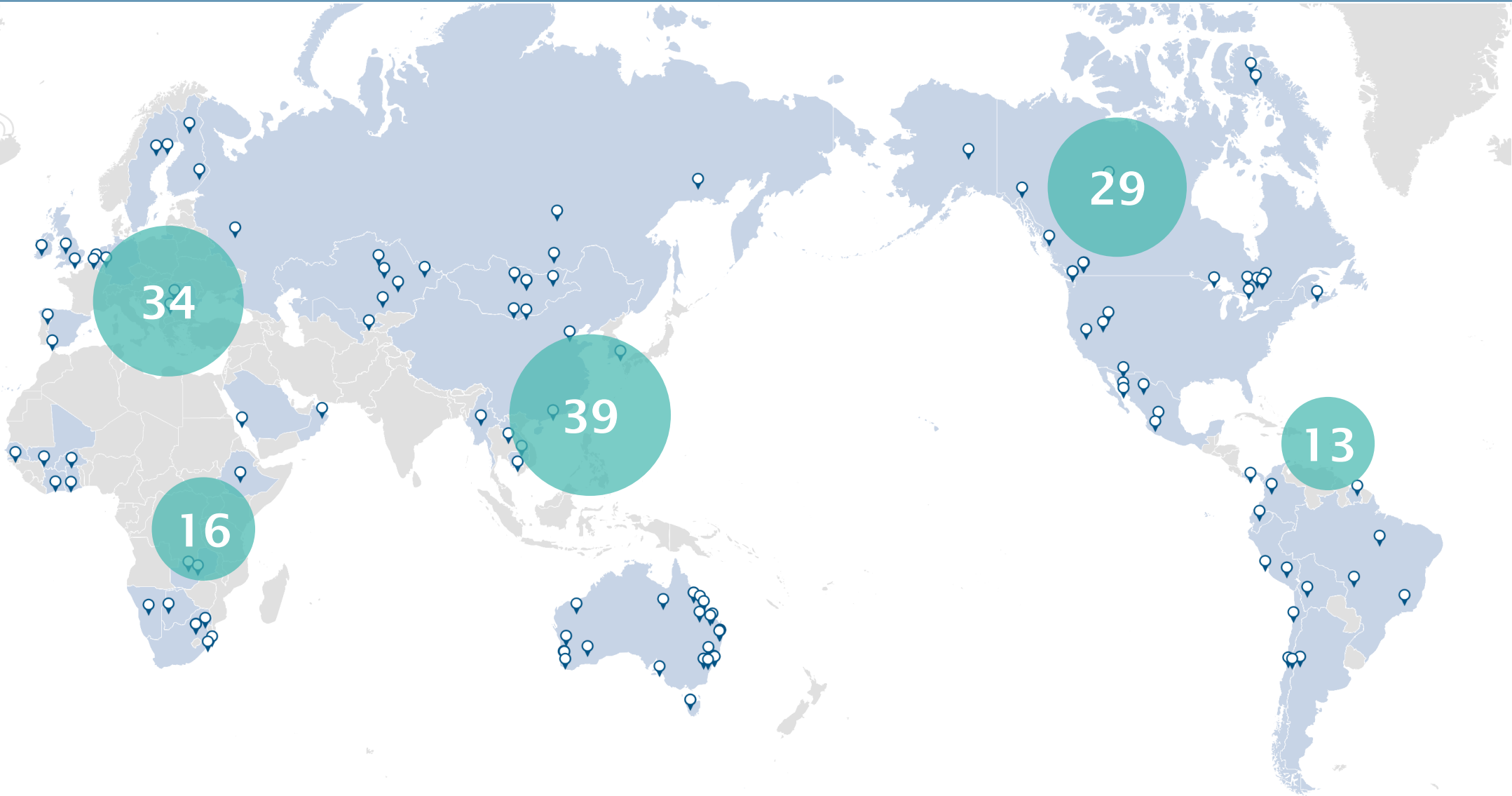


### Brownfield vs greenfield



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# Commodities – 131 global locations

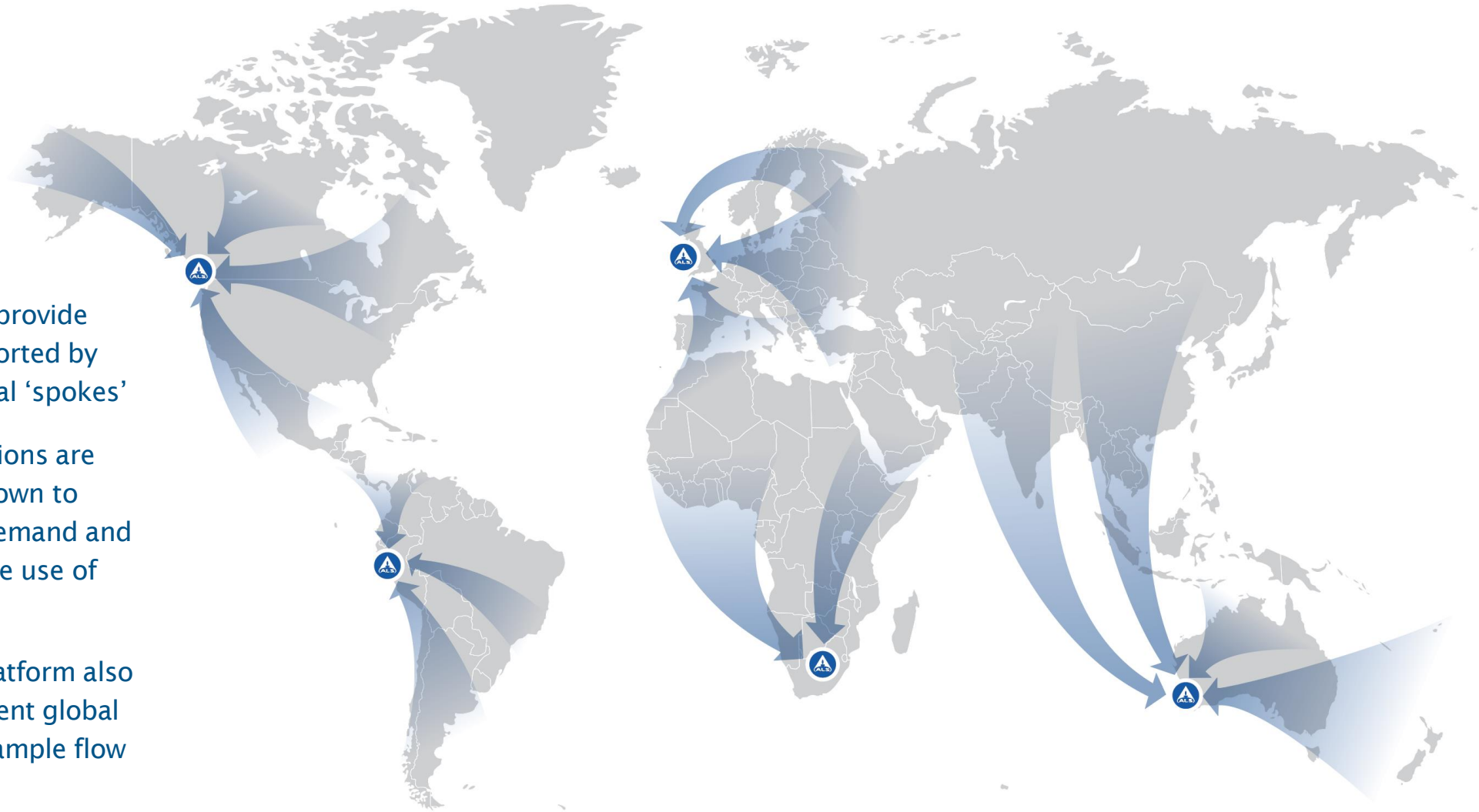


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# Geochemistry 'hub and spoke' model

- 5 global hubs provide capacity, supported by smaller regional 'spokes'
- 'Spoke' operations are scaled up or down to match client demand and ensure effective use of hub capacity
- Technology platform also supports efficient global allocation of sample flow





# Industrial division

## Key drivers

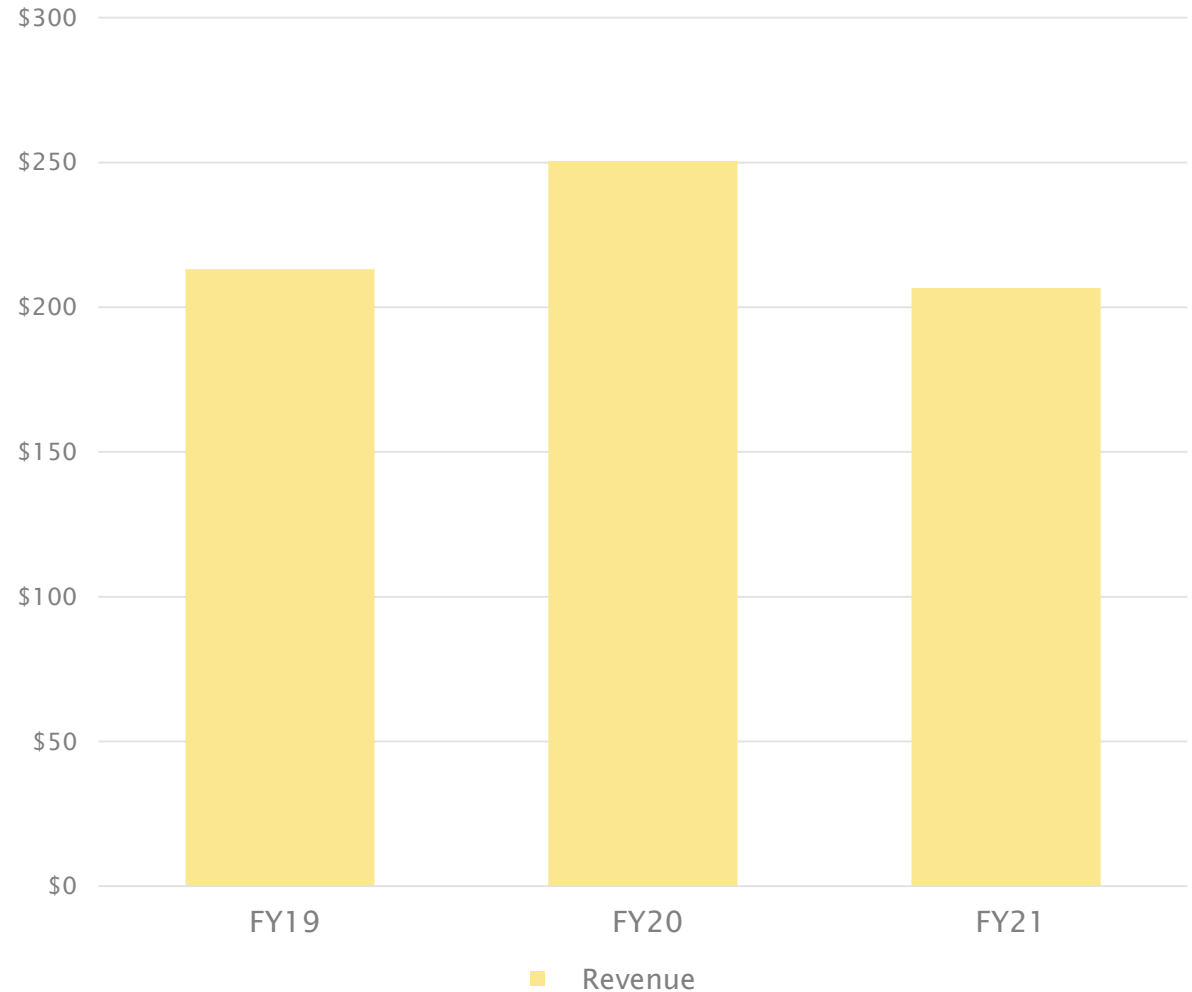
Support asset owners, operators and constructors to:

- Comply with codes and regulations
- Provide confidence in safe operations
- Optimise production and maintenance

## Strategy

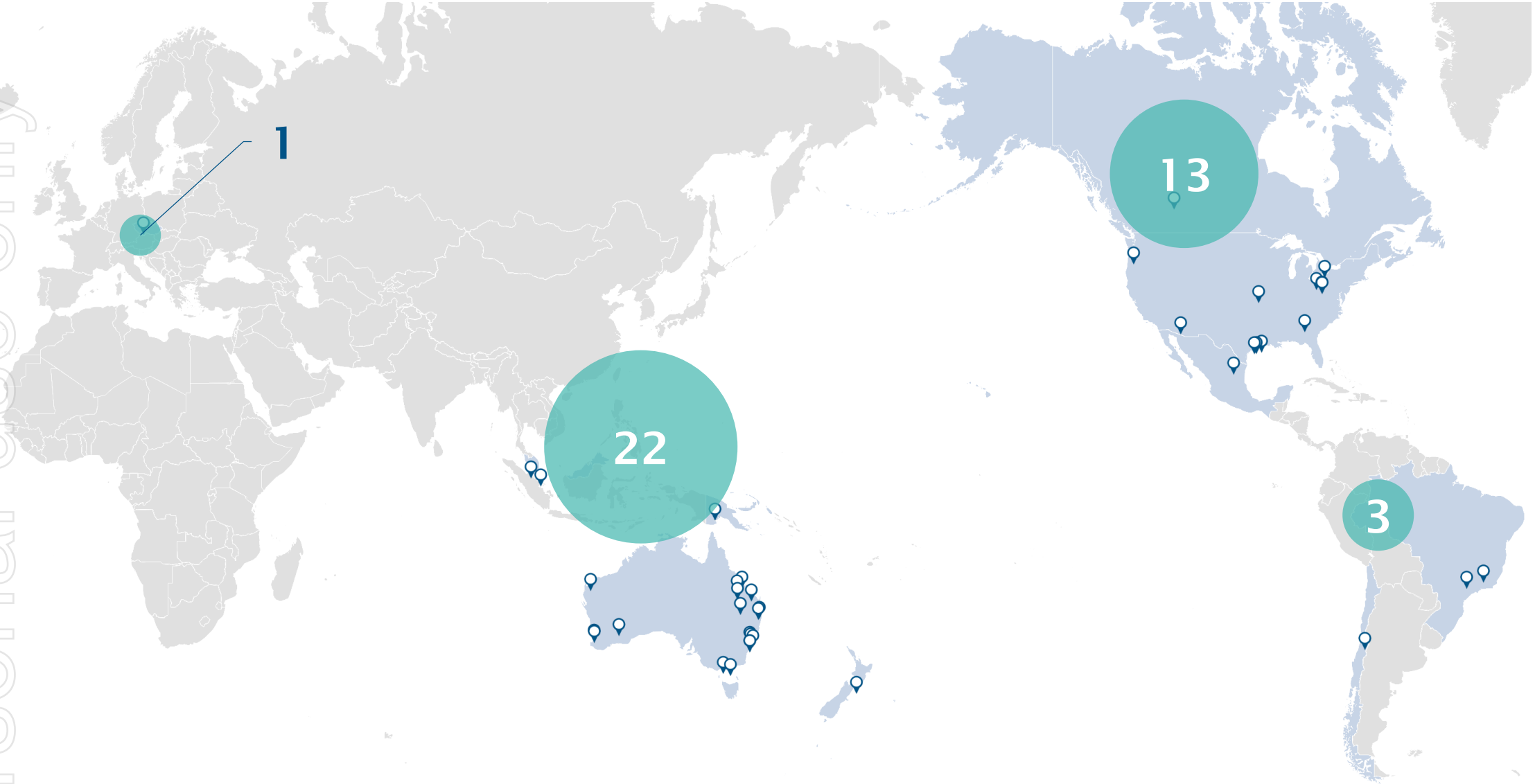
- Grow market share and geographic reach
- Diversify service offering
- Leverage technology to deliver increased value to clients and drive operational efficiency

Industrial (\$m)



# Industrial – 39 global locations

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## ENGINEERING-LED INTEGRITY AND RELIABILITY SERVICES



Engineering assessment



Mechanical testing



Tribology



Integrated condition monitoring



Non-destructive testing (NDT)



Fitness for service / remaining life assessment



Maintenance planning and review



Quality assurance / inspection



Training academy



Materials engineering and consulting



Balancing and alignment



Inspection / advanced digital imaging

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## 4. Strategic roadmap

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# Strategic roadmap



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# Selection of 2,000+ different clients





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