



30 July 2025

Chairman’s address

ALS Limited - Annual General Meeting 2025

2025 financial year (FY25) performance

Ladies and gentlemen, the 2025 financial year was a pivotal one for ALS. The Company delivered solid results, advanced our strategic priorities and reinforced our position as a global leader in testing, despite continued macroeconomic uncertainty.

The Board and Management team have navigated these challenges effectively, with performance reflecting disciplined execution of strategy, underpinned by a clear capital allocation framework and a culture of curiosity, innovation and accountability.

In FY25, ALS grew revenue by 16% to \$3 billion and delivered steady underlying earnings. Underlying NPAT declined slightly to \$312.1 million, reflecting adverse foreign exchange impacts and higher interest costs as we continued to successfully implement our growth agenda. Excluding recent acquisitions, the operating margin was robust at 19.1%.

Our strong operating performance and solid financial position supported a final dividend of 19.7% to shareholders at a 60% payout ratio – the top end of the targeted payout range. The Company paid a total dividend for the year of 38.6 cents per share, equivalent to a payment of \$187 million to shareholders. I also note the shares issued under the recent equity raise and share purchase plan were entitled to the final dividend.

Capital management

Capital management

Value creation framework

Prioritising risk-weighted capital to protect, extend and expand the portfolio

Balance sheet

Leverage range: between 1.7 and 2.3x  
Remained at top-end of internal guided range

Shareholder returns

Dividend range: 50-60% payout ratio  
Maintained at top-end of range

Disciplined capital management supporting growth and creating sustainable long-term value for shareholders

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The Group continued its disciplined approach to capital management, continuing to deliver on key objectives of the ALS value creation framework: organic growth, strong cash generation, shareholder returns and balance sheet strength.

In FY25, gross capital expenditure was \$165 million, which represents 148% of depreciation and 5.5% of revenue. Around 70% of capital was directed to growth initiatives, with the remainder for maintenance spend. Our capital strategy combines organic and inorganic investment to support long-term capital growth. The Board and management prioritise disciplined capital allocation to opportunities with the potential for a minimum 15% return on capital employed.

As at 31 March 2025, our leverage ratio was 2.3x, at the upper-end of the target range of 1.7-2.3x but well within lender covenants.



Following year end, we undertook an equity raise to fund the expansion of our hub laboratory network and future inorganic growth. This included a \$350 million placement and a Share Purchase Plan offered to eligible shareholders, raising \$22.5 million. After the equity raise, on a pro forma basis leverage reduced to 1.7x.

Of the total funds raised, we're investing \$230 million to upgrade four major hub laboratories in Lima, Sydney, Bangkok and Prague - all regions where we've seen strong organic growth, have a leading position and competitive advantage. These upgrades will significantly increase capacity, support continued market share gains, and enhance efficiency, as we incorporate automation and lab of the future thinking. Importantly, this investment also gives us greater flexibility in our cost base during future cycles and reduces risk around environmental lab accreditations by securing long-term infrastructure stability.

Separately, the capital raise has given us the balance sheet capacity to act decisively on M&A opportunities as these arise. ALS has a proven track record of disciplined, accretive bolt-on acquisitions and we see a solid pipeline of opportunities to add scale and capabilities to the Group.

We carefully considered the structure of the capital raising to ensure both institutional and retail shareholders could participate and we were pleased that all shareholders who elected to participated in the Share Purchase Plan received their requested allocations with no scale backs required or implemented.

## Delivering on our refocused and strengthened strategy

### Delivering on our refocused and strengthened strategy



#### Developing a resilient business for today and the future

 <p><b>1</b> <b>Attractive industry</b></p> <p>Operates in an attractive and enduring industry, with the TIC industry being uniquely exposed to many attractive markets</p>	 <p><b>2</b> <b>Unique portfolio</b></p> <p>Exposed to diversified and high-growth end markets</p> <ul style="list-style-type: none"><li>• An industry leader in Minerals and Environmental</li><li>• Regional strength in Food, Pharma and Industrial Materials</li></ul>	 <p><b>3</b> <b>Refreshed strategy</b></p> <p>Refreshed the strategy and sharpened the capital allocation to provide strategic focus for all businesses</p>	 <p><b>4</b> <b>Delivering on objectives</b></p> <p>Disciplined capital allocation framework to support mid-high single-digit organic revenue growth for Group target</p>	 <p><b>5</b> <b>Growth and returns</b></p> <p>Delivered strong growth and returns with additional opportunities for improvement identified</p>
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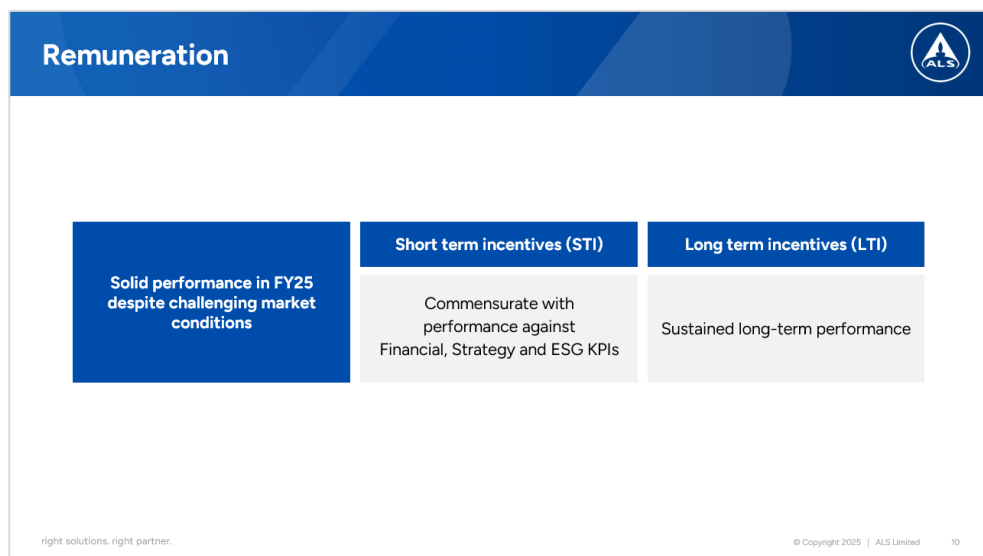
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Turning now to delivering our strategy. We remain committed to executing on our refocused and strengthened strategy. The global TIC industry continues to benefit from long-term structural trends, including the shift toward outsourced testing, tightening regulatory standards, the energy transition, and the rise of resource nationalism. These dynamics are driving demand for independent, high-quality testing services across critical sectors – from mining and environmental compliance to food safety and pharmaceutical regulation.

With a differentiated portfolio and operating model, ALS is well-positioned to capture these opportunities and deliver sustainable, above-market growth.



## Remuneration



Turning now to remuneration. In FY25, fixed remuneration increases for Key Management Personnel (KMPs) other than the CEO ranged between 0-4%. The CEO received a 9.8% increase but elected to accept only half of the annual increase approved in FY25, to demonstrate leadership in cost control in challenging market conditions.

Short Term Incentive (STI) outcomes ranged between 21-60% of the maximum opportunity, based on solid results in financial, strategic and ESG KPIs. The CEO's STI award was 43% of his maximum opportunity, recognising strong leadership and delivery against personal objectives during a challenging year.

With respect to the LTI program, sustained performance over the three-year period of the plan resulted in the 2022 Long Term Incentives (LTI) vesting at 72%. Performance hurdles related to the EBITDA margin, and ROCE were met in full, and the relative Total Shareholder Return hurdle was substantially met. The Earnings Per Share (EPS) growth hurdle was not met.

In FY26, fixed remuneration will increase by 3.5% for the CFO and Executive General Managers of Minerals and Environmental. LTI opportunities for these roles will increase to 125% of fixed remuneration, in line with comprehensive benchmarking. There will be no change to the fixed remuneration for the CEO in FY26. His STI at target will increase from 70% to 100% of fixed remuneration, while his LTI opportunity will remain at 150%.

The Board continues to review STI and LTI targets to ensure they remain challenging and aligned to ALS' strategic priorities. There will be no changes to NED fees for FY26.

We will see some changes to the Board in FY26. As I noted at the start of the meeting, Tonianne Dwyer is stepping down at the conclusion of the AGM having served three terms on the ALS Board. Tonianne has been an outstanding Director and we thank her for her dedicated service and valued contribution over the last 9 years. She has contributed strongly as both a Committee Chair and a Committee member, in addition to her NED responsibilities, and her advice has always been constructive and well considered. We wish her well for the future. We are close to concluding a search for a suitable replacement for Tonianne and hope to announce that appointment in the coming weeks. Similarly, John Mulcahy has indicated to me that he will not stand for re-election at the 2026 AGM. We will soon commence a search for a suitable replacement and will have the opportunity to thank John for his service at next year's meeting.

Despite the retirement of Tonianne and next year John, we continue to have a variety of tenure on the ALS Board as well as a broad range of skills and experience that will continue to serve our shareholders well into the future.

## Conclusion

Finally, I would like to sincerely thank our shareholders for your continued support of ALS.



I also want to acknowledge my colleagues on the Board, the management team, and all the talented and dedicated people across our company for their passion and commitment to pursuing a better world through science, assurance and sustainability.

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Authorised for release by the Company Secretary.

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**About ALS Limited (ASX: ALQ)**

ALS is a global leader in testing, providing comprehensive testing solutions to clients in a wide range of industries around the world. Using state-of-the-art technologies and innovative methodologies, our dedicated international teams deliver the highest-quality testing services and personalised solutions supported by local expertise. We help our clients leverage the power of data-driven insights for a safer and healthier world.