

8 March 2021

ALS expands Pharmaceutical offering with acquisition of Americas-based business and trading update

ALS Limited (ASX: ALQ), a leading global testing, inspection and certification business, today announced the acquisition of Investiga, a pharmaceutical testing business with operations in Brazil and the east coast of the USA.

Founded in 1993, Investiga is privately owned with 360 employees and generated AUD ~\$20m of revenue in FY20. It specialises in the cosmetic and personal care market, providing services to a portfolio of major global clients. Investiga will be integrated into the existing ALS Life Sciences network with a particular focus on growing in the USA, which represents over a quarter of the global market.

ALS will acquire 100% of the equity in Investiga at a multiple of 11x adjusted FY20 EBITDA, on a deferred basis, paid from existing debt facilities with no requirement for shareholder approval. Key management will remain within the business, reporting to the General Manager of Life Sciences in Latin America.

Managing Director and CEO, Raj Naran commented "Growing the Life Sciences division is a key part of the ALS strategy and Investiga significantly increases our presence in the Pharmaceutical market.

"We have a strong track record of integrating acquisitions into our existing Life Sciences network and Investiga provides us with the platform to grow our cosmetic and personal care offering, particularly in the USA."

Trading update

The Group continued to trade resiliently in Q3 and early Q4 despite the uncertainty created by the COVID-19 pandemic. Management remains committed to aligning the cost base to client demand and managing CAPEX spend while maintaining focus on key growth opportunities.

Life Sciences volumes have been stable with laboratories providing their essential services to clients in major markets.

The Commodities division is starting to benefit from the improving cycle. Geochemistry sample flows increased by 13% in Q3 FY21 (compared to pcp) with this momentum continuing into early Q4. Major miners as well as junior and intermediate miners have contributed to this growth, although proportionally unchanged from late Q2 FY21.

In the Industrial division, Tribology has seen some improvement in Q3 FY21 whilst the trading environment for Asset Care remains challenging.

The balance sheet remains strong with in excess of AUD\$600 million of liquidity available and a leverage ratio of 1.7x as at 31 January 2021.



Approved for release by the ALS Limited Board.

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About ALS Limited

ALS is a global Testing, Inspection & Certification business. The company's strategy is to broaden its exposure into new sectors and geographies where it can take a leadership position.