

Raj Naran  
Incoming CEO  
ALS Limited

Annual General Meeting  
10:00am on 20 July 2017

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Thank you to our Chairman of the Board, Bruce Phillips, the members of the Board, and our outgoing CEO, Greg Kilmister, for the great honor and vote of confidence you have accorded me in choosing me to be your new CEO.

I would like to congratulate Greg on his illustrious career and well-deserved retirement. More importantly, I would like to sincerely thank him for his leadership, mentorship and commitment to building this great company. I have been fortunate enough to work closely with Greg over the years, and I sincerely appreciate him sharing his extensive knowledge on our history, businesses, and culture with me. All that I have learned from Greg will stand me in good stead as I take the helm as your new CEO.

For me, this is a moment of great pride and also of great humility.

Let me begin my presentation with a brief overview of our Life Sciences division's performance in the 2017 Fiscal Year, and then an overview of our current position in general.

The division's financial performance last year fell short of expectations, with total revenue virtually unchanged from the previous year and underlying EBIT margin contracting to 15.6%. Difficult market conditions and some internal issues led to reduced revenue and profit margins in Canada and South America. Europe performed well overall. However, the fourth quarter results of the established UK businesses were adversely impacted by disruptions relating to the integration of the recently acquired ALcontrol business. We incurred higher operating costs as capacity was replicated to ensure high quality service to our new customers prior to rationalizing the ALcontrol sites.

These setbacks were partially offset by strong growth in the Asian and Australian regions. ALcontrol will be fully integrated at the end of the current month and the benefits of the acquisition will be then realized.

We are pleased to report significant revenue gains in all regions of the food and pharmaceutical testing business. We plan to make further food testing acquisitions in Europe and North America this year with the aim of growing annualized revenues to \$200 million, up from the current pro forma run-rate of \$154 million.

The environmental business recorded revenue and contribution gains in all regions except Canada and South America. The best performing environmental locations were Australia and Asia where improved revenues enabled both regions to achieve underlying contribution margins in excess of 25%.

We experienced difficulties in the Canadian and South American environmental operations. Both businesses were impacted by weakness in demand for environmental services in the resources sector and by internal management issues. I am pleased to inform you that these issues have been resolved.

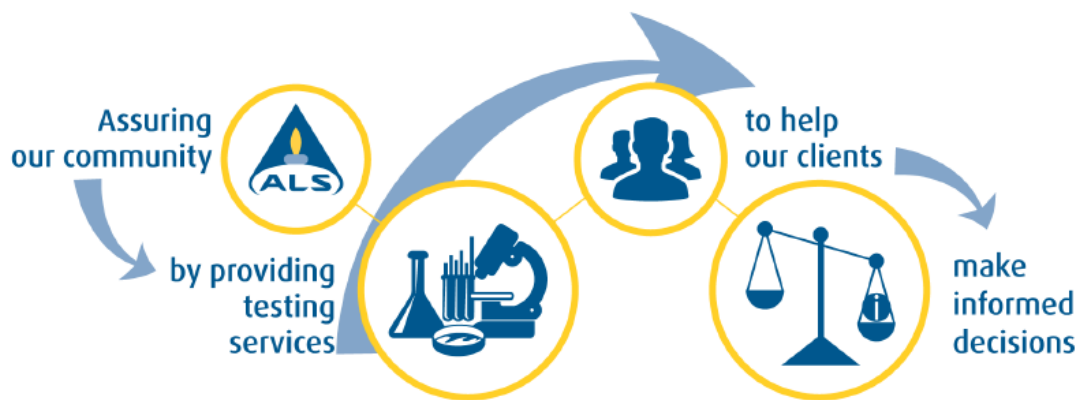
Our Canadian business is now starting to improve its performance. We are also seeing positive signs in the performance of our Latin American business. With the remediation contracts in South America starting up, we are seeing improved sample flows.

So—what lies ahead?

For the past 30 years, ALS has imposed on itself the admirable discipline of critically reviewing its' businesses and markets every five years. This practice has led to the development of a new Five-Year Strategic Plan, which will chart our course to the year 2022.

Under this Five-Year Plan, we will be making changes in our strategic direction and focus as a company. I view these changes as evolutionary not revolutionary. In fact, far from taking us off in any radical new directions, this plan is an evolution back to our roots.

Instead of thinking about ALS as a technical services company, we are once again focusing on our core competency. We are a testing services company. That is our core business, that is what we do best. Focusing on our core competency does not mean that testing will be 100 percent of everything we do, but it must be at the center of everything we do. We are the best testing company in the world. Focusing on our core business is what put us on top and for that reason, we should “play to our strengths.”



To this end, as already discussed by our Chairman, we will be divesting ourselves of certain businesses that are not directly related to our core business. The Company will complete the divestment of the Oil and Gas business at the end of this month and if a final decision is taken to divest the Asset Care businesses then that will be completed by December. The Board will consider the full range of capital management options available for deployment of these funds given future market conditions. However, major acquisitions are highly unlikely due to their limited availability and potential high valuations. Further details of the Company's capital management program will be announced to the market as appropriate.

Let me talk here about what is not going to change under our Five-Year Plan.

Our core values will not change. These values are cast in concrete and remain at the heart of everything we do. They are embedded in our corporate DNA.

For years, we as a company have prided ourselves on our dedication to the values of quality, integrity, reliability and innovation. These values ensure that we deliver the highest level of customer services. We value efficiency, safety and diversity in our workplaces. We value the leadership and learning that develops our people and our businesses. And we value sustainability and social responsibility. We have operations in 65 countries, over six continents, and we are and will continue to be a good corporate citizen and a good neighbor in every place where we do business.

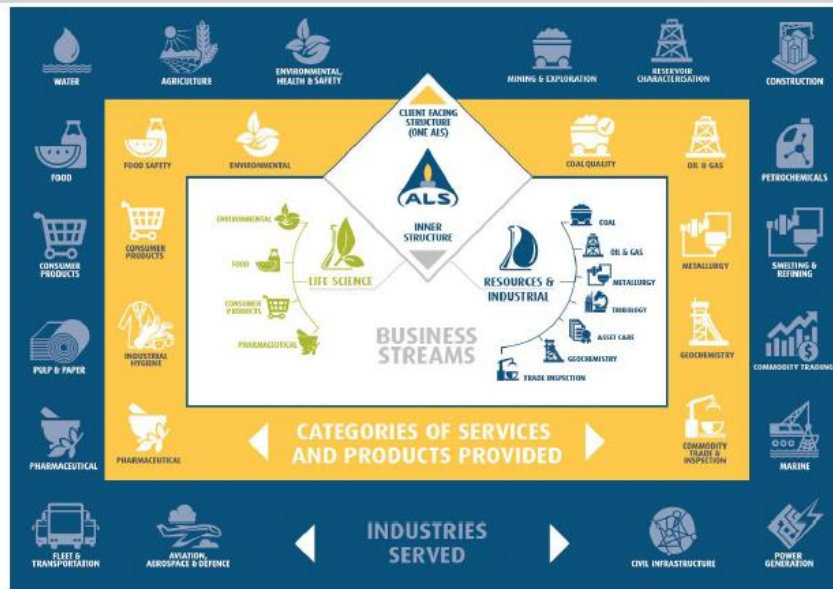


As incoming CEO, I want to say something about safety. Safety is extremely important to ALS, and it is extremely important to me. I feel very strongly that the health and safety of our employees and clients are of the highest priority.

So certain things will not change under our Five-Year Plan. What will change?

We have restructured our four divisions—Life Sciences, Minerals, Energy and Industrial—into 11 operating business streams. This restructuring will have little direct impact on the current operations since it is a restructure at a high level. It will, however, create a flatter management structure. It will also position the company to maintain the successful growth it has enjoyed over the last two decades—whilst continuing to provide career opportunities and advancement for all our people.

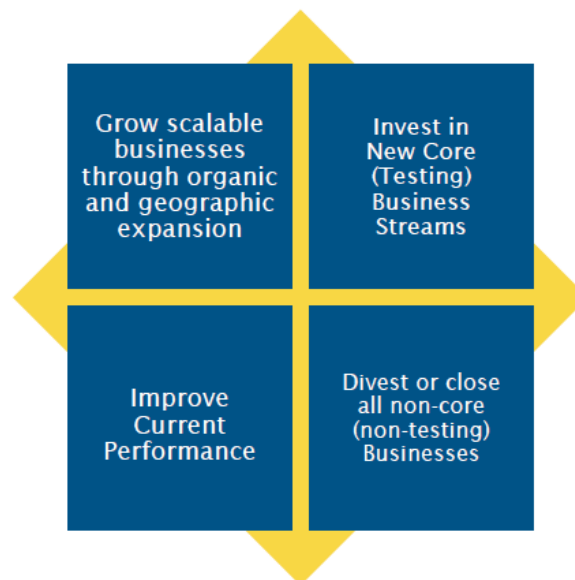
## Business streams



Our new business stream strategy has four components:

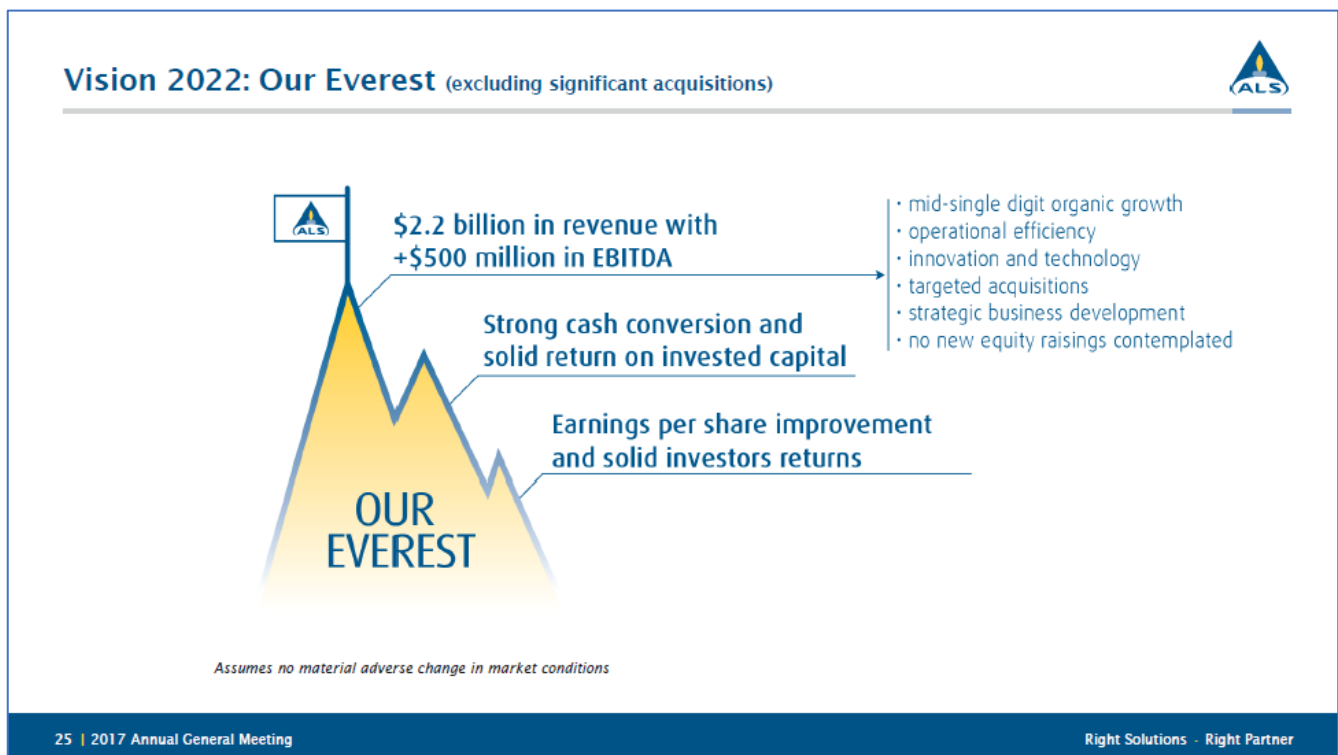
- Grow scalable businesses through organic and geographic expansion;
- Improve the current performance;
- Invest in new core business streams; and
- Divest all non-core businesses.

## Business Stream Strategy



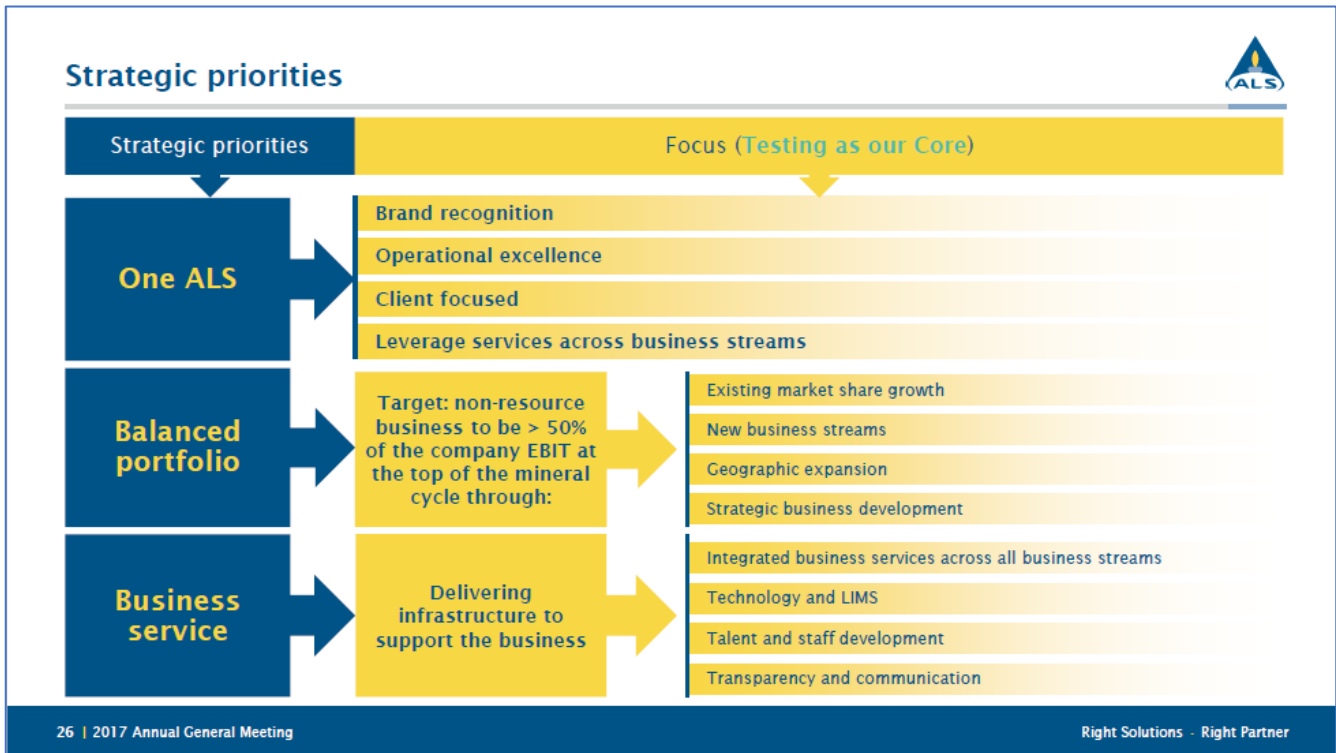
In the coming year, under the company's Five-Year Strategic Plan, our priority will be building on and expanding our highly successful existing businesses. Looking to the future, ALS will seek new acquisitions in its' non-commodity businesses. These will be bolt-on acquisitions to our existing businesses, acquisitions that will grow our existing global pharmaceutical business as well as entry into new markets and industries that have testing at its' core.

Our "Everest" for 2022 is \$2.2 billion in revenue with \$500 million in operating profit. We will focus on strong cash conversion, a solid return on invested capital, improvement in earnings per share and reliable investor returns.



Further, we need to achieve the right balance in our portfolio. By 2022, we want our non-resource businesses to account for more than 50 percent of the company's operating profit at what we anticipate will be the peak of the current commodity cycle. We plan to achieve this goal through:

- Existing market share growth;
- The acquisition of new business streams;
- Geographic expansion; and
- Strategic business development.



My business philosophy may be summed up in five basic principles:

- We have a commitment to provide a safe and productive workplace for our employees;
- We have an obligation to provide high quality and timely data to our customers;
- We must have a sense of urgency in everything we do;
- We must keep our business model simple and client-service focused; and finally,
- We need to provide a solid return to our shareholders.

While this sounds simple, the challenges we face are not; competition is stiff, pricing continues to erode, our clients' demands are growing, and technology is constantly evolving. This is an opportunity for ALS. But for us to take advantage of this opportunity we must commit to thinking differently. In this context, "thinking differently" means leveraging our Disruptive Innovation program, driving our focus on operational efficiencies, improving the "ALS Experience", and promoting our OneALS initiative.

In the near future, we will have some wind in our sails. The commodity cycle has turned upward, and we are seeing improved sample volumes in our Geochemistry and Metallurgy businesses. Our Environmental and Food Safety businesses are starting to deliver improved financial performance and the other business streams have all developed solid growth strategies. As an example, we have just been awarded a 3 year \$13million remediation contract for environmental testing on the Samarco Project in Brazil.

Many companies aspire to be great but very few have all the elements required: talent, resources, and commitment. ALS has proven that it has all three in abundance and as the new CEO, I cannot ask for a better foundation. I look forward to working with you to build on this foundation, to lead ALS into an even brighter future and to sharing a successful 2018 fiscal year with you at the next AGM.

Thank you for your attention. I will now return the meeting to the Chairman.