Speakers
Dr. David Martyr, CEO
Dr. Rudolf Eugster, CFO
Agenda

• Introduction
• Financial Results
• Priorities
• Outlook
• Questions and Answers
Financial Performance H1 2015

- Double-digit sales growth; Partnering Business growing by 30%
- Recurring revenues reaching 41% of total sales, including strong performance of IBL International
- Order Entry growing with double-digit rate; benefiting from momentum in newly launched products
- Very positive development in Net Profit, EPS and cash flow from operating activities
Operating Highlights H1 2015

• Delivery ramp-up of instruments for key customers in the Partnering Business

• Launch of second application-specific Fluent™ solution to simplify automated compound management for drug discovery

• Launch of next-generation detection platform Spark™ 10M for cell biology and genomics customers

• Smooth integration of IBL International; range of immunoassays for specialty diagnostics adapted to Tecan platforms
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H1 2015 Order Entry and Sales Performance

Order Entry H1

- Order Entry H1 2015 vs. H1 2014
  - +11.9% in Swiss Francs
  - +14.6% in local currencies
  - Organic +9.4% in local currencies
  - Order backlog with double-digit % increase

Sales H1

- Sales H1 2015 vs. H1 2014
  - +16.2% in Swiss Francs
  - +18.9% in local currencies
  - Organic +13.0% in local currencies
H1 2015 Segment Sales

Life Sciences Business:
- Sales up by 10.7% in local currencies (LC) and 6.6% in CHF
- Organic sales development of +0.5% in LC
- Order Entry clearly exceeded sales, overall and organically
- Significant Order Entry from newly launched products

Partnering Business:
- Sales increased by 30.0% in LC and 30.2% in CHF
- Instruments launched in the past two years contributed significantly
- Sales with existing large corporate customers and with Components also strong
- Order Entry also grew at a double-digit percentage rate
H1 2015 Regional Sales Development

Europe:
- IBL International main driver behind growth in Life Sciences Business
- Partnering Business with solid sales for instruments and components.

North America:
- Life Sciences Business with solid growth
- Partnering Business grew at a double-digit percentage rate

Asia:
- Both segments grew in the double-digit percentage range
- Improved business environment in China
H1 2015 Gross Profit

- Gross profit amounted to CHF 97.0m
  - CHF 9.7m or 11.1% higher than H1 2014
- Gross profit margin down by 230 bps
  - Mix impact: more sales from Partnering Business and lower profitability in the launch phase of new instruments
  - Material cost savings, less non-standard cost of sales and positive exchange rate impact
  - Higher costs of OEM development program; price decreases
Operating Expenses (% = as a % of sales)

- Operating Expenses grew slower than sales
- Sales & Marketing leverage from investments in 2014
- R&D spending unchanged at 10% of sales
- Volume leverage, with G&A staying flat
H1 2015 EBITDA and EBIT

- EBITDA grew faster than sales
  - CHF 5.8m or 21.4% above H1 2014
  - EBITDA margin +70 bps to 16.3%
- EBIT, including IBL International, increased slower than sales
  - CHF 3m or 13.2% above H1 2014
  - EBIT margin at 12.6%
- Main effects impacting the EBIT margin:
  - (-) GP margin 230 bps lower
  - (+) Expenses 200 bps lower
H1 2015 Segment Profitability

**Life Sciences Business:**
- EBIT margin at 9.8%
  - (-) Mix impact with higher costs and investments during the launch phase of new instruments
  - (-) Consolidation of IBL International

**Partnering Business:**
- EBIT margin grew to 18.6%
  - (+) Volume effect
  - (-) Mix impact with lower levels of profitability during the launch phase of new instruments
  - (-) Higher costs of OEM development program
Net profit grew significantly faster than sales
• CHF 7.4m or 39.7% above H1 2014

Positive volume effect

Below EBIT line:
(+) Improved financial result attributable to currency hedging measures
(+) Lower tax rate of 13.6% (H1 2014: 17.1%)

Net profit margin +220 bps to 13.0%
H1 2015 Basic Earnings per Share

- Earnings per share increased by 37.5% to CHF 2.31
- Average number of shares outstanding: 11.2m (H1 2014: 11.1m)
H1 2015 Cash Flow

- Cash flow from operations increased to CHF 35.1m or 17.6% of sales (H1 2014: CHF 16.2m)
  - Strong cash generation restored again after prefinancing of an OEM development in recent years
- Net working capital decreased, mainly due lower accounts receivables
  - Days Sales Outstanding at 58 days (H1 2014: 54 days)
- Investments of CHF 6.9m (H1 2014: CHF 14.8m) and CHF 7.3m for amortization & depreciation (H1 2014: CHF 4.5m)
- Cash flow from financing activities includes proceeds from the sale of treasury shares of CHF 31.6m (for tax reasons) and dividend payments of CHF 16.9m
- Net liquidity\(^2\) increased to CHF 165.6m (Dec 31, 2014: CHF 122.7m)

\(1\) Includes translation differences of CHF -1.3m

\(2\) Net Liquidity = cash and cash equivalents minus bank liabilities and loans
## H1 2015 Key Figures

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>Δ in %</th>
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<tbody>
<tr>
<td><strong>CHF m</strong></td>
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<tr>
<td>Order Entry</td>
<td>196.6</td>
<td>220.1</td>
<td>+11.9%</td>
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<tr>
<td>Sales</td>
<td>172.0</td>
<td>200.0</td>
<td>+16.2%</td>
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<tr>
<td>Sales in local currencies</td>
<td>168.2</td>
<td>200.0</td>
<td>+18.9%</td>
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<tr>
<td>Gross Profit</td>
<td>87.3</td>
<td>97.0</td>
<td>+11.1%</td>
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<td>in % of sales</td>
<td>50.8%</td>
<td>48.5%</td>
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<tr>
<td>R&amp;D</td>
<td>17.2</td>
<td>20.1</td>
<td>+16.6%</td>
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<tr>
<td>in % of sales</td>
<td>10.0%</td>
<td>10.0%</td>
<td></td>
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<tr>
<td>EBIT</td>
<td>22.3</td>
<td>25.3</td>
<td>+13.2%</td>
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<tr>
<td>in % of sales</td>
<td>13.0%</td>
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<tr>
<td>EBITDA</td>
<td>26.8</td>
<td>32.6</td>
<td>+21.4%</td>
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<td>in % of sales</td>
<td>15.6%</td>
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<td>Net profit</td>
<td>18.6</td>
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<tr>
<td>EPS (CHF/share)</td>
<td>1.68</td>
<td>2.31</td>
<td>+37.5%</td>
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<tr>
<td>Return on net assets (RONA)</td>
<td>23%</td>
<td>24%</td>
<td>+4.3%</td>
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<tr>
<td>Net liquidity (1) (2)</td>
<td>122.7</td>
<td>165.6</td>
<td>+35.0%</td>
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<tr>
<td>Equity (2)</td>
<td>361.2</td>
<td>394.0</td>
<td>+9.1%</td>
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<td>Cash Flow (operating)</td>
<td>16.2</td>
<td>35.1</td>
<td>+117.0%</td>
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(1) Net Liquidity = cash and cash equivalents minus bank liabilities and loans
(2) 2014 balance sheet figures are as of Dec. 31, 2014
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Major Platform Launches in Two Product Lines

**Fluent™**

Next generation liquid handling platform family

*Setting new standards for simplicity, productivity and confidence*

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**Update**

- Product announcements:
  
  - Jun 2014 -- Cell Biology
  - Feb 2015 – Compound Management
  - Feb 2015 – New modules for increased general purpose use
  - Aug 2015 – Air displacement pipetting
  - Aug 2015 – New options enabling wider application range

- Strong momentum in orders with repeat orders from important customers
Major Platform Launches in Two Product Lines

Spark™*

Update

- Launch of the Spark™ 10M next-generation reader platform in February
- Designed for cell biology and genomics customers
- Greater flexibility, increased speed and productivity
- Launch of additional modules in May
- Roll-out proceeding to plan

All-new multimode microplate reader platform

* For research use only in USA
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Supporting Significant Delivery Ramp-Up

Dako Omnis

Update

- Continued global commercial uptake
- Agilent have reported record instrument placements for several quarters in a row
- Dako continuing to add new assays and panels to Omnis platform

Advanced staining platform for tissue-based cancer diagnostics

Setting new standards with regard to flexibility, capacity, efficiency and traceability
Supporting Significant Delivery Ramp-Up

ORTHO VISION™*

Update

- Significant increase in serial production to support commercial rollout in Europe, Japan and Australia

- Ortho-Clinical Diagnostics obtained Health Canada approval for the North American version in April

- Development of ORTHO VISION™ Max, a variant with higher sample throughput, at advanced stage

Next-generation diagnostics instrument used for blood typing

* Not yet available for commercial sale in all regions, including the USA

Transforming transfusion medicine with Responsive Automation
Priorities for 2015

Driving growth in Life Sciences Business: focus on launch of new products, continued IBL integration and China expansion

Continue to support Partnering Business customers with delivery ramp-up and continued development of new products

Continue to exploit the identified material cost reduction potential and further optimize manufacturing

Further increase efficiency in product development and successfully launch additional new products

Continue to drive appropriate, thoughtful M&A as catalyst to core business and to support evolution into solutions
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Outlook for 2015 Confirmed

Sales

Double-digit sales growth in local currencies

Profitability

EBITDA margin to increase by more than 100 bps
Based on average FX rates of: 1.05 EUR/CHF and 0.92 USD/CHF
Q&A

IR iPad App
News, financial reports, presentations, videos and more

Next Events
2016:
March 15: Full Year Results 2015
April 13: Annual Shareholder Meeting

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Thank you for your attention

Tecan – Who we are
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