

Tecan with high growth in sales and net profit in fiscal year 2015

Financial results: full-year and second half of 2015

- **Order entry of CHF 465.0 million (2014: CHF 417.4 million)**
 - Full-year growth of 14.1% in local currencies or 11.4% in Swiss francs
 - Full-year organic growth of 10.9% in local currencies or 8.3% in Swiss francs
 - H2 increase of 13.8% in local currencies or 10.9% in Swiss francs
- **Sales of CHF 440.3 million (2014: CHF 399.5 million)**
 - Full-year growth of 13.1% in local currencies or 10.2% in Swiss francs
 - Full-year organic growth of 9.6% in local currencies and 6.8% in Swiss francs
 - H2 sales growth of 8.7% in local currencies or 5.6% in Swiss francs
- **Full-year operating profit before depreciation and amortization (EBITDA) of CHF 83.4 million (2014: CHF 67.5 million)**
 - Improvement of 200 basis points in EBITDA margin to 18.9% (2014: 16.9%)
- **Full-year net profit of CHF 57.1 million (2014: CHF 40.2 million); increase of 42.1%**
 - Improvement of 290 basis points in net profit margin to 13.0% (2014: 10.1%)
 - Increase in earnings per share by 39.1% to CHF 5.05 (2014: CHF 3.63)
- **High full-year cash flow from operating activities of CHF 99.1 million (2014: CHF 48.2 million) or 22.5% of sales (2014: 12.1%)**

Operating highlights 2015 and other important information

- **Launch of additional features and applications for Fluent™, Tecan's next generation liquid handling platform**
- **Launch of the all-new Spark™ 10M multimode microplate reader platform for cell biology and genomics**
- **US launch of FDA cleared ORTHO VISION™ Analyzer by Ortho Clinical Diagnostics in the Partnering Business**
- **Acquisition of Sias AG on 30 November 2015, a leading OEM supplier of laboratory automation solutions**
- **Increase in dividend to CHF 1.75 per share proposed**

Outlook 2016

- **Full-year sales are forecast to again increase with a double-digit rate in local currencies**
- **EBITDA in 2016 expected at about similar level as 2015, including costs in a mid single-digit million Swiss franc amount related to the Sias AG acquisition**
- **Underlying EBITDA margin, excluding Sias, to expand by at least 50 basis points**

Männedorf, Switzerland, March 15, 2016 – The Tecan Group (SIX Swiss Exchange: TECN) today announced its financial results for full-year and second half of 2015.

Tecan CEO David Martyr commented: “I am pleased with Tecan’s financial performance in 2015. With strong sales, net profit and operating cash flow we delivered on our commitments for the year.

The wave of new exciting platforms and products we have launched are clearly supporting our growth. In our Life Sciences Business we continued to introduce new features and applications for Fluent, our next generation of liquid handling platforms and, with Spark, we launched an all-new multimode microplate reader platform. Our Partnering Business saw the US launch of the ORTHO VISION™ Analyzer by our partner Ortho Clinical Diagnostics and with the acquisition of Sias AG, we further expanded our leading OEM business. Those growth drivers will also be important elements of our further expansion in 2016,” Martyr continued.

Financial results full-year and second half of 2015

In the second half of 2015, order entry increased by 13.8% in local currencies and by 10.9% in Swiss francs. On an organic basis, orders in the second half grew by 12.3% in local currencies and by 9.6% in Swiss francs. Organic development excludes any contributions from acquisitions from those months in the reporting period that were not already included in the consolidated financial statements in the prior-year period. For the full year, order entry increased by 14.1% in local currencies to CHF 465.0 million (2014: CHF 417.4 million), corresponding to growth of 11.4%. On an organic basis, order entry increased by 10.9% in local currencies and by 8.3% in Swiss francs.

Sales in the second half rose by 8.7% in local currencies and by 5.6% in Swiss francs against a strong base in the prior-year period. This corresponds to organic sales growth of 7.0% in local currencies and 4.0% in Swiss francs. Sales in financial year 2015 increased by 13.1% in local currencies and 10.2% in Swiss francs to CHF 440.3 million (2014: CHF 399.5 million), setting a new company record. On an organic basis, sales grew by 9.6% in local currencies and 6.8% in Swiss francs.

Operating profit before depreciation and amortization (earnings before interest, taxes, depreciation and amortization; EBITDA) rose by 23.5% to CHF 83.4 million in the fiscal year (2014: CHF 67.5 million). The EBITDA margin improved by 200 basis points to 18.9% of sales (2014: 16.9%), thereby exceeding the margin targets for the year of “more than 100 basis points”.

These results include acquisition-related costs. The results development was helped by a positive exchange rate effect and a one-time impact from revised pension liabilities according to IAS 19.

Net profit reported for the year 2015 increased by 42.1% and reached CHF 57.1 million (2014: CHF 40.2 million). Net profit increased more than operating profit as a result of an improved financial

result and a lower tax rate. The net profit margin improved by 290 basis points to 13.0% of sales (2014: 10.1%). Earnings per share increased by 39.1% to CHF 5.05 (2014: CHF 3.63).

Cash flow from operating activities more than doubled to CHF 99.1 million (2014: CHF 48.2 million), corresponding to a cash conversion of 22.5% of sales.

Information by business segment

Life Sciences Business (end-customer business)

In the second half of the year, sales in the Life Sciences Business increased by 12.7% in local currencies and were 7.5% above the prior-year period in Swiss francs. On an organic basis, sales in local currencies grew by 11.3%. Sales for the full year totaled CHF 253.0 million, representing an increase of 11.8% in local currencies and 7.1% in Swiss francs over the prior-year period (2014: CHF 236.3 million). On an organic basis, sales increased by 6.7% in local currencies in 2015. The newly launched Fluent and Spark platforms contributed considerably to this growth. Also, order entry in the Life Sciences Business was strong overall and organically and exceeded sales.

Operating profit before interest and taxes (EBIT) in the segment increased to CHF 45.4 million in the year under review (2014: CHF 40.2 million). The increase is primarily the result of the higher sales volumes and lower research and development expenses. The EBIT margin grew to 17.0% of sales (2014: 16.3%).

Partnering Business (OEM business)

Sales in the Partnering Business grew by 3.1% in local currencies and 2.9% in Swiss francs in the second half against a strong base in the prior-year period with a 14.7% growth rate. Excluding contributions from Sias, since December 1, 2015 part of the Partnering Business, sales in the second half grew by 1.0% in local currencies. The Partnering Business generated sales of CHF 187.3 million in financial year 2015 (2014: CHF 163.2 million), which corresponds to an increase of 14.9% in local currencies and 14.7% in Swiss francs. On an organic basis, sales increased by 13.7% in local currencies. Instruments launched in the past two years made a significant contribution to the strong sales growth. Also, the components business continued to perform well. Order entry in the Partnering Business also grew at a double-digit percentage rate in 2015 and exceeded sales considerably.

The segment's EBIT rose to CHF 30.2 million in 2015 (2014: CHF 24.9 million) and the EBIT margin grew to 16.0% of sales (2014: 14.9%). The impact of lower margins on profitability from some newly introduced instruments, which are normal during launch phase, was more than outweighed by higher sales volumes.

Additional information

Regional development

In Europe, full-year sales in local currencies increased 14.7% compared to the previous year. In Swiss francs, this growth was lower at 7.8% due to the devaluation of the euro. In the Life Sciences Business, the increase in sales was driven by newly launched products and the revenue contribution from IBL International. Sales in the Partnering Business were boosted by solid sales figures for instruments and components.

In North America, sales grew by 13.2% in local currencies and 17.8% in Swiss francs. With a significant contribution from newly launched products, both business segments grew at a double-digit percentage rate in local currencies in this region.

With both business segments contributing to growth, sales in Asia increased by 12.3% in local currencies and by just 3.6% in Swiss francs due to negative exchange rate movements. Despite a continued challenging market environment in China, the overall situation improved in 2015 and Tecan once again posted growth in the double-digit percentage range.

Recurring sales of services, consumables and reagents

Recurring sales of services and consumables increased considerably in 2015 by 19.1% in local currencies and 15.9% in Swiss francs. With IBL International immunoassays, Tecan was able to add a new source of recurring revenues through this reagents-based business. Overall, recurring revenues accounted for 37.8% of total sales (2014: 36.0%). Services (including spare parts) accounted for 22.2% of total sales, while consumables (plastic and reagents) accounted for 15.6%.

Research and development

Research and development expenses in 2015 amounted to 9.1% of sales (2014: 9.9%) or CHF 39.9 million (2014: CHF 39.5 million). All told, research and development activities continued to fall as planned to CHF 56.7 million gross (2014: CHF 84.9 million), as development projects were successfully concluded and various products launched. The total figure also includes development programs for OEM instrument customers in the Partnering Business (CHF 15.8 million) and development costs capitalized in the balance sheet (CHF 9.1 million). These capitalized costs were almost entirely offset by amortization.

During 2015, Tecan started marketing new application-specific solutions and a number of new hardware and software options that enable a much wider range of applications for the Fluent™ laboratory automation family, a new generation of liquid handling platforms. This wave of innovation further simplifies key processes for e.g. compound management and also makes Fluent ideally suited to high throughput genomics applications, which is attracting great interest in the market.

Tecan also launched a next-generation reader platform called Spark™ at the beginning of 2015 in its second main product line, detection instruments, and has introduced a number of new features during the year. The Spark™ 10M multimode microplate reader is designed to offer greater flexibility and increased productivity for cell biology and genomics customers. The all-new platform delivers a combination of exceptional capabilities and ease-of-use to simplify routine laboratory tasks.

In the Partnering Business, Tecan's partner Ortho Clinical Diagnostics, Inc., a market leader in immunohematology, has launched the FDA cleared ORTHO VISION™ Analyzer in the United States in August 2015. The ORTHO VISION™ Analyzer heralds a new era in transfusion medicine with Responsive Automation. Tecan also successfully concluded the development of the ORTHO VISION™ Max, a variant of the instrument for high-volume transfusion medicine laboratories. In October 2015, Ortho Clinical Diagnostics announced that this instrument variant has received CE Mark clearance, making it available for purchase in Europe and Japan.

Acquisition of Sias to further expand Partnering Business

On October 27, 2015, Tecan announced that it had reached agreement with the majority shareholders of Sias to acquire Sias AG, a leading OEM supplier of a wide range of modular and complete laboratory automation solutions. From December 1, 2015, Sias is included in the consolidated financial statements of the Tecan Group as a part of the Partnering Business segment. Sias' modular platforms and robotic components are ideally suited for low- to medium-throughput applications and thus expand the range of Tecan's existing automation solutions and components offering.

Strong balance sheet – increase in dividend proposed

Tecan's equity ratio increased to 68.7% as of December 31, 2015 (December 31, 2014: 65.4%). Net liquidity (cash and cash equivalents minus bank liabilities and loans) amounted to CHF 198.8 million (December 31, 2014: CHF 122.7 million). This figure includes the acquisition of Sias AG with a purchase consideration of around CHF 25 million, of which the net payable was fully paid in cash. The increase in net liquidity was the result of the high cash flow from operating activities as well as the sale of 249,331 treasury shares during the first half of 2015, which was necessary for tax reasons. Sales proceeds totaled CHF 31.6 million, while the company's share capital was CHF 1,146,758 as at the reporting date of December 31, 2015 (December 31, 2014: CHF 1,144,458), consisting of 11,467,577 registered shares with a nominal value of CHF 0.10.

The Board of Directors will propose an increase in the dividend from CHF 1.50 to CHF 1.75 per share to the shareholders at the Company's Annual General Meeting on April 13, 2016.

Outlook 2016

In 2016, total Tecan Group sales are forecast to again increase with a double-digit rate in local currencies. This growth will be driven by the continued ramp up of major instrument platforms and launches of new products in both business segments as well as a full-year contribution of Sias.

The underlying EBITDA margin, excluding the Sias business and adjusted for tailwinds in 2015, mainly from the one-time positive net impact of revised pension liabilities, is expected to further expand by at least 50 basis points. Integration costs related to the Sias acquisition are expected to reach a mid single-digit million Swiss franc amount in 2016 and the acquisition to become accretive in 2017. Including these one-time integration costs, the EBITDA is expected to reach about a similar level as in 2015.

These expectations regarding profitability are based on an average exchange rate forecast for full-year 2016 of one euro equaling CHF 1.05 and one US dollar equaling CHF 0.98 and exclude further acquisitions.

Financial Report and Webcast

The full 2015 Financial Report can be accessed on the Company's website www.tecan.com under Investor Relations. An iPad App for the Tecan Financial Reports is also available from the App Store.

Tecan will hold an analyst and press conference to discuss the 2015 annual results today at 9:00 a.m. (CET). The presentation will also be relayed by live audio webcast, which interested parties can access at www.tecan.com. A link to the webcast will be provided immediately prior to the event.

The dial-in numbers for the conference call are as follows:

For participants from Europe: +41 58 310 50 00 or +44 203 059 58 62 (UK)

For participants from the US: +1 631 570 5613

Participants should if possible dial in 15 minutes before the start of the event.

Key upcoming dates

- The Annual General Meeting of Tecan's shareholders will take place in Zurich on April 13, 2016.
- The 2016 Interim Report will be published on August 16, 2016.

About Tecan

Tecan (www.tecan.com) is a leading global provider of laboratory instruments and solutions in biopharmaceuticals, forensics and clinical diagnostics. The company specializes in the development, production and distribution of automated workflow solutions for laboratories in the life



7

sciences sector. Its clients include pharmaceutical and biotechnology companies, university research departments, and forensic and diagnostic laboratories. As an original equipment manufacturer (OEM), Tecan is also a leader in developing and manufacturing OEM instruments and components that are then distributed by partner companies. Founded in Switzerland in 1980, the company has manufacturing, research and development sites in both Europe and North America and maintains a sales and service network in 52 countries. Registered shares of Tecan Group are traded on the SIX Swiss Exchange (TECN; ISIN CH0012100191).

For further information:

Tecan Group

Dr. Rudolf Eugster
Chief Financial Officer

investor@tecan.com

www.tecan.com

Martin Braendle
Vice President, Communications &
Investor Relations

Tel. +41 (0) 44 922 84 30

Fax +41 (0) 44 922 88 89

– Financial tables on following pages –

Tecan Group – Financial reporting
Consolidated financial statements for 2015
 (Key figures, unaudited)

Consolidated statement of profit or loss

January to December, CHF 1'000	2015	2014	Δ in %
Sales	440'295	399'518	10.2%
Cost of sales	(224'794)	(201'883)	11.3%
Gross profit	215'501	197'635	9.0%
<i>In % of sales</i>	48.9%	49.5%	
Sales and marketing	(69'193)	(63'258)	9.4%
Research and development	(39'857)	(39'451)	1.0%
General and administration	(40'866)	(39'697)	2.9%
Other operating income	1'364	1'974	-30.9%
Operating profit (EBIT)	66'949	57'203	17.0%
<i>In % of sales</i>	15.2%	14.3%	
Financial result	(942)	(8'059)	-88.3%
Profit before taxes	66'007	49'144	34.3%
Income taxes	(8'860)	(8'928)	-0.8%
Profit for the period	57'147	40'216	42.1%
<i>In % of sales</i>	13.0%	10.1%	

EBITDA	83'401	67'542	23.5%
<i>In % of sales</i>	18.9%	16.9%	

Basic earnings per share (CHF/share)	5.05	3.63	39.1%
Diluted earnings per share (CHF/share)	4.96	3.57	38.9%

Order entry

January to December, CHF 1'000	2015	2014	Δ in % (CHF)	Δ in % (LC)
Order entry	465'029	417'417	11.4%	14.1%

Segment information by business segments

Sales to third parties

January to December, CHF 1'000	2015	2014	Δ in % (CHF)	Δ in % (LC)
Life Sciences Business	253'029	236'271	7.1%	11.8%
Partnering Business	187'266	163'247	14.7%	14.9%
Total sales	440'295	399'518	10.2%	13.1%

Segment information 2015

January to December, CHF 1'000	Life Sciences Business	Partnering Business	Corporate / Consolidation	Group
Sales to third parties	253'029	187'266		440'295
Intersegment sales	14'760	1'785	(16'545)	-
Total sales	267'789	189'051	(16'545)	440'295
Operating profit	45'433	30'201	(8'685)	66'949
<i>In % of sales</i>	17.0%	16.0%		15.2%

Segment information 2014

January to December, CHF 1'000	Life Sciences Business	Partnering Business	Corporate / Consolidation	Group
Sales to third parties	236'271	163'247		399'518
Intersegment sales	10'721	3'604	(14'325)	-
Total sales	246'992	166'851	(14'325)	399'518
Operating profit	40'182	24'936	(7'915)	57'203
<i>In % of sales</i>	16.3%	14.9%		14.3%

Sales by regions (by location of customers)

January to December, CHF 1'000	2015	2014	Δ in % (CHF)	Δ in % (LC)
Switzerland	11'181	11'448	-2.3%	0.0%
Other Europe	179'331	165'223	8.5%	15.8%
North America	179'995	152'837	17.8%	13.2%
Asia	60'284	58'185	3.6%	12.3%
Others	9'504	11'825	-19.6%	-10.1%
Total sales	440'295	399'518	10.2%	13.1%

Consolidated balance sheet

CHF 1'000	31.12.2015	31.12.2014	Δ in %
Assets			
Current assets	492'353	423'833	16.2%
Non-current assets	149'129	128'429	16.1%
Assets	641'482	552'262	16.2%
Liabilities and equity			
Current liabilities	137'843	124'581	10.6%
Non-current liabilities	62'966	66'483	-5.3%
<i>Total liabilities</i>	<i>200'809</i>	<i>191'064</i>	<i>5.1%</i>
Shareholders' equity	440'673	361'198	22.0%
Liabilities and equity	641'482	552'262	16.2%

Consolidated statement of cash flows

January to December, CHF 1'000	2015	2014	Δ in %
Cash inflows from operating activities	99'128	48'191	105.7%
Cash outflows from investing activities	(33'506)	(54'328)	-38.3%
Cash in/(out)flows from financing activities	14'740	(15'828)	n.a.
Translation differences	(643)	303	n.a.
Increase/(decrease) in cash and cash equivalents	79'719	(21'662)	n.a.
Cash and cash equivalents as per cash flow statement:			
At January 1	128'715	150'377	-14.4%
At December 31	208'434	128'715	61.9%

Consolidated statement of changes in equity

January to December, CHF 1'000	2015	2014	Δ in %
Shareholders' equity at January 1	361'198	336'202	7.4%
Profit for the period	57'147	40'216	42.1%
Other comprehensive income for the period	(1'476)	(6'854)	-78.5%
Dividends paid	(16'857)	(16'651)	1.2%
New shares issued based on employee participation plans	1'507	-	n.a.
Treasury shares transferred based on employee participation plans	669	2'984	-77.6%
Share-based payments	8'691	5'288	64.4%
Sale of treasury shares	29'794	13	n.a.
Shareholders' equity at December 31	440'673	361'198	22.0%

Tecan Group – Financial reporting
Consolidated financial statements for the six months ending December 31, 2015

(Key figures, unaudited)

Consolidated statement of profit or loss for the six months ending December 31

July to December, CHF 1'000	H2 2015	H2 2014	Δ in %
Sales	240'345	227'516	5.6%
Cost of sales	(121'832)	(117'213)	3.9%
Gross profit	118'513	110'303	7.4%
<i>In % of sales</i>	49.3%	48.5%	
Sales and marketing	(36'061)	(33'697)	7.0%
Research and development	(19'786)	(22'231)	-11.0%
General and administration	(22'228)	(21'223)	4.7%
Other operating income	1'248	1'731	-27.9%
Operating profit (EBIT)	41'686	34'883	19.5%
<i>In % of sales</i>	17.3%	15.3%	
Financial result	(5'731)	(8'154)	-29.7%
Profit before taxes	35'955	26'729	34.5%
Income taxes	(4'773)	(5'095)	-6.3%
Profit for the period	31'182	21'634	44.1%
<i>In % of sales</i>	13.0%	9.5%	

EBITDA	50'809	40'705	24.8%
<i>In % of sales</i>	21.1%	17.9%	

Basic earnings per share (CHF/share)	2.74	1.95	40.5%
---	-------------	-------------	--------------

Order entry for the six months ending December 31

July to December, CHF 1'000	H2 2015	H2 2014	Δ in % (CHF)	Δ in % (LC)
Order entry	244'940	220'817	10.9%	13.8%

Segment information by business segments for the six months ending December 31
Sales to third parties

July to December, CHF 1'000	H2 2015	H2 2014	Δ in % (CHF)	Δ in % (LC)
Life Sciences Business	145'494	135'351	7.5%	12.7%
Partnering Business	94'851	92'165	2.9%	3.1%
Total sales	240'345	227'516	5.6%	8.7%

Segment information 2015

July to December, CHF 1'000	Life Sciences Business	Partnering Business	Corporate / Consolidation	Group
Sales to third parties	145'494	94'851		240'345
Intersegment sales	6'800	1'010	(7'810)	-
Total sales	152'294	95'861	(7'810)	240'345
Operating profit	34'091	12'842	(5'247)	41'686
<i>In % of sales</i>	22.4%	13.4%		17.3%

Segment information 2014

July to December, CHF 1'000	Life Sciences Business	Partnering Business	Corporate / Consolidation	Group
Sales to third parties	135'351	92'165		227'516
Intersegment sales	5'773	2'020	(7'793)	-
Total sales	141'124	94'185	(7'793)	227'516
Operating profit	25'357	13'659	(4'133)	34'883
<i>In % of sales</i>	18.0%	14.5%		15.3%

Sales by regions (by location of customers) for the six months ending December 31

July to December, CHF 1'000	H2 2015	H2 2014	Δ in % (CHF)	Δ in % (LC)
Switzerland	7'535	6'918	8.9%	11.0%
Other Europe	94'339	93'781	0.6%	6.6%
North America	98'996	84'359	17.4%	13.9%
Asia	34'837	35'654	-2.3%	6.3%
Others	4'638	6'804	-31.8%	-24.5%
Total sales	240'345	227'516	5.6%	8.7%