

Tecan to vertically integrate supplier of key parts

Männedorf, Switzerland, March 22, 2019 – The Tecan Group (SIX Swiss Exchange: TECN) announced today that it has signed agreements to acquire a long-term supplier to vertically integrate the manufacturing of critical precision-machined parts for its liquid handling pump portfolio. With two manufacturing sites, one in California, USA, and a second site in Vietnam, Tecan will be able to benefit from the long-term supply of high quality precision-machined parts and realize cost savings by internalizing their supply. Today, Tecan already is the largest customer of this supplier, making up for a significant share of revenues.

The purchase consideration of USD 22.5 million (CHF 22.4 million) will be fully paid in cash. Closing of the transaction is subject to various conditions, including certain approvals in Vietnam.

The impact of the acquisition on Tecan's 2019 financial results depends on the exact timing of the closing of the transaction. With Tecan being the largest customer, sales to third parties are only expected to generate additional sales in a low- to mid single-digit million Swiss franc amount. The transaction is expected to be immediately accretive to earnings per share (EPS) and the impact on the communicated Tecan Group EBITDA margin outlook for 2019 will be slightly positive. Cost benefits by internalizing the supply are expected to enhance the operating profitability beyond 2019.

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 sciences sector. Its clients include pharmaceutical and biotechnology companies, university research departments, 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. In 2018, Tecan generated sales of CHF 594 million (USD 606 million; EUR 516 million). Registered shares of Tecan Group are traded on the SIX Swiss Exchange (TECN; ISIN CH0012100191).

For further information:

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