

Tecan Group

Capital Markets Day 2014

September 18, 2014

Agenda

TOPIC	PRESENTER	TIME
Refined Corporate Strategy and Priorities 2014	David Martyr	8:30
Driving Growth in the Life Sciences Business	Stefan Traeger	
The New Fluent Laboratory Automation Solution	Bronwen Forster Hal Wehrenberg	
Continue to Expand Tecan's China Business	Jonathan Qu	
Coffee Break		10:15 – 10:30
Acquisition of IBL International	David Martyr Jan Boesen	10:30
M&A as a Key Element of Tecan's Corporate Strategy	Klaus Lun	
Driving Growth in the Partnering Business	Achim von Leoprechting	
Improving Operational Excellence	Ulrich Kanter	
Summary and Outlook, Q&A	David Martyr	
End of Webcast / Lunch Break		12:30 – 13:30
Product Demos and Site Tour		13:30 – 15:00



Capital Markets Day 2014

Refined Corporate Strategy and Priorities 2014

Dr. David Martyr, CEO

September 18, 2014

A Global Leader in Laboratory Automation

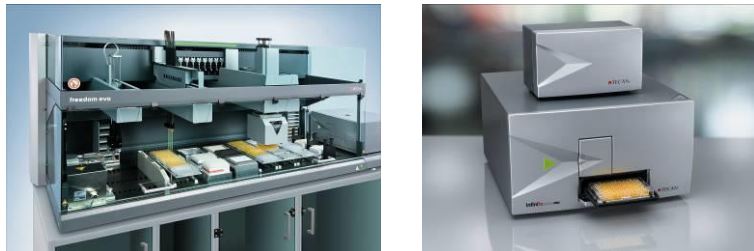
- Tecan's solutions accelerate, automate and enhance the processes in state-of-the-art diagnostics and life sciences labs
- Market leader for liquid handling platforms and a leading position for microplate readers and washers
- Offering immunoassays for specialty diagnostics through recently acquired IBL International



Tecan's Products, Business Structure and Markets

Life Sciences Business

- Focused on all end-user activities
- Products marketed under the Tecan brand through own sales & service organizations and distributors



≈ 58% of Group sales

Partnering Business

- Focused on all OEM activities
- Products sold by partners under their own brand



≈ 42% of Group sales

CHF 388M in revenue

Diagnostics

Life Science
Research

Forensics

Applied
Markets

Tecan is a Global Partner

R&D and Manufacturing Sites



San Jose, US



Mainz, DE



Männedorf/Zürich, CH



Grödig/Salzburg, AT



Hamburg, DE

- Tecan sales office
- R&D and manufacturing site

Tecan Group

Corporate Headquarters

Tecan Group Ltd.
Seestrasse 103
CH-8708 Männedorf
Switzerland
T +41 44 922 88 88
F +41 44 922 88 89

Enhancing Key Workflows in Laboratories



Process/work flow

Sample and Reagent Containers,
Disposable Pipette Tips

- **Consumables**
Tecan brand disposables



Sample Pipetting, Reagents Mixing,
PCR Incubating, Plate Logistics,
gDNA Extraction etc.

- **Liquid Handling Platforms**
Freedom EVO® & Fluent
Laboratory Automation Solutions



Data flow

Microtiter plate based
Immunoassays

- new
- **Immunoassays**
IBL International
branded Immunoassays
for Specialty Diagnostics



Washing, Detection,
Optics, Data Reduction,
Data Flow etc.

- **Detection**
Microplate Readers
and Washers



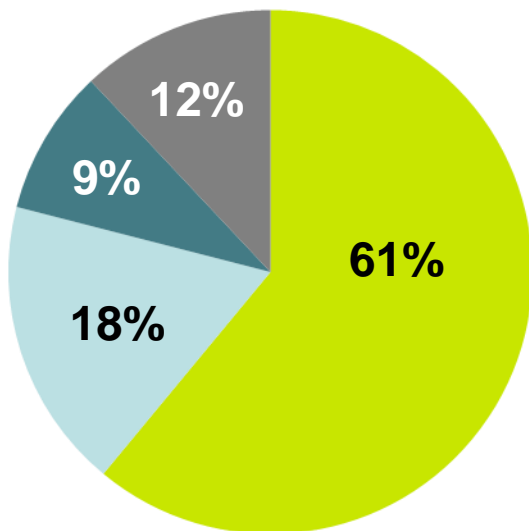
Revenue Profile Provides a Solid Basis

Strong drivers
in Diagnostics

IBL will further increase
share of recurring revenues

Growing direct presence
in Emerging markets

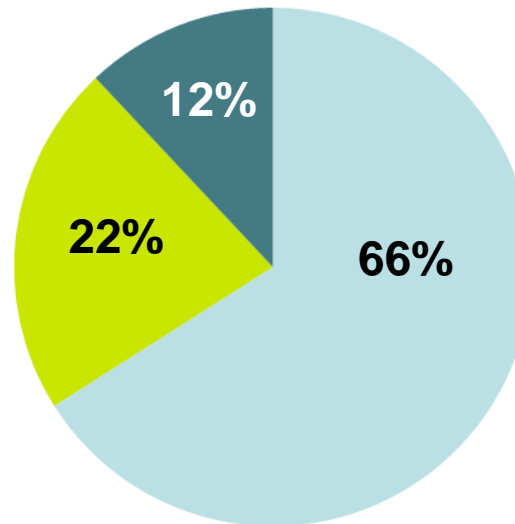
Customer Segments



Diagnostics
Biotech + CROs

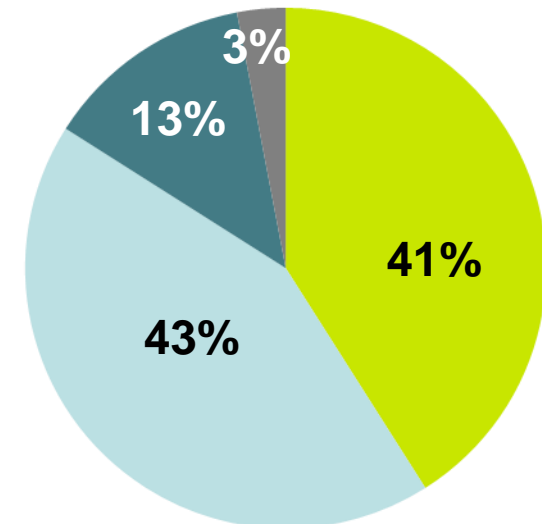
Pharma
Academia

Products



Instruments
Services & spare parts
Plastic consumables

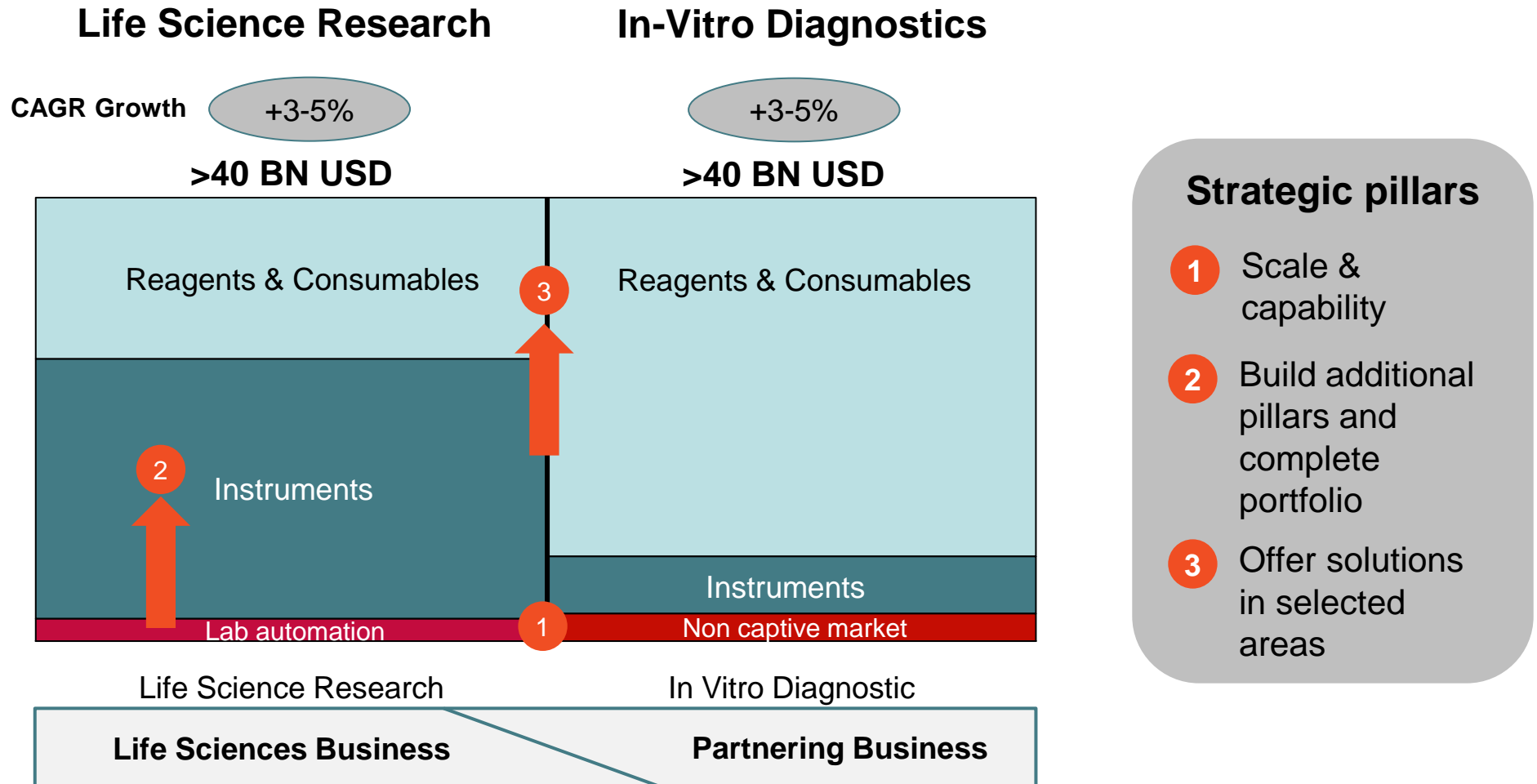
Geographies



North America
Europe

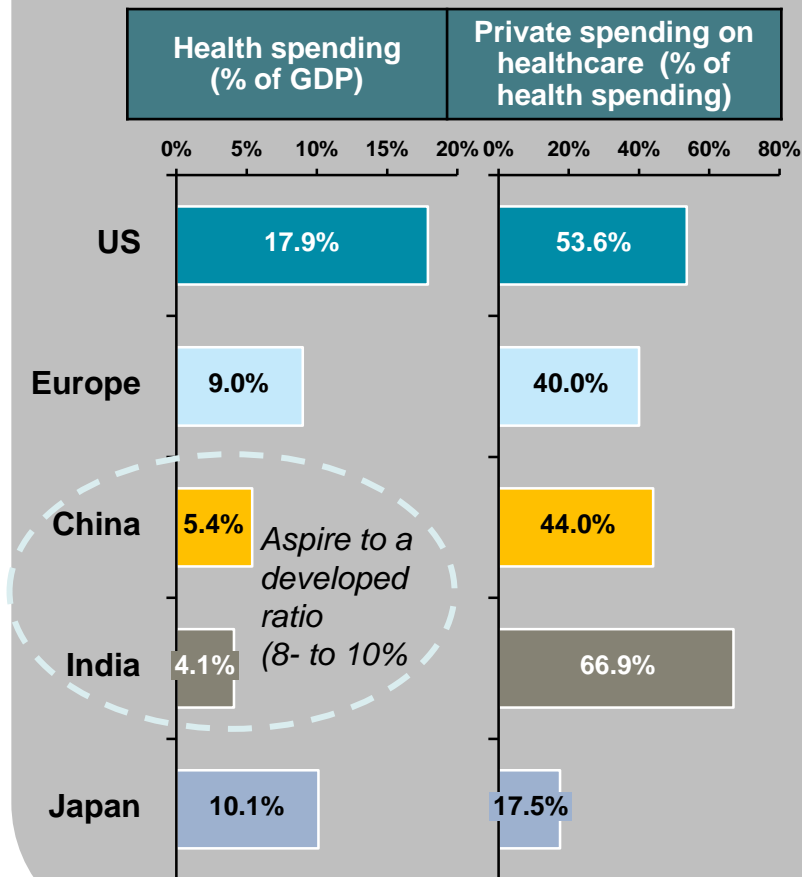
Asia
Other

Basis for Corporate Strategy: Market Structure

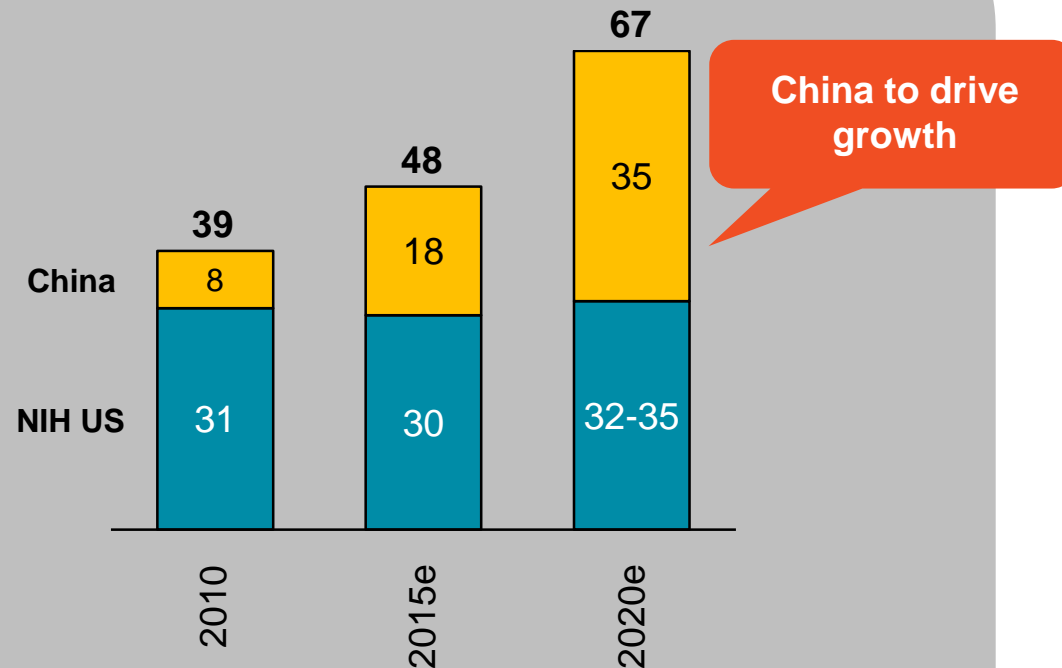


Basis for Corporate Strategy: Macro Environment

Healthcare spending



Government R&D expenditure related to Life Science Tool (USD BN – selection)



- China still represents the largest single organic growth opportunity for the Life Science Tools (LST) industry
- Government funded Life Science R&D funding in China is equivalent to roughly 50% of the NIH budget in the US in 2013
- By 2020 this should exceed the NIH budget

Refined Corporate Strategy - Overview

Life Sciences Business

Be the **Go-to Partner** for automation and analytical needs in the **life science research** lab

Provide automation and a dedicated **solution** offering for **Clinical Diagnostics**

– not competing with Partnering Business

Partnering Business

Be the **Partner of Choice** for automation systems in the **In Vitro Diagnostic** industry

Defend and expand leading position for liquid handling **pumps** and **robotic components** for OEMs

Increase share of recurring revenues

Continue to build out the China business

Driving thoughtful M&A

Improve R&D and operational excellence

Refined Corporate Strategy

Life Sciences Business

Be the Go-to Partner for automation and analytical needs in the life science research lab

- Execute on commercialization of next generation platforms in liquid handling and detection
- Offer an extended and broader range of products in different segments and expand into new technologies

Provide automation and a dedicated solution offering for Clinical Diagnostics – not competing with Partnering Business

- Offer integrated solutions, including reagents, for dedicated applications as well as for key workflows transitioning into clinical settings

Partnering Business

Be the Partner of Choice for automation systems in the In Vitro Diagnostic industry

- Leverage Tecan's platforms, closed solutions and service footprint to expand market share
- Further build capabilities and technology for expansion in Molecular Diagnostics and Next Generation Sequencing segments

Defend and expand leading position for liquid handling pumps and robotic components for OEMs

- Expand position in core pumps market through technology leadership and cost improvements
- Further build robotics offering through cost improvements and range extension

Increase share of recurring revenues with plastic and functional consumables

Continue to focus on building out the China business with increased direct market presence

Driving thoughtful M&A to support evolution into solutions business and complement existing pillars

Improve R&D and operational excellence to become core competency and differentiator

Corporate Strategy Mirrored in Priorities for 2014

Focus on driving growth in Life Sciences Business, especially in Europe and North America

Supporting Partnering Business customers with delivery ramp-up (Dako Omnis and Ortho Vision)

Continue to focus on building out China (Life Sciences Business and Partnering Business)

Improving operational excellence and reducing manufacturing costs (COGS)

Driving appropriate, thoughtful M&A as catalyst to core business and to support evolution into solutions



Capital Markets Day 2014

Driving Growth in the Life Sciences Business

Dr. Stefan Traeger, Head Life Sciences Business

September 18, 2014

Recovery of Life Sciences Business

- Tecan's Life Sciences Business reported strong H1 2014 results
 - Sales were up by 7.2% in local currencies
 - Orders with double-digit increase
 - Substantial increase in profitability
- Underlying factors for sustained recovery
 - Improved economic environment
 - Internal improvements
 - M&A to support evolution into solutions



Improved Economic Environment

- Improved economic and funding environment in Europe and North America
 - USA: first year of NIH budget growth after three years of decline
 - Europe: normalized environment for capital spending
- Temporary disruption in China due to structural reforms
 - Despite temporary headwind in spending patterns, fundamentals remain strong
 - Central Governments continues to focus on transforming China into a science and innovation driven economy



Internal Improvements Implemented in 2014

- Organisational Development
 - Customer-oriented SBU's established
 - More customer face-time by re-balancing resources (EU, U.S.) or expanding sales headcount (China)
 - Key regional hirings with extensive industry-specific experience
- Process Improvements
 - Re-defined sales process
 - New CRM system
 - New sales support tools
- New Product Development
 - Launch of several new products with focus on improved user-friendliness in addition to the introduction of the new Fluent platform



New Customer-Oriented Organization

CDx

Life Sciences & Applied

Customers

Clinical Diagnostics



Hospitals, blood-banks and CDx labs

Pharma & Biotech



Pharma, biotech and CRO labs

Academic Research



Academic research labs

Applied Markets



Labs in applied markets

Global Sales and Service Network, with Tecan Offices in North America, Europe, China & SEA, Japan and Australia, and extensive Dealer representation in most other territories.

Automated Liquid Handling



Detection & Analytics



Services, Consumables, Reagents

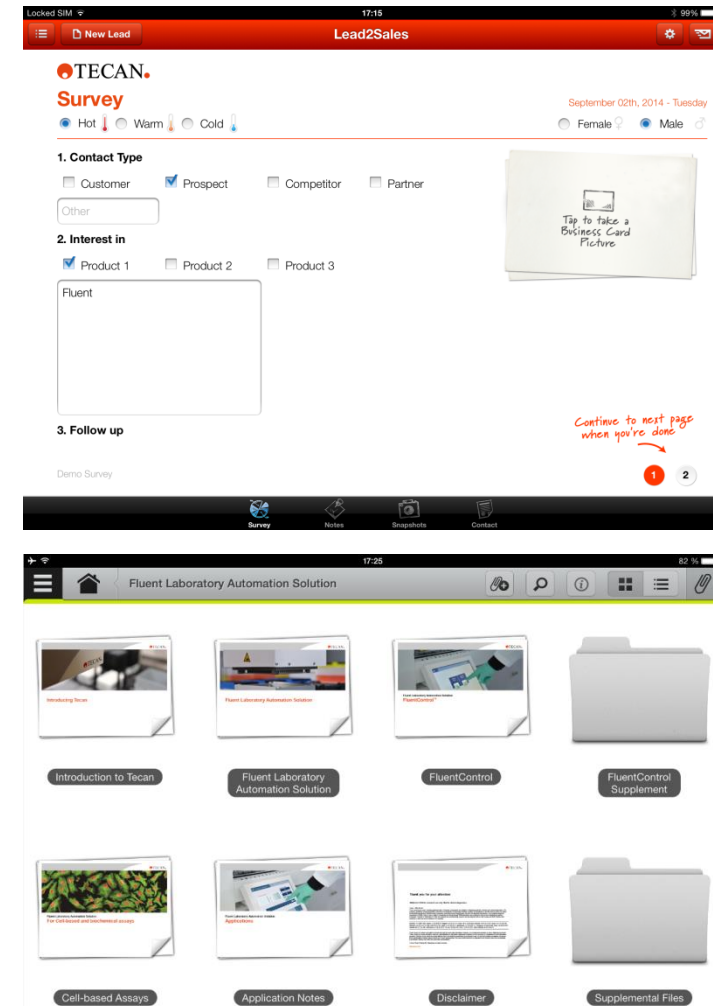


Products



Modernized Sales Process and New Sales Tools

- Standard KPI scorecard implemented at division level and broken down into the major regions
- Weekly pipeline reviews implemented in the US, EU and in China
- Switched to a new SAP-based CRM system; rolled out early 2014
- Mobile Application on iPad
- iPad-based sales support tools



New Products With Increased Application Focus

Shaping the lab of the future - maximizing the most valuable resource that any lab has:
The imagination of it's scientists and lab workers

- By improving **productivity**
 - Enable Automating complete end to end workflows
 - Provides users more time to develop the next assay or concept
- By improving **convenience**
 - Providing ready-to-go application & solution packages
 - Predefined protocols designed to meet users needs
- By improving **flexibility**
 - Developing solutions that are flexible
 - Users can adapt and explore new lines of enquiry /new ideas



**Walk Away
Automation**

**Ready-to-go
Solution Packages**

**Touch Tools/ CNS/
Product Options**

Fluent, and Much More... A Cadence of New Products

Productivity

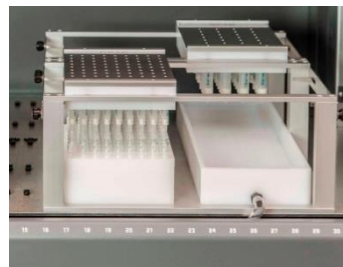
NGS Workstation
EVO-based
3 x Illumina approved
applications & Touch
Tools interface

Sample prep for mass
spectrometry

Positive pressure
device, Touch Tools
interface

PCR add-on with
Touch Tools to
automate PCR setup

Nested disposable tips for
enhanced productivity and
greater walk-away time
+ patented device to
remove inserts and avoid
need for a robotic arm



Convenience



1. Select the application



2. Enter your parameters



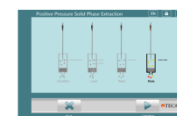
3. Set up the worktable



4. Slide on cover plate



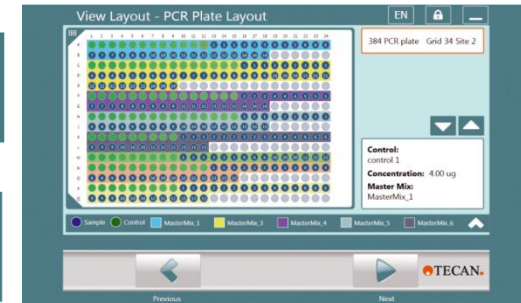
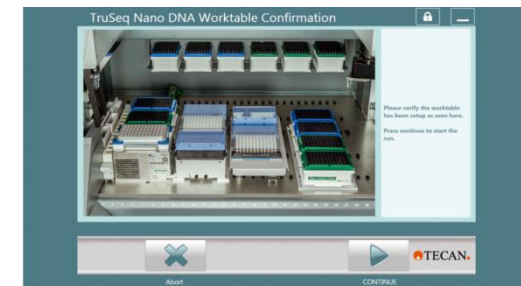
5. View instrument status



6. View final report



Flexibility



Touch Tools focuses on customer needs, ease of use, convenience.

Last year up to 50% of all systems shipped with the Touch Tools option & a software package

Acquisition of IBL International

Supporting Tecan's evolution into a solutions business





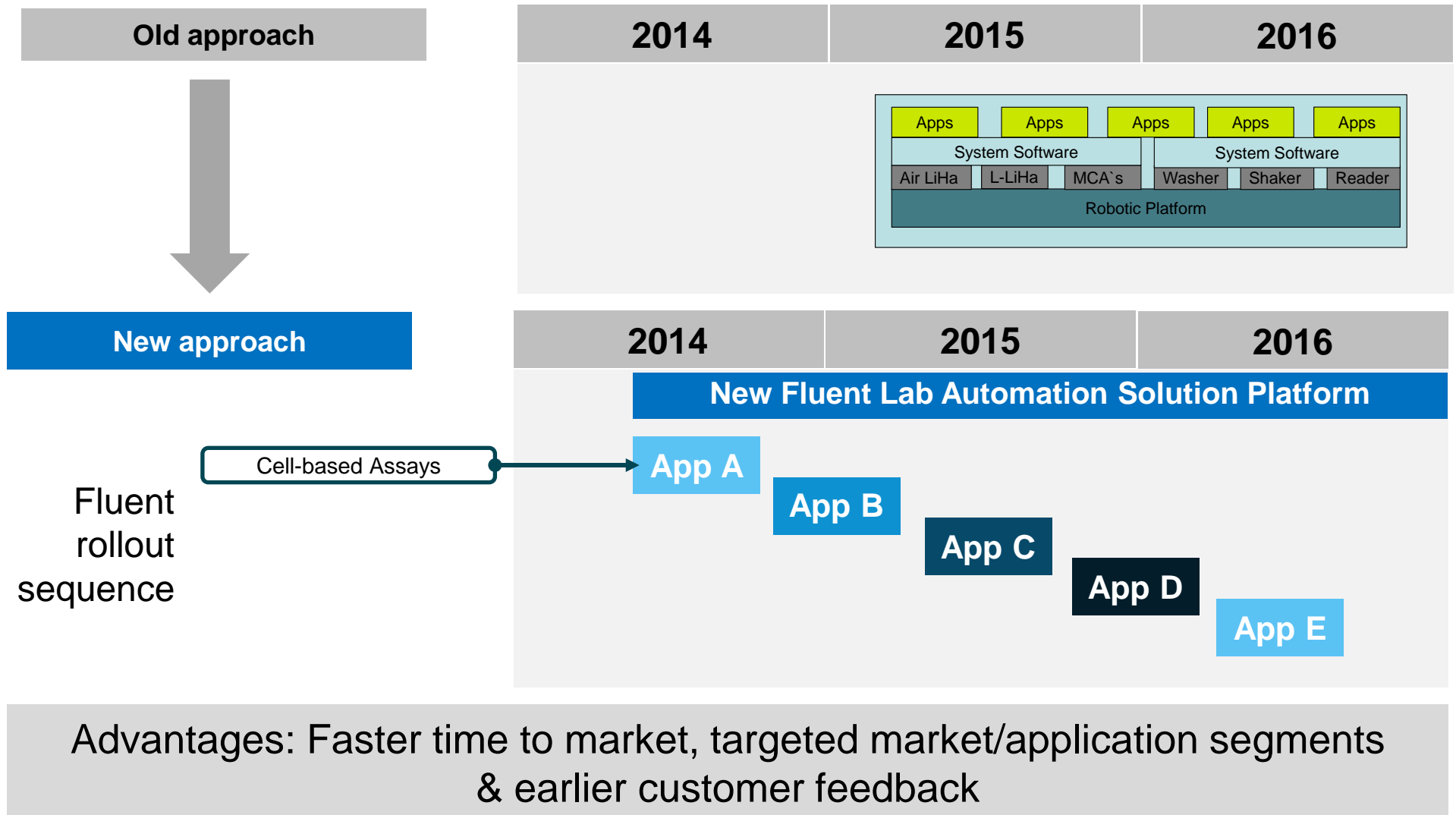
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Fluent Laboratory Automation Solution

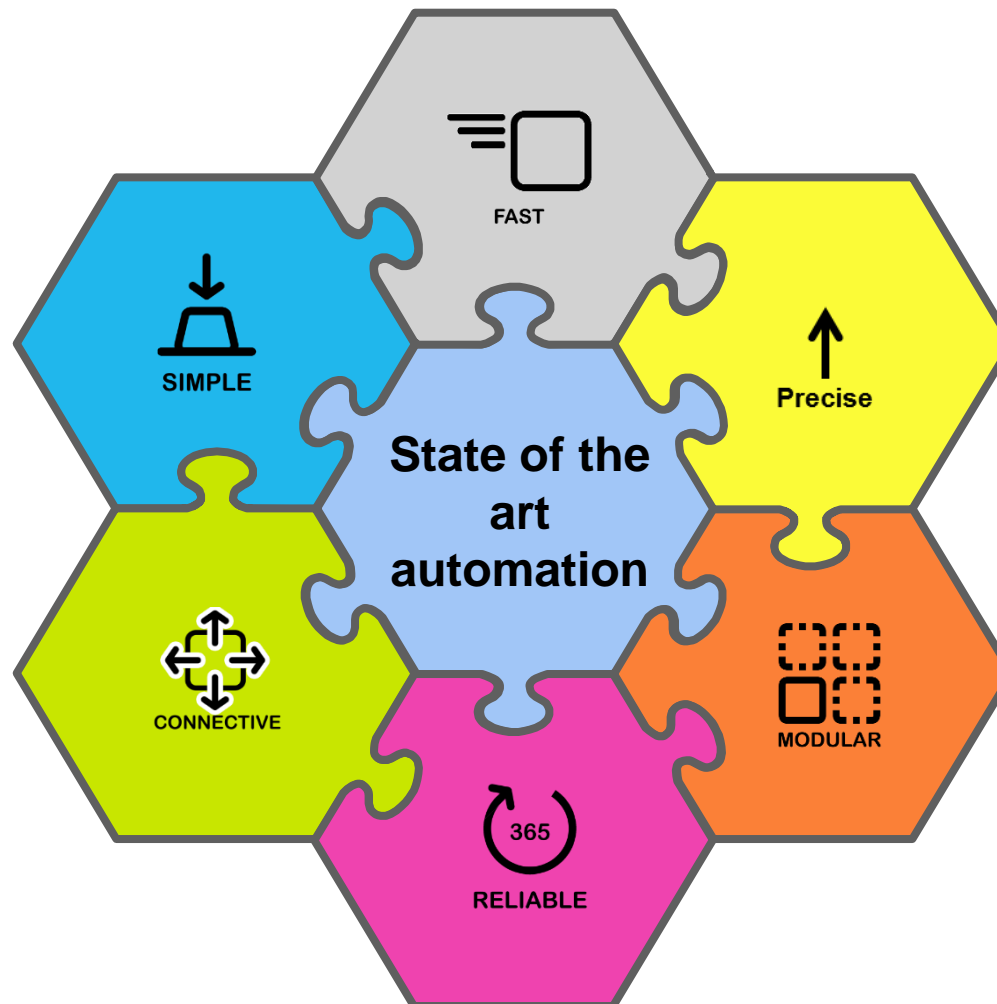
Bronwen Forster, Senior Product Manager

September 18, 2014

Tecan's New Solution-Oriented Innovation Process



Fluent – The Next Generation of Liquid Handling



The Fluent Family

FLUENT
480



FLUENT
780



FLUENT
1080



Plate positions: 30

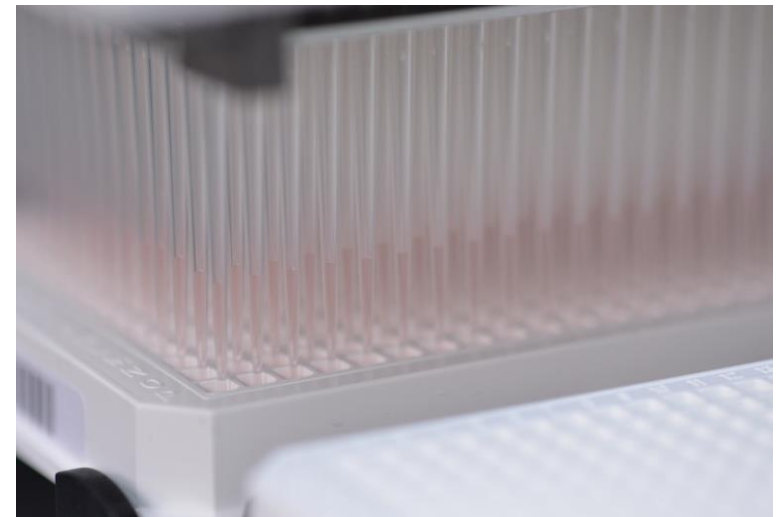
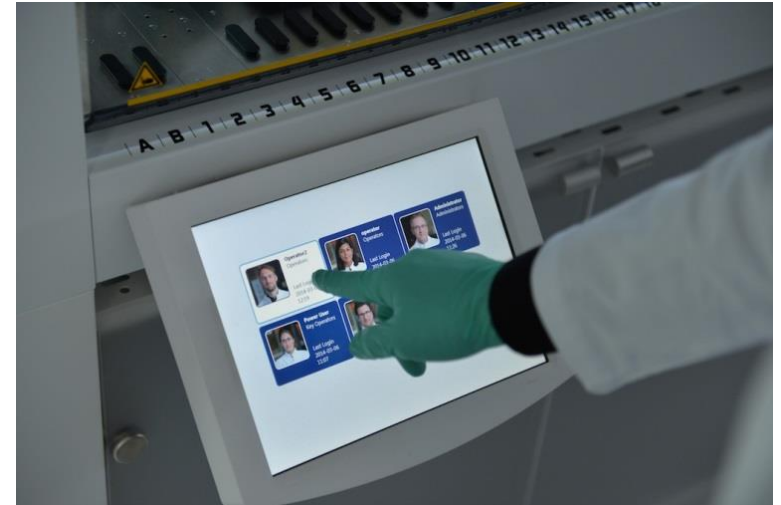
Plate positions: 48

Plate positions: 72



Fluent Keeps it Simple and Smart

- **User-focused daily operation** is tailored to individual user's skill set, application needs & favorite selections
- Integrated **Touch screen interface**, eases instrument setup, reduces errors, increases success
- **Teach-free** standard carriers and labware, minimize set up time
- “One-touch” **Zero-G** teaching for third party devices or position optimization



Fluent Increases **Productivity** per Meter²

- Outstanding deck capacity maintaining a **compact foot print**
- Compact bench-top version transforms to free-standing with cabinet to **use all vertical space**
- Optional, integrated HEPA hood provides **clean air environment** without expanding foot print
- **Faster instrument set-up** using «teach-free» ready-to-go



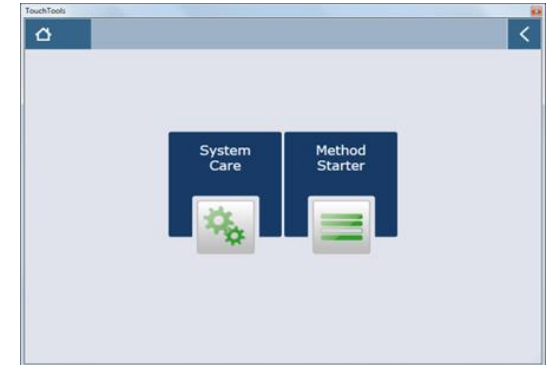
Fluent Offers More **Throughput**

- Patented motion control and Path Finder™ move optimization **accelerate arm movements**
- Fast and **parallel processing** by independent arms decrease processing times



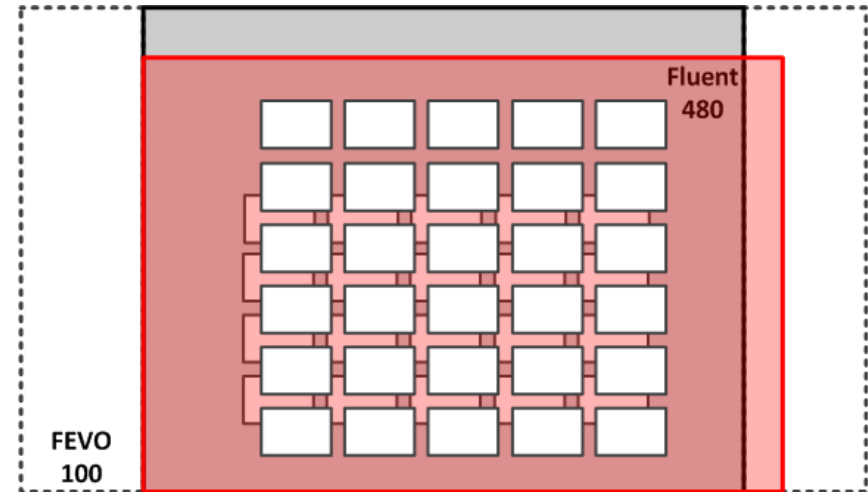
Fluent Offers Enhanced Confidence

- Dedicated daily **run environment for users**
- Greater positional precision for **high density plate formats** (e.g. 384 & 1536 well plates)
- High Definition pipetting system delivers **outstanding precision, accuracy and volume range**
- Adaptive Signal Technology increases **speed & reliability of liquid-level and volume detection**
- Dynamic Deck segments allow exceptional configuration flexibility adding to **system longevity**

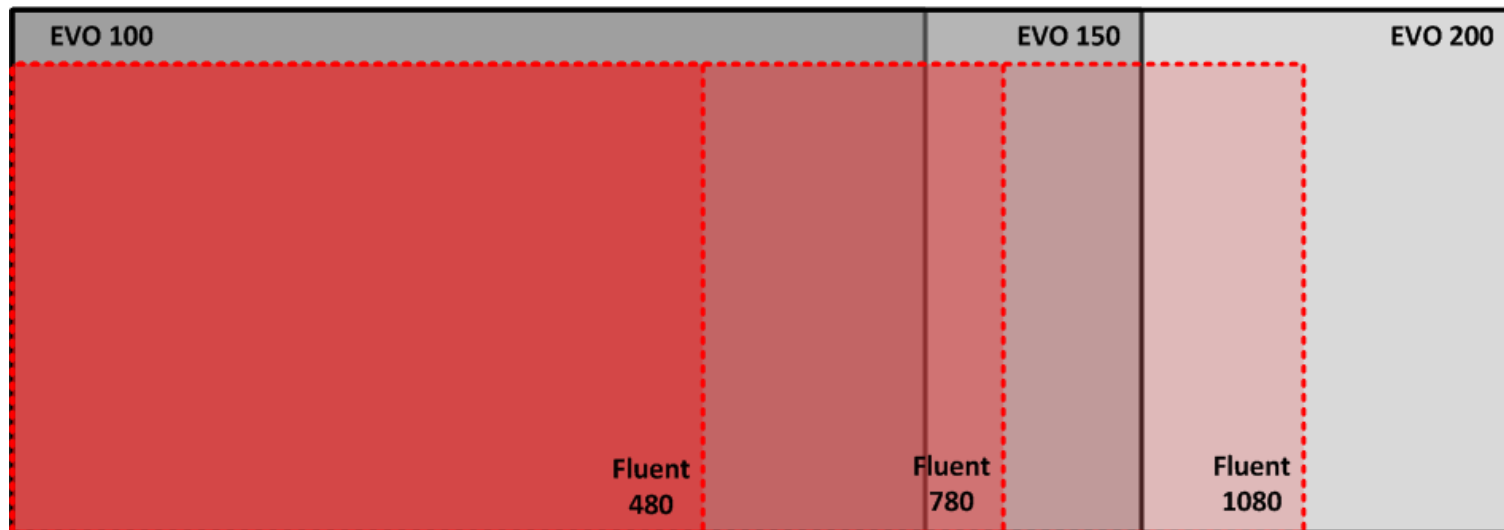


Fluent: High Capacity in a Compact Footprint

- Fluent 480 has 50% more capacity than Freedom EVO 100, for less bench space
- All access to electronics is from inside the instrument

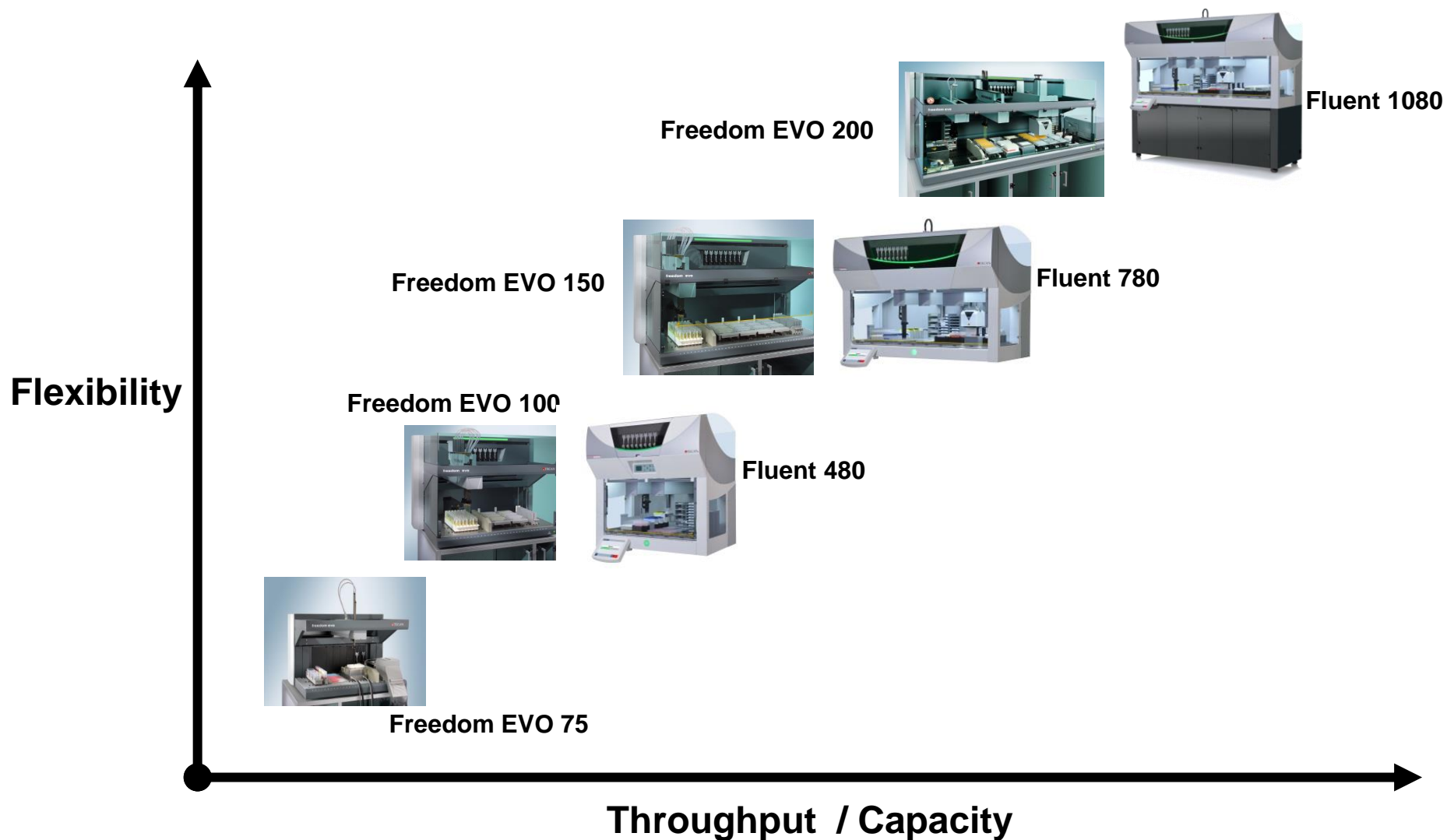


Freedom EVO Bench Footprint (allowing access etc)



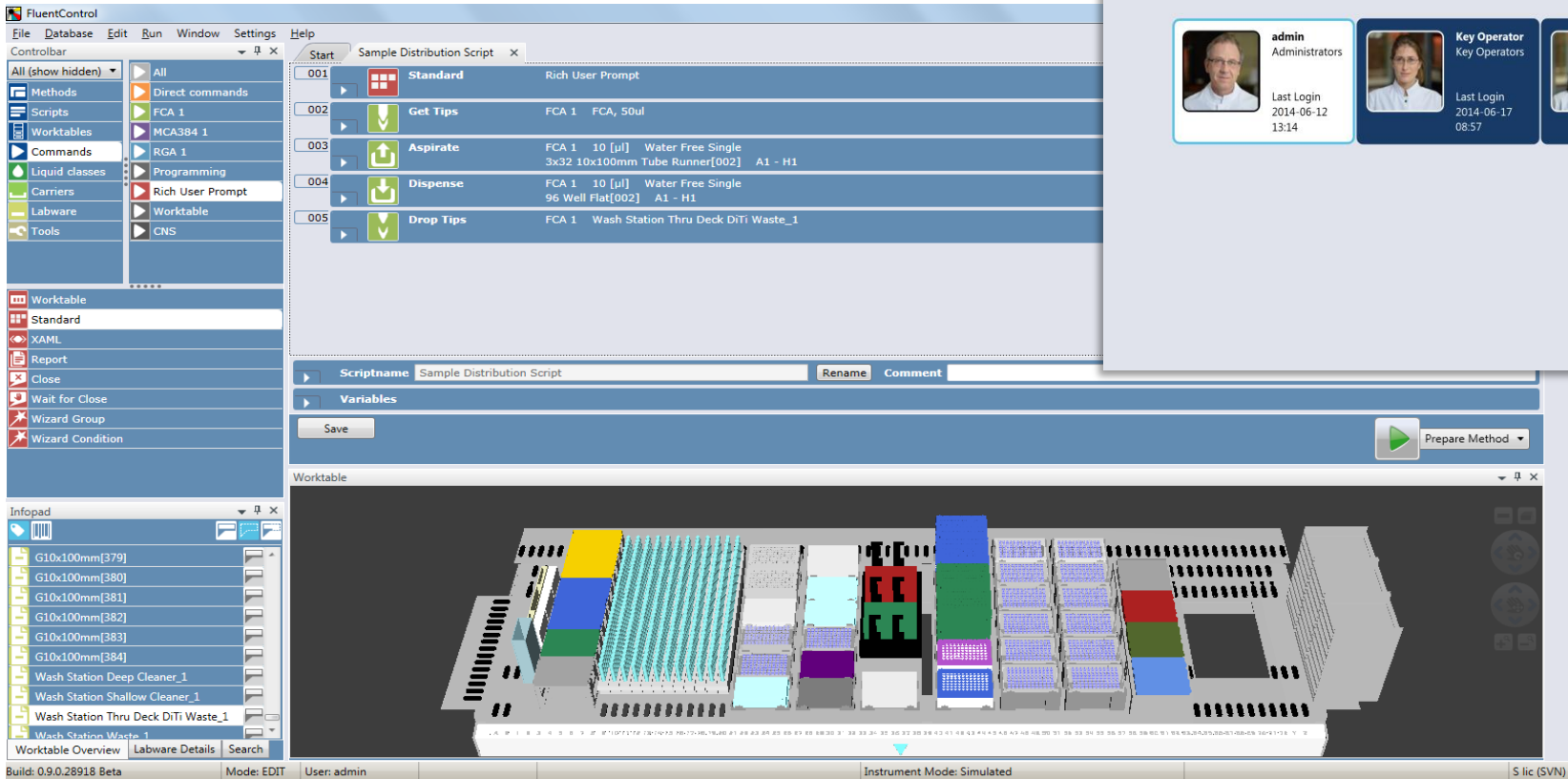
Fluent Bench Footprint (allowing access etc)

Tecan Laboratory Automation Family





FLUENTCONTROL



The screenshot displays the FLUENTCONTROL software interface. The top menu bar includes File, Database, Edit, Run, Window, Settings, and Help. Below the menu is a toolbar with icons for various functions. The left sidebar contains a 'Controlbar' with a tree view of the software's structure, including Methods, Scripts, Worktables, Commands, Liquid classes, Carriers, Labware, and Tools. The main workspace is divided into several panels:

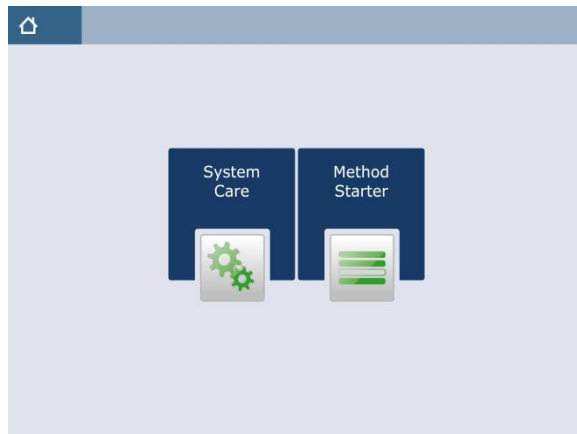
- Script Editor:** Displays a script named 'Sample Distribution Script' with the following steps:
 - 001: Standard (Rich User Prompt)
 - 002: Get Tips (FCA 1, FCA, 50ul)
 - 003: Aspirate (FCA 1, 10 [ul], Water Free Single, 3x32 10x100mm Tube Runner[002], A1 - H1)
 - 004: Dispense (FCA 1, 10 [ul], Water Free Single, 96 Well Flat[002], A1 - H1)
 - 005: Drop Tips (FCA 1, Wash Station Thru Deck DiTi Waste_1)
- File Browser:** Shows a list of files and folders, including 'G10x100mm[379]', 'G10x100mm[380]', 'G10x100mm[381]', 'G10x100mm[382]', 'G10x100mm[383]', 'G10x100mm[384]', 'Wash Station Deep Cleaner_1', 'Wash Station Shallow Cleaner_1', and 'Wash Station Thru Deck DiTi Waste_1'.
- 3D Model:** A 3D rendering of a laboratory deck with various components labeled, including 'G10x100mm[379]', 'G10x100mm[380]', 'G10x100mm[381]', 'G10x100mm[382]', 'G10x100mm[383]', 'G10x100mm[384]', 'Wash Station Deep Cleaner_1', 'Wash Station Shallow Cleaner_1', and 'Wash Station Thru Deck DiTi Waste_1'.

The bottom status bar shows 'Build: 0.9.0.28918 Beta', 'Mode: EDIT', 'User: admin', 'Instrument Mode: Simulated', and 'S lic (SVN)'.

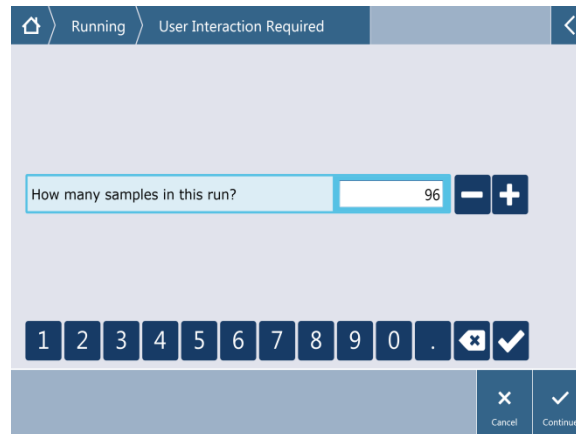
	admin Administrators Last Login 2014-06-12 13:14		Key Operator Key Operators Last Login 2014-06-17 08:57		Operator Operators Last Login 2014-06-19 11:31
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The Operator Interface

- Standard with all installations
- Everything an operator needs for daily work is on the touch screen



Execute System Care or Methods



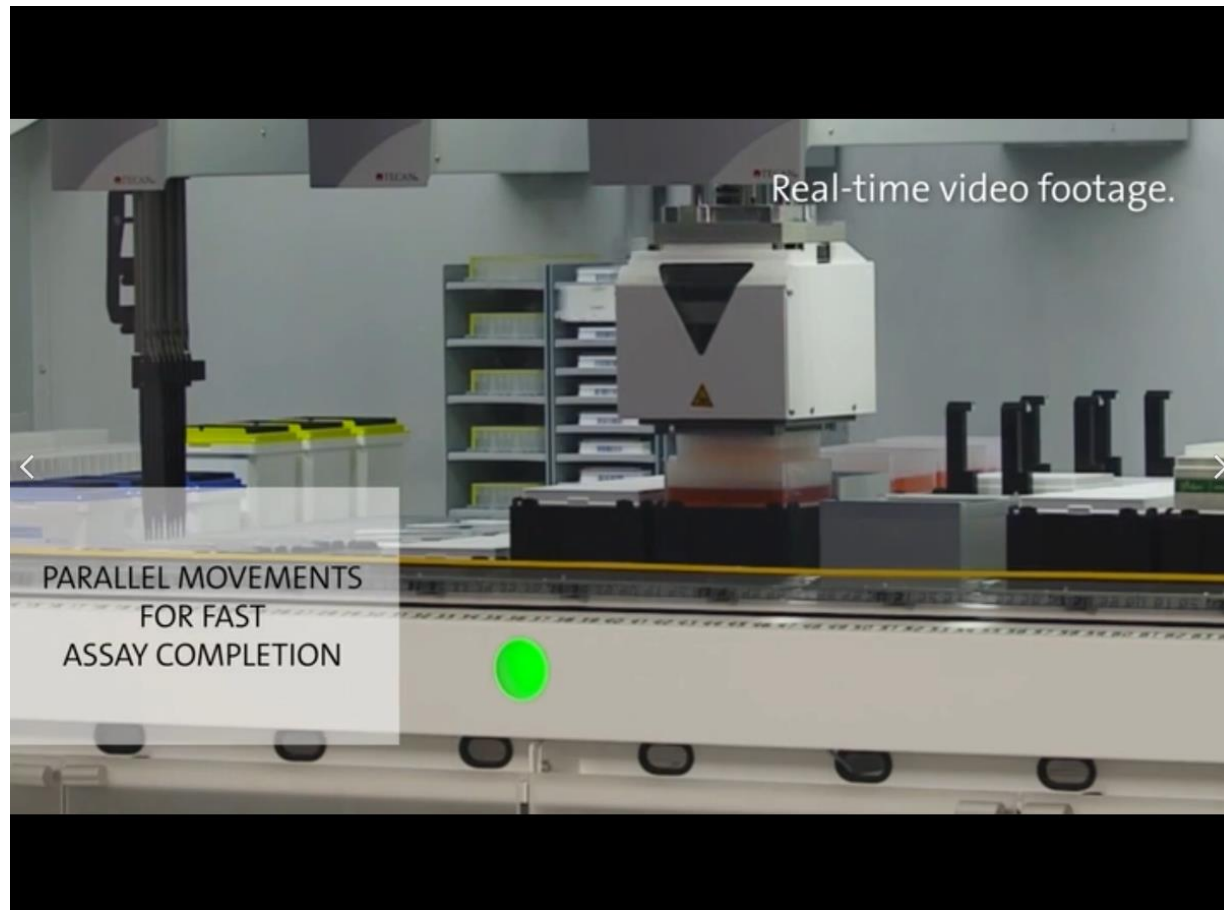
Prompts, input fields, and messages are all easy touch interactions

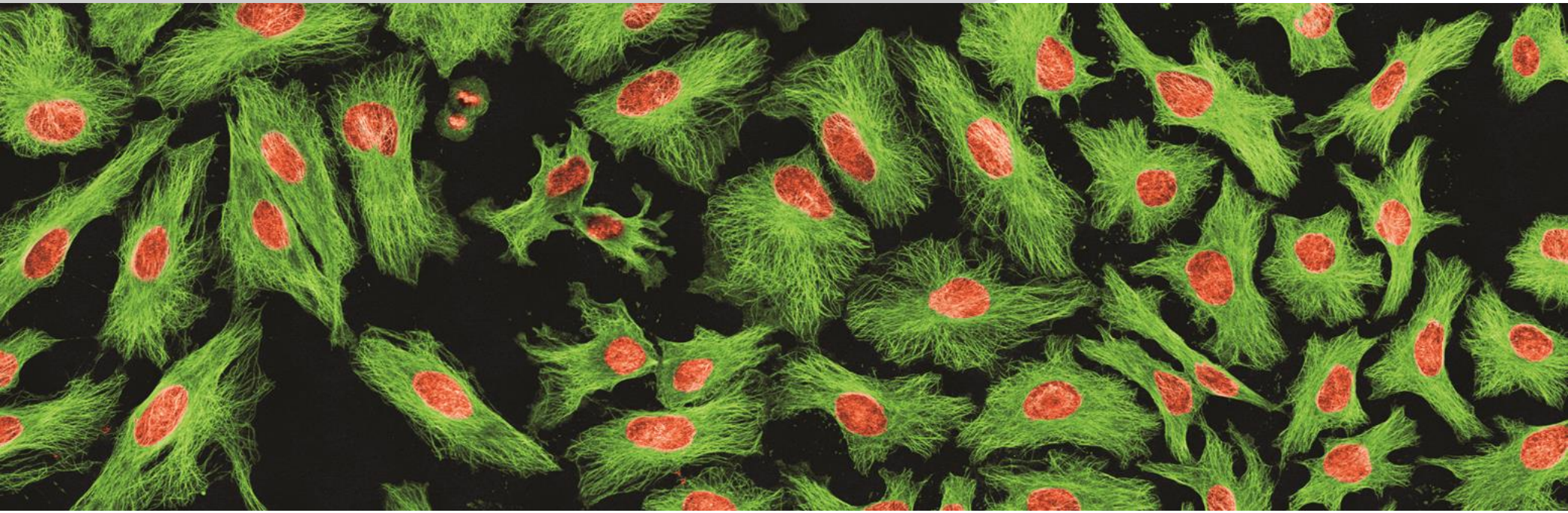


Optionally display photos or movies to help guide an operator during a run

Fluent Laboratory Automation Solution - Video

Hal Wehrenberg, Product Manager Software





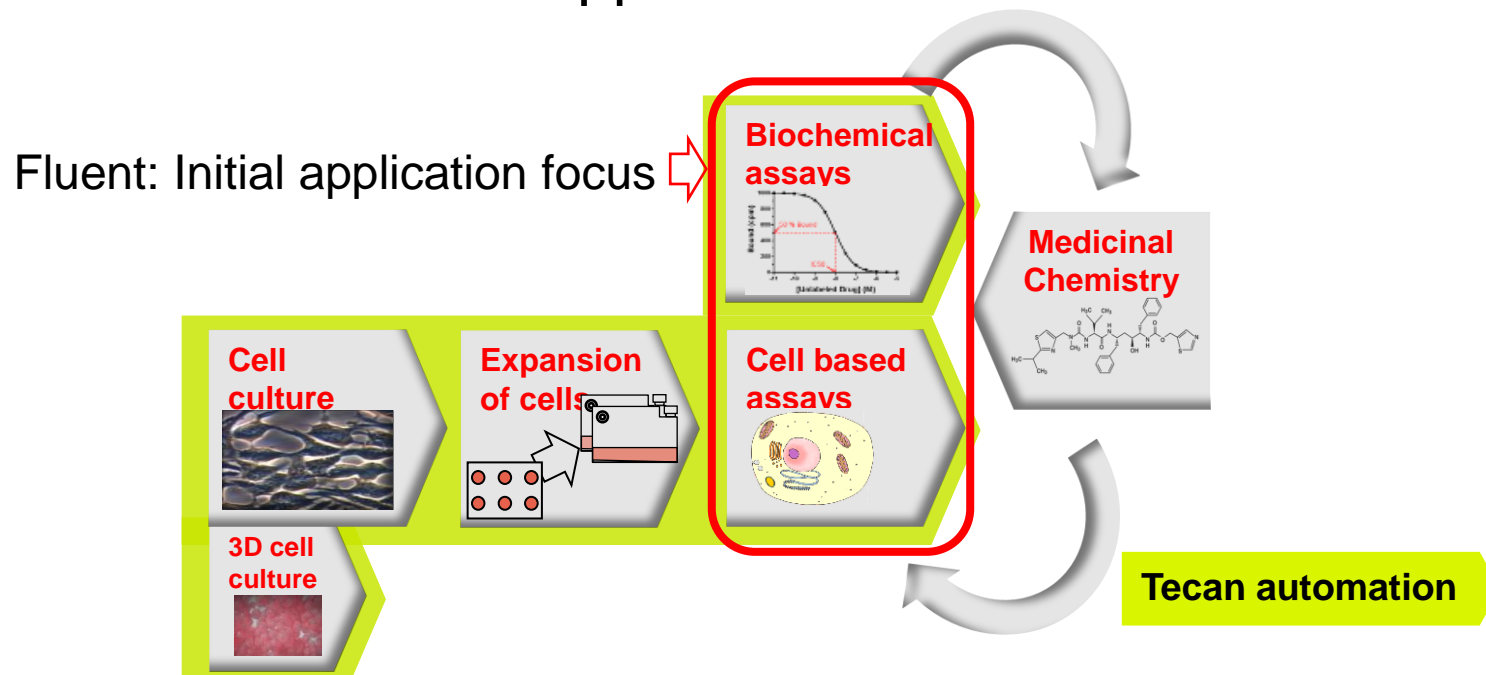
Fluent Laboratory Automation Solution

For Cell-based and Biochemical Assays

Bronwen Forster, Senior Product Manager

Tecan Automation for Cell Biology

- Tecan provides cell biology solutions for many years
- Offer solutions for many aspects of the workflow
- With Fluent, optimized automation of cell-based & biochemical assays
- Provided a series of application notes at time of introduction






Customer Benefits of Application Notes

- Demonstrates operation in typical usage and lab environments
 - 'Real' customer scenarios
- Demonstrates real performance
 - Analytical data generated by workflow/assay operated on a Fluent system
- Provides confidence with real scientific data
- Highlights key Fluent capabilities
 - Used to emphasize positioning & messaging



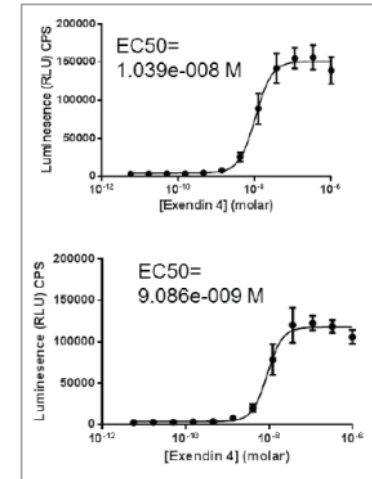
Cell-based and Biochemical Applications with Key Partners

Partner	Assay type	Assay	Fluent highlights
	Cell-based	Epigenetics assay screening for inhibitors of DNA methylation	Complex HT screening
	Cell-based	GPCR assay e.g. used for characterization of compounds for diabetes treatment	Versatility
	Cell-based	Cytotoxicity assay used in order to characterize e.g. compounds in cancer research	Compact footprint
	Biochemical	Thrombin assay for screening thrombogenic compounds	Robustness

Application notes contain relevant analytical data based on multiple cell-based assay.
Competitive differentiation

Results Provide Customer Confidence

- z' key statistical measure of assay performance (reproducibility)
- EC_{50} values similar to benchmark
- Same experiment on multiple plates – robust performance shown via heat map
- Excellent results obtained
- ‘Real’ evidence of ability to run cell-based/biochemical assays



Samples	z' Plate 2	z' Plate 4	z' Plate 8
Experiment 1	0.63	0.69	0.69
Experiment 2	0.55	0.49	0.69

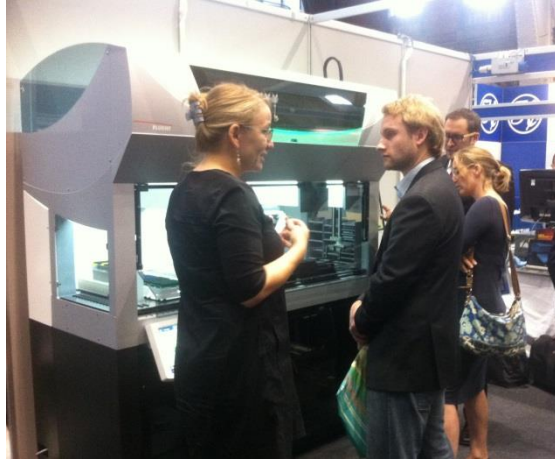
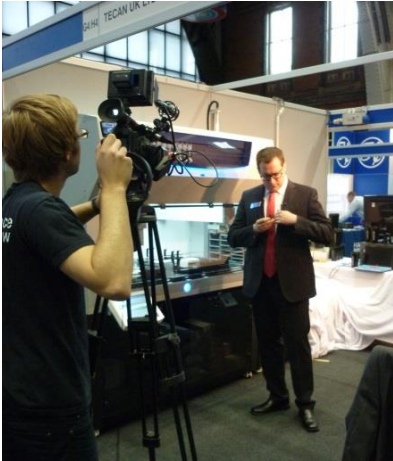


Fluent is Different

- Fluent accommodates trends in cell-based & biochemical assays
 - Miniaturization
 - Higher throughput
 - Need to reduce complexity
 - Demand for high quality
- Tecan delivers tested applications with partners
- Application examples demonstrate the range of capabilities that Fluent provides for drug discovery

Simplicity – Productivity – Confidence

Fluent at recent scientific meetings and exhibitions



- ELRIG Drug Discovery Meeting, 2-3 September 2014, Manchester, UK
- 1347 delegates attended ELRIG
- First public showing of Fluent
- Tremendous interest – ‘innovative’ was the word on the lips of many delegates...
- *“the first truly next generational release seen in several years”* – Senior Automation Leader

- JASIS (Japanese Analytical Instruments Manufactureres Association), 3-5, September, 2014, Japan



Live product demo after lunch





Capital Markets Day 2014

Continue to Expand Tecan's China Business

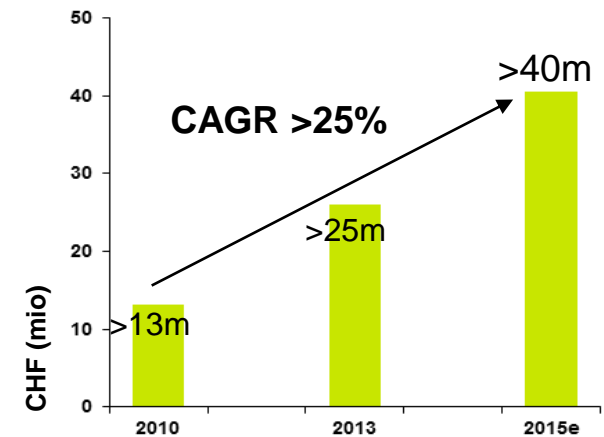
Jonathan Qu, Head of Market Unit Commercial Operations, AP

September 18, 2014

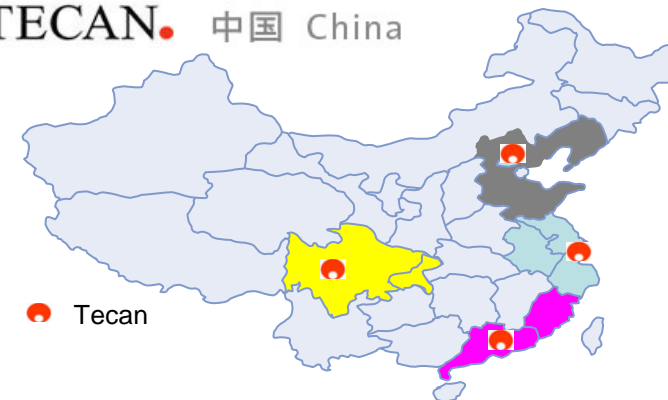
Expanding Tecan's China Business

- Tecan has a presence in China since 2004 and an own legal entity since 2008
- The business has gained significant momentum in recent years
- Sales expected to continue to grow with a CAGR of around 25% to reach over CHF 40m by 2015
- Tecan is the market leader for lab automation in large hospitals in China
- Expanding direct regional market coverage, dealer channels and service capabilities
- Added focus on Partnering Business

Sales Development in China

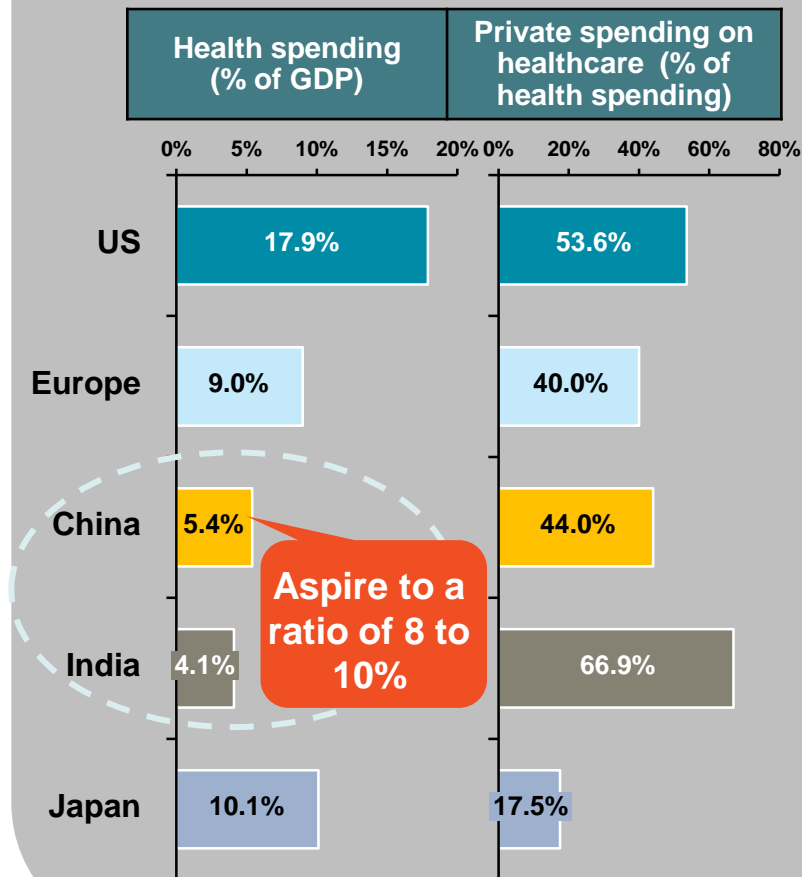


 **TECAN.** 中国 China

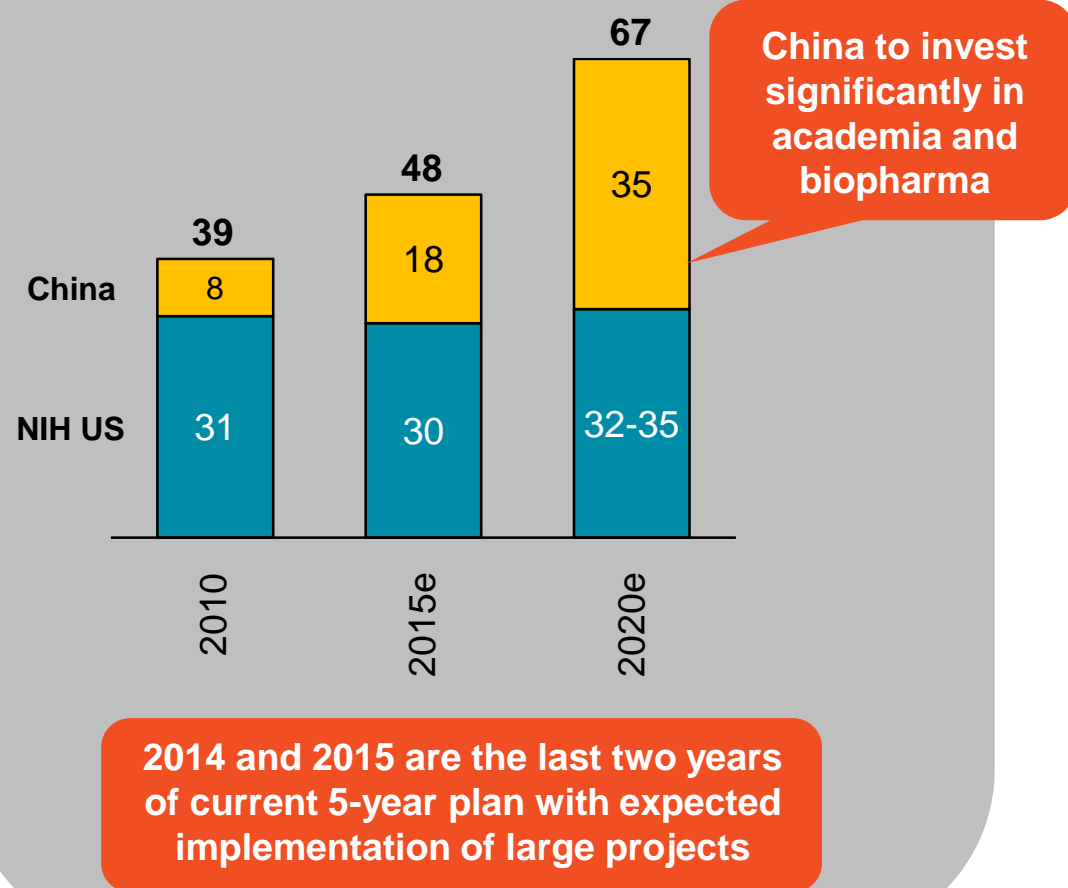


Strong Fundamental Growth Drivers

Healthcare spending



Government R&D expenditure related to Life Science Tool (USD BN – selection)



Temporary Disruption in Spending Patterns

- China has seen delays in government tenders and in academic spending in H1 2014 - as widely noted in the industry
- Following various publicized bribery allegations in the pharmaceutical industry, the new Chinese government has implemented strict anti-bribery principles
- Principles require that universities, hospitals and other public institutions implement new purchasing processes and a management system
- Purchases were put on temporary hold and changes resulted in extended times in tendering and in the approval process
- Project funnel indicates an improvement in H2 2014
- Return to normal trends expected in course of H1 2015

Continuing to Grow the Tecan China Organization

- Strengthened leadership team
- Continuing to add “feet on the street”
- China organization growing from 40 employees in 2012 to now over 70



Increasing the Number of Regional Offices in China

- In 2014, Tecan opened a new regional office in Guangzhou
- Regional offices provide local basis for sales representatives, application specialists and service engineers
- It is planned to open additional offices in 2015 and 2016



Beijing office



Shanghai office



New Guangzhou office

New Sales Organization for Life Sciences Business

**Dedicated
sales teams**

CDx

Academia

Biopharma

Clinical Diagnostics

**Academic Research
Research Lab in Hospital**

Pharma & Biotech

Government Labs



*Hospitals,
blood-banks and
CDx labs*

*Academic
research labs*

*Pharma, Biotech
and CRO labs*

*Labs in applied
markets*

Regulation Required

Not Required

Not Required

Not Required

Funding

Public

Public

Companies

Public

- Blood testing
- Immunoassays

- Cell Biology
- Genomics
- Bio Banking

- Drug discovery
- Basic Research in CRO
- Bio Production

- DNA identification
- Forensic
- Food Inspection
- Product monitoring

Increased Coverage of Different End Markets

- Substantially increased direct market coverage, support and dealer coverage
- About doubled number of sales representatives to directly interact with key end customers and develop and support regional dealers
- Increased number of application specialists to strengthen technology demonstration
- Strengthened direct regional service coverage and improved dealer service capabilities
- Significantly increased number of regional dealers and indirect market coverage
 - In-depth dealer trainings
 - Weekly pipeline reviews and regular performance evaluation
 - Extensive anti-bribery screenings of all dealers



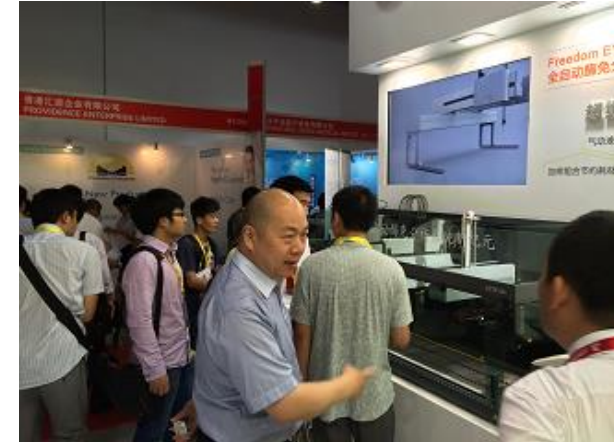
New Opportunities in Next-Generation Sequencing

- Next-generation sequencing (NGS) is an important technology in China as well
- A significant portion of sequencers are being purchased to provide NGS services
- Tests include prenatal screening, fetal aneuploidies, cancer mutations and many more
- Tecan supplied several NGS sample preparation platforms* to BerryGenomics
 - Those platforms significantly expanded productivity
 - BerryGenomics potentially will replicate the same set up in other branches



Expanding the Partnering Business in China

- Tecan China can leverage strong position in Life Sciences Business into Partnering Business
- Chinese Diagnostics companies are looking for high quality, reliable Components and proven instrument platforms
- High CFDA regulatory requirements
- Over the last two years Tecan expanded local team substantially and intensified efforts
- A growing local team supports an increasing number of Components customers
- Several customers are now entering the series production phase with their instruments
- First full instrument development with leading Chinese medtech company ongoing



Examples of Components Customers

- Life sciences and diagnostics company
 - Leading provider of POC tests for special blood markers
 - With the XE1000 pump and RSP robotic arm, Tecan provides key components for two new systems
 - Status: in CFDA review, expected launch in 2014 and 2015
- Local Chinese subsidiary of leading global life science company
 - Leading provider of in-vitro diagnostic kits and analyzers
 - Tecan supplies XLP syringe pumps and the new Cavo Air Displacement Pipettor (ADP) for two new detection systems
 - Status: one in series production, one in CFDA review



China is a Strategic Growth Driver for Tecan

- Strong fundamentals make China the largest single organic growth opportunity for the Life Science Tools industry
- Tecan continues to increase its presence and coverage of different market segments
- Both divisions are now driving growth in China
- The new Fluent laboratory automation solution will position Tecan as the clear technology leader
- The recent acquisition of IBL International provides additional opportunities to offer complete solutions in fast growing areas



Fluent 实验室自动化解决方案

信心源自更快更精确的仪器设备。





Capital Markets Day 2014

Acquisition of IBL International as Part of Strategy

Dr. David Martyr, CEO

Sep 18, 2014

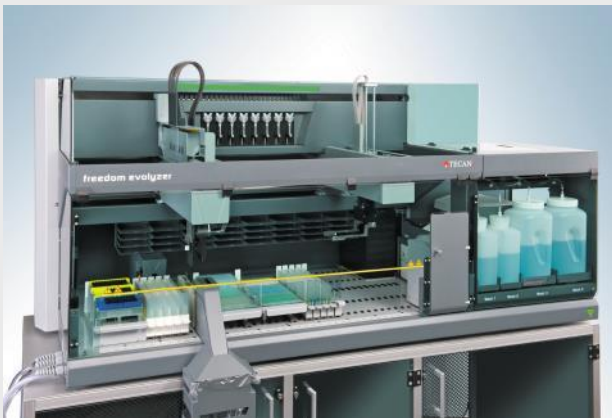
M&A is a Key Element of Corporate Strategy

- To support Tecan's evolution into a solutions business, thereby adding new sources of recurring revenues
- In our refined corporate strategy, we want to provide automation and a dedicated solution offering for Clinical Diagnostics
 - In segments not competing with our Partnering Business
- Offering integrated solutions, including reagents, for dedicated applications and key workflows transitioning into clinical settings



Why the Immunoassay Market is Attractive to Tecan

- Tecan has a long tradition serving the clinical market with instruments optimized for immunoassay processing
- Subsegment of microtiter plate based immunoassays is not competing with the typical customers in Partnering Business
- Growing market with a large and increasing number of tests for medical specialities
- Increasing need for an integrated instrument and reagent offering
- Fragmented market provides potential runway for consolidation



Structure of the Immunoassay Market

- The immunoassay markets is divided into two segments
 - **High mix / low volume**: large number of different specialized tests, but only a smaller number of each single test processed per day
 - **Low mix / high volume**: smaller number of routine tests processed in high volumes

Life Sciences Business

High Mix / Low Volume

- Manual or open platforms
- Microtiter plate based
- Enzyme, radio-labelled, and luminescence-based assays
- Smaller specialist companies
- Regional focus
- Mainly indirect sales
- Highly fragmented market

Low Mix / High Volume

- Closed systems
- Random access analyzers based around individual samples
- Mainly chemiluminescence-based assays
- Large in-vitro diagnostic companies and few mid-sized players
- Highly concentrated market

Partnering Business

Tecan Acquired IBL International

- In July 2014, Tecan acquired IBL International, based in Hamburg, Germany
- Transaction successfully closed on July 31, 2014
- An established and leading immunoassay company for specialty diagnostics
- Subsegment of the immunoassay market not in competition with typical Partnering Business instrumentation customers
- Founded in 1983 with currently more than 80 employees
- ~ EUR 16m revenue in 2013, consistently growing and profitable



IBL International, Hamburg facility
ISO certified, FDA audited



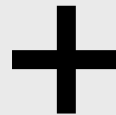
Well organized manufacturing facility
Automated production lines



One of the widest ranges of tests for
specialty diagnostics

Transaction Details

- Total consideration of EUR 29.0m (CHF 35.2m); cash and debt free
- Transaction fully paid in cash
- Valuation representing a multiple of 1.8 times fiscal year 2013 sales
- EBITDA of IBL International at a similar level to the Tecan Group
- Since August 1st, 2014, IBL is part of Tecan's Life Sciences Business
- Transaction expected to be accretive to EPS before transaction-related amortization in the second full year





Capital Markets Day 2014

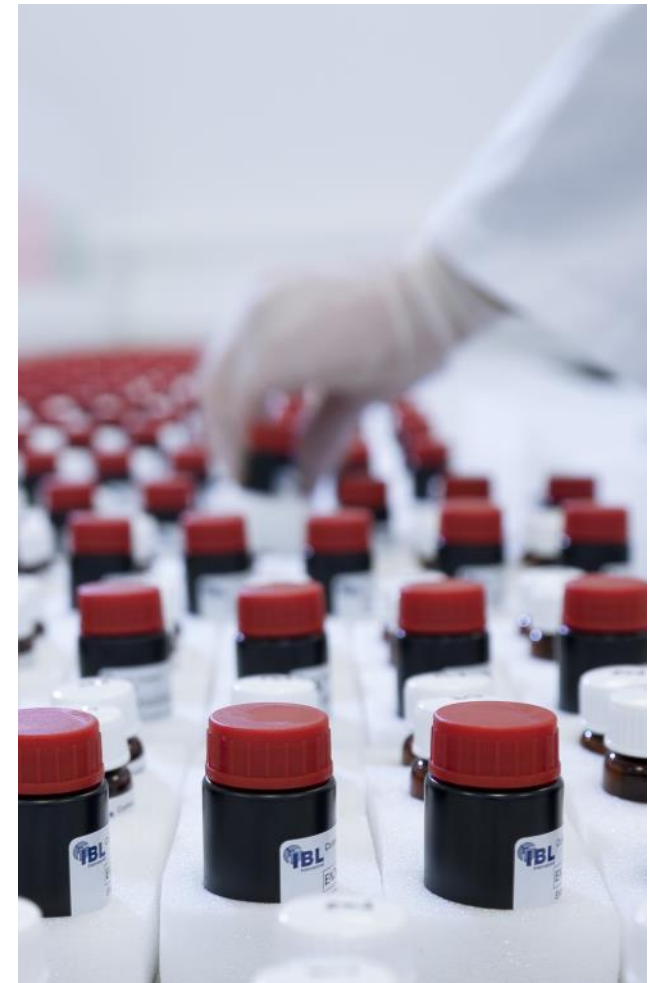
IBL International

Dr. Jan Boesen, CEO IBL International GmbH

September 18, 2014

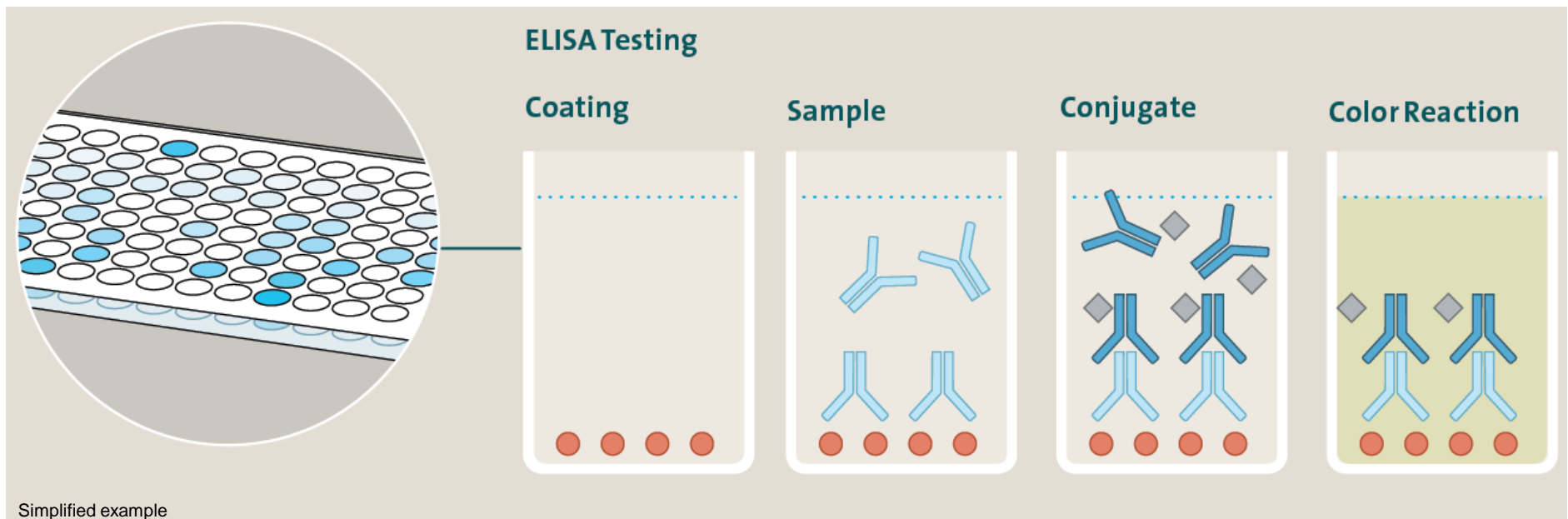
Immunoassays for Specialty Diagnostics

- 1983 ● Foundation as a private company in Hamburg selling OEM immunoassays
- 1990 ● Establishment of internal product development of endocrinology and neurotransmitter immunoassays
- 1991 ● Establishment of a sales team in Germany
- 2008 ● Acquisition of IBL by Meddens Diagnostics B.V, the Netherlands
- 2010 ● Establishment of IBL's own sales team in the US
- 2011 ● IBL starts offering open automated immunoassay systems sourced from third parties
- 2014 ● Launch of CE-marked Amyloid- β (1-40) and (1-42) ELISA's for Alzheimer's disease
- Acquisition by Tecan Group



What are Immunoassays?

- An Immunoassay is a biochemical test that measures the presence or concentration of an analyte through the use of antibodies
- If antibodies bind to the analyte, the sample is “positive” and a measurable signal is produced
- Common forms are enzyme-, radio-, and luminescence immunoassays



Differentiating Factors for Immunoassays

- What sets immunoassays apart?
 - The quality of biomarker and antibody used
 - Excellent specificity
 - High sensitivity
 - Optimal balance between specificity and sensitivity for high diagnostic value
 - High production quality and reproducibility
 - Intra-assay
 - Inter-lot
 - Inter-operator
 - Ease of use (at room temperature, short runtime, automatable etc.)



One of the Largest Specialty Immunoassay Portfolios



Neuroscience

Neurodegeneration, Neurotransmitters, Amyloid- β , Catecholamines, Histamin



Autoimmunity

ARAb, MUSK, Spermatozoa Ab, dsDNA



Endocrinology

17-OHP, Free-Testo, DHT, DHEA, Active-B12



Infectious Diseases

Borrelia, H. pylori, Hantavirus, HIB, Dengue



Neonatal Screening

PKU, IRT, TSH, 17-OHP



Immunology, Cytokines, Allergy, Food Intolerance

HMGB1, Neopterin, Food Screen



Saliva Diagnostics

Cortisol, Testosterone, 17-OHP, DHEA

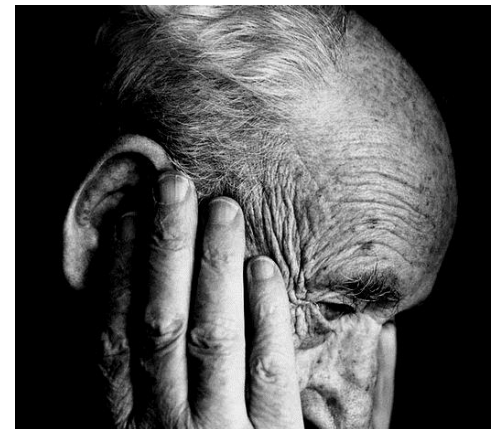
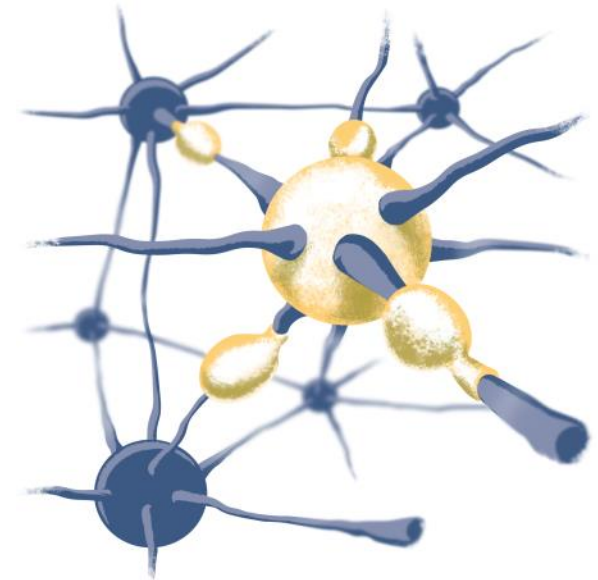


Others

Tumor Markers, Hypertension, Bone & Minerals

Example: Neurodegeneration

- Alzheimer's disease (AD) has become an increasing burden on the world's aging population
- Many millions of people are suffering from AD and this number is expected to increase substantially
- One of the hallmarks of AD is the accumulation of amyloid plaques between nerve cells in the brain
- IBL International's differentiated offering
 - Strong expertise with more than 10 years of experience
 - Comprehensive product portfolio of ELISAs and antibodies
 - Proprietary and unique antibodies and assays; important partnerships and exclusive licenses
 - Superior clinical sensitivity and specificity shown for key amyloid-beta assays¹



¹ Amongst others: Prof. Dr. med. P. Alexopoulos, Klinik für Psychiatrie und Psychotherapie, Klinikum rechts der Isar der Technischen Universität München, Munich, Germany

Example: Saliva Diagnostics

- Saliva is increasingly used as the specimen of choice in a variety of medical care situations and emerging areas of health measurement and monitoring
- Saliva sampling is non-invasive, painless and very convenient, with no need for medical staff
- Allows for example testing of the biologically active form of steroid hormones vs. testing in blood
- IBL International's differentiated offering
 - A pioneer and market leader in saliva diagnostics
 - Specialized in the development of saliva assays based on luminescence and ELISA technology
 - Broad portfolio of assays that have been specially developed and validated for saliva
 - Highly sensitive assays allow accurate detection of low concentrations of e.g. free stress hormones, immune markers



Growing Revenues with New Products

Customer Segments

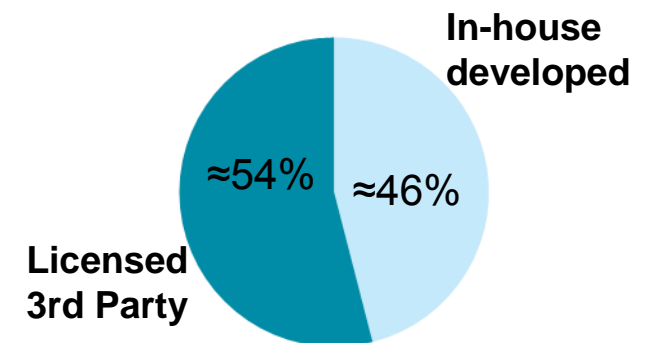
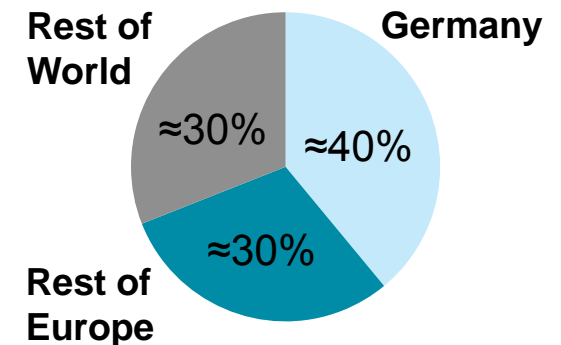
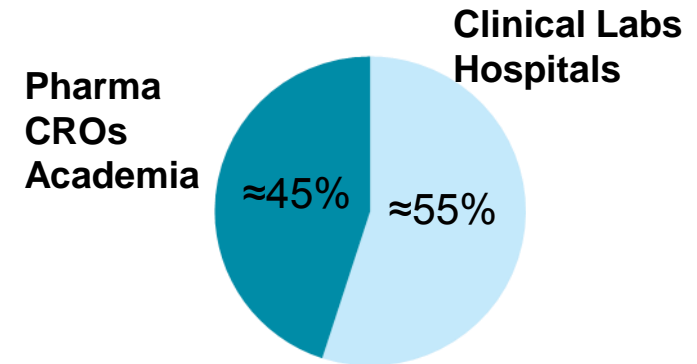
- IBL International has a balanced sales split between clinical and research applications

Geographies

- As the home country, Germany is the largest single market, with direct sales since 1991
- The majority of sales are generated with direct sales in Germany, the BeNeLux, North America; potential to expand in additional markets

Products

- The revenue share of in-house developed products is increasing
- Of the 10 top-selling products, 9 were developed internally; healthy pipeline of innovative projects
- Licensing and sourcing from 3rd parties to complement own products to offer broad portfolio



IBL International is Covering Entire Value Chain

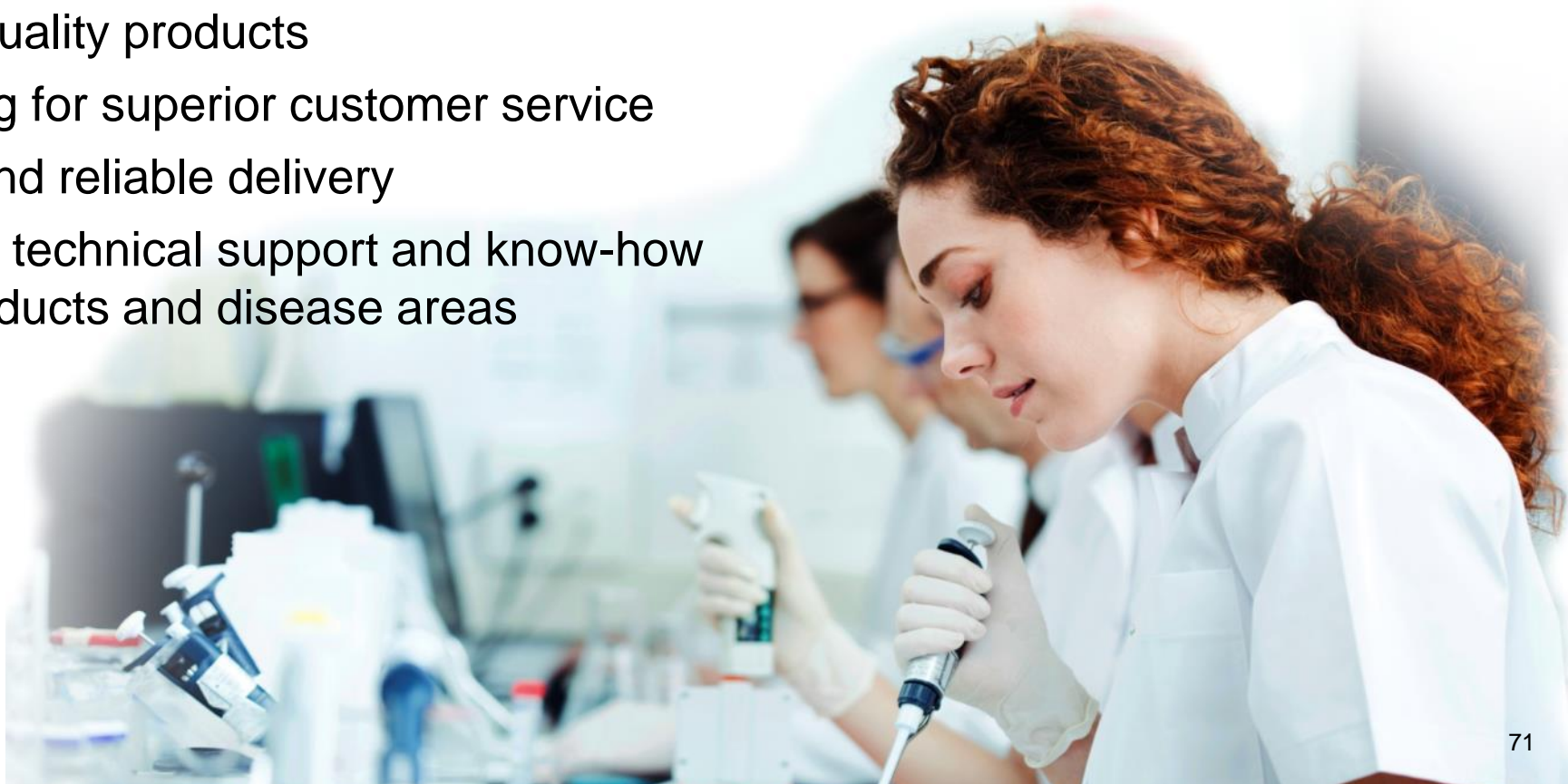
- Product Development and Registration
 - Internal R&D and external network
- Production and Quality Control
 - ISO certified, TÜV and FDA audited
- Sales and Marketing
 - Direct sales and distributor support
- Customer Service and Technical Support
 - Order taking, product and application specialists



Specialist Knowhow, High Quality and Reliability



- Recognized as specialist for unique and specialty assays
- High quality products
- Striving for superior customer service
- Fast and reliable delivery
- Strong technical support and know-how on products and disease areas



Why was IBL International looking for a Partner?

- Product development and regulatory
 - Small size of company relative to innovation costs and increasing regulatory requirements
- Sales and market presence
 - Highly successful with direct sales, but only in small number of countries
 - No available infrastructure and limited resources to expand in additional markets
 - Access to clinical diagnostics customers
- Automation offering and service
 - Increasing need for an integrated instrument and reagent offering; one point of contact
 - End-users would greatly benefit from less complex, user-friendly automation



Immunodiagnostic Expert Meets Automation Specialist

A perfect strategic fit!





Capital Markets Day 2014

M&A as Competitive Advantage

Dr. Klaus Lun, EVP Corporate Development

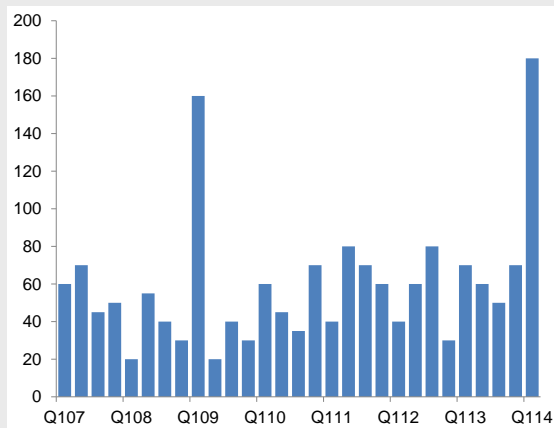
September 18, 2014

Appropriate, Thoughtful M&A as Key Growth Driver

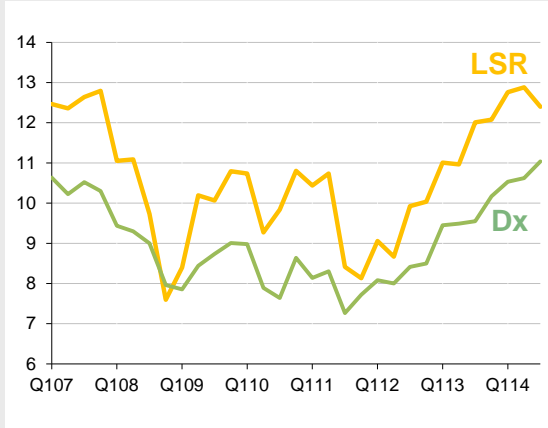
- Key element of the corporate strategy
- Executed in a very structured and disciplined approach
- Active identification of targets, build-up of target funnel and cultivation of targets
- Disciplined approach on valuation



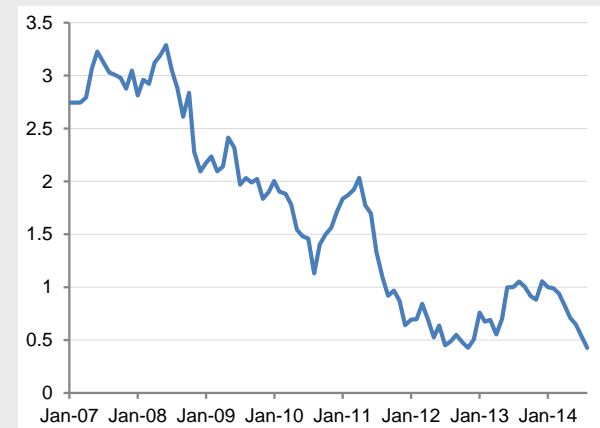
Healthcare M&A (USDbn)



EV/ EBITDA Multiples



Interest Rates (%)



Key Reasons for Driving M&A at Tecan

Use balance sheet to **drive more growth**

Deploy existing capital to increase investors return and use healthy financials to also drive larger deals

Support transition of company into a **solution provider**
(from Hardware to Content)

Use reagent content to leverage installed base to develop full service solutions (including reagents)

Increase share of **recurring revenues**

Add more reagents, expand plastic consumables

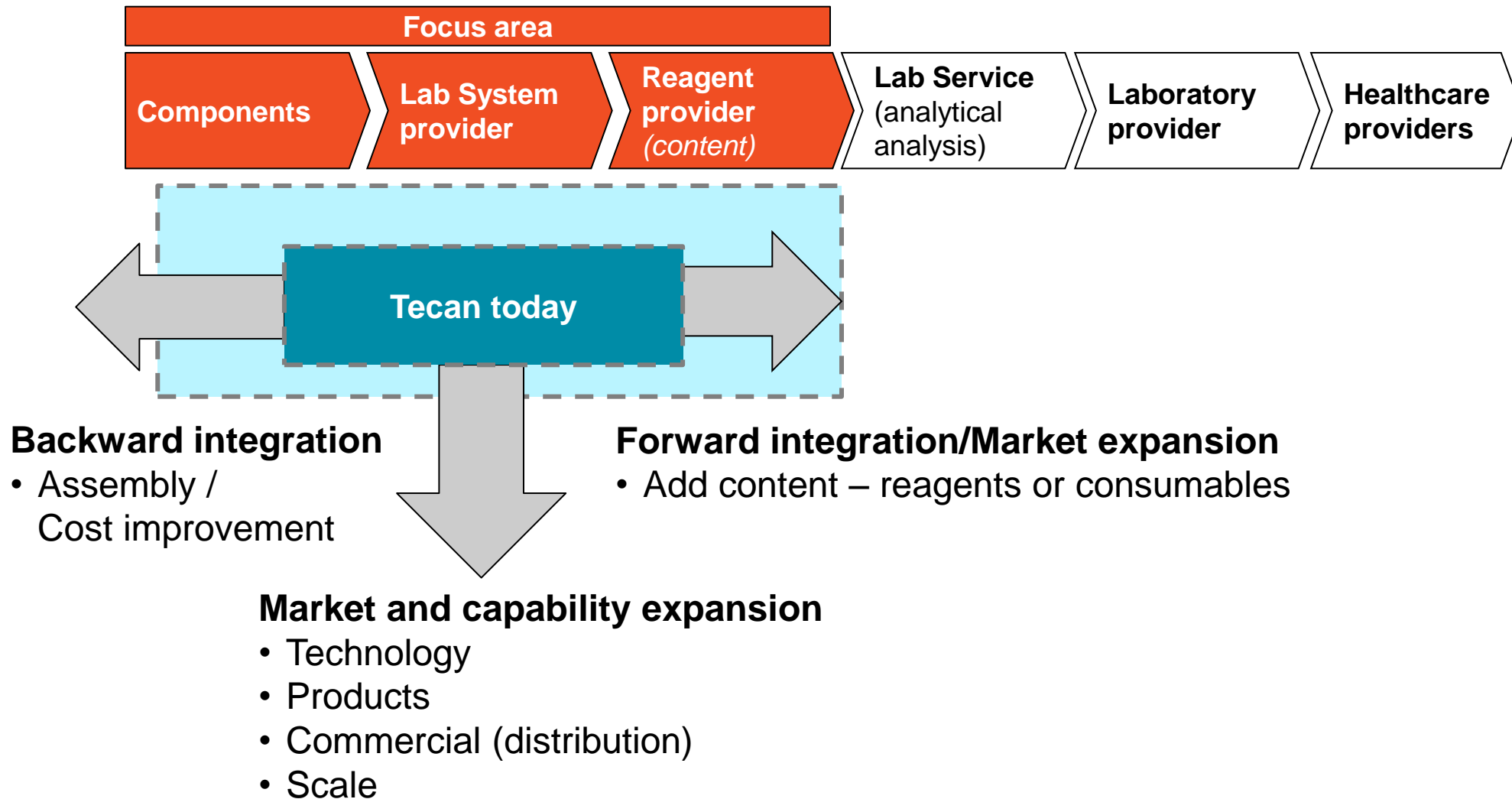
Expand **profitability** with additions of new pillars

Target reagent products, differentiated portfolios with good underlying profitability

Decrease volatility of business

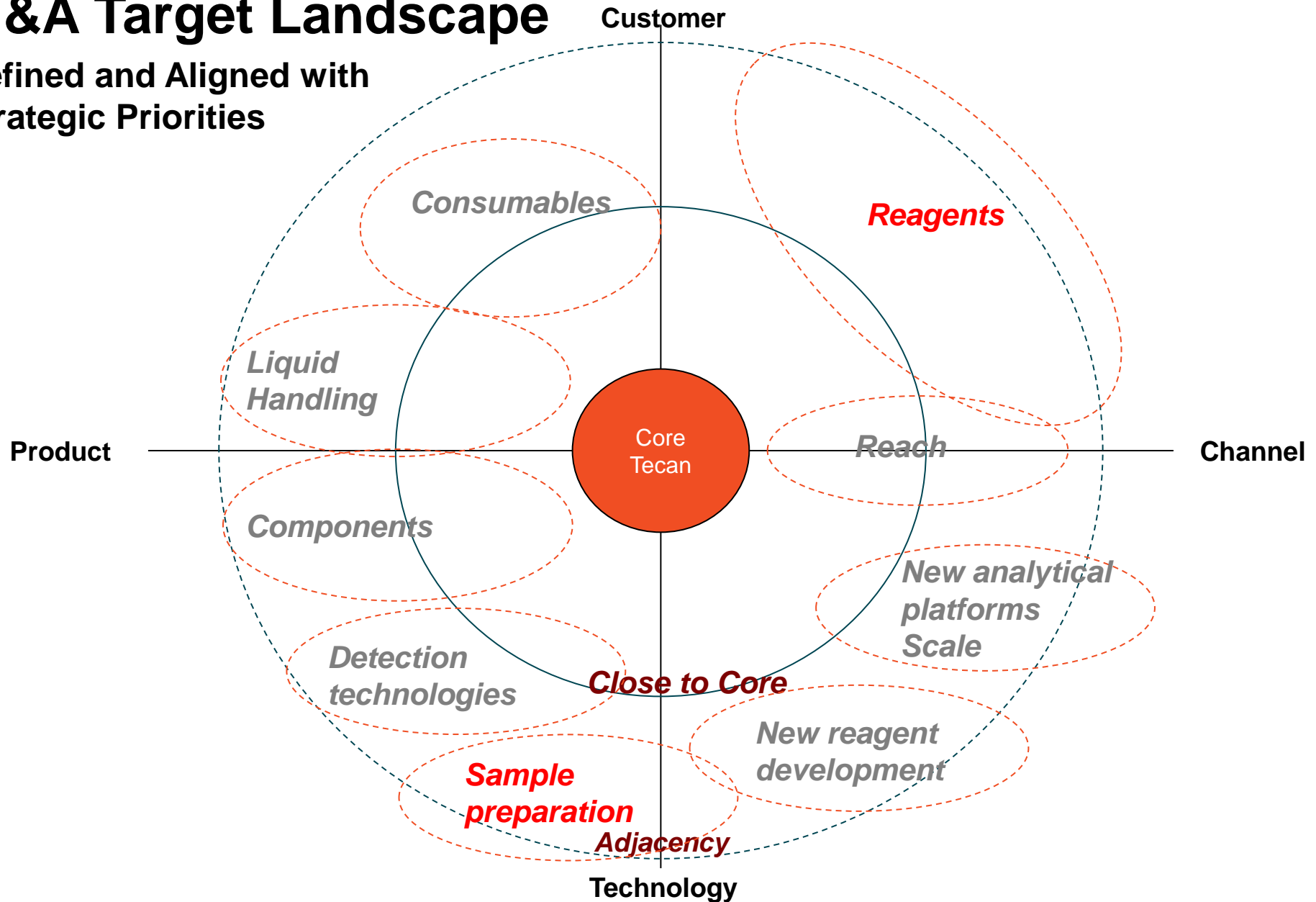
Drive scale, further build clinical diagnostics business, add more recurring revenues

M&A Framework at Tecan and Area of Focus



M&A Target Landscape

Defined and Aligned with
Strategic Priorities



Deal Characteristics Unchanged

Acquisition of IBL ticks all the boxes



- Leverage broad application know-how and experience to develop assay specific solution optimized for a platform
- Own the assay know-how and have dedicated instrumentation (develop proprietary solutions)
- High consumables/reagents content to leverage installed instrument base (increasing % of sales from recurring revenue)
- Complements existing product offerings (expansion of addressable market)
- Creates opportunity to leverage commercial infrastructure
- Accretive (in first or second year), good underlying profitability
- Expect bolt-on acquisitions but not excluding larger transformative acquisitions
- Multiple deals to deploy up to several hundreds million CHF within the next 2-3 years



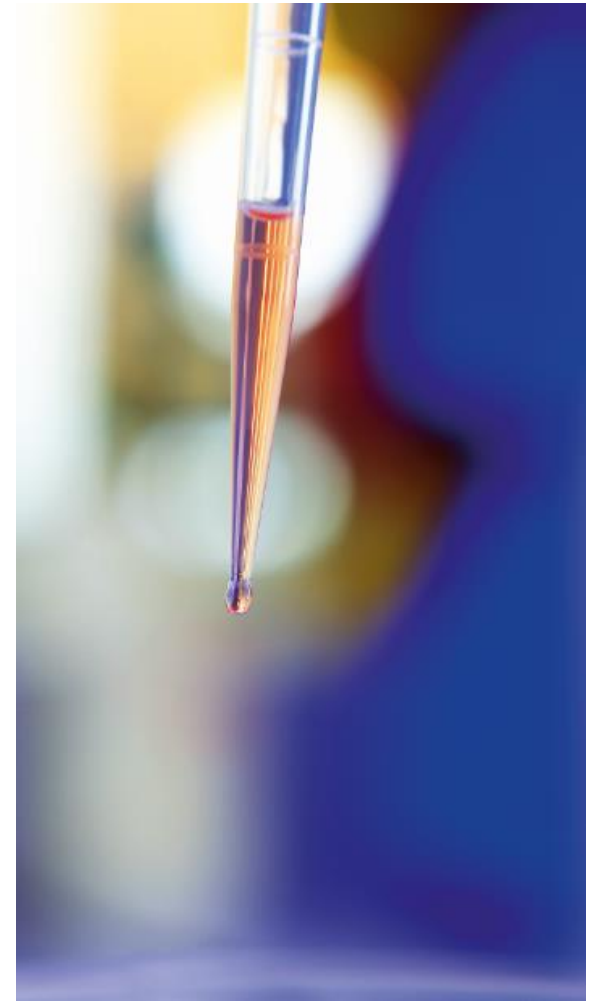
Built Strong Foundation to Deliver on M&A Targets

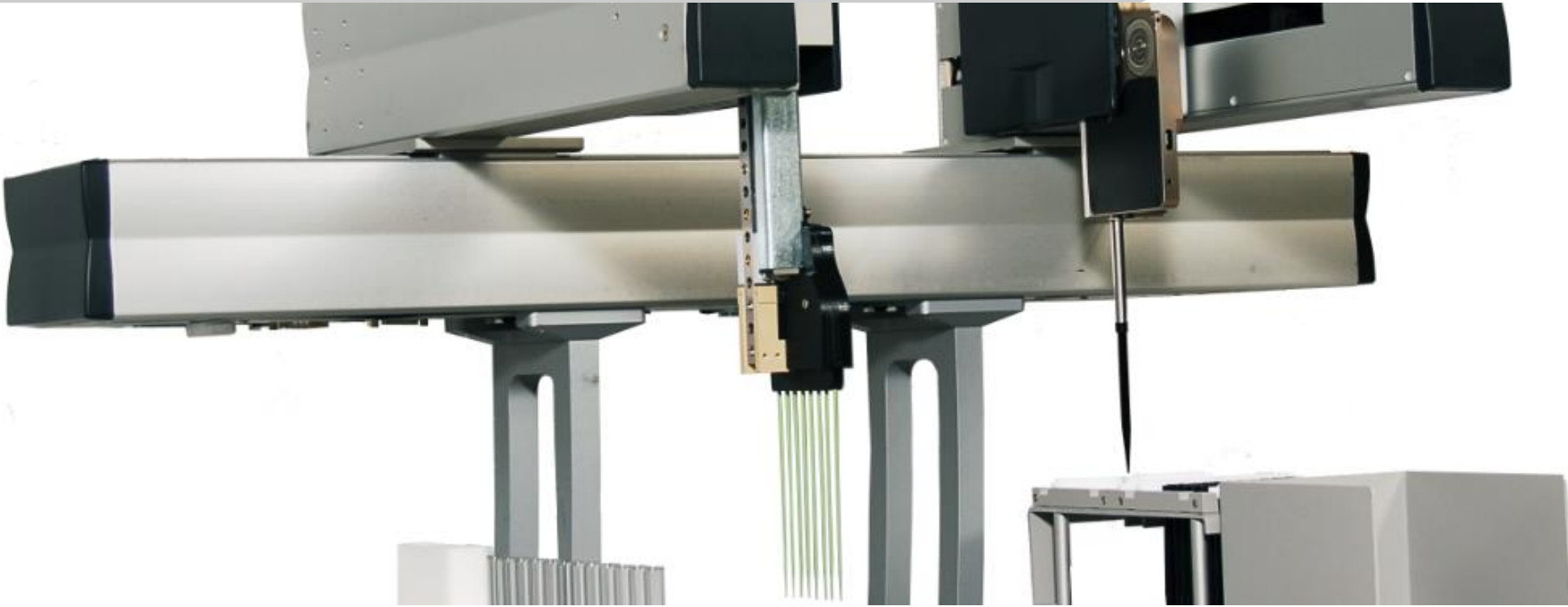
- New experienced Corporate Development team with range of skills in place:
 - Scientific background – PhD and MSc within life sciences
 - Deep industry knowledge – all members come from within the industry, >30 years of experience.
 - Finance expertise – MBA / CFA / double degrees, valuation experience and know-how
 - M&A track record – professionals with several years of deal experience
 - Integration/Project management: track record to successfully manage PMI projects.
- Direct presence in EU and US



Built Strong Foundation to Deliver on M&A Targets

- Driven refined corporate strategy with M&A being key part of it and defining areas of focus
- Active identification of targets, build-up of target funnel and cultivation of targets
- Healthy list of potential targets currently in review and cultivation stage
- Disciplined approach on valuation
- Early involvement of key functions to ensure successful integration
- Executed first acquisition of immunoassay reagent company





Capital Markets Day 2014

Driving Growth in the Partnering Business

Dr. Achim von Leoprechting, Head of Partnering Business

September 18, 2014

Evolution of the Global IVD Market – Tecan focus

Demographic and Economic Macrotrends



- Access to Healthcare
- Aging societies
- Changing disease profiles
- Efficacy/Cost of treatments

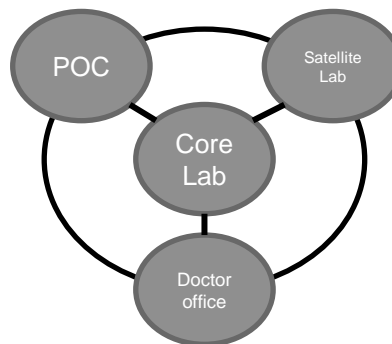


Healthcare cost pressures



„Personalizing Medicine“
e.g. Companion Diagnostics

Market Drivers



- Improve efficiency
- Increase clinical value
- Decrease time-to-result and workflow risks
- Leverage connectivity

➤ different automation requirements

Response of IVD industry

Process Improvement

- Automation of manual processes
- Flexible Modular Systems
- POC testing
- Software & IT connectivity

Technological Innovation

- Enabling Technologies transitioning from Research to IVD e.g. NGS
- Combination of multiple readouts on the same platform
- Test miniaturization & Multiplexing

TECAN.
— focus

Driving Growth in the Partnering Business

- Aligning marketing and sales organization to better leverage **Components** and **Instrument** offering
- Supporting partners with major launches and delivery ramp up
- Grow Components business
- Execute on healthy pipeline of new projects



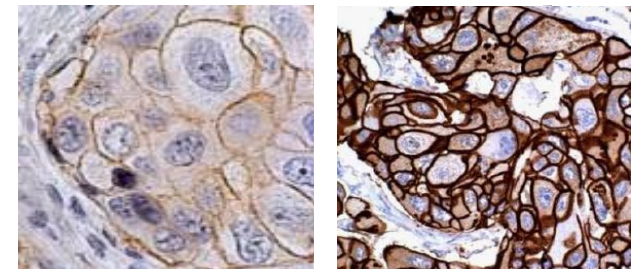
Evolving the Partnering Business Organization

- Commercial Structure
 - Reinforced senior leadership in the Americas, EMEA and Asia-Pacific
 - Key-Account focus combining Components and Instrument resources to support customers in both “make” and “buy” decisions
 - Added technical specialists to support customers on-site in all territories
- Strategic Marketing
 - New Market Development function installed
 - Focus on strategic collaborations, technology roadmap and market research



New Platform Launches: Dako Omnis

- Dako Omnis for Dako
(an Agilent Technologies Company)
- New fully-automated advanced staining platform for tissue-based cancer diagnostics
- Building on Tecan's strong application know-how in the IHC/ISH segment
- IHC and ISH procedures can be automated simultaneously
- Dako Omnis sets new standards in terms of flexibility, ease of use, capacity, efficiency and traceability of slides

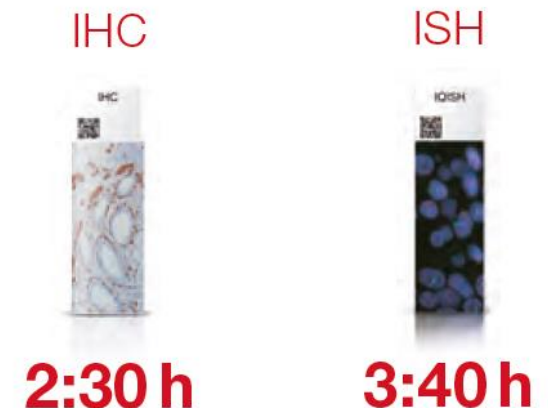


New Platform Launches: Dako Omnis

- First instruments for market launch delivered in June 2013
- “Full swing launch” in September 2013
- Production ramp up continues through 2014, with sales in H1 2014 in line with expectations
- Continuously expanding test menu
 - EU launch of HER2 IQFISH pharmDx™ automated on Dako Omnis on Sep 1, 2014
 - Four-hour turnaround time allows same-day return on diagnoses
- New staining technology enables high-quality staining on Dako Omnis
 - Dynamic Gap staining supports consistent, reproducible IHC staining with no observed common artifacts
 - Available exclusively on Dako Omnis.



Fast IHC and ISH turnaround time



New Platform Launches: ORTHO VISION™



Analyzer
ORTHO VISION™

Ortho Clinical Diagnostics

New Platform Launches: ORTHO VISION™

Ortho-Clinical Diagnostics, Inc. ORTHO VISION™ Analyzer Platform Development Considerations

1. Features discussed herein represent targets and not completed validation.
2. These instruments are under development, have not yet been submitted for regulatory approval and are not yet approved for sale.

ORTHO VISION™ and the ORTHO VISION™ logo are registered trademarks of Ortho-Clinical Diagnostics, Inc.
Product under development



New Platform Launches: ORTHO VISION™

Ortho Clinical Diagnostics

- Empowering the Global Transfusion Medicine Community for >75 Years
- Global Market Leader in Transfusion Medicine
 - Global Manufacturer of Red Cell Screening & Identification Panels
 - Full Line of Testing Products
 - Global presence with Fully automated ORTHO AutoVue® outside of North America

ORTHO AutoVue® is a registered trademark of Ortho-Clinical Diagnostics, Inc.



New Platform Launches: ORTHO VISION™

Global Issues in Transfusion Medicine

Safe & Effective Blood Supply

- Demand for safe & effective blood supply
- Increasing aging population
- Blood supply shortages
- Declining staff expertise in Transfusion Medicine

Operational Effectiveness

- Work loads increasing
- Economic pressures
- Consolidation of Hospital/Laboratories

New Platform Launches: ORTHO VISION™

Expectations from the Transfusion Medicine Community

Help reduce the potential for error

- Reduce manual testing

Enhance lab Service Levels

- Better service to patients and physicians

Improve Lab Efficiency / Labor Optimization

- Reduce non-value added tasks
- Reduce cost
- Standardization and simplification

New Platform Launches: ORTHO VISION™

ORTHO VISION™ Analyzer

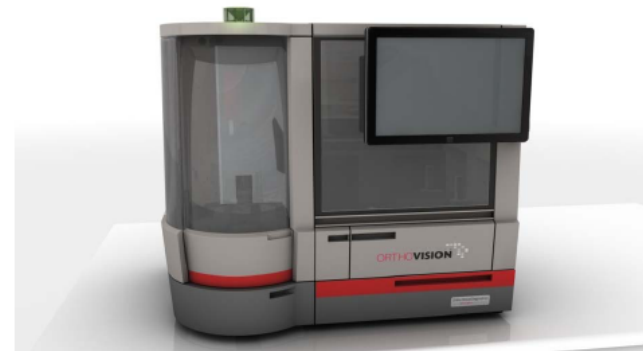
Designed to improve patient safety and lab efficiencies through automation

- 80% of labs in emerging markets are manual

ORTHO VISION™ Platform was engineered to deliver:

- Ease of use & price point facilitate first entry into automation
- Compact solution for small-to-mid size labs
- Increased capacity and high throughput

2014++ planned submission & commercialization



“Designed by Blood Bankers
for Blood Bankers”

ORTHO VISION™ and the ORTHO VISION™ logo are registered trademarks of Ortho-Clinical Diagnostics, Inc. Product under development

Analyzer 
ORTHO VISION™



New Platform Launches: **GRIFOLS** Procleix Xpress® System

- In June 2010, Tecan signed an OEM agreement with Novartis Diagnostics
 - Tecan to provide a flexible, high-throughput single-platform pooling and archiving solution for blood banks
- In November 2013, Grifols acquired the transfusion diagnostics unit of Novartis
 - Including the leading Procleix NAT blood screening portfolio
- Tecan developed Grifols' new Procleix Xpress system, upgraded with new Air LiHa air displacement pipetting arm
- Supplied for markets outside of US since 2011
- Grifols received US FDA 510(k) clearance in August 2014

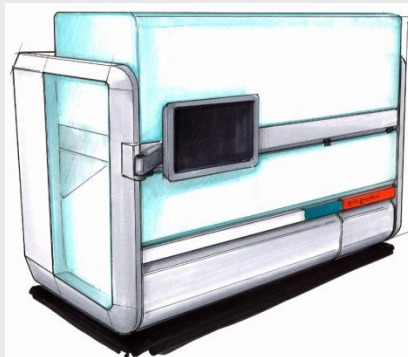


Grifols Procleix Xpress® System

Instrument Development: Singulex® Sgx Clarity™ System

- Singulex is the developer and leading provider of Single Molecule Counting (SMC™) technology for clinical diagnostics and scientific discovery
- SMC technology can enable physicians and scientists to detect biomarkers of disease that were previously undetectable
- The Sgx Clarity™ System, a fully-automated in vitro diagnostics system incorporating the SMC technology
- Sgx Clarity system previews started at ESC in Barcelona; prototype shipment in process
- Series instrument delivery expected for 2015/2016

Capital Markets Day 2013



From concept
to prototype!

Capital Markets Day 2014

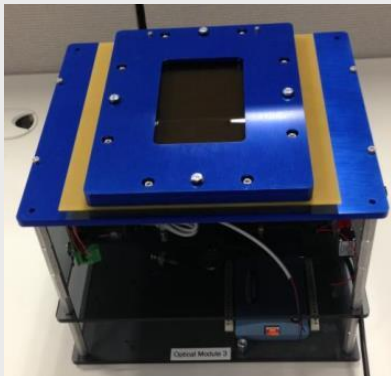


Under development; not yet approved for commercial sale

Technologies Development: eFluidics™ update

- eFluidics is Tecan's development of electrowetting technology
 - Utilizes proprietary film-based cartridges for sample-to-result processing
 - Feasibility shown for applications in both research and diagnostic space
- Concept system unveiled at AACC 2014
 - Demonstrated potential to perform both molecular, cellular and immunoassays on same bench-top instrument

Capital Markets Day 2013



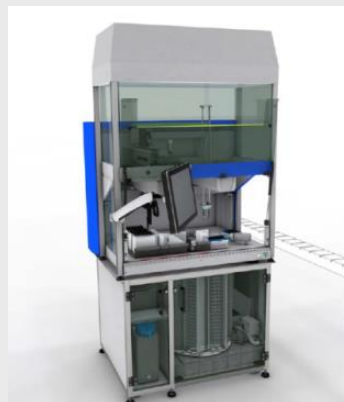
Capital Markets Day 2014



Executing on Healthy Pipeline of New Projects

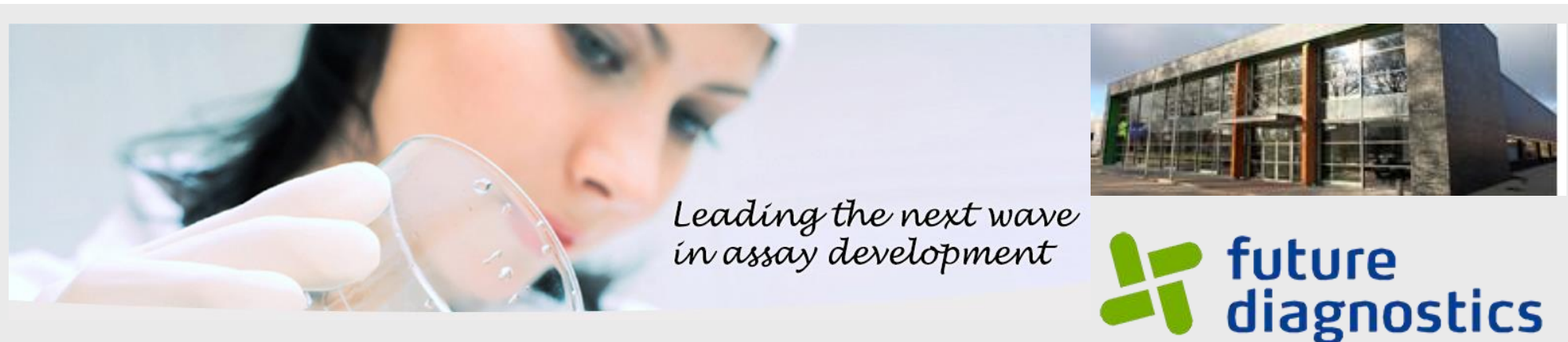
- Well-stocked pipeline of opportunities with about 20 instrument projects
- More emphasis on platform-based developments (level 1)
 - Leveraging Freedom EVO, Cavro Omni and Fluent platforms
 - Faster time to market, less development risks, easier to integrate in organization
- Also projects for dedicated instrument developments (level 2)
- Building a pipeline for new eFluidics technology

Different «level 1» projects for various applications and potential customers



Collaborations to Strengthen Capabilities

- Future Diagnostics is a leader in OEM assay development & manufacture
- Collaboration agreement signed in September 2014
- Collaboration strengthens Tecan's service to Partnering Business customers, offering a 360° expertise around assay automation
- Leveraging synergies between chemistry and automation, maximizing assay performance and customer satisfaction



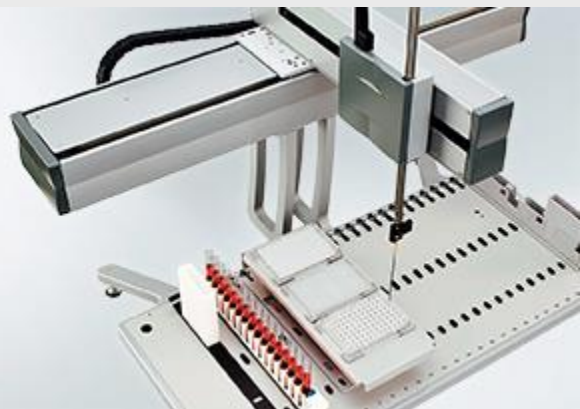
*Leading the next wave
in assay development*



Developing the Components Business

- The Components business has grown substantially in 2013 to more than CHF 50 million
- Several customer systems are transitioning from seed/development phase to series manufacturing phase
- Supporting customers in development and series production, expanding APAC team
- Continued introduction of new products and product enhancements
- New products in key areas, e.g. ADP for infectious disease testing or XMP Pump for Next Generation Sequencing (NGS)

Tecan's portfolio
of precision liquid
handling robots



Partnering Business - Summary

- Ramp up of major platforms underway
- Significant revenue step up expected in 2015
- Well stocked pipeline to fuel future growth
- Driving Components and Instrument business in China
- Organization with increased market focus





Capital Markets Day 2014

Driving Operational Excellence

Ulrich Kanter, Head of Development & Operations

September 18, 2014

Development and Operations (D&O)

- D&O priorities
 - Increasing R&D efficiency – drive innovation
 - Excellence in Supply Chain Management
 - Excellence in Manufacturing



San Jose, US

Mainz, DE



Männedorf/Zürich, CH

Grödig/Salzburg, AT



Hamburg, DE

Recent R&D Performance

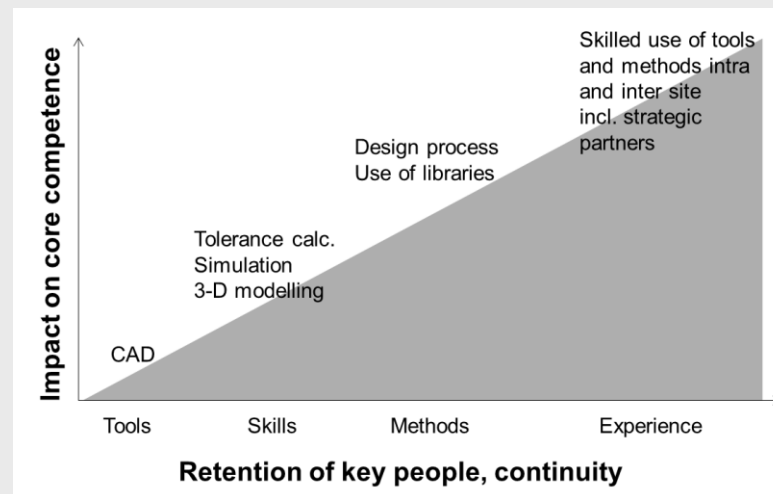
- Focus was on completion of three major R&D programs which ran in parallel over several years
 - Dako Omnis
 - Fluent
 - Ortho VISION
- R&D team ramped down substantially by reducing number of external contractors to adjust to current resource requirements
- Net R&D expenses reduced from peak 13.1% of sales in 2012
- Review of development process started to address lessons learned from recent projects
- Trainings to improve effective use of design tools as well as project management ongoing



Driving R&D Efficiency - the Next Steps

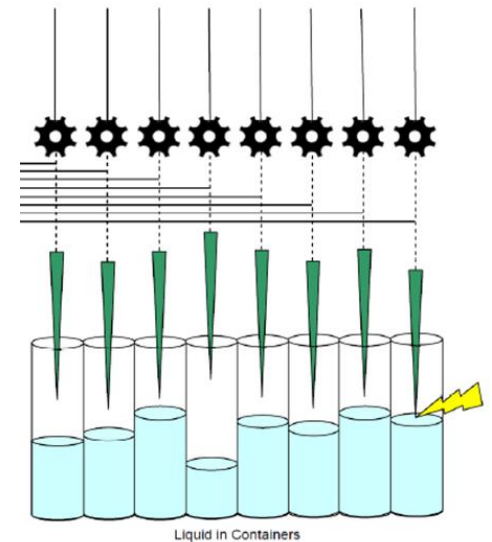
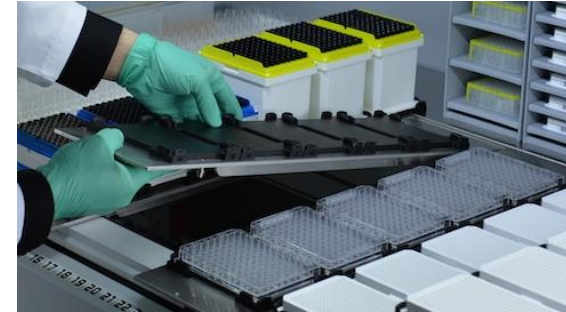
- Further focus on core competencies to increase R&D efficiency
- Selection of strategic partners for complementary R&D activities, taking over life cycle management activities → establish partner management in R&D
- Introduce platforms and standard elements to better utilize R&D spend by re-use of modules, reduced development risk
- Consolidation of software architecture for future products, identify cost effective ways to maintain legacy software
- Improved knowledge management to maintain Key Know how

Example:
What contributes to
Core Competency?



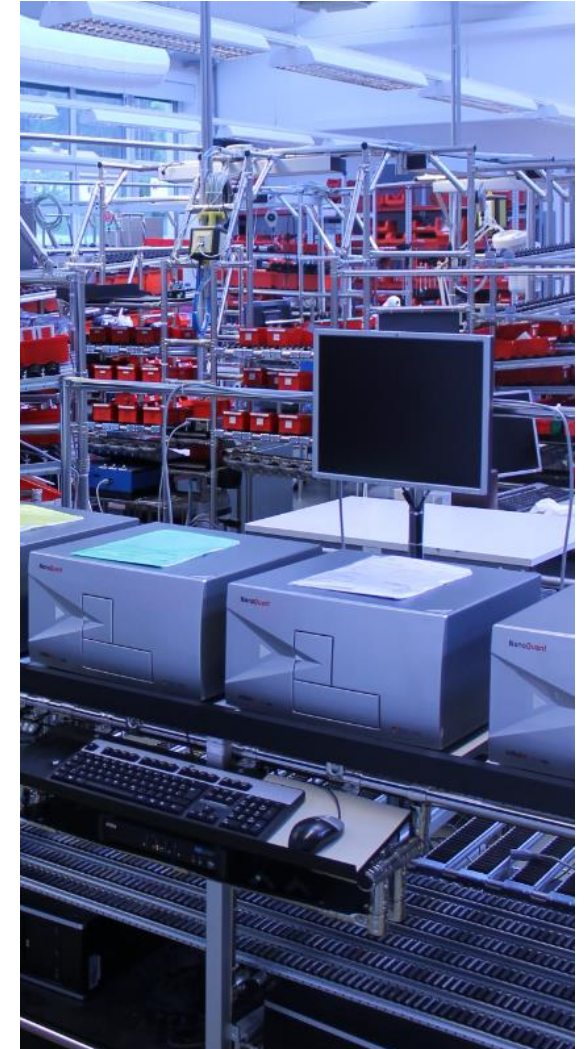
Increase Innovation Focus in R&D

- Focus on area of core competency
- Establish a platform to merge technology push and market pull innovation
- Set up interdisciplinary teams for innovation sessions combining application know how with expertise in system architecture
- Introduce reverse engineering and functional analysis by structured analysis of competitor products
- Foster internal idea generation installing an in-house idea review board with fast feedback
- Set up access to open innovation platforms



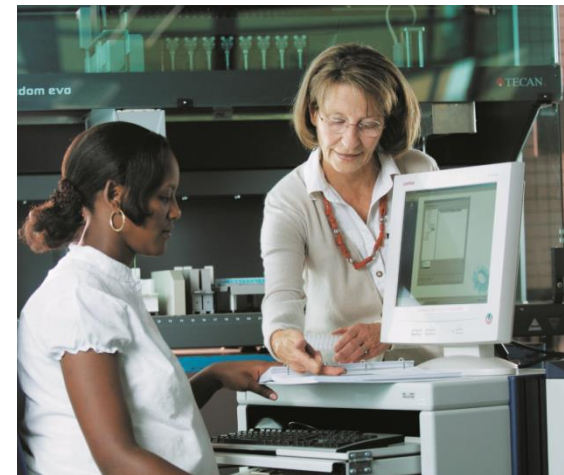
Recent Achievements in Operations

- Introduction of production cell concept in all three production sites (San Jose, Grödig and Männedorf)
- Introduction of visual shop floor management and regular shop floor meetings
- Tactical cost saving initiatives on A-parts
- Preparation of Operations team and shop floor to allow production transfer for three new product lines without adding space



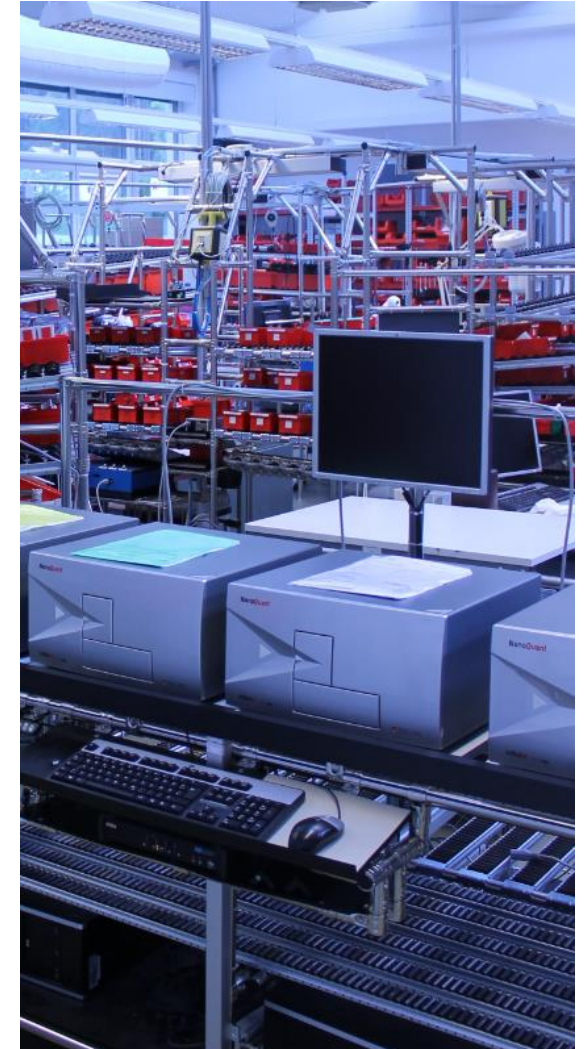
Excellence in Supply Chain Management

- **We have a strong focus on management of material cost as main lever to maintain competitive advantage of our legacy product portfolio**
 - Tactical cost down campaigns, extending resources by an external partner
 - Development of strategic partners for functional modules
 - Consolidation of supplier base, starting point → 300+ suppliers for CH
 - Global sourcing → currently 80% local suppliers in CH
 - Global governance on Supply chain processes and partner selection
 - Early involvement of procurement in product development



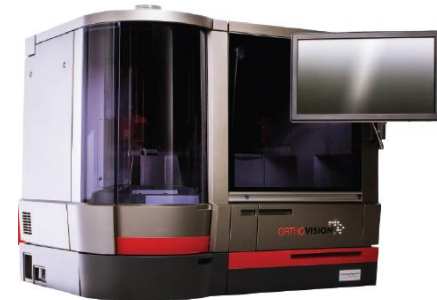
Excellence in Manufacturing

- **We provide Excellence in fast prototyping, systems integration, design transfer and validation. We are experts in the design of high quality, low to mid volume production for life science and diagnostics products**
 - Early involvement of Manufacturing Engineering in product development (governance on material master management, design control,...)
 - Further improvement and roll out of lean concepts (5S, 1 piece flow, continued improvement, go to Gemba,...)
 - Effective and efficient compliance to international standards (CE, FDA) → Product line validation
 - Preparation of production processes to support make or buy decision and production transfers



Outlook 2014 - 2015

- Focus to complete running R&D programs in time and quality as planned
- Complete alignment of R&D organization to future project landscape
- Complete serial transfer for three new platforms Fluent, Dako Omnis and Ortho VISION
- Focus on lean production processes and enable growth in existing facilities
- Focus on tactical cost down will further continue
- Find, assess and develop strategic partners
 - Start for consolidation of supplier base
 - Reduction of supply chain complexity and in house life cycle management activities
- Foster innovation by setting up processes and interfaces to strengthen workflow and application know how and competitive intelligence in R&D



Capital Markets Day 2014

Outlook and Summary

Dr. David Martyr, CEO

September 18, 2014

Financial Performance H1 2014

- Mixed financial results in the first half of 2014
 - Strong recovery in Life Sciences Business with good start in established markets
 - Disappointing sales in Partnering Business, mostly due to delays in order placement from two large customer accounts for unrelated reasons
- Good growth in Order Entry; at double-digit rate in LSB
- Order Backlog at highest level in at least the last five years
- Increased Gross Profit and EBIT margin
- Improved Net Profit and EPS



Operating Highlights H1 2014

- Important progress in our development programs
- Particular highlight: launch of the Fluent™ laboratory automation family, Tecan's next generation liquid handling platform
- Sales and delivery ramp-up of Dako Omnis (P16) in H1 '14 as expected
- ORTHO Vision™ (P14) continues in validation, first series instruments delivered to customer in recent weeks; continued development of second instrument variant ORTHO Vision™ Max
- Acquisition of IBL International, a leading immunoassay company, to offer integrated solutions for specialty diagnostics




On Track for Implementation of Priorities for 2014




Focus on driving growth in Life Sciences Business, especially in Europe and North America



Supporting Partnering Business customers with delivery ramp-up (Dako Omnis and Ortho Vision)



Continue to focus on building out China (Life Sciences Business and Partnering Business)



Improving operational excellence and reducing manufacturing costs (COGS)



Driving appropriate, thoughtful M&A as catalyst to core business and to support evolution into solutions

Outlook for Financial Year 2014

 **TECAN.** (organic)

Sales

At least mid single-digit sales growth in local currencies

Profitability

Further increase of EBIT Margin by around 50 bps compared to 2013

Based on average FX rates of: 1.21 EUR/CHF and 0.92 USD/CHF

Acquisition of  (from Aug 1st, 2014)

Sales

Mid single-digit million CHF contribution

Profitability

Consolidation impact on Group EBIT of up to CHF -2m

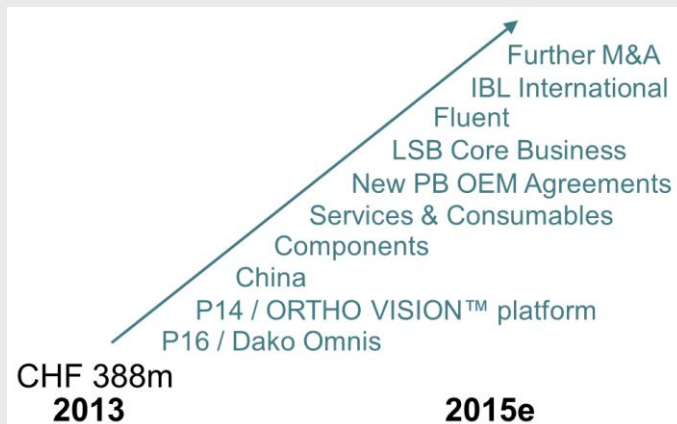
Including purchase price amortization and initial integration costs



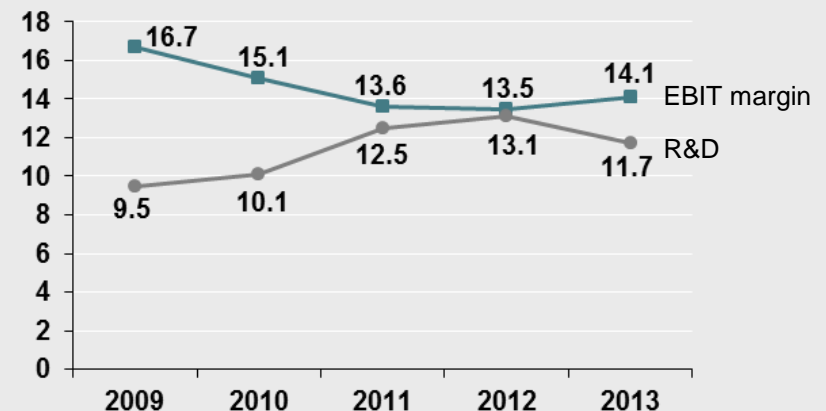
Medium-Term Outlook

- Strong growth drivers in place
 - Major new platform launches: Fluent, Dako Omnis, Ortho VISION
 - Additional stream of new product additions in both divisions
 - IBL International acquisition already completed
 - 2015 will be an inflection point in sales
- Further M&A planned
- Medium-term targets for 2015 set in March 2013 are sales of around CHF 475 million* and increased profitability

Growth Drivers



EBIT margin and R&D (as a % of sales)



* At exchange rates as of February 28, 2014. Actual rates in 2015 may differ and therefore can have a negative or positive effect.

Summary and Conclusion

- Wave of new major platforms and new products in both divisions hitting the market
- Refined strategy in place with focus now on deployment
- M&A transaction closed in July 2014; pipeline well filled
- Strengthened organization and management with key appointments
- Improving operational excellence as a priority
- Strong balance sheet and key financial ratios
- Tecan continues to be well on its way to a successful future



Q&A

Next Events

2015:

March 18: Financial Results 2014

April 16: Annual Shareholder Meeting

Contact

Martin Braendle

Head of Corporate Communications & IR

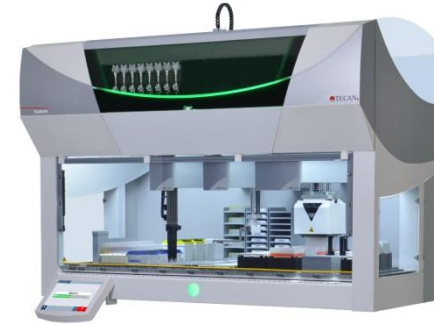
Phone: +41 (0) 44 922 84 30

investor@tecan.com

www.tecan.com

Instrument Live Demos

- Fluent Laboratory Automation Solution
- ORTHO VISION™ Analyzer
- eFluidics™ concept system



Thank you for your attention

Tecan – Who we are

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.

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Australia +61 3 9647 4000 **Austria** +43 62 46 89 33 **Belgium** +32 15 42 13 19 **China** +86 21 220 63 206 **Denmark** +45 70 23 44 50 **France** +33 4 72 76 04 80
Germany +49 79 51 94 170 **Italy** +39 02 92 44 790 **Japan** +81 44 556 73 11 **Netherlands** +31 18 34 48 17 4 **Singapore** +65 644 41 886 **Spain** +34 935 95 2531
Sweden +46 31 75 44 000 **Switzerland** +41 44 922 89 22 **UK** +44 118 9300 300 **USA** +1 919 361 5200 **Other countries** +43 62 46 89 33

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