



Zurich, August 12th 2015

Half Year Results 2015

Analyst & Media Conference Call

Tecan Group



Speakers

Dr. David Martyr, CEO

Dr. Rudolf Eugster, CFO

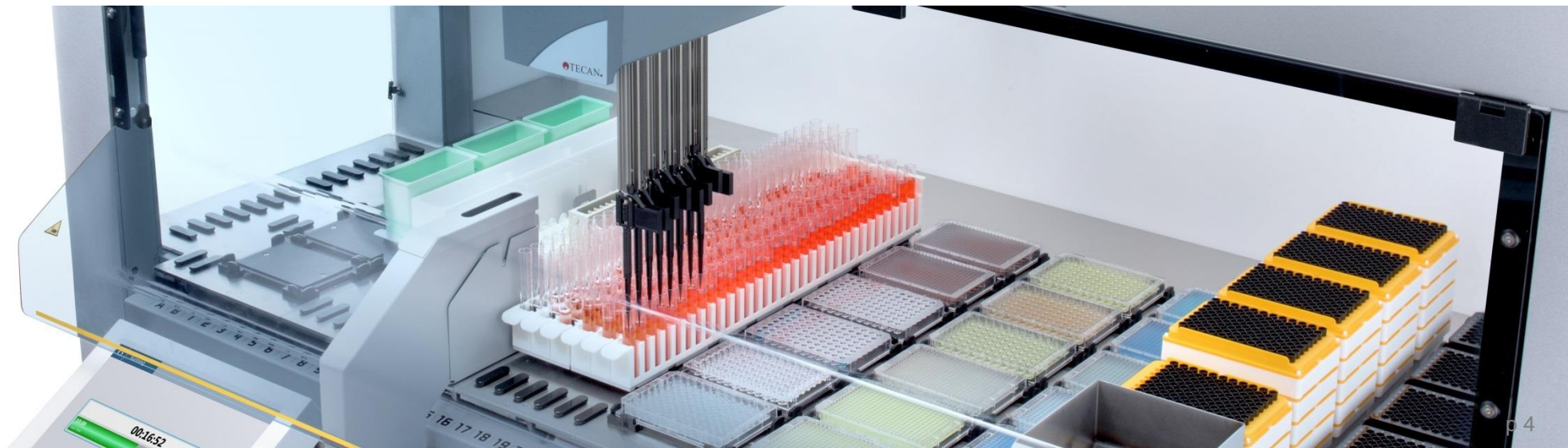


Agenda

- **Introduction**
- Financial Results
- Priorities
- Outlook
- Questions and Answers

Financial Performance H1 2015

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



Operating Highlights H1 2015

- Delivery ramp-up of instruments for key customers in the Partnering Business
- Launch of second application-specific Fluent™ solution to simplify automated compound management for drug discovery
- Launch of next-generation detection platform Spark™ 10M for cell biology and genomics customers
- Smooth integration of IBL International; range of immunoassays for specialty diagnostics adapted to Tecan platforms

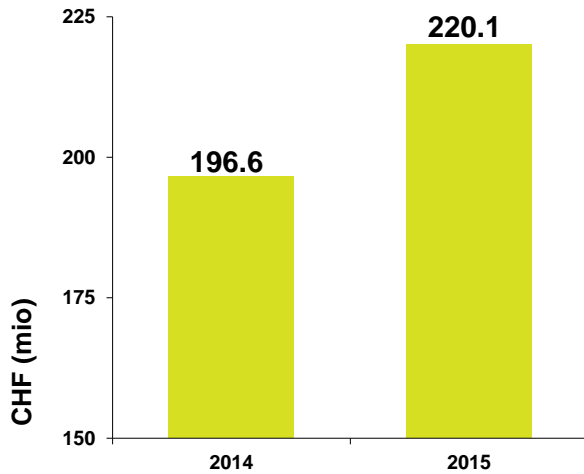


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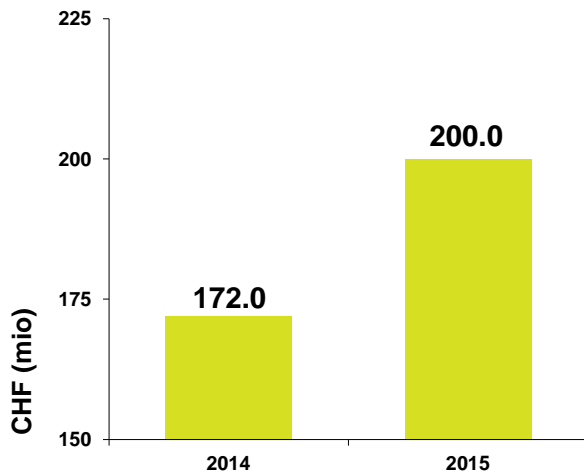
H1 2015 Order Entry and Sales Performance

Order Entry H1



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

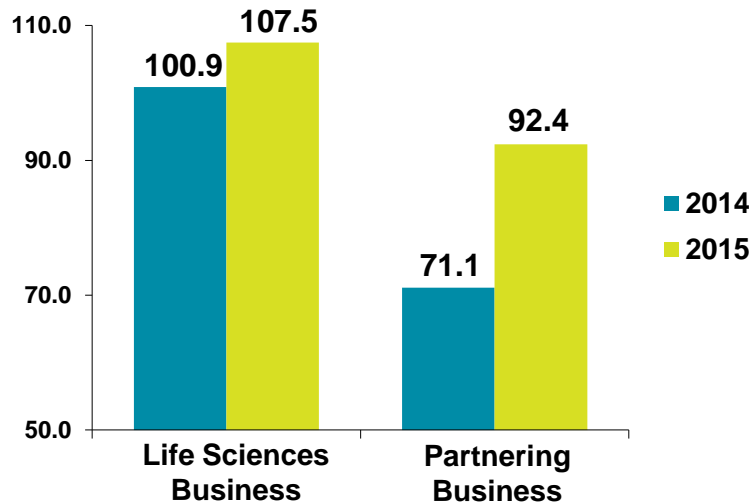
Sales H1



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

H1 2015 Segment Sales

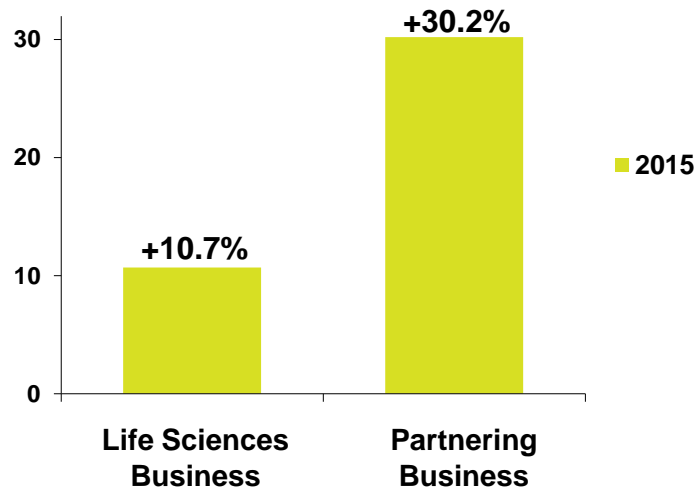
Sales (in CHF millions)



Life Sciences Business:

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

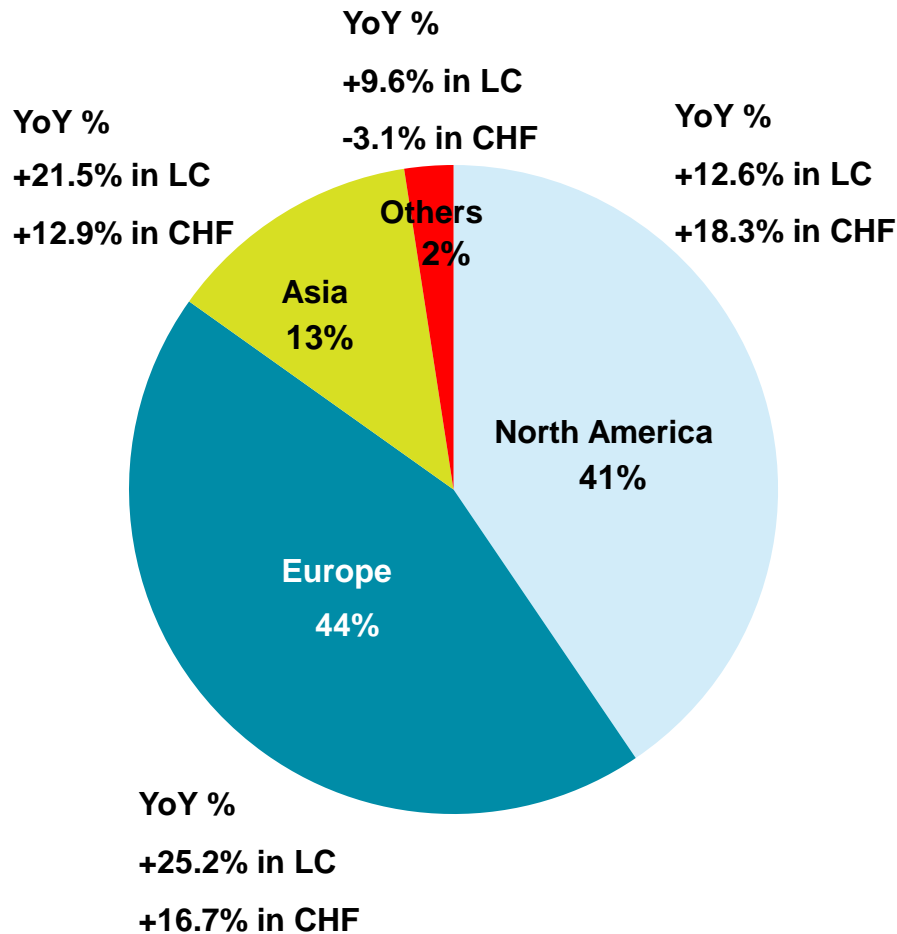
Sales in local currency (change in %)



Partnering Business:

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

H1 2015 Regional Sales Development



Europe:

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

North America:

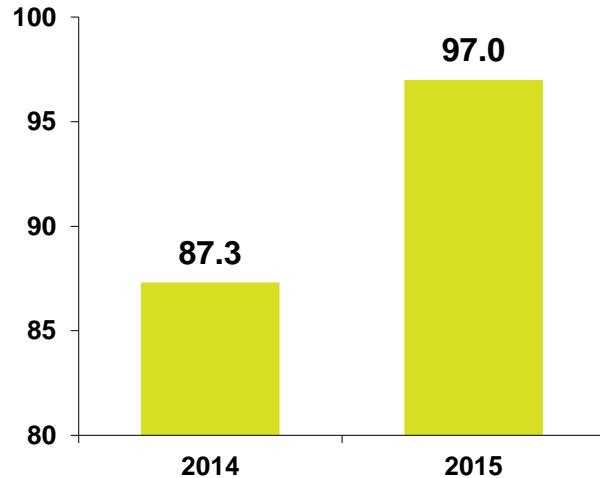
- Life Sciences Business with solid growth
- Partnering Business grew at a double-digit percentage rate

Asia:

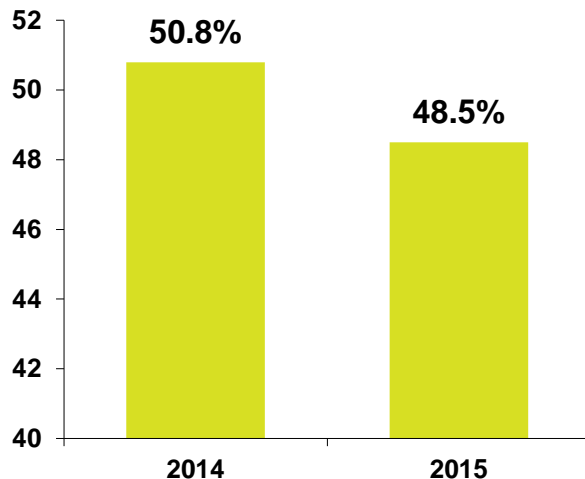
- Both segments grew in the double-digit percentage range
- Improved business environment in China

H1 2015 Gross Profit

Gross Profit (in CHF millions)



Gross Profit (as a % of sales)

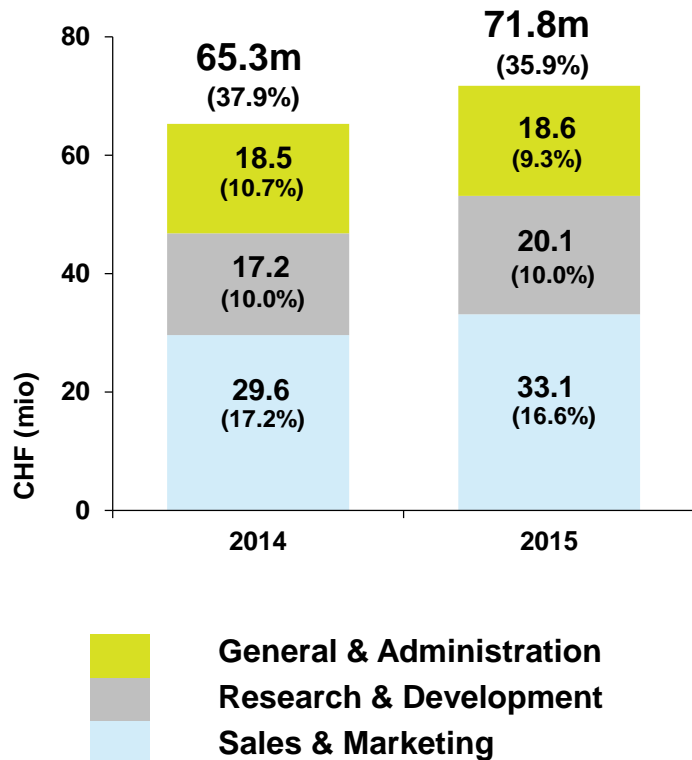


- Gross profit amounted to CHF 97.0m
 - CHF 9.7m or 11.1% higher than H1 2014

- Gross profit margin down by 230 bps
 - (-) Mix impact: more sales from Partnering Business and lower profitability in the launch phase of new instruments
 - (+) Material cost savings, less non-standard cost of sales and positive exchange rate impact
 - (-) Higher costs of OEM development program; price decreases

H1 2015 Cost Structure

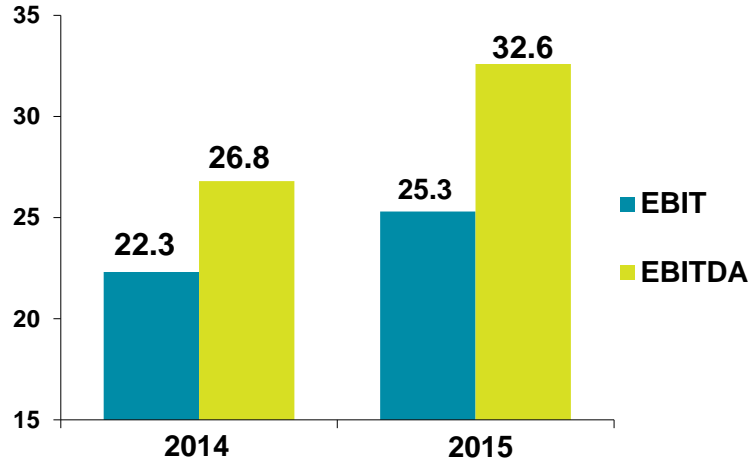
Operating Expenses (% = as a % of sales)



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

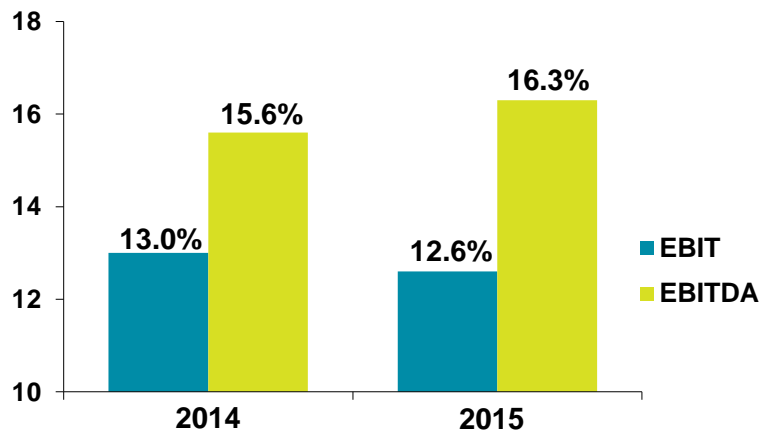
H1 2015 EBITDA and EBIT

EBIT and EBITDA (in CHF millions)



- EBITDA grew faster than sales
 - CHF 5.8m or 21.4% above H1 2014
- EBITDA margin +70 bps to 16.3%

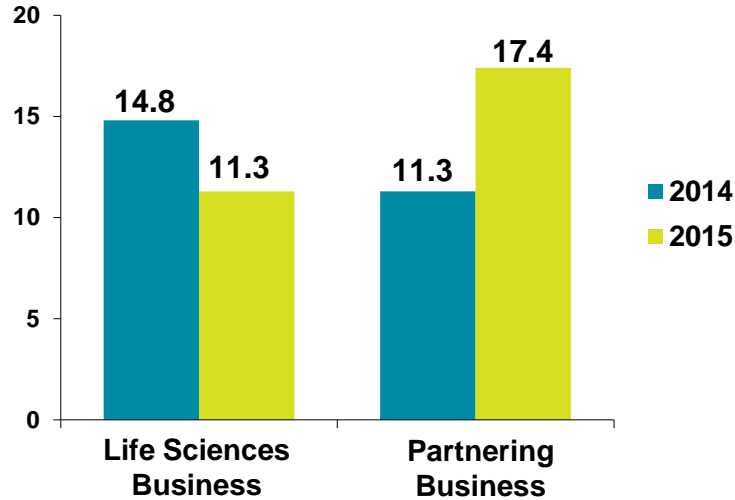
EBIT and EBITDA Margin as a % of sales



- EBIT, including IBL International, increased slower than sales
 - CHF 3m or 13.2% above H1 2014
- EBIT margin at 12.6%
 - Main effects impacting the EBIT margin:
 - (-) GP margin 230 bps lower
 - (+) Expenses 200 bps lower

H1 2015 Segment Profitability

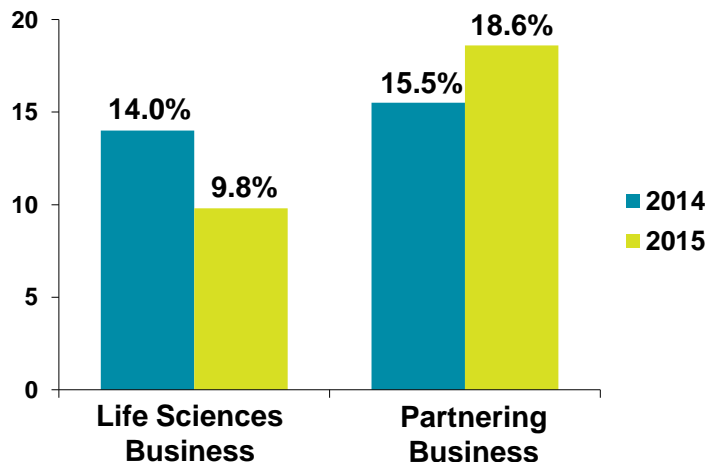
EBIT (in CHF millions)



Life Sciences Business:

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

EBIT Margin as a % of sales

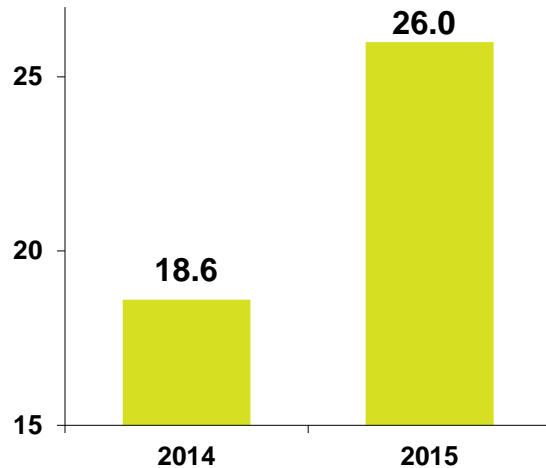


Partnering Business:

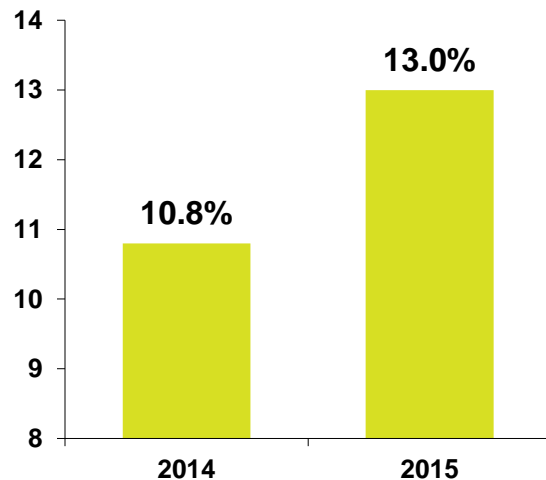
- EBIT margin grew to 18.6%
- (+) Volume effect
- (-) Mix impact with lower levels of profitability during the launch phase of new instruments
- (-) Higher costs of OEM development program

H1 2015 Net Profit

Net Profit (in CHF millions)



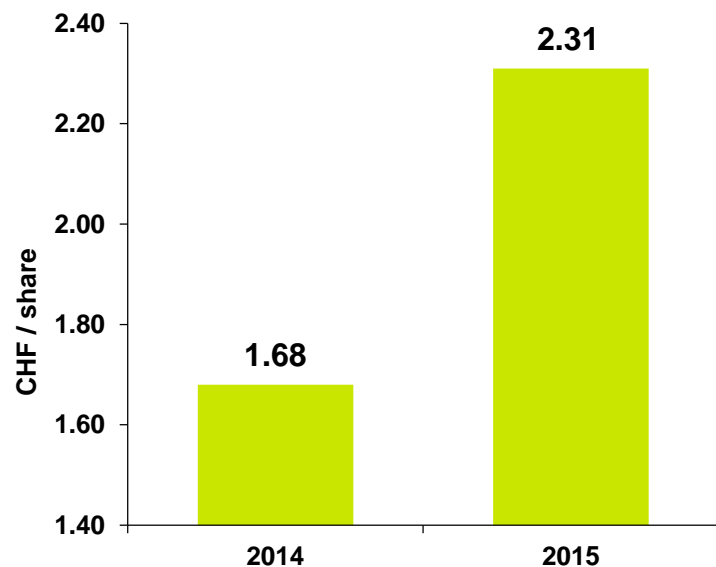
Net Profit (as a % of sales)



- Net profit grew significantly faster than sales
 - CHF 7.4m or 39.7% above H1 2014
- Positive volume effect
- Below EBIT line:
 - (+) Improved financial result attributable to currency hedging measures
 - (+) Lower tax rate of 13.6% (H1 2014: 17.1%)
- Net profit margin +220 bps to 13.0%

H1 2015 Basic Earnings per Share

Basic Earnings per Share



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

H1 2015 Cash Flow



- Cash flow from operations increased to CHF 35.1m or 17.6% of sales (H1 2014: CHF 16.2m)
 - Strong cash generation restored again after prefinancing of an OEM development in recent years
- Net working capital decreased, mainly due lower accounts receivables
 - Days Sales Outstanding at 58 days (H1 2014: 54 days)
- Investments of CHF 6.9m (H1 2014: CHF 14.8m) and CHF 7.3m for amortization & depreciation (H1 2014: CHF 4.5m)
- Cash flow from financing activities includes proceeds from the sale of treasury shares of CHF 31.6m (for tax reasons) and dividend payments of CHF 16.9m
- Net liquidity² increased to CHF 165.6m (Dec 31, 2014: CHF 122.7m)

¹ Includes translation differences of CHF -1.3m

² Net Liquidity = cash and cash equivalents minus bank liabilities and loans

H1 2015 Key Figures

CHF m	2014	2015	Δ in %
Order Entry	196.6	220.1	+11.9%
Sales	172.0	200.0	+16.2%
Sales in local currencies	168.2	200.0	+18.9%
Gross Profit	87.3	97.0	+11.1%
in % of sales	50.8%	48.5%	
R&D	17.2	20.1	+16.6%
in % of sales	10.0%	10.0%	
EBIT	22.3	25.3	+13.2%
in % of sales	13.0%	12.6%	
EBITDA	26.8	32.6	+21.4%
In % of sales	15.6%	16.3%	
Net profit	18.6	26.0	+39.7%
in % of sales	10.8%	13.0%	
EPS (CHF/share)	1.68	2.31	+37.5%
Return on net assets (RONA)	23%	24%	+4.3%
Net liquidity ⁽¹⁾ ⁽²⁾	122.7	165.6	+35.0%
Equity ⁽²⁾	361.2	394.0	+9.1%
Cash Flow (operating)	16.2	35.1	+117.0%

(1) Net Liquidity = cash and cash equivalents minus bank liabilities and loans

(2) 2014 balance sheet figures are as of Dec. 31, 2014

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Priorities for 2015

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

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

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

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

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

Major Platform Launches in Two Product Lines

Fluent™*



Next generation liquid handling
platform family

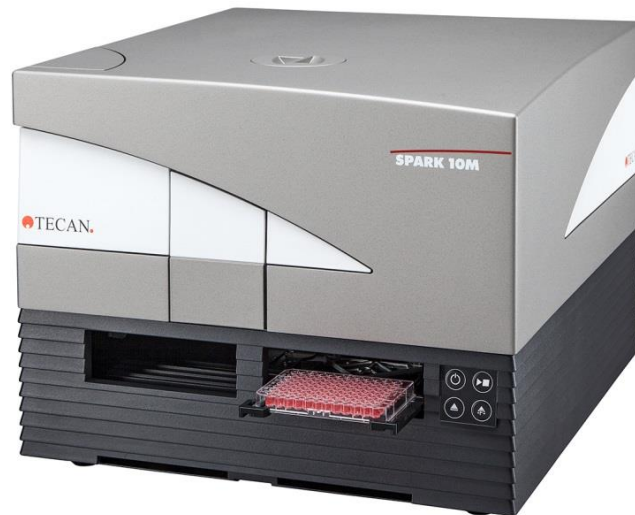
*Setting new standards for simplicity,
productivity and confidence*

Update

- Product announcements:
 - Jun 2014 -- Cell Biology
 - Feb 2015 – Compound Management
 - Feb 2015 – New modules for increased general purpose use
 - Aug 2015 – Air displacement pipetting
 - Aug 2015 – New options enabling wider application range
- Strong momentum in orders with repeat orders from important customers

Major Platform Launches in Two Product Lines

Spark™*



All-new multimode
microplate reader platform

Update

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

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Supporting Significant Delivery Ramp-Up

Dako Omnis



Advanced staining platform for
tissue-based cancer diagnostics

*Setting new standards with regard to flexibility,
capacity, efficiency and traceability*

Update

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

Supporting Significant Delivery Ramp-Up

ORTHO VISION™*



Next-generation diagnostics
instrument used for blood typing

*Transforming transfusion medicine with
Responsive Automation*

Update

- Significant increase in serial production to support commercial rollout in Europe, Japan and Australia
- Ortho-Clinical Diagnostics obtained Health Canada approval for the North American version in April
- Development of ORTHO VISION™ Max, a variant with higher sample throughput, at advanced stage

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Outlook for 2015 Confirmed

Sales

Double-digit sales growth in local currencies

Profitability

EBITDA margin to increase by more than 100 bps

Based on average FX rates of: 1.05 EUR/CHF and 0.92 USD/CHF



Q&A

IR iPad App

News, financial reports,
presentations, videos and more



Next Events

2016:

March 15: Full Year Results 2015

April 13: Annual Shareholder Meeting

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Thank you for your attention

Tecan – Who we are

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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