



# Agenda

08:45 – 10:00	<b>Advancing Tecan</b>  <b>Life Sciences Business</b> Strategy and Growth Drivers Customer Needs Driving Solutions Expanding Our Reagents Business	David Martyr  Stefan Traeger James O'Brien Geert Nygaard
10:00 – 10:15	<b>Coffee Break</b>	
10:15 – 12:00	<b>Partnering Business</b> Strategy and Growth Drivers Singulex – NextGen Immunodiagnostics  <b>Growing Consumables Business</b> <b>M&amp;A as Competitive Advantage</b>  <b>Driving Operational Efficiency</b>  <b>Outlook &amp; Closing Remarks</b>	Achim von Leoprechting Guido Baechler, Singulex  Klaus Lun  Ulrich Kanter  David Martyr
12:00 – 12:30	<b>Q&amp;A</b>	





Tecan Group

# Capital Markets Day

ADVANCING TECAN

DR. DAVID MARTYR, CEO







Every Lab. Every Day. Empowered.

[\(CLICK THE VIDEO TAB ON THE  
WEBCAST TO WATCH VIDEO\)](#)



# Tecan's Vision Statement

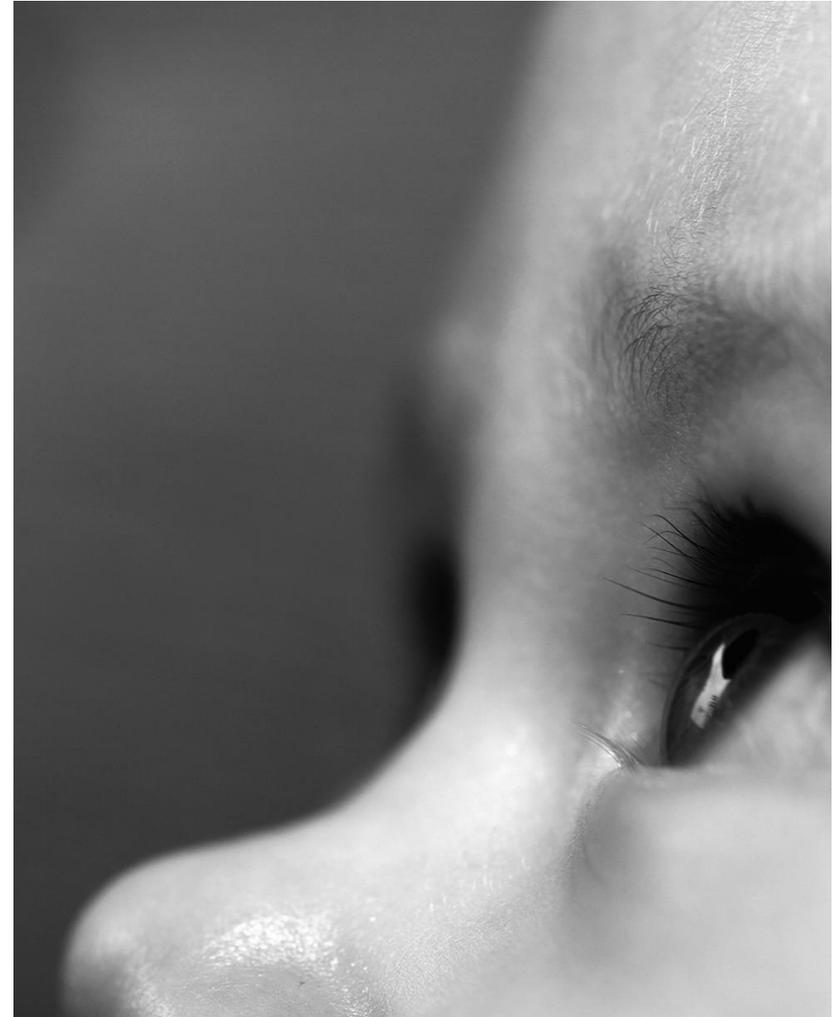
Every lab.

Every day.

# Empowered.

Our vision is to empower every laboratory, every day, around the world with Tecan technology, products and support.

We will help to shape the future of automated workflows in life sciences and clinical diagnostics through unrivaled expertise, products and customer support.



# Tecan in the Center of a Dynamic Environment

Empowered with Tecan.

Genomics

LCMS

Molecular  
Diagnostics

Biobanking

Immuno  
Diagnostics

Synthetic  
Biology

Cell  
Biology

Protein  
Sciences

Next-Gen  
Sequencing

Histology  
Pathology

Applied  
Markets

CRISPR

Liquid  
Biopsies

...and  
many more



# 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
- Mainly configurable open platforms



57% OF GROUP SALES

## PARTNERING BUSINESS

- Focused on all OEM activities
- Products sold by partners under their own brand
- Partner combines instruments with own reagents/tests



43% OF GROUP SALES

CHF 440M IN REVENUE

DIAGNOSTICS

LIFE SCIENCE  
RESEARCH

FORENSICS

APPLIED  
MARKETS



# Transition from Research to Diagnostics

TECAN HAS A UNIQUE POSITION TO BRIDGE FROM RESEARCH TO DIAGNOSTICS SETTINGS

LIFE SCIENCE RESEARCH → LAB DEVELOPED TESTS (LDT) → IN-VITRO DIAGNOSTICS

Life Sciences  
Business

Partnering  
Business

← Empowered with Tecan. →



## EXAMPLES

- Next-Generation Sequencing (NGS)
- Mass Spectrometry
- Liquid Biopsies / Circulating Tumor Cells (CTS)
- Single-Molecule Detection
- Many more...



# Life Sciences Business and Partnering Business

## Maximizing Value Generation

### LIFE SCIENCES BUSINESS

- Early exposure to new technologies and applications in Research (RUO) setting
- Deep expertise in emerging workflows with hundreds of individual customers globally
- Extensive “toolbox” of hardware + software modules
- Experience in the automation of LDT's in large laboratories



Life Sciences  
Business



**Transition  
supported  
by Tecan's  
regulatory  
expertise**

### PARTNERING BUSINESS

- Fully IVD compliant solutions for global rollout
- Custom-built or platform based automation for dedicated clinical workflows
- High-quality IVD-ready components
- Service, support and lifecycle management



Partnering  
Business



# Basis for Corporate Strategy: Market Structure

## LIFE SCIENCE RESEARCH

## IN-VITRO DIAGNOSTICS

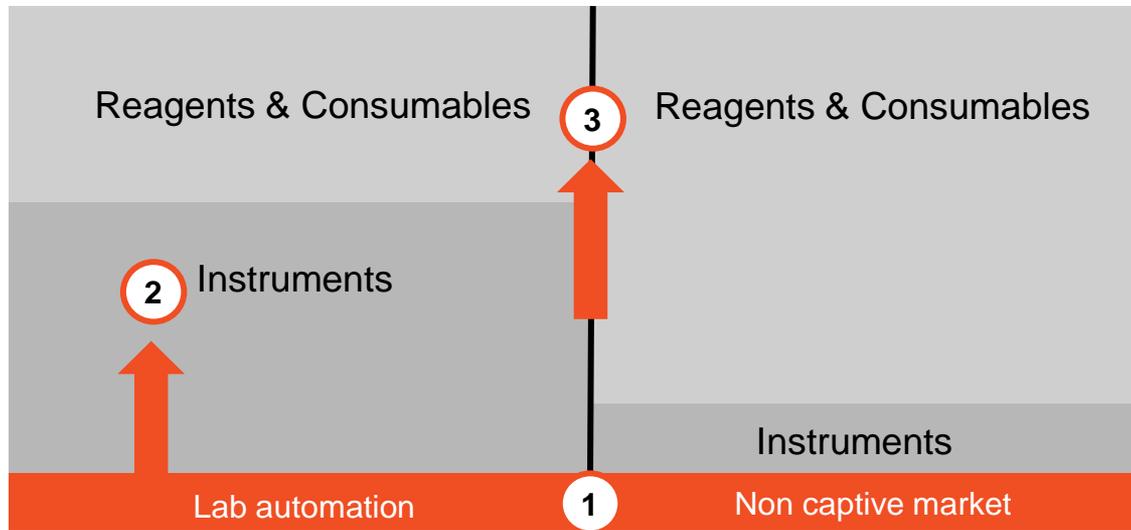
## STRATEGIC PILLARS

CAGR **+3-5%**

**+3-5%**

**> 40 BN USD**

**> 40 BN USD**



- 1 Scale & capability
- 2 Build additional pillars and complete portfolio
- 3 Offer solutions in selected areas

## LIFE SCIENCE RESEARCH

## IN-VITRO DIAGNOSTICS





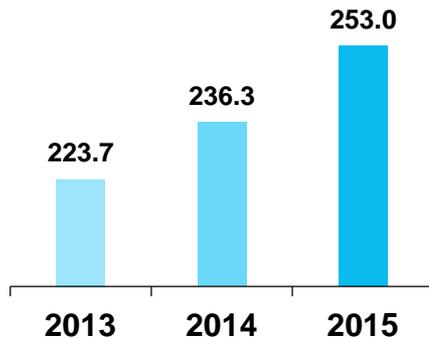
# Capital Markets Day

**LIFE SCIENCES BUSINESS – STRATEGY AND GROWTH DRIVERS**  
**STEFAN TRAEGER, EXECUTIVE VP LIFE SCIENCES BUSINESS**

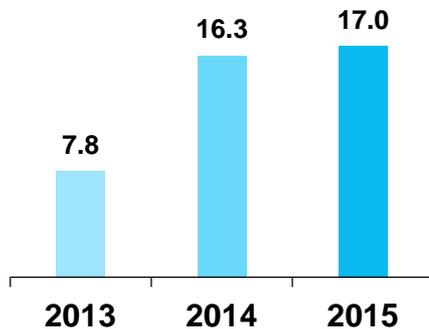


# Tecan LSB with positive momentum

## SALES – LIFE SCIENCES BUSINESS (CHF million)



## EBIT MARGIN – LIFE SCIENCES BUSINESS (in % of sales)



**TECAN LSB WITH +11.8% AND +6.7% ORGANIC IN 2015 (LC)  
EBIT MARGIN EXPANDED BY +70 BPS IN THE SAME PERIOD**

### INTERNAL DRIVERS

Changes in organizational structure

- Transitioned from product-line structure to customer-centric SBU's
- Regionalization of sales organization, improved field resource allocation

Core Business processes improved

- New sales process in major regions, better utilization of R&D spending

Major new products launched, core platforms renewed

- FLUENT, SPARK and a cadence of application-specific products

Expanded into adjacent reagent segment

- Acquisition of IBL International and integration into LSB/CDx

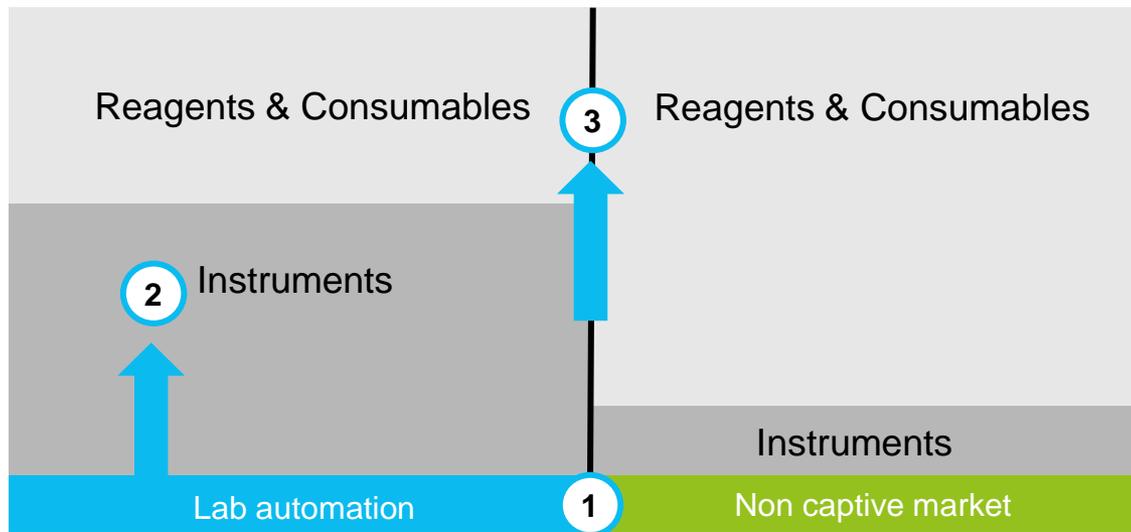
# LSB Initiatives embedded in Corporate Strategic Frame

## LIFE SCIENCE RESEARCH

CAGR **+3-5%**  
**> 40 BN USD**

## IN-VITRO DIAGNOSTICS

CAGR **+3-5%**  
**> 40 BN USD**



## LIFE SCIENCE RESEARCH



**SBU LSA**

## IN-VITRO DIAGNOSTICS

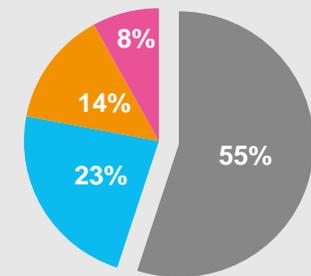


**SBU CDx**

## STRATEGIC PILLARS

- ① Expanding the Core Business
- ② Building up future pillars in the instrument market
- ③ Expansion of recurring revenues

**Sales by Products**  
 (in % of LSB sales)



- Instruments
- Services & Spare Parts
- Consumables
- Reagents



# Applicative trends driving customer demands

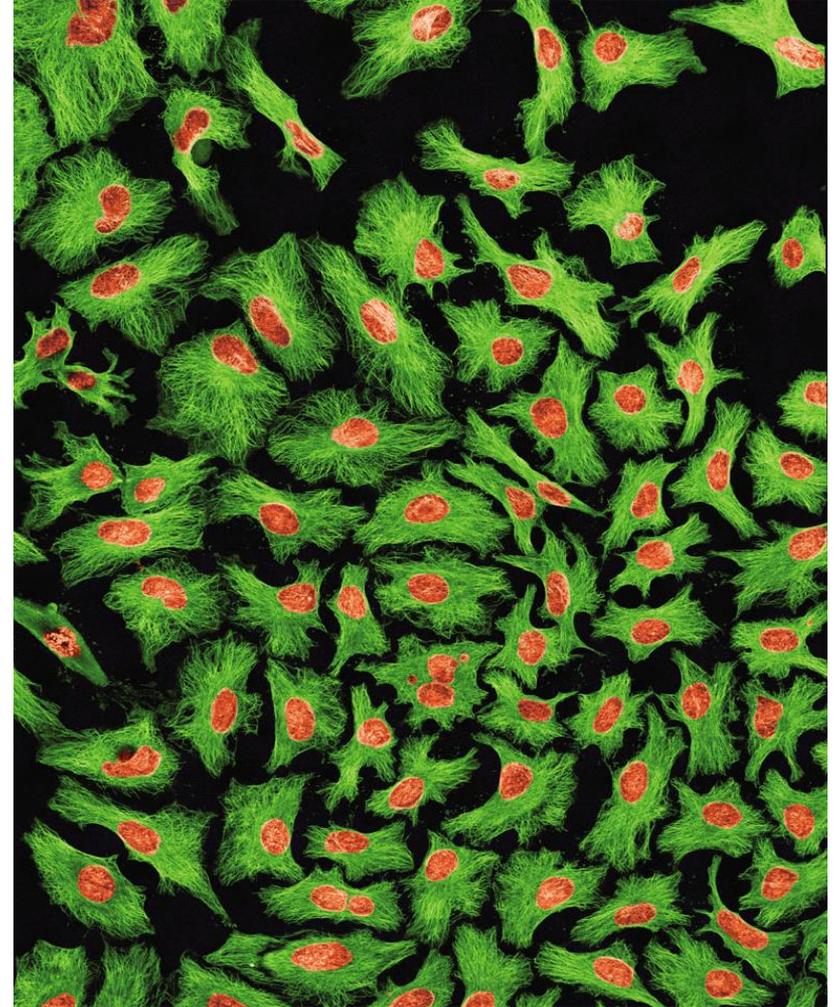
## 1 Expanding the Core Business

**Trends in Cell Biology reveal a shift towards analyzing life**

**Trends in Genomics show NGS expanding its footprint**

**Trends in Discovery show continued outsourcing and more diversity in the approach**

**WITH NEW PRODUCT PLATFORMS, WE  
FOCUS EVER MORE ON APPLICATION-  
SPECIFIC OFFERINGS**



# Major Platform Launches

## 1 Expanding the Core Business

### FLUENT™\*

Setting new standards for simplicity, productivity and confidence



\* For research use only in USA

## NEXT GENERATION LIQUID HANDLING PLATFORM FAMILY

### UPDATE

#### PRODUCT ANNOUNCEMENTS:

- Jun 2014: Cell Biology
- Feb 2015: Compound Management
- Feb 2015: New modules for increased general purpose use
- Aug 2015: Genomics and additional options enabling wider application range
- **Jan 2016: New wave of exciting features to further increase speed and flexibility**

2016

**STRONG MOMENTUM IN ORDERS WITH REPEAT ORDERS FROM IMPORTANT CUSTOMERS**



# Major Platform Launches

## 1 Expanding the Core Business

### SPARK®\* NEXT GENERATION READER PLATFORM

Greater flexibility, increased speed  
and productivity



\* For research use only in USA

### ALL-NEW MULTIMODE MICROPLATE READER PLATFORM

#### UPDATE

#### SPARK 10M LAUNCHED AT SLAS2015:

- Designed for cell biology and genomics customers
- Launch of additional modules in May 2015
- **Brightfield imaging module launched at SLAS2016**
- **Roll-out proceeding to plan with strong uptake**

2016

2016

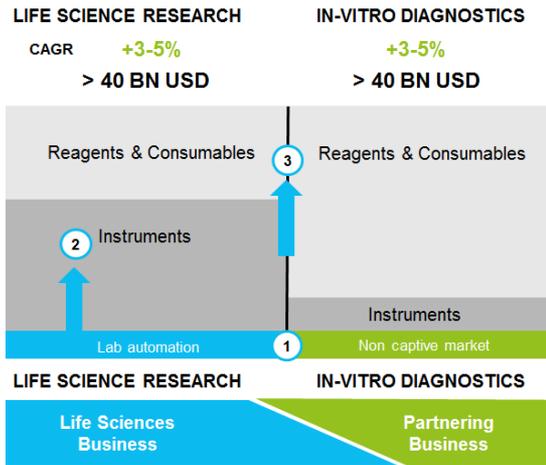
#### SPARK 20M LAUNCHED AT SLAS2016:

- The high-end microplate reader
- Industry leading sensitivity and speed
- Integrated microcopy enables automated live cell imaging and confluence measurement
- Unique Te-Cool™ guarantees constant temperature for consistent results



# Acquisition of IBL International has enabled Tecan to offer solutions specialty diagnostics

## 3 Expansion of recurring revenues



## REAGENTS & AUTOMATION – PERFECT MATCH

### August 2014: Acquisition of IBL International

- Established and leading immunoassay (IA) company for specialty diagnostics
- Supports evolution into solutions in select applications
- Leveraging Tecan’s global presence and long tradition in immunoassay processing

**IBL  
Reagent Kits**

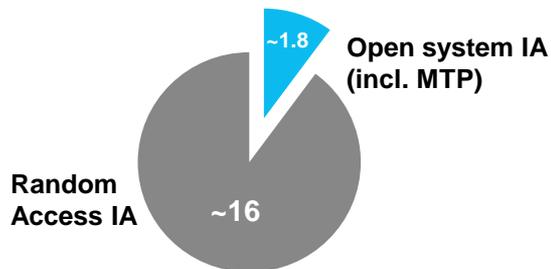


**Tecan  
Open Platform  
Automation**

- **High mix – low volume**  
(~50-80 parameters, 100-200 tests per day)
- Includes **Immunoassays based on micro titer plates (MTP)** and are performed manually or via an open automated solution

## TECAN FOCUS: OPEN SYSTEM IA

**Total Immunoassay (IA) market**  
(Reagents and Automation, in bn EUR)

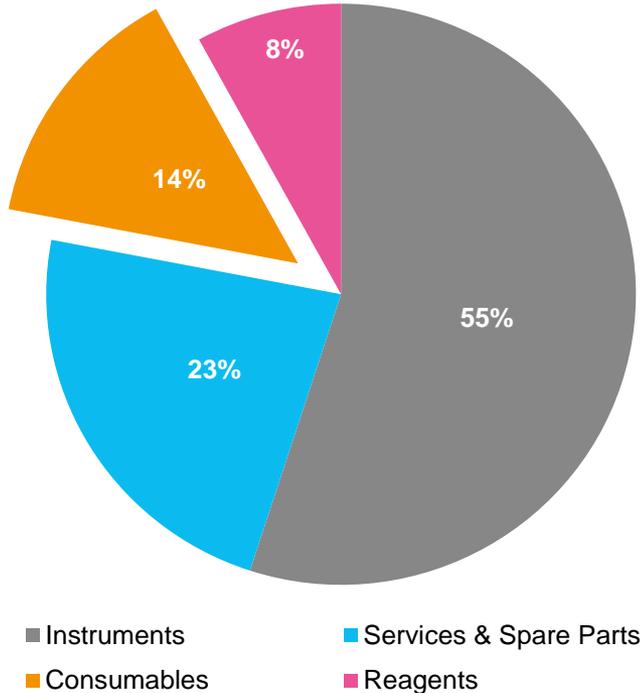


Source: various industry reports, Tecan estimates

# Life Sciences Business with 45% of sales in recurring revenues – potential for further profitable growth in **consumables**

## 3 Expansion of recurring revenues

**Sales by Products  
(in % of LSB sales)**



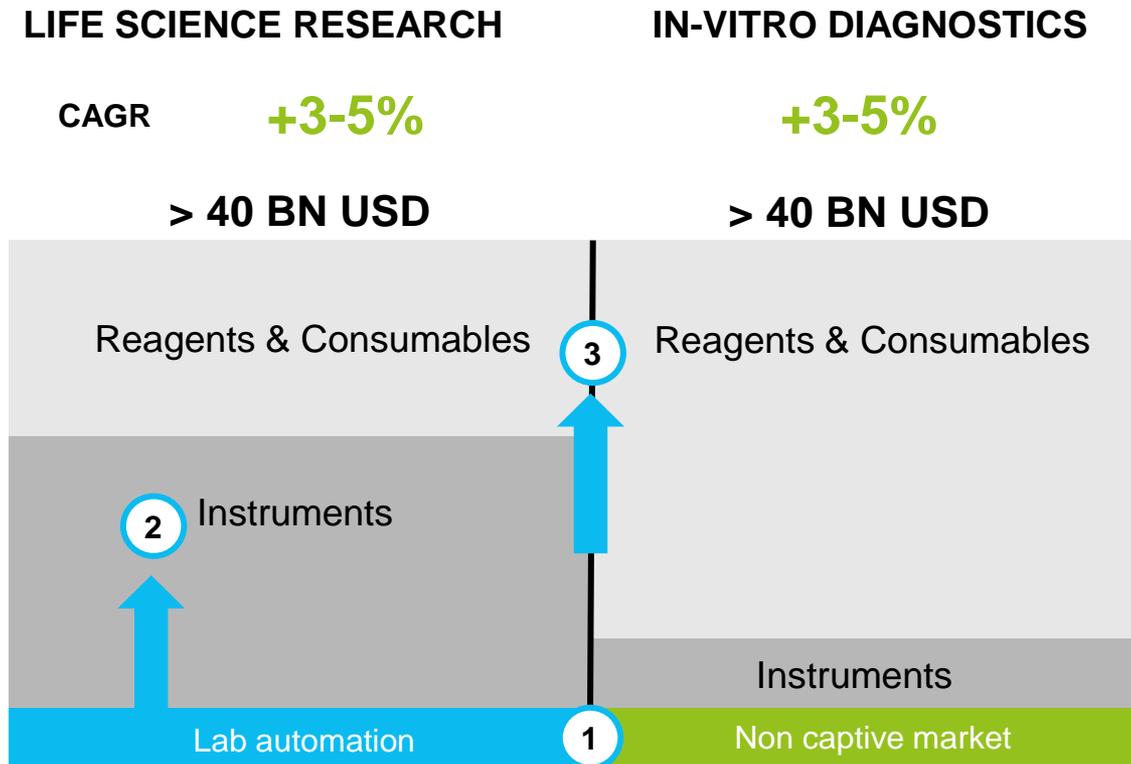
## GROWTH OPPORTUNITIES IN PLASTICS CONSUMABLES

- 1 Drive share of wallet / commercial push to capture installed base
- 2 Launch new products
- 3 Drive excellence in both manufacturing and sales & marketing



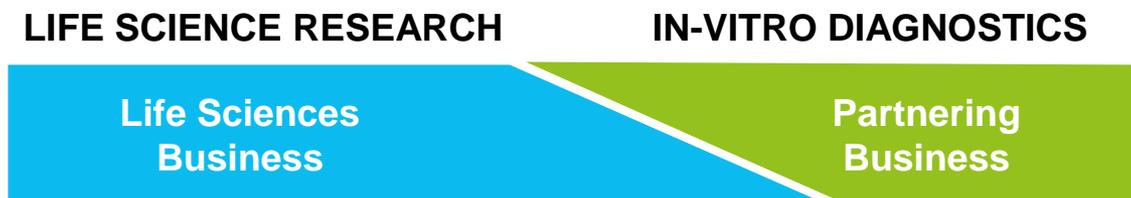
# Expanding the addressable market

## 2 Building up future pillars in the instrument market



### STRATEGIC DIRECTION

- Build up further pillars in the life science tools market
- Instruments beyond conventional, open robotic solutions for liquid handling and microplate readers
- Examples: dedicated instruments for sample preparation, analytical detection and analysis instruments
- Potential being addressed via open innovation or M&A



# Summary

## LIFE SCIENCES BUSINESS WITH POSITIVE MOMENTUM IN THE LAST 2 YEARS

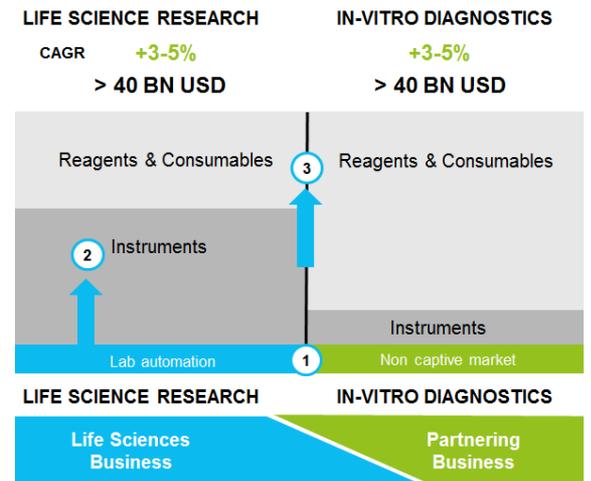
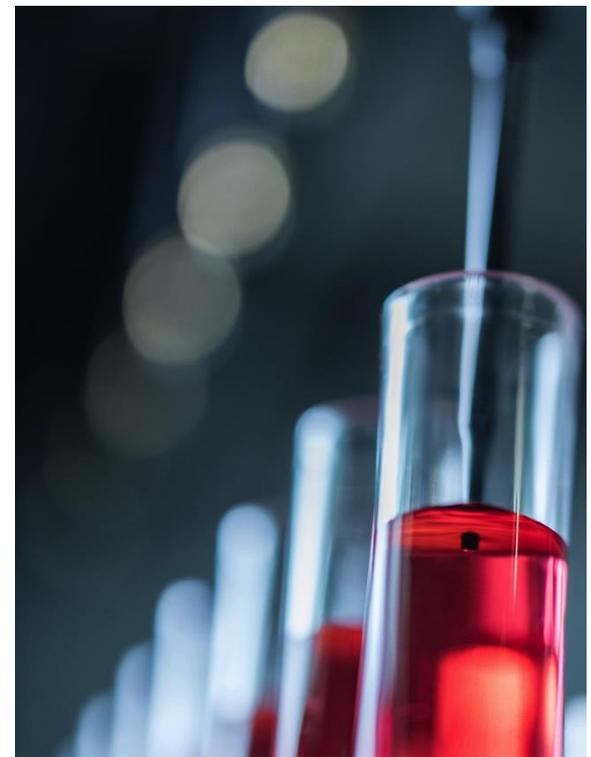
- Major new products launched
- Organizational changes implemented and processes improved
- Expanded into the reagent business

## STRATEGIC TRAJECTORIES LEADING INTO THE NEXT PHASE

- Based on improved product portfolio and business set-up
  - Push application-specific offerings in **Life Science Tools**
  - Become full solution provider in **Specialty Diagnostics**

## INITIATIVES EMBEDDED IN THE CORPORATE STRATEGIC FRAME

- 1 Expanding the Core Business
- 2 Building up future pillars in the instrument market
- 3 Expansion of recurring revenues



# Capital Markets Day

**LIFE SCIENCES BUSINESS – NEEDS DRIVE OUR SOLUTIONS**

**JAMES OBRIEN, HEAD OF LIFE SCIENCE AND APPLIED MARKETS**





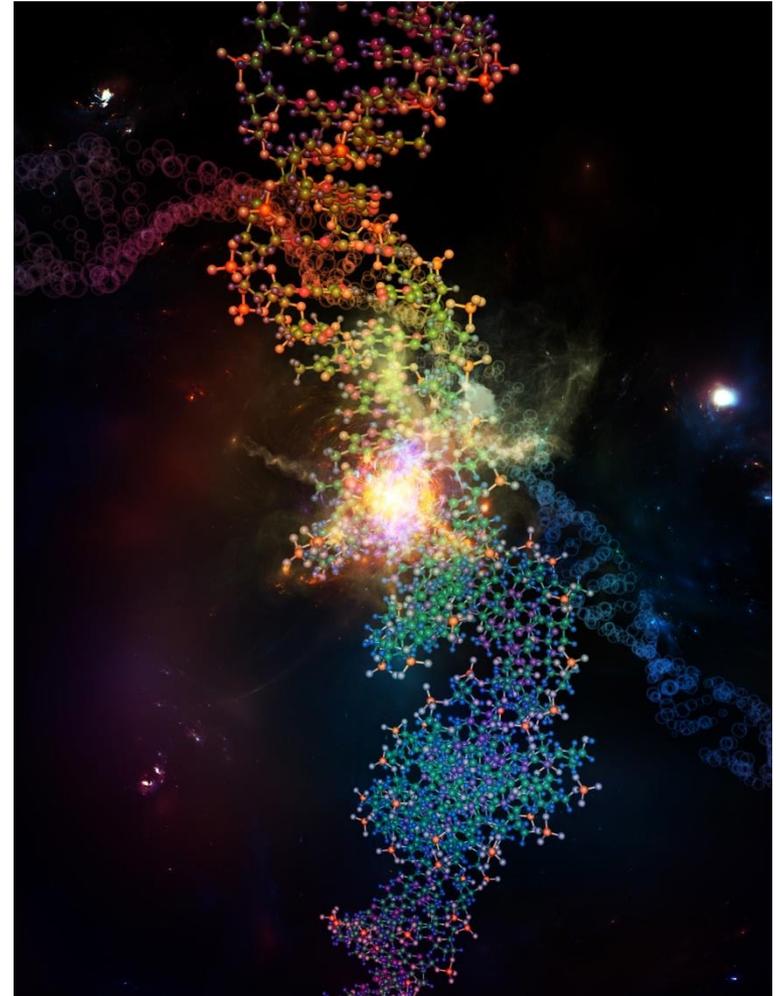
# Trends in Genomics show NGS expands footprint while classical genomics drive market

**CRISPR/Cas9 is gaining attention and customers begin looking for automation for scale**

**NGS is replacing arrays in many markets**

**Classical genomics workflows need to scale with NGS demand**

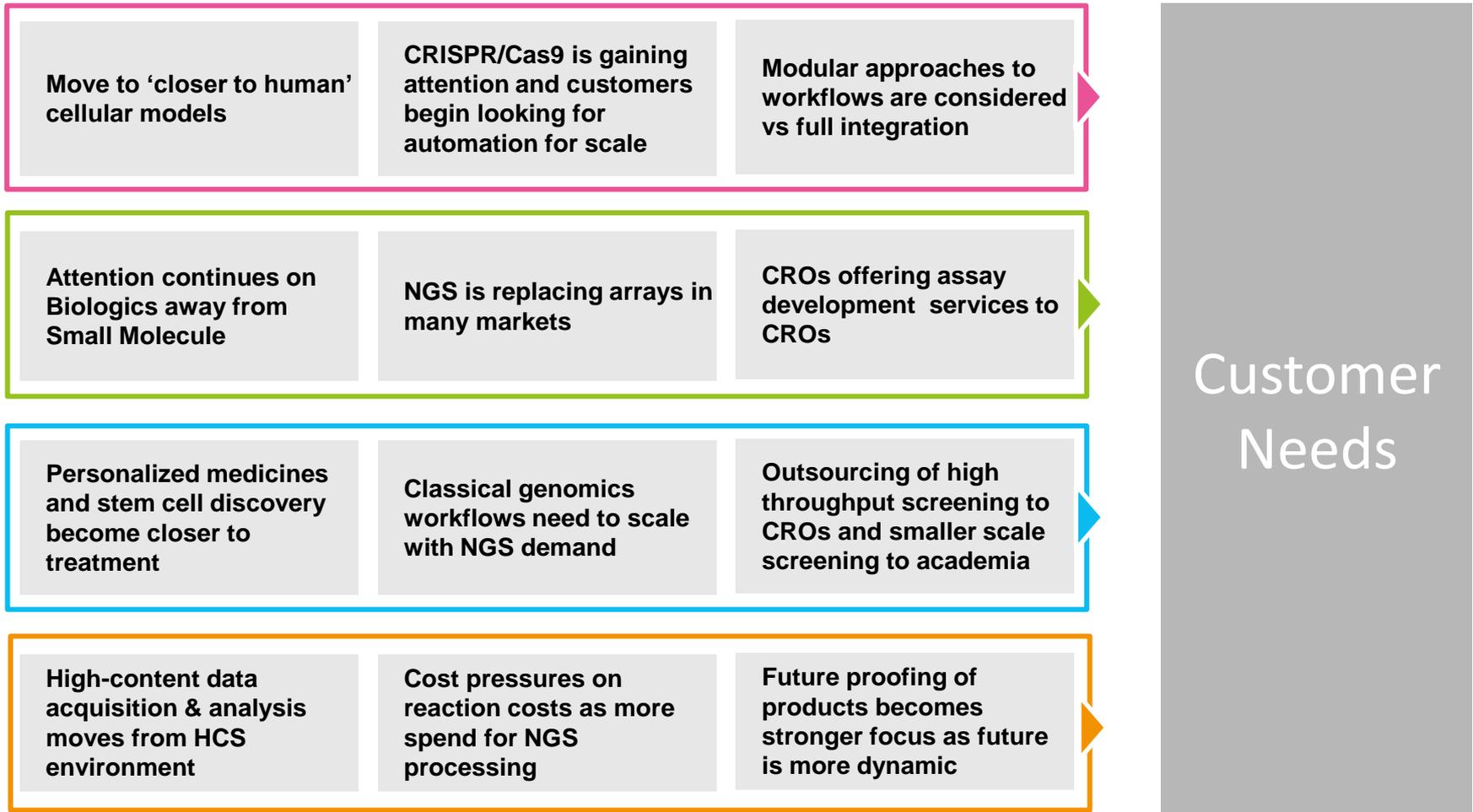
**Cost pressures on reaction costs as more spend for NGS processing**





# Trends become the needs of the customer

## Market Trends



# New applications to be realized with fewer experts

## Market Trends

Move to 'closer to human' cellular models

CRISPR/Cas9 is gaining attention and customers begin looking for automation for scale

Modular approaches to workflows are considered vs full integration

## Challenges

Many new applications to be mastered to achieve **new laboratory goals**

- Need to minimize **time to productivity** of new users and potential costs of supporting the staff
- Shared equipment **limits number of expert users**
- Users are tasked with operating **more types of equipment**

## Customer Need

Ease of Use



Ease of Use



### FLUENT® LABORATORY AUTOMATION SOLUTION

- Intuition built-in via standard operator-centric touch interface
- Smart commands to reduce complexity of script development
- Stop and Resume to deal with the unexpected



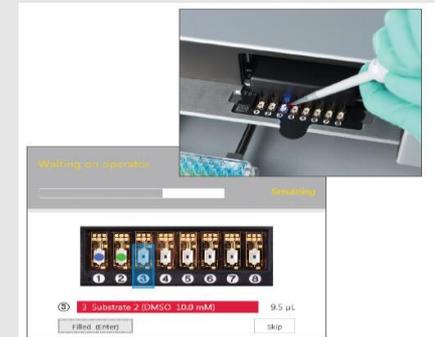
### SPARK® MULTIMODE READER

- SparkControl software built around one click applications for routine assays
- Drag and drop interface
- Automated optimization routines



### D300e PICO-LITER DISPENSER

- Clear, Intuitive software guides user through every step
- Loading interface to reduce operational errors
- Optimized conditions for dispensing your reagents



**Fluent:** “Within the USA for research use only. Not for clinical diagnostics.” **Spark:** “For research use only”  
**Tecan D300e:** „For research use only. Not for use in diagnostic procedures.”

# Customers look to vendors for solutions

Market Trends



Challenges

With many new applications entering their workflows, **Customers need a solution** that does not require high internal investment

- Need to **de-risk purchase** to ensure success
- They have **limited internal expertise** or time to optimize solution.
- **Retain flexibility** while achieving fast uptime of closed system concept

Customer Need



Application  
Specific  
Solutions



**FLUENT®**  
LABORATORY AUTOMATION SOLUTION

- Application specific configurations for cell-based assays and compound management.
- Native applications for genomic workflows
- Simple creation of any application specific interface



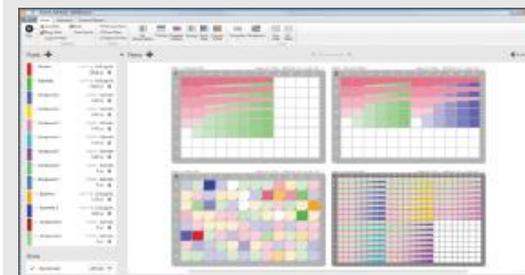
**SPARK®**  
MULTIMODE READER

- One touch applications simplify the user interaction
- Cooling to ensure consistent results for cell and protein applications
- Bright field imaging for reliable and automated cell culture QC



**D300e**  
PICO-LITER DISPENSER

- Native wizards to simplify creation of complex plate layouts
- Minimized training and time to productivity with application specific design



*Dispense any volume into any well for complete assay flexibility and infinite plate layout options.*

**Fluent:** “Within the USA for research use only. Not for clinical diagnostics.” **Spark:** “For research use only”  
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# Throughput needs to address the customer problem

## Market Trends

Personalized medicines and stem cell discovery become closer to treatment

Classical genomics workflows need to scale with NGS demand

Outsourcing of high throughput screening to CROs and smaller scale screening to academia

## Challenges

Products must meet their specific throughput requirements and workflow bottlenecks.

- Budgets and space are always a **limited resources**
- Reality of today will **change** and the system must be ready to meet **tomorrows challenges**

## Customer Need

Optimal Scale

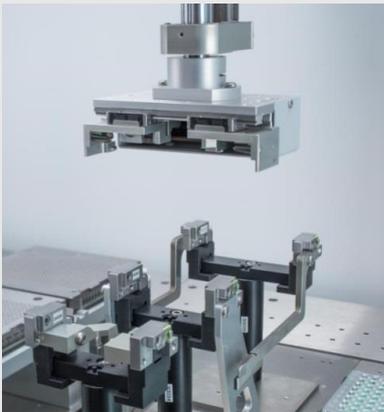


Optimal  
Scale



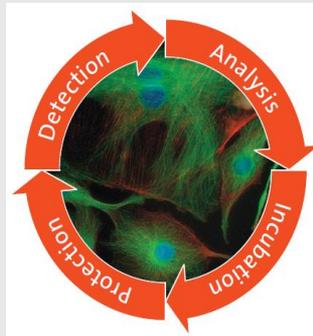
**FLUENT®**  
LABORATORY AUTOMATION SOLUTION

- Dynamic deck is freely (re-)configurable in all dimensions
- Future proofing with arms that can change on the fly
- 3 platform sizes



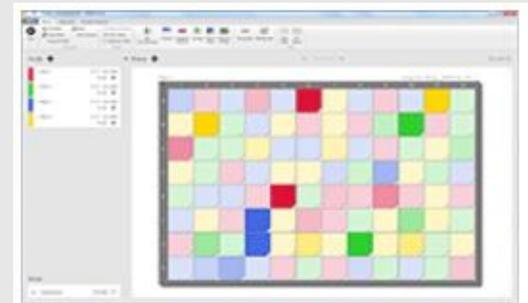
**SPARK®**  
MULTIMODE READER

- Spark 10M and 20M cover spectrum of requirements
- Upgradeability protects investment for future expansion.
- Workflow capabilities allow automation of live cell assays



**D300e**  
PICO-LITER DISPENSER

- Broad range: Dispense from picoliters to microliters
- Ease to share between users/labs because of software and hardware design



**Fluent:** “Within the USA for research use only. Not for clinical diagnostics.” **Spark:** “For research use only”  
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# Return on investment is evaluated across workflow

## Market Trends

High-content data acquisition & analysis moves from HCS environment

Cost pressures on reaction costs as more spend for NGS processing

Future proofing of products becomes stronger focus as future is more dynamic

## Challenges

Total return on investment is strongly considered. Running costs are high priority.

- **Reagents drive higher proportion** of total costs so reduction is critical
- Repeated tests or lost data points create **unnecessary costs**
- Look to reduce costs by **minimizing the internal expertise** on equipment

## Customer Need

Return on Investment

Return on Investment



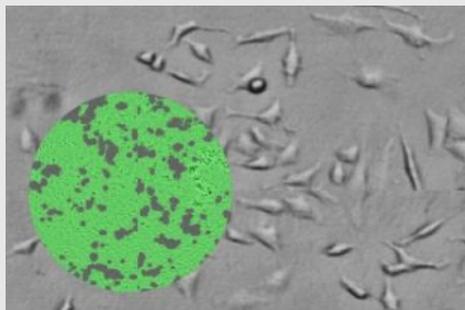
### FLUENT® LABORATORY AUTOMATION SOLUTION

- High precision pipetting and detection sensitivity reduce sample and reagent volumes
- Enhanced ease of use reduces errors, training requirements
- Faster arm speeds and multitasking reduce



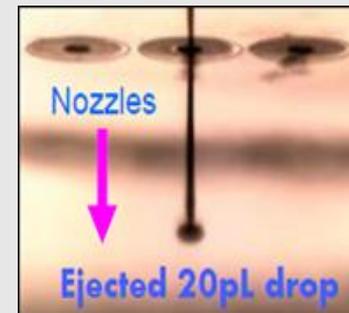
### SPARK® MULTIMODE READER

- Automated confluence measurement to save time of lab staff
- Sensitivity to prevent lost leads or repeated analysis and reduce reagent costs



### D300e PICO-LITER DISPENSER

- Reduced consumption of compounds by eliminating pre-dilution steps
- Save precious time of lab staff
- Minimize hazardous waste costs by reducing number of consumables



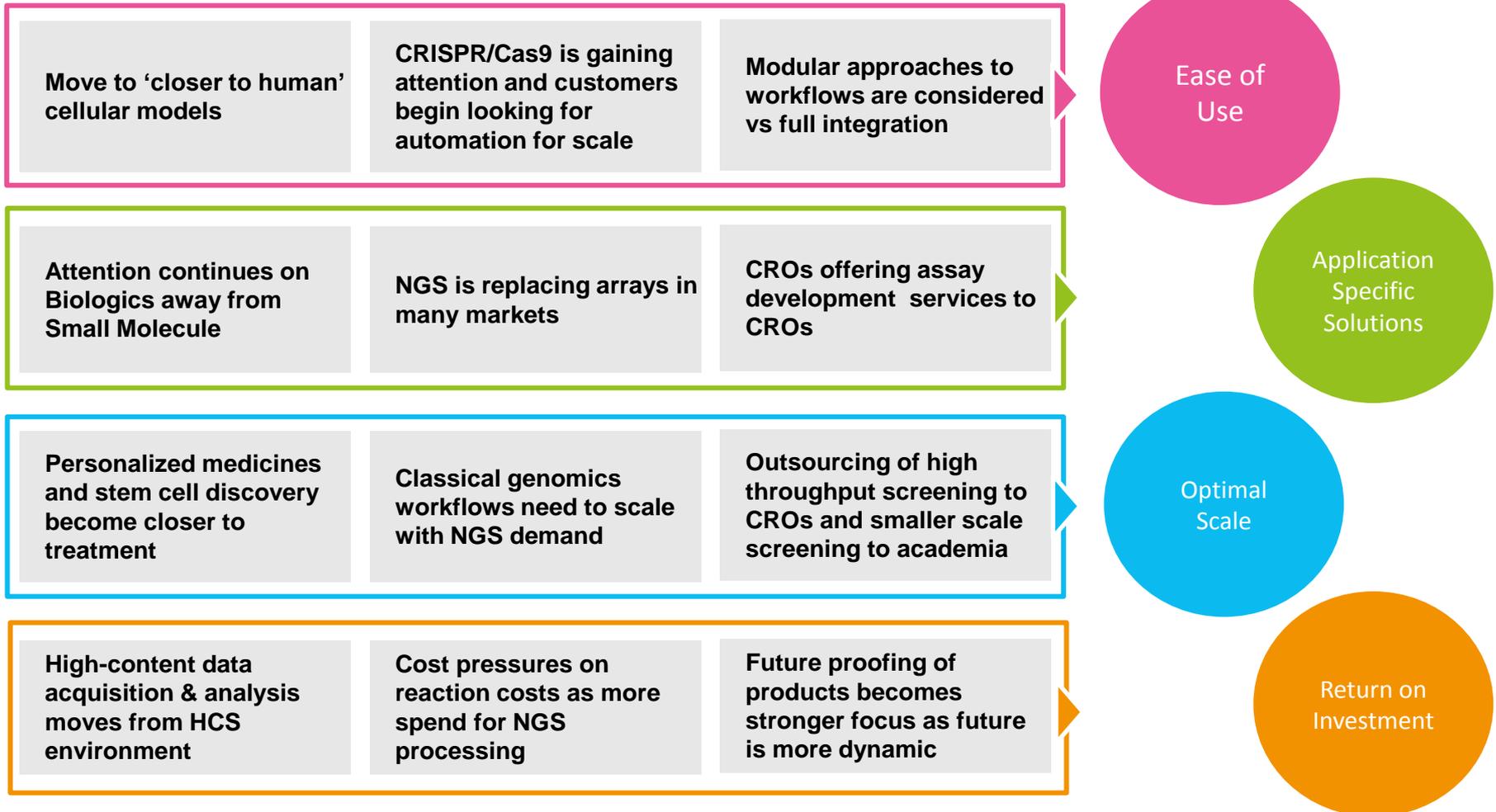
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# The needs of customers drive our products

## Market Trends

## Customer Needs





Capital Markets Day  
Update Reagents Business

**GEERT NYGAARD, MANAGING DIRECTOR**  
**IBL INTERNATIONAL**

# Immunoassay Reagent Business

- Production of IBL International in Hamburg, Germany ~ 90 employees
- Full product pipeline of specialty ELISA based Immunoassays
- Covers the complete value chain from product development and production up to worldwide sales
- TÜV and FDA audited manufacturing facilities with large manufacturing capacity



# Strong Specialized Product Portfolio

## Focus



### Neuroscience:

Neurodegeneration, Neurotransmitters  
Amyloid- $\beta$ , Tau, Catecholamines



### Autoimmunity

ARAb, MUSK, Spermatozoa Ab, dsDNA



### Endocrinology

17-OH Progesterone, Free-Testosteron  
Vitamin-D, Active Vitamin-B12



### Infectious Diseases

Borrelia, H. pylori, Hantavirus, HIB,  
Dengue



### Immunology, Cytokines, Allergy, Food Intolerance

HMGB1, Neopterin, Food Screen



### Neonatal Screening

PKU, IRT, TSH, 17-OHP



### Saliva Diagnostics

Cortisol, Melatonin, Steroids



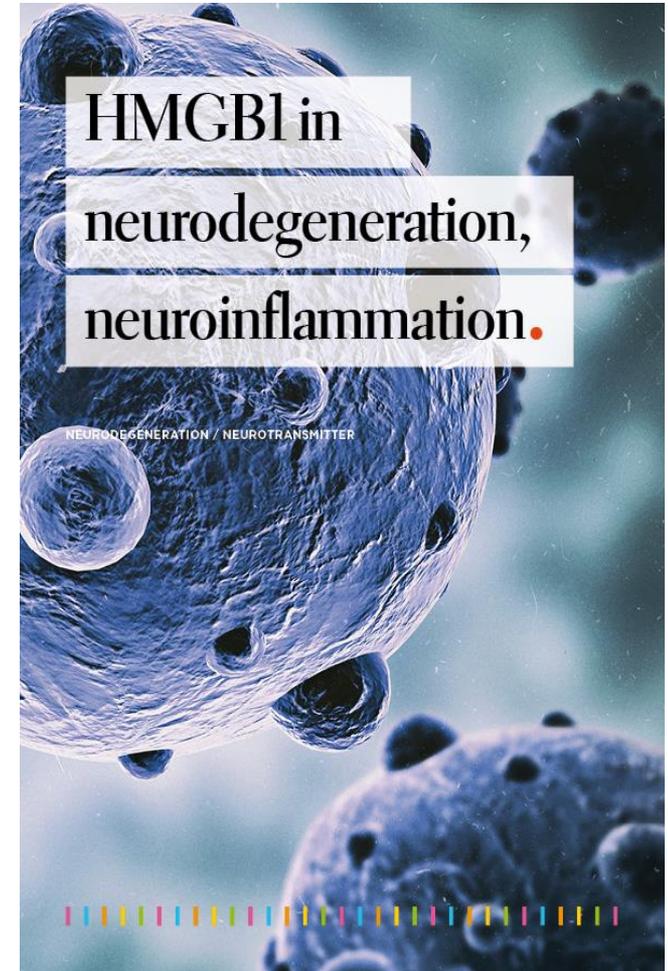
### Others

Tumor Markers (Chromogranin-A, CEA),  
Hypertension, Bone & Minerals

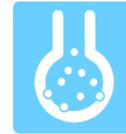
# Example: HMGB1



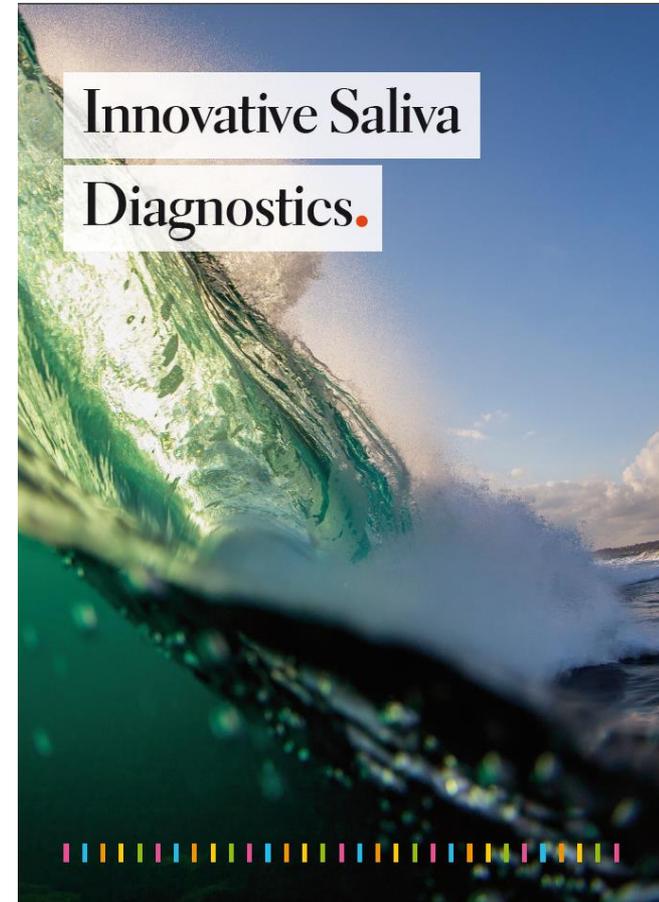
- HMGB1 – key mediator of the immune system
- Broad use in all relevant pathological conditions, especially cancer, diabetes, autoimmune diseases and general immunology
- Recognized as “gold standard” by relevant Key-Opinion-Leaders
- Allows for sample testing in all types of body fluids, but also cell culture experiments
- Tecan’s differentiated offering
  - HMGB1 ELISA is “gold standard” for quantification
  - Recognized as THE HMGB1 experts in the research community
  - Existing additional products such as antibodies and proteins comprising the only “real” complete product portfolio on HMGB1
  - Large publication database with >800 publications having used our ELISA in many different settings



# Example: Saliva Diagnostics



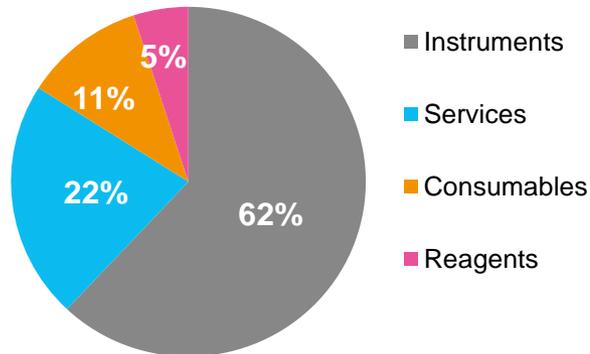
- Niche but fast growing market
- Saliva is increasingly used as the specimen of choice in a variety of medical care situations and emerging areas of health measurement and monitoring
- Saliva sampling is non-invasive, painless and very convenient, with no need for medical staff
- Allows better testing of the biologically active form of steroid hormones vs. testing in blood
- Tecan's differential offering
  - A pioneer and market leader in saliva diagnostics
  - Complete product portfolio of assays specially developed and validated for saliva
  - Products with similar workflow and interchangeable reagents for easy automated process on Freedom Evolyzer



# Progress - Immunoassay Reagent Business

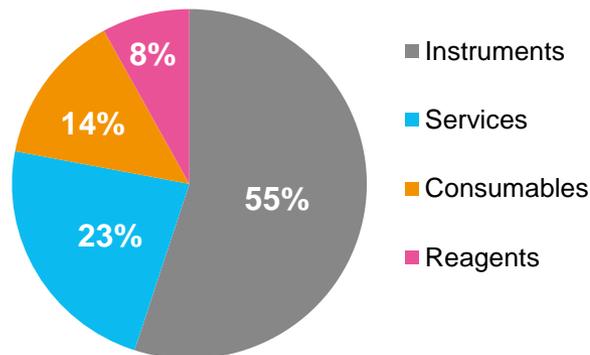
## SALES BY PRODUCT GROUP

GROUP SALES



## SALES BY PRODUCT GROUP

LSB SALES



Reagent Business grew high single digits in 2015, above market rate

Reagents 5% of total group sales and 8% of division sales in 2015

- Integration into Tecan finalized
- Leased additional space in Hamburg
- Expanded the production and storage facility
- Implemented global SAP system
- Leadership succession smoothly managed

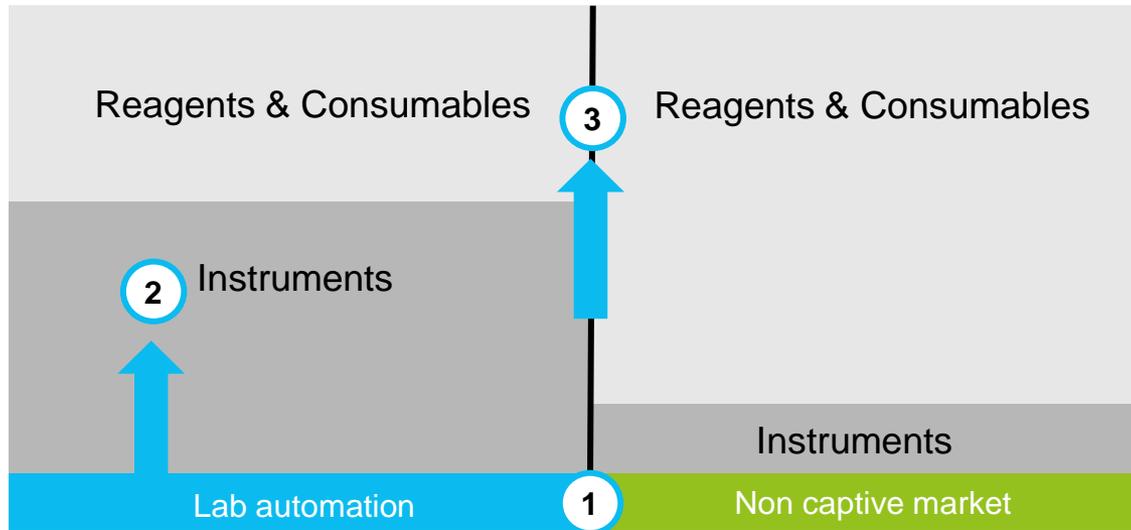
# 3 Expansion of recurring reagent revenues

## LIFE SCIENCE RESEARCH

CAGR **+3-5%**  
**> 40 BN USD**

## IN-VITRO DIAGNOSTICS

CAGR **+3-5%**  
**> 40 BN USD**



## LIFE SCIENCE RESEARCH



## IN-VITRO DIAGNOSTICS



## STRATEGIC DIRECTION

- Expanding IA product range
  - new in-house developed
  - in licensed products
- Offering automated IA solutions, consisting of instrumentation, reagents and consumables,
  - matching the customer needs in the specialty IA market
- Increasing direct presence in the market by offering our solutions through all our present Market Units
- Acquiring complementary product lines through M&A

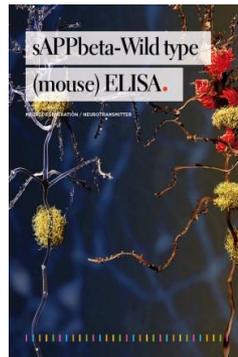
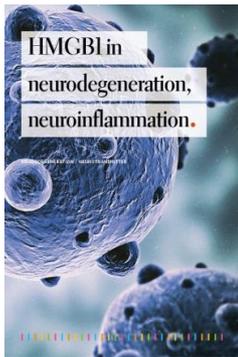
# Progress - Immunoassay Reagent Business

The screenshot shows the Tecan website's product page for IBL International immunoassays. The header includes the Tecan logo, navigation links (Products, Log In, My Account, My Wishlist, Quote), and a support phone number. The main content area features the text "IBL International immunoassays for clinical diagnostics and research. Empowered with Tecan." and a search bar. A sidebar on the left lists various diagnostic categories such as Endocrinology, Neonatal Screening, and Saliva Diagnostics. The main content area is titled "Immunodiagnosics expert" and includes a paragraph about the company's comprehensive portfolio of immunoassays, a search bar, and a "Discover our immunoassays" section with images of laboratory equipment and reagents.

**Immunoassay Reagents fully integrated into the Tecan product offering**

**Marketing channels aligned leveraging the Tecan market position**

- Strategic plan in place
- R&D roadmap defined
- Internet presence fully integrated including US webshop
- Marketing material aligned with new Tecan branding



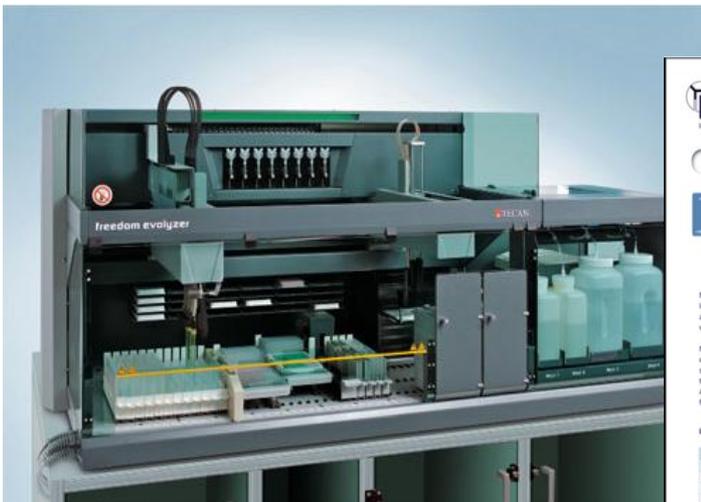
# Generate incremental reagent revenue stream

- Drive new instrument placements by offering integrated solutions
- Leverage the global Tecan organization to increase geographic reach
- Sell reagents to existing Tecan customer base



# Solutions Provider for Specialty Diagnostics

- IBL International immunoassays adapted to the Freedom EVOlyzer platforms
- 30+assays already adapted, further assays in process



**IBL INTERNATIONAL**  
a Tecan Group company

Neurodegeneration / Neurotransmitter Method **Here you GO!**

**Fully automated processing of dementia markers using TECAN Freedom EVOlyzer®**

Manual processing of immunoassays by IBL International for determining amyloid-beta (1-42), amyloid-beta (1-40) and sTBAU total in CSF generates very high-quality results.

Nevertheless, the need for an automated processing of dementia markers increases with increasing sample throughput. Therefore, we have verified the immunoassays Amyloid-beta (1-42) CSF ELISA, Amyloid-beta (1-40) CSF ELISA and sTBAU total ELISA\* for the TECAN Freedom EVOlyzer®.

**Products**

- RES9331 sTBAU total ELISA\*
- RES9562 Amyloid-beta (1-40) CSF ELISA\*
- RES9563 Amyloid-beta (1-42) CSF ELISA\*

\*In USA for research use only. Not for use in clinical diagnostic procedures.

**Inter-assay (Table 1) and intra-assay variance (Table 2) in fully automated processing**

Sample	Amyloid β (1-42) CSF ELISA		Amyloid β (1-40) CSF ELISA		sTBAU total ELISA	
	Mean [pg/mL]	CV [%]	Mean [pg/mL]	CV [%]	Mean [pg/mL]	CV [%]
1	2,854	5,7	186	6,3	895	4,2
2	19,880	4,9	161	2,7	959	3,0
3	6,900	1,9	306	1,9	760	2,2
4	11,672	3,6	511	2,7	796	2,8
5	6,992	5,0	774	5,0	359	5,6
6	11,965	4,9	668	4,0	1,307	4,0

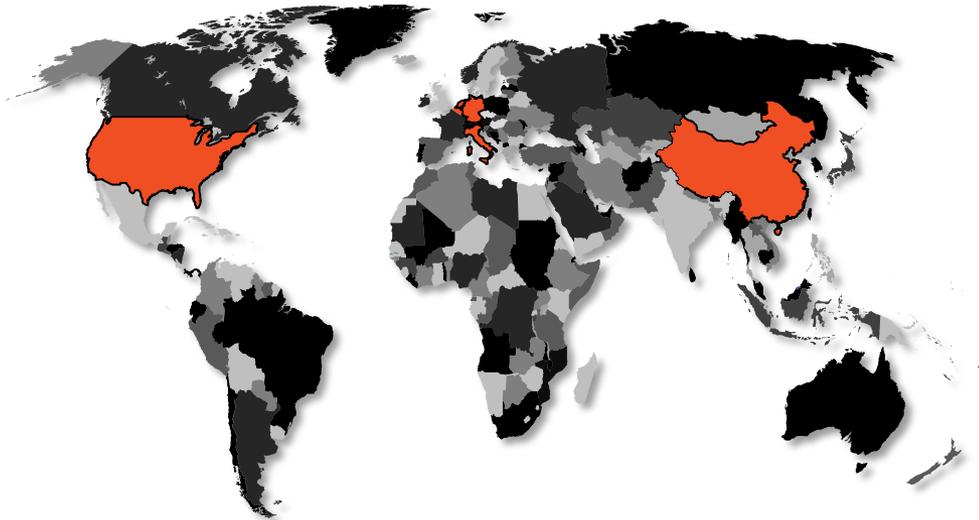
**Table 1: Inter-Assay Variance**

Sample	Amyloid β (1-42) CSF ELISA		Amyloid β (1-40) CSF ELISA		sTBAU total ELISA	
	Mean [pg/mL]	CV [%]	Mean [pg/mL]	CV [%]	Mean [pg/mL]	CV [%]
1	6,740	2,4	397	3,6	1,234	1,7
2	8,290	3,5	705	4,4	871	1,7
3	11,199	7,1	1,039	6,1	1,348	2,8

\* Distributed by IBL International  
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www.IBL-International.com



# Leveraging the Global Tecan Organization



- Tecan US direct distribution of IA products gone live in January 2016
- Italy gone live in May 2016
- China and Benelux expected to go live within the next months
- Further countries for direct distribution in planning

# Agenda

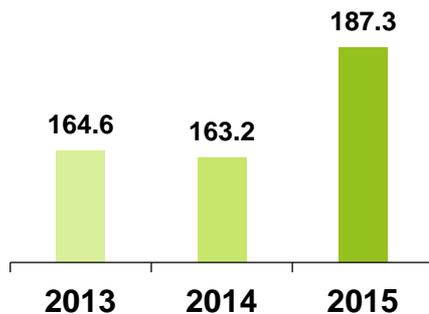
<p>08:45 – 10:00</p>	<p><b>Advancing Tecan</b></p> <p><b>Life Sciences Business</b>          Strategy and Growth Drivers          Customer Needs Driving Solutions          Expanding Our Reagents Business</p>	<p>David Martyr</p> <p>Stefan Traeger          James O'Brien          Geert Nygaard</p>
<p>10:00 – 10:15</p>	<p><b>Coffee Break</b></p>	
<p>10:15 – 12:00</p>	<p><b>Partnering Business</b>          Strategy and Growth Drivers          Singulex – NextGen Immunodiagnostics</p> <p><b>Growing Consumables Business</b>  <b>M&amp;A as Competitive Advantage</b></p> <p><b>Driving Operational Efficiency</b></p> <p><b>Outlook &amp; Closing Remarks</b></p>	<p>Achim von Leoprechting          Guido Baechler, Singulex</p> <p>Klaus Lun</p> <p>Ulrich Kanter</p> <p>David Martyr</p>
<p>12:00 – 12:30</p>	<p><b>Q&amp;A</b></p>	



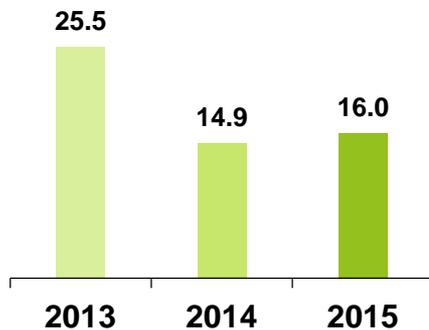


# Continuing growth in the Partnering Business

**SALES –  
PARTNERING BUSINESS**  
(CHF million)



**EBIT MARGIN –  
PARTNERING BUSINESS**  
(in % of sales)



**PARTNERING BUSINESS GREW +14.9% IN 2015 (LOCAL)**

**EBIT MARGIN INCREASED TO 16% OF SALES**

## GROWTH DRIVERS

Continuing ramp up of platforms

- US launch of FDA cleared ORTHO Vision™ Analyzer by Ortho Clinical Diagnostics
- Dako Omnis instrument growing in Histopathology Market
- Several other projects of components and instruments progressing from development to launch

Organizational strengthening

- Regionalization of sales organization, Asia team fully staffed
- Improved key account management through formation of dedicated Customer Operations group

Expansion of capabilities and portfolio

- Acquisition of Sias AG on November 30, 2015, a leading OEM supplier of laboratory automation solutions

# Reasons To Consider OEM Partnering Approach

## **TIME TO MARKET / TIME TO REVENUE**

- Proven off-the-shelf solutions available
- Development and Support teams with experience in specific technologies

## **R&D CAPACITY**

- Extend internal capacity
- Augment internal technical expertise

## **TECHNOLOGY ACCESS**

- Modules, components and software
- System Architecture experience

## **APPLICATION EXPERTISE**

- Know-how in key assays and workflows



# Trends in the IVD Industry

- The IVD sector is currently very dynamic, with many new technologies transitioning into this sector
- Historically, even many of the top 15 IVD companies have been focused on defined segments or applications
- New technologies open up new market opportunities
- Companies try to build positions in those emerging segments e.g. NGS, or try to expand their product offering from niche plays into other areas
- These trends are key factors behind the rise in outsourcing
- Also rationale for multiple M&A deals and alliances concluded over the last two years



# Focus on Growth Segment Applications



**MOLECULAR  
DIAGNOSTICS**

**HIGH GROWTH**



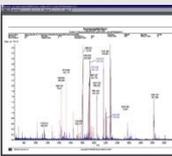
**HISTOLOGY/  
PATHOLOGY**

**HIGH GROWTH**



**ELISA  
IMMUNOASSAY**

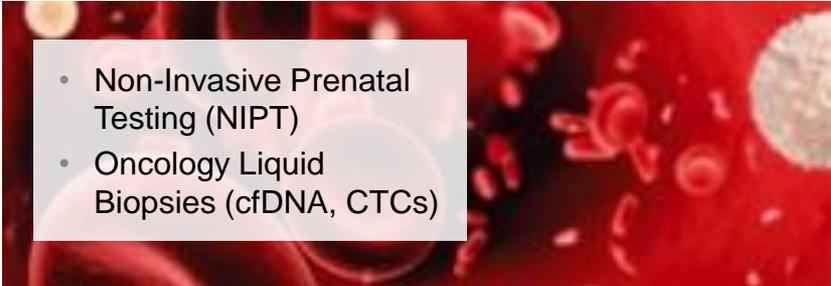
**HIGH GROWTH ASIA  
MED GROWTH ROW**

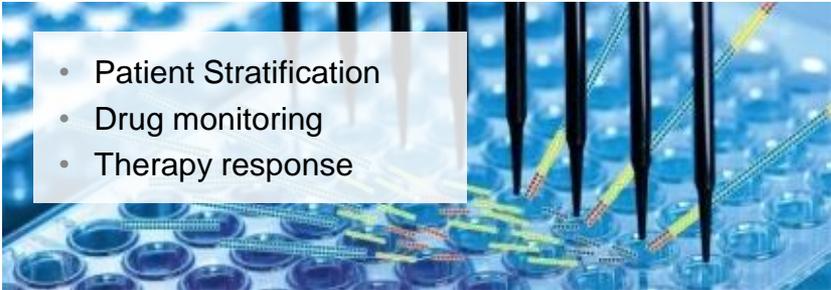


**MASS  
SPECTROMETRY**

**HIGH GROWTH**

- 
- Genomics
  - Personalized healthcare
  - Companion Diagnostics

- 
- Non-Invasive Prenatal Testing (NIPT)
  - Oncology Liquid Biopsies (cfDNA, CTCs)

- 
- Patient Stratification
  - Drug monitoring
  - Therapy response



# Transition from Research to Diagnostics

TECAN HAS A UNIQUE POSITION TO BRIDGE FROM RESEARCH TO DIAGNOSTICS SETTINGS

LIFE SCIENCE RESEARCH → LAB DEVELOPED TESTS (LDT) → IN-VITRO DIAGNOSTICS

Life Sciences  
Business

Partnering  
Business

← Empowered with Tecan. →

## EXAMPLES



- Next-Generation Sequencing (NGS)
- Mass Spectrometry
- Liquid Biopsies / Circulating Tumor Cells (CTS)
- Single-Molecule Detection
- Many more...



# Tecan Partnering, a Well-Balanced Business

## INSTRUMENTS

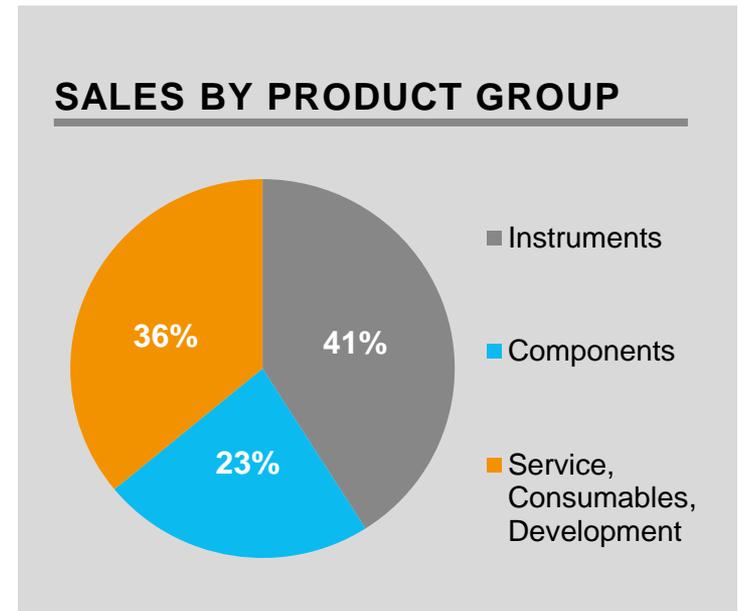
- Over 20 active instrument accounts
- Several top IVD companies as well as emerging players

## COMPONENTS

- Market leader in liquid handling components
- Portfolio optimized for a wide range of applications including NGS, Synthetic Biology, ImmunDx and others

## RECURRING REVENUES

- Business comprising services, spare parts and consumables
- High-quality consumables are an important part of a validated solution
- Maximizing instrument productivity by providing spare parts, technical support and potentially field services globally



# SIAS acquisition expands solution range with components, modules and systems for strategic PB market segments

## COMPLEMENTARY SIAS PRODUCTS AND EXPERTISE

### HISTOLOGY / CYTOLOGY



### MOLECULAR DIAGNOSTICS



### MS (SAMPLE PREP)



### BLOOD GROUPING / TYPING

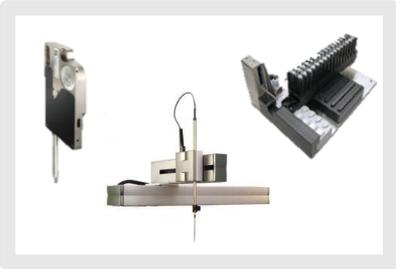


### IMMUNOASSAYS



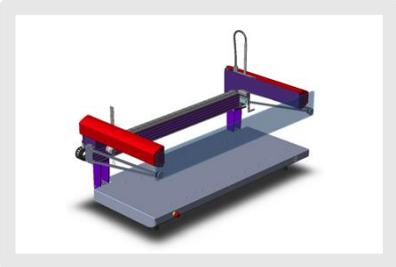
# Tecan's portfolio is differentiated to support various business models for OEM customers worldwide

## COMPONENTS



- Tecan supplies components and robotic modules for key applications
- Option to customize components for specific customer needs
- Customer develops system in-house with Tecan support

## PLATFORMS



- Tecan supplies integrated platforms tailored for key applications, Service and Support options available
- Customer develops user software and performs assay integration
- Strengthened offering through Sias acquisition

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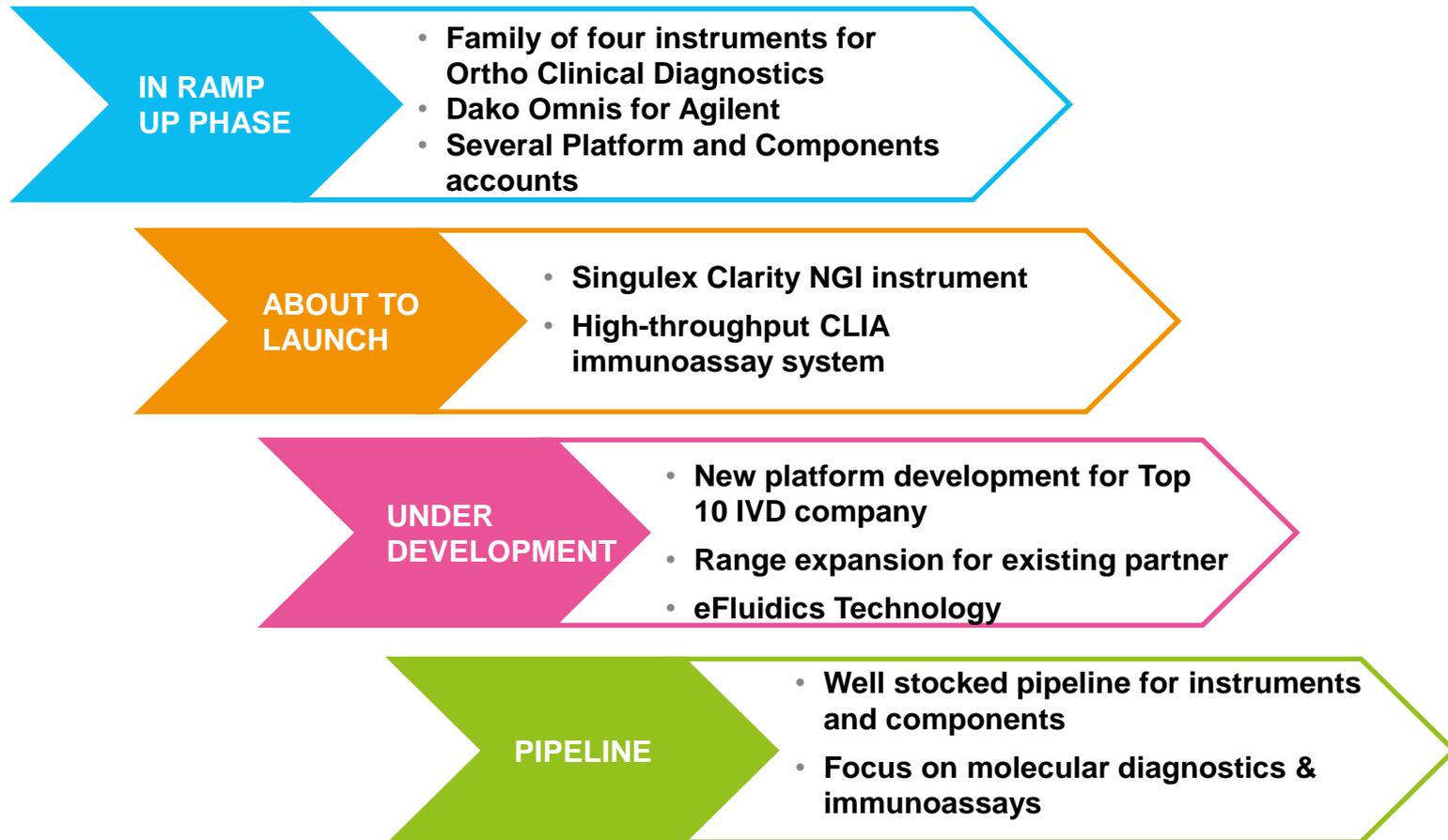
## SYSTEMS



- Tecan responsible for complete instrument development including user software and assay integration
- Product Life-Cycle Management
- Service and Support options available



# Growing Tecan's Partnering Business



# Supporting Significant Delivery Ramp-Up (1)

## DAKO OMNIS FOR AGILENT TECHNOLOGIES

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



## ADVANCED STAINING PLATFORM FOR TISSUE-BASED CANCER DIAGNOSTICS

### UPDATE

- Continued global commercial uptake
- Agilent reported record instrument placements for several quarters in a row
- Dako continuing to add new assays and panels to Omnis platform including the HER2 IQFISH cancer companion diagnostic assays



# Supporting Significant Delivery Ramp-Up (2)

## ORTHO VISION™ ANALYZER FOR ORTHO CLINICAL DIAGNOSTICS

Transforming transfusion medicine with Responsive Automation



## NEXT-GENERATION DIAGNOSTICS INSTRUMENT FOR BLOOD TYPING

### UPDATE

- Significant increase in serial production to support commercial rollout
- Clearances obtained by Ortho Clinical Diagnostics:
  - ORTHO VISION™ Analyzer
    - 1 for BioVue® Cassettes
      - CE Mark to start commercialization in Europe, Japan and Australia in October 2014
    - 2 for ID-MTS™ Gel Cards
      - Health Canada approval in April 2015
      - 510(k) clearance in the US in August 2015
  - ORTHO VISION™ Max Analyzer
    - Two variants with higher sample throughput
    - Development completed
      - 3 for BioVue® Cassettes
        - Received CE Mark clearance in October 2015
      - 4 for ID-MTS™ Gel Cards
        - To be launched upon receipt of regulatory clearances





# Further Example (2): DaAn Gene

## DA3000

- DaAn Gene, a major supplier to the Chinese IVD market for over 20 years
- Automated DNA extraction system for infectious diseases testing in blood banks
- 4 Tecan Cavro ADP modules are integrated in the instrument



Decode Genetic Life. Assure Human Health.



# Examples of recent Partnerships in China

## MOLECULAR DIAGNOSTICS



...and more

## IMMUNOASSAYS



SYM-BIO



...and more



# Components for Next Gen Sequencing (NGS)

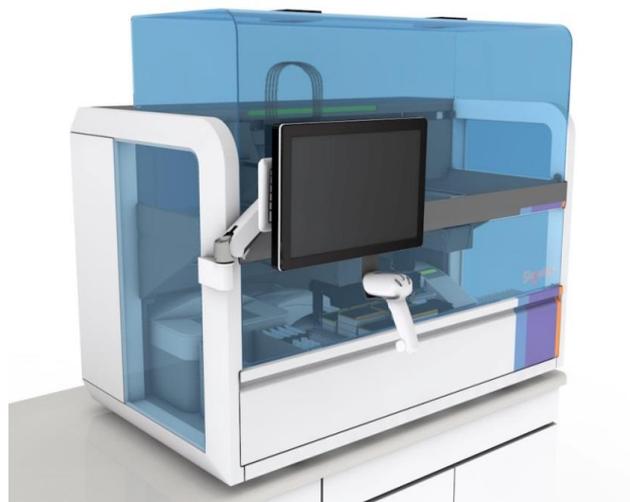
## TECAN CAVRO PUMPS

- Market-leading syringe pumps optimized for NGS applications are used in numerous sequencers from different providers
- Allows further participation in the dynamic growth of the NGS market in addition to system developments
- Continuous improvement initiatives to accommodate evolving chemistries and workflows to maintain leading position



# OEM Project Update: **Singulex**<sup>®</sup>

- Several Clarity<sup>™</sup> 0-series instruments installed at Singulex and trial sites
- Continuous Expansion of assay menu by Singulex
- Field service agreement with Tecan in place
- Singulex expects launch in Europe in 2016 and US FDA approval in 2H 2017



**FROM PROTOTYPE TO  
SERIES INSTRUMENT**



# High-Throughput Immunoassay Analyzer

- Innovative approach allows ultra-high throughput processing and analysis of plate-based immunoassays in an IVD setting
- CLIA reader and system software with optimized features part of the development
- Chemiluminescence (CLIA) as well as ELISA detection possible e.g. for Infectious Disease screening of HIV and Hepatitis
- Intuitive software and user-interface that can be easily customized
- Particularly suited to the requirements of the large tier 3 hospitals in China



# New Development Project with Top 10 Company

- Development signed with a Top 10 IVD company
- Targeting a fast growing application which is going to be deployed across research, IVD and applied market segments
- Start of commercialization expected 2018
- Decision to partner with Tecan based on
  - Fast time to market to keep competitive edge
  - Tecan's Expertise in this specific application
  - Available platform with proven modules
  - Flexible software with adaptive user-interface options



For illustration purposes only, image does not represent actual instrument design



# Inova Diagnostics

- **Inova Diagnostics**

Leaders in the development and commercialization of new autoimmune systems and reagents

- Part of Werfen

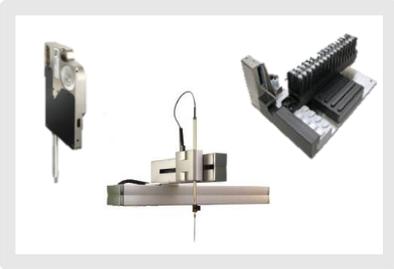
- QUANTA Lyser® family of analyzers based on Sias platform technology

- Development and range extension of a family of instruments is ongoing

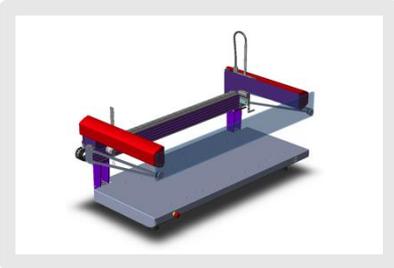


# Current Funnel and Pipeline Projects

## COMPONENTS



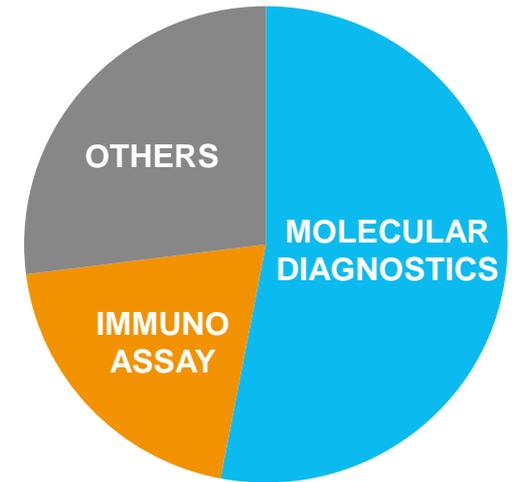
## PLATFORMS



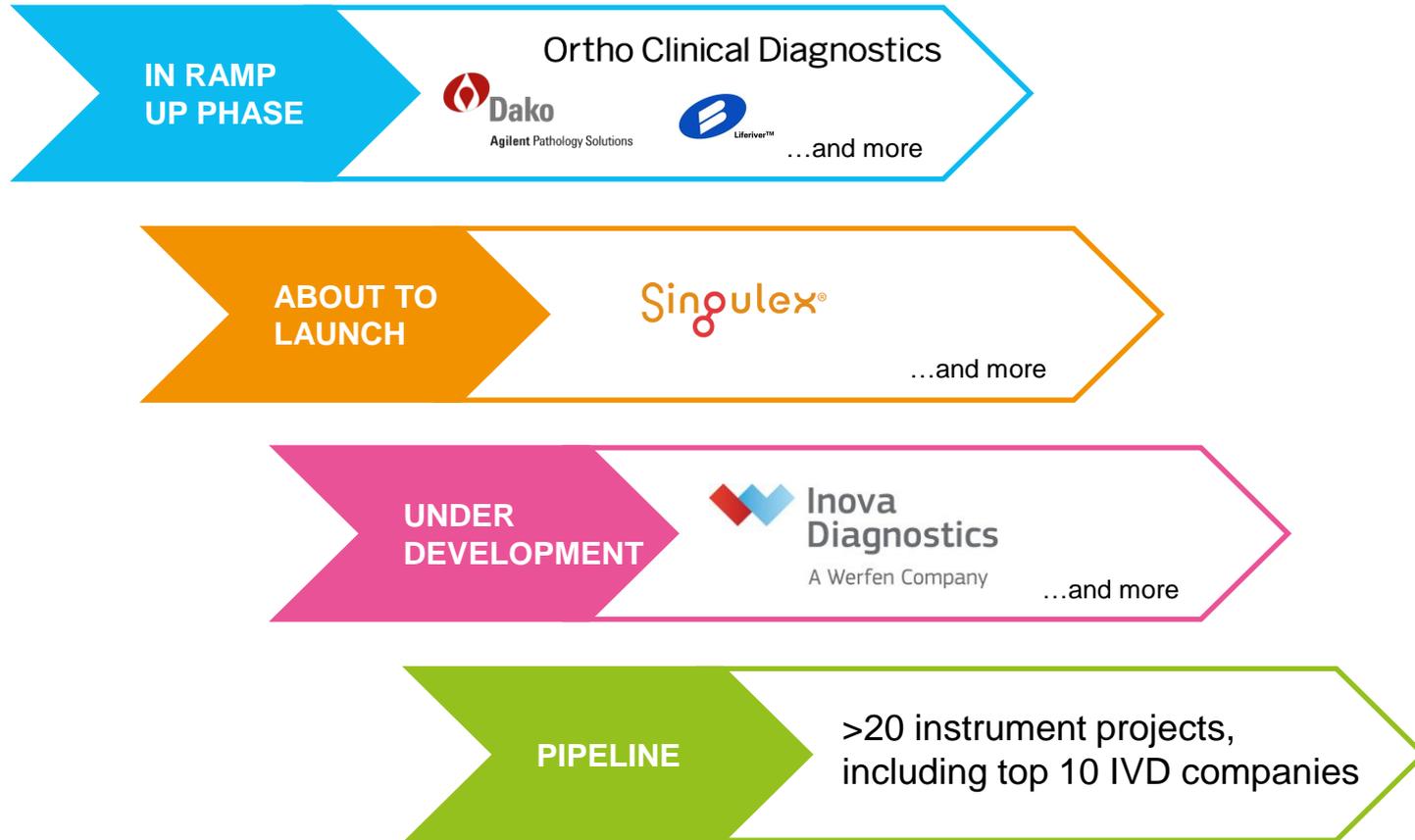
## SYSTEMS



- Well-stocked pipeline of opportunities for Components as well as Platform and System Developments
- Over 20 active instrument projects from feasibility to development, several in advanced concept development / feasibility
- Almost 75% of current total leads come from molecular diagnostics and immunoassays
- Ongoing investment into Tecan capabilities to further enhance competitiveness



# Growing Tecan's Partnering Business



# eFluidics – Technology Development Update

## Development



CONCEPT SYSTEM

- Development of MDx and ELISA applications
- Prototype instrument, development ongoing
- Cartridge prototypes available

## Commercialization strategy

- Potential to commercialize eFluidics under the Tecan brand as well as through the Partnering Business channel
- Stand-alone system and modules for integration
- Engagement continuing with several OEM partners



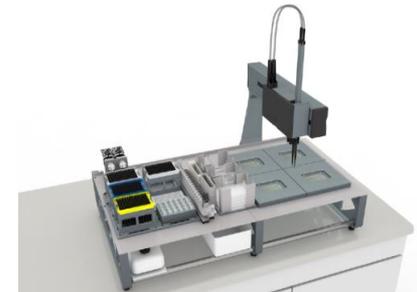
## Market evolution



- Electrowetting (EW) now becoming established as a technology
- EW-based systems launched in diagnostics and life sciences
- Tecan's proprietary approach has significant customer benefits

## Path forward

- The program is in the technology development phase
- Instrument and cartridge prototypes used to validate target applications
- Manufacturing scale-up partner for consumables in place



Automated eFluidics platform for higher throughput requirements

# Launch of a new Partnering Business Field Service Product Offering

## COMPETITIVE DIFFERENTIATION AS A TOTAL SERVICE PROVIDER TO OUR OEM CUSTOMERS

- Various Field Service options for Tecan Manufactured Instruments are available
- Delivering professional service & support to the users of Tecan Partnering Business customers
- Service is performed by Tecan's own certified service organizations or Tecan qualified partners world wide
- Tecan brings 30 years experience in providing regulatory compliant verified and validated services
- Tecan's Partnering Business services are tailored to the needs of our customers



Example:  Singulex®

Singulex will be one of Tecan's partners to benefit from high-quality field service and support



# Summary

## PARTNERING BUSINESS OUTLOOK

- Ramp up of key launches ongoing
- Clear focus on selected market segments with global presence
- Multiple new developments in process and a healthy pipeline for components, platforms and system developments

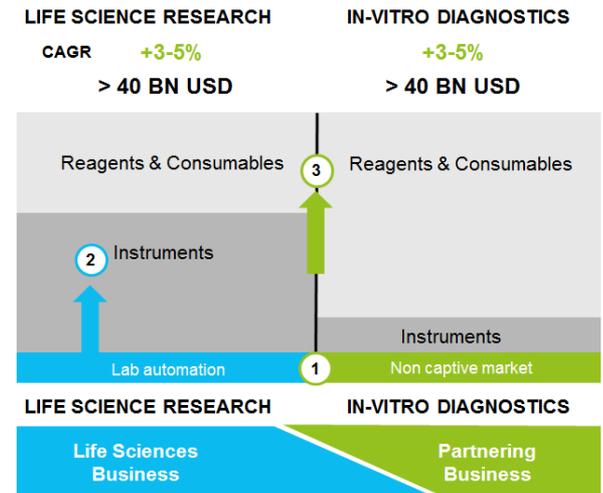
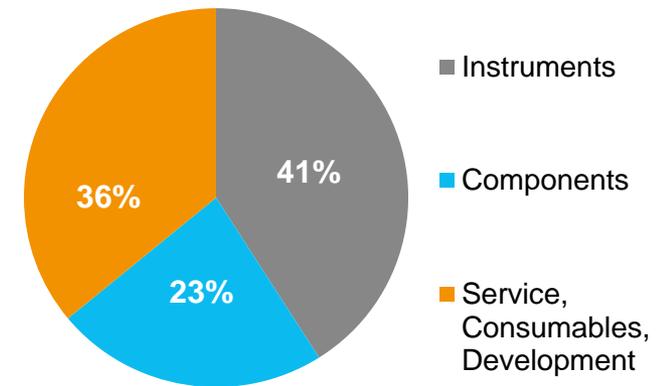
## GOING TO THE NEXT LEVEL

- Expand offerings of components, platforms and systems
- Holistic services covering design, development, manufacturing, service and lifecycle management
- Expertise beyond instrumentation reaching into consumables, assay integration and workflow optimization
- Leverage of Tecan Life Science Business insights

## ALIGNED WITH THE CORPORATE STRATEGIC FRAME

- 1 Expanding the Core Business
- 2 Expansion of recurring revenues

## SALES BY PRODUCT GROUP





# The Next Generation Immunodiagnostics (NGI) Company

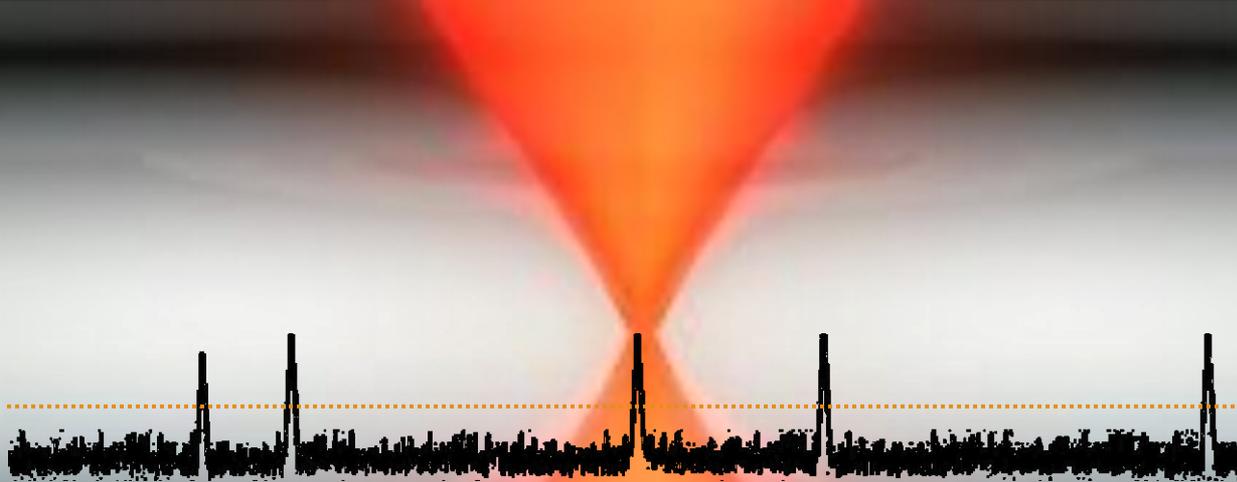
Tecan Capital Markets Day

Guido Baechler, President and Chief Executive Officer

June 16, 2016

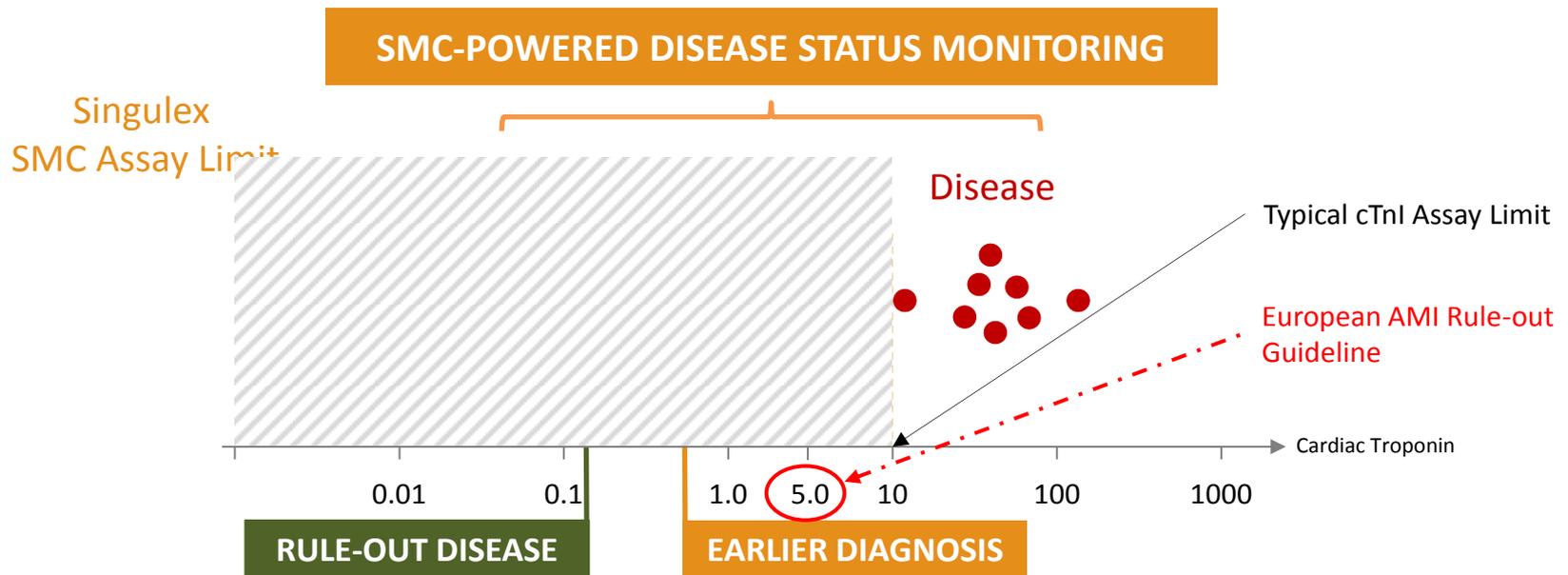
# Singulex's Proprietary SMC™ Technology Delivers NGI

100 times more sensitive than currently available platforms



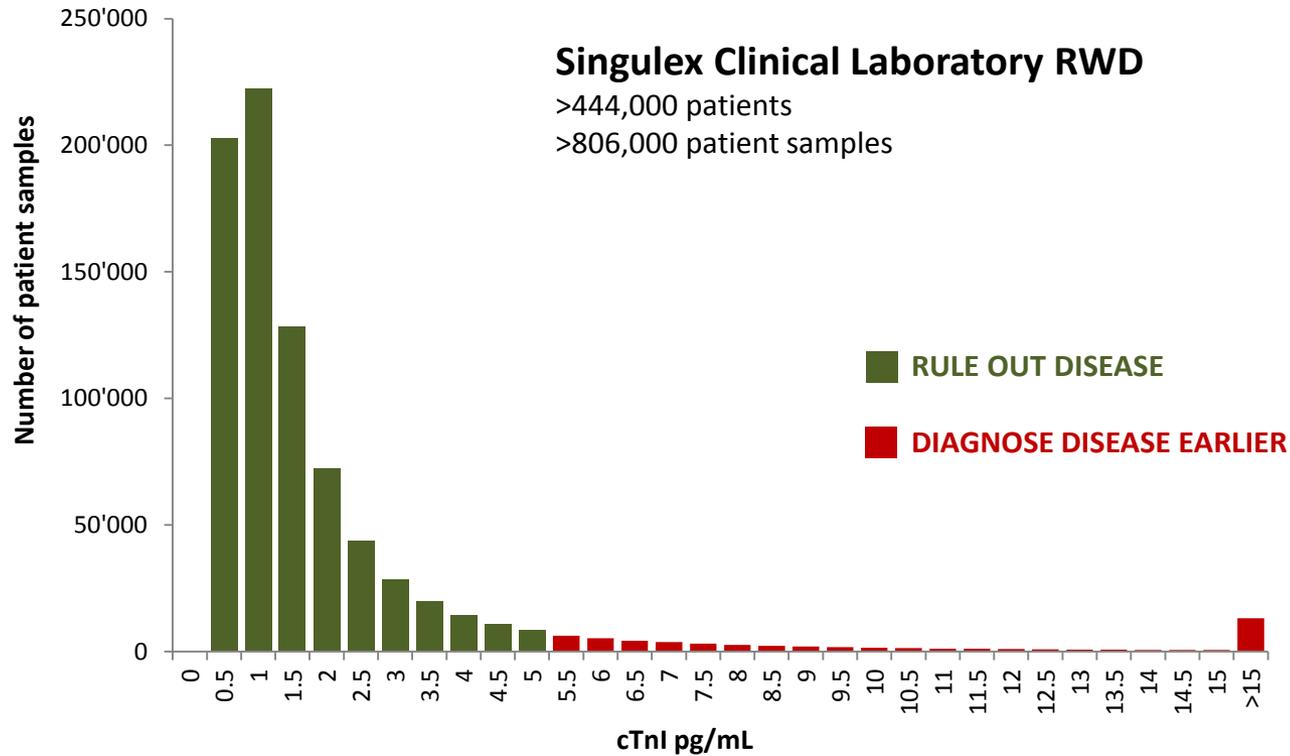
# Why Sensitivity Matters

SMC™ enables earlier, precise definitive diagnosis – Competitors cannot meet demand



# SMC Provides NGI Cardiac Health Assessment

The power to distinguish disease before clinical symptoms



**SMC-POWERED DISEASE STATUS MONITORING**

# SMC Provides NGI Cardiac Health Assessment

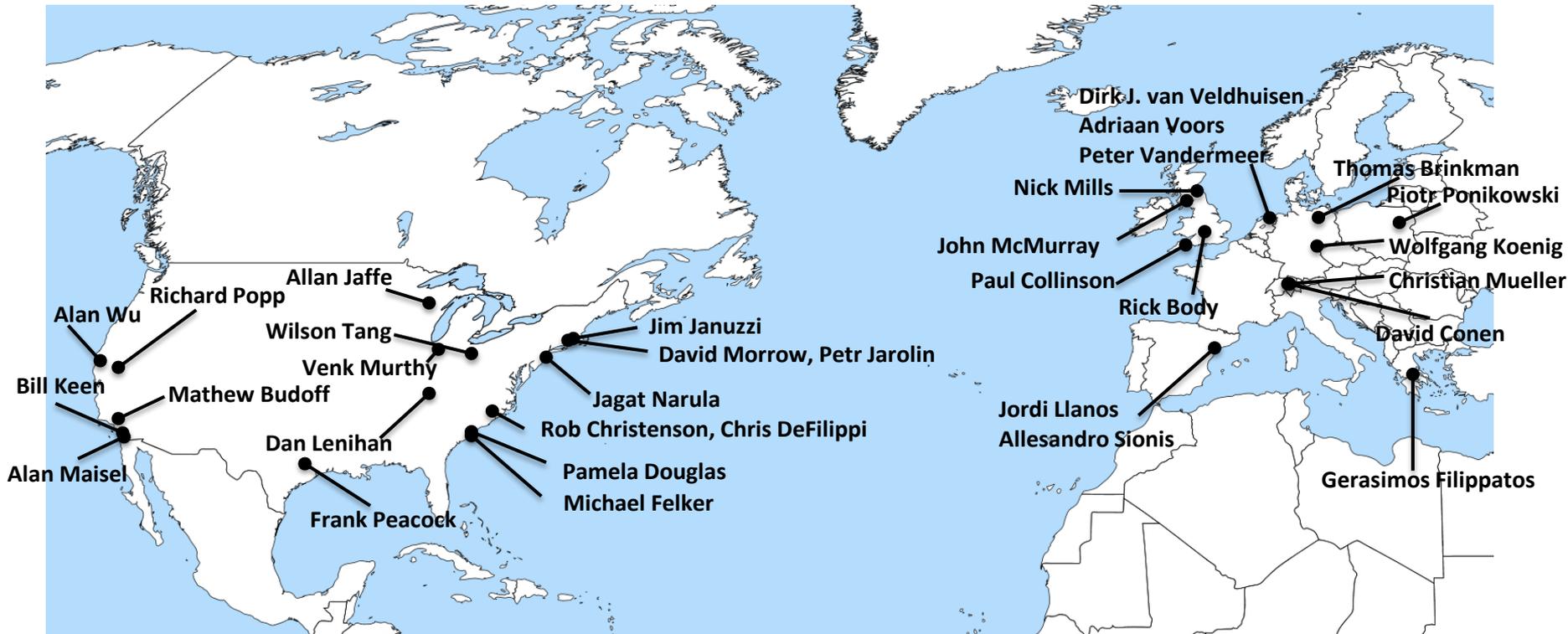
The power to prevent

**(CLICK THE VIDEO TAB ON THE  
WEBCAST TO WATCH VIDEO)**



# SMC™ Used by World Class Key Opinions Leaders

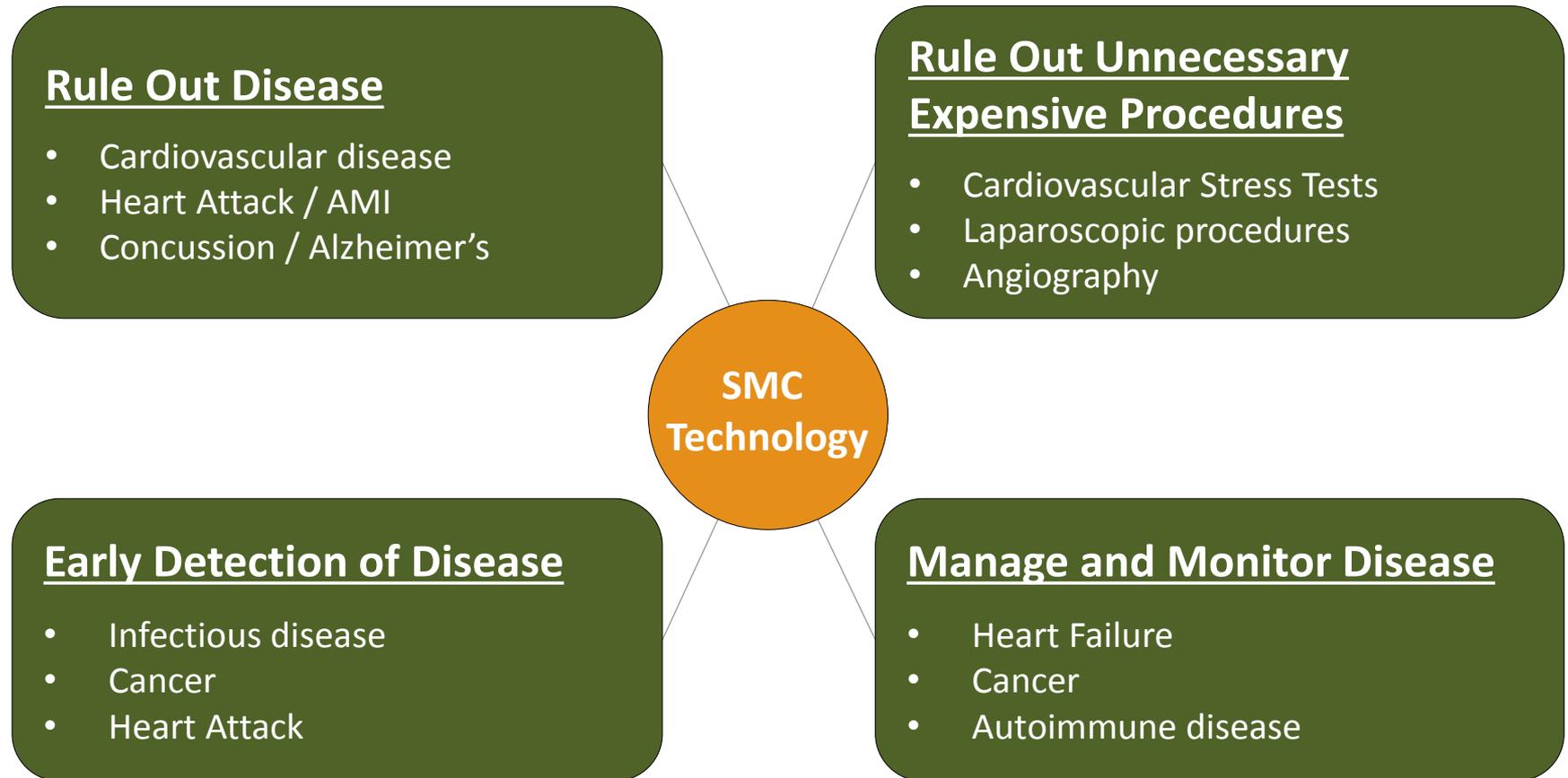
Network of internationally recognized physician and laboratory leaders



- Significant positions in European Society of Cardiology or American College of Cardiology
- Advisors to / or members of Guideline Committees
- Editors of premier journals
- Highly published and world recognized experts

# NGI has Broad Applications

SMC technology will drive NGI clinical value



# Singulex SMC Technology Primed for Strong Growth

Validated in multiple ways



SMC-generated data from more than 130,000 patients presented in over 110 independent peer-reviewed publications.



SMC protected by broad global intellectual property portfolio (30 granted and 39 filed and pending patents).



EMD Millipore (Merck KGaA) acquired exclusive rights to SMC-based Singulex Life Science Research business in May 2015.



Grifols announced a \$50 million investment in Singulex in May 2016 and exclusive worldwide license for the use and sale of Singulex's SMC technology for the screening of donor blood and plasma.



Fully owned state-of-the-art CLIA/CAP/NY-accredited SMC-laboratory yielded more than \$41M in revenue in 2015 alone, and has processed more than 3 million SMC tests since 2010.

# Proven Success in NGI - \$45M Revenue in 2015

Rapid value creation in multiple business areas – poised to expand



- Making SMC™ the global NGI gold standard **AND** creating diagnostic opportunities

### Research Use Only (RUO)

- Millipore / Sigma is the world leading protein provider for global research market.
- Global expansion leveraging Erenna and Next Gen Reader platform.
- Entering academia, expanding into CRO, Pharma and Biotech.

### In-Vitro Diagnostics (IVD)

*Commercialization channels for Companion Dx opportunities*

- Singlex Clinical Lab
- Sgx Clarity™ System

# Proven Success in NGI - \$45M Revenue in 2015

Rapid value creation in multiple business areas – poised to expand



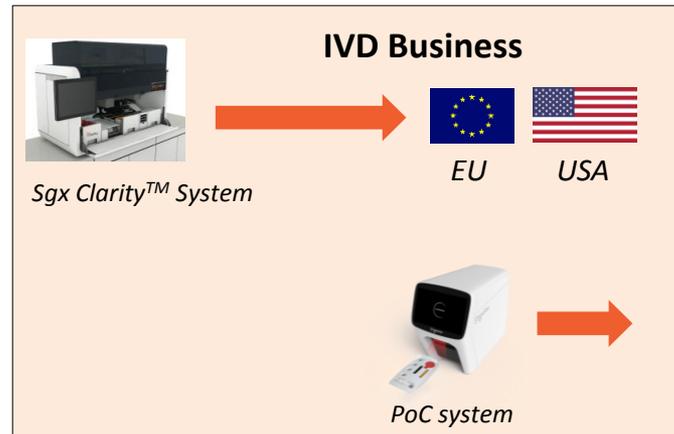
## Life Science Business

Licensed to Merck Millipore in July 2015



## Clinical Lab Business:

2015 revenue: \$ 41M  
2016 expt. revenue: \$ 45M



## **Sgx Clarity™ System:**

EU FCS\* May 2016  
USA launch 2H 2017

## **Sgx PoC System:**

EU launch 2019  
USA launch 2020

\* FSC: First customer shipment

# SMC-Powered Sgx Clarity™ System is fully developed

Delivering NGI to hospital and any clinical lab, CE Mark expected Q4 2016



- Fully developed automated system
- Value driver for hospital & reference labs:
  - Cost savings
  - Increase revenue
  - Improved patient care

Timeline from initial development to first customer shipment in ~ 3 years.....

# Sgx Clarity™ System Developed in ~ 3 Years

Development of assays, software and hardware in unprecedented speed

## Project Initiation

- Demo (breadboard) readers developed
- Assay development initiated



2013

## Demo and pre-M4 instruments

- Assay development initiated for four Cardiovascular markers



2014

- Zero Series instruments delivered
- Instrument presented at AACC



2015

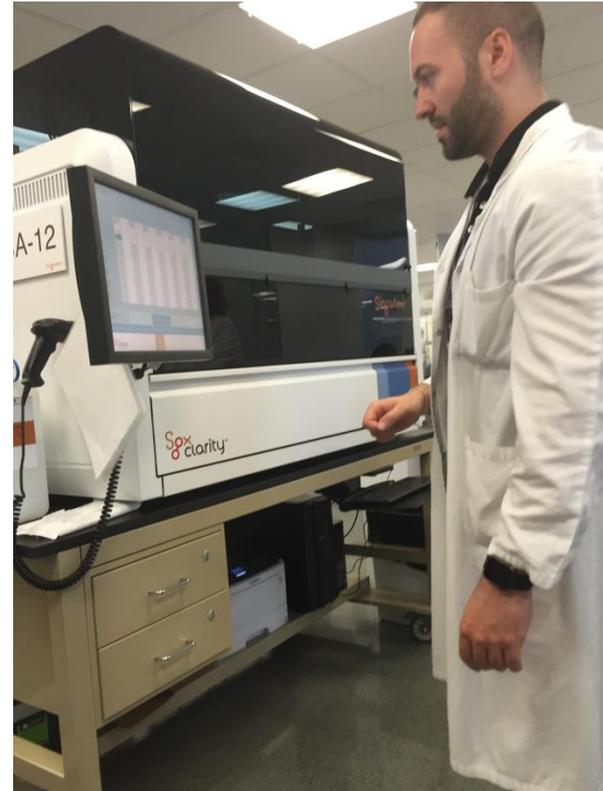
- Begin European Market Evaluations
- Begin US Clinical Trials (July)
- CE Mark (Q4)
- FDA submission (Q4)



2016

# Clarity Market Evaluation Started in Barcelona

The first Clarity has been installed in a Hospital\*



Systems works very reliably and the clinical data created is beyond the expectation of the customer...

# Sgx Clarity European Commercialization Strategy

Use early adopters to expand local customer base



Barcelona installed in May 2016, expect first commercial sale end of 2016.

## KOL:

- Jordi Llanos
- Allesandro Sionis  
Hospital de Sant Pau;  
Barcelona; Spain

# The Demand for NGI is Real

## SMC Offers Proven Clinical Impact

In 2009, cardiologists did not know cardiac troponin could be measured in healthy people. Today, Singulex's revelation of the clinical value of low level cTnI measures has made it the most relevant cardiac biomarker.

## SMC Demonstrated Results

Physicians see the value of Singulex's proprietary high sensitivity biomarker analysis, delivering samples from more than 500,000 patients for analysis by Singulex.

## SMC Defines The Future

Singulex is focused on the future impact and opportunity of NGI, including expanded SMC clinical application using the Clarity system and increased access via blood-spot and POC delivery.





# Thank You

Information herein pertaining to **S<sub>mc</sub>** and other Singulex proprietary lab developed tests are based on testing services provided by the licensed Singulex Clinical Laboratory. Information herein pertaining to Sgx Clarity™ and associated assays are in development, and not available for commercial sale in the United States. Information herein pertaining to the Erenna® system or assays are for Research Use Only.

# Capital Markets Day

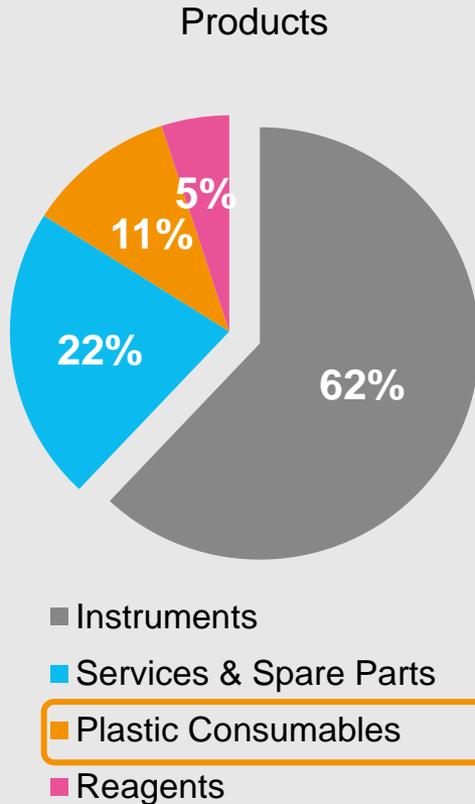
**GROWING CONSUMABLES BUSINESS**

**KLAUS LUN, EXECUTIVE VP CORPORATE  
DEVELOPMENT**



# Consumables business represents today 11% of our overall sales

## Share of recurring revenue sales in 2015

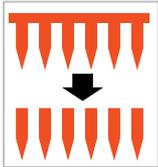


## Consumables sales 2010-2015

- Consumables revenues with historical annual growth rate of 10%+
- Share of consumables increased from 8% to 11% between 2010 and 2015
- Continue to provide a significant growth opportunity going forward

# Several trends to drive consumption of consumables

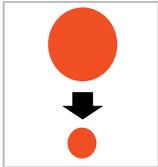
## CONSUMPTION DRIVER TRENDS



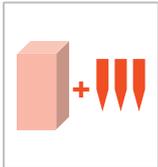
Tecan selling **more disposable instruments over fixed tips** instruments (also driven by new Fluent platform)



**CDx is moving to disposable** tips to avoid cross contamination and driven by (new) applications (e.g. NGS, NGI, Microbiology,...)



**Miniaturization of assays** (e.g. NGS and Screening)



OEM partners request **closer integration of instrument & consumables** as this is driving performance of assays



**Quality of consumables** plays a key role as time of personnel and/or employed reagents/compounds need to be optimized



# Tecan current consumable product portfolio – primarily linked to Liquid Handling (LiHA) instrumentation...

**Consumable portfolio**

Tips	LiHa	 <b>Standard tray LiHa tips</b>	 <b>SBS format LiHa tips</b>	 <b>Nested 350ul LiHa tips</b>	<b>Variants</b>	<b>Filtered</b> (Best in class with 98% MPPS, Permeability 1.9%, HEPA class H11 and H10)	<b>NOT Filtered</b>
	MCA	 <b>MCA96 tips</b>	 <b>MCA384 tips</b>			<b>STANDARD</b> (ELISA – Biochemical – sample handling)	<b>PURE</b> (Genomics – Molecular Diagnostic)
Labware		 <b>Troughs</b>	 <b>FE 500 Cons</b>			<b>DNA free (&lt; 2pg), RNase/Dnase free (&lt;1x10<sup>-6</sup> Kunits units), PCR inhibitor free (&lt; 10 amplifiable targets)</b>	
Other/functional consumables		 <b>Tecan D300e cassettes</b>	 <b>QC Kit</b>	 <b>AC Extraction Plate* (LC/MS)</b>			

**Sizes**

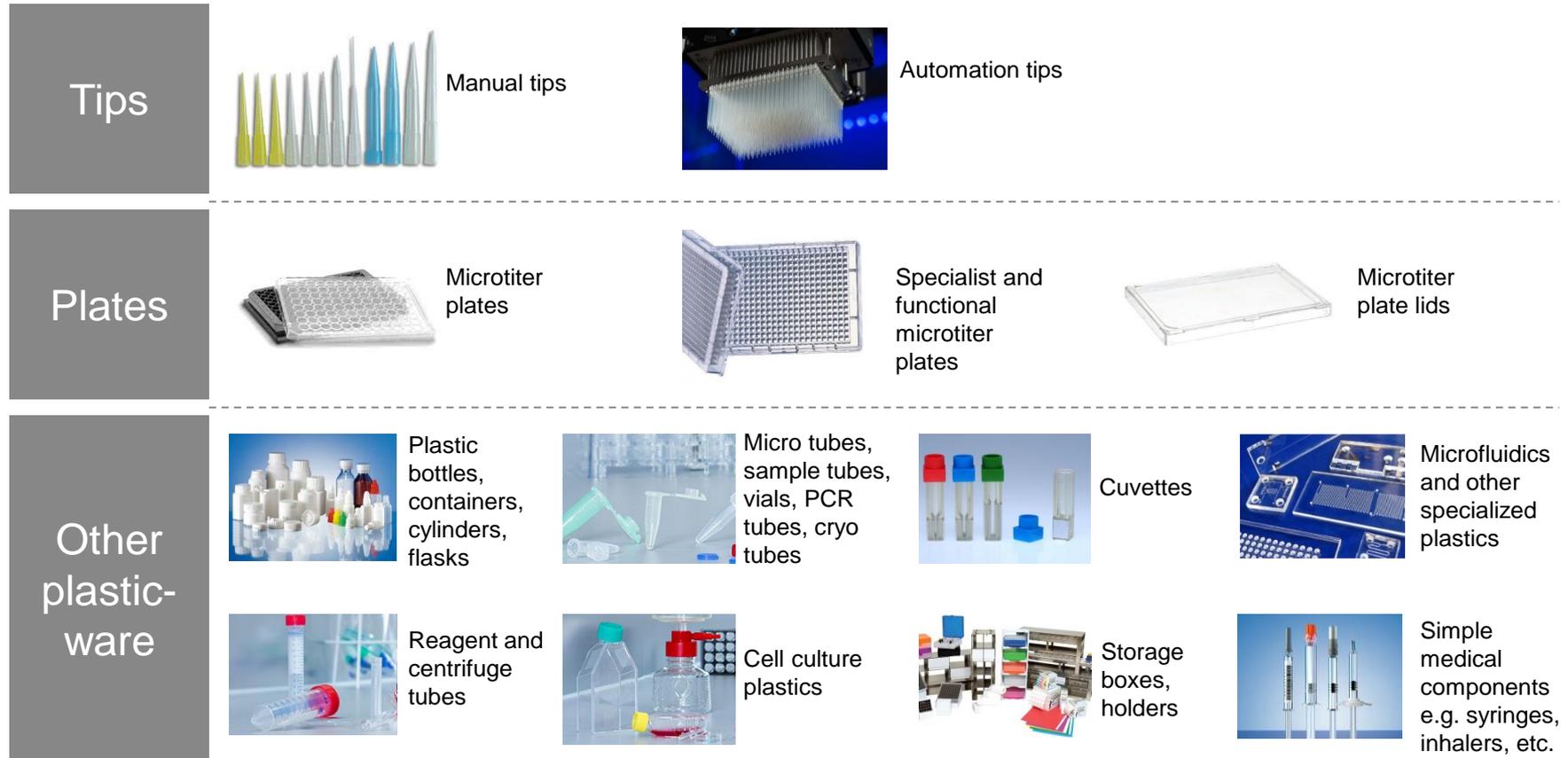
10µl	50µl	200µl	500µl	5000µl
15µl	125µl	350µl	1000µl	



\* For research use only, not for use in diagnostic procedures.

# ...but we operate within a much broader Lab plastic ware market

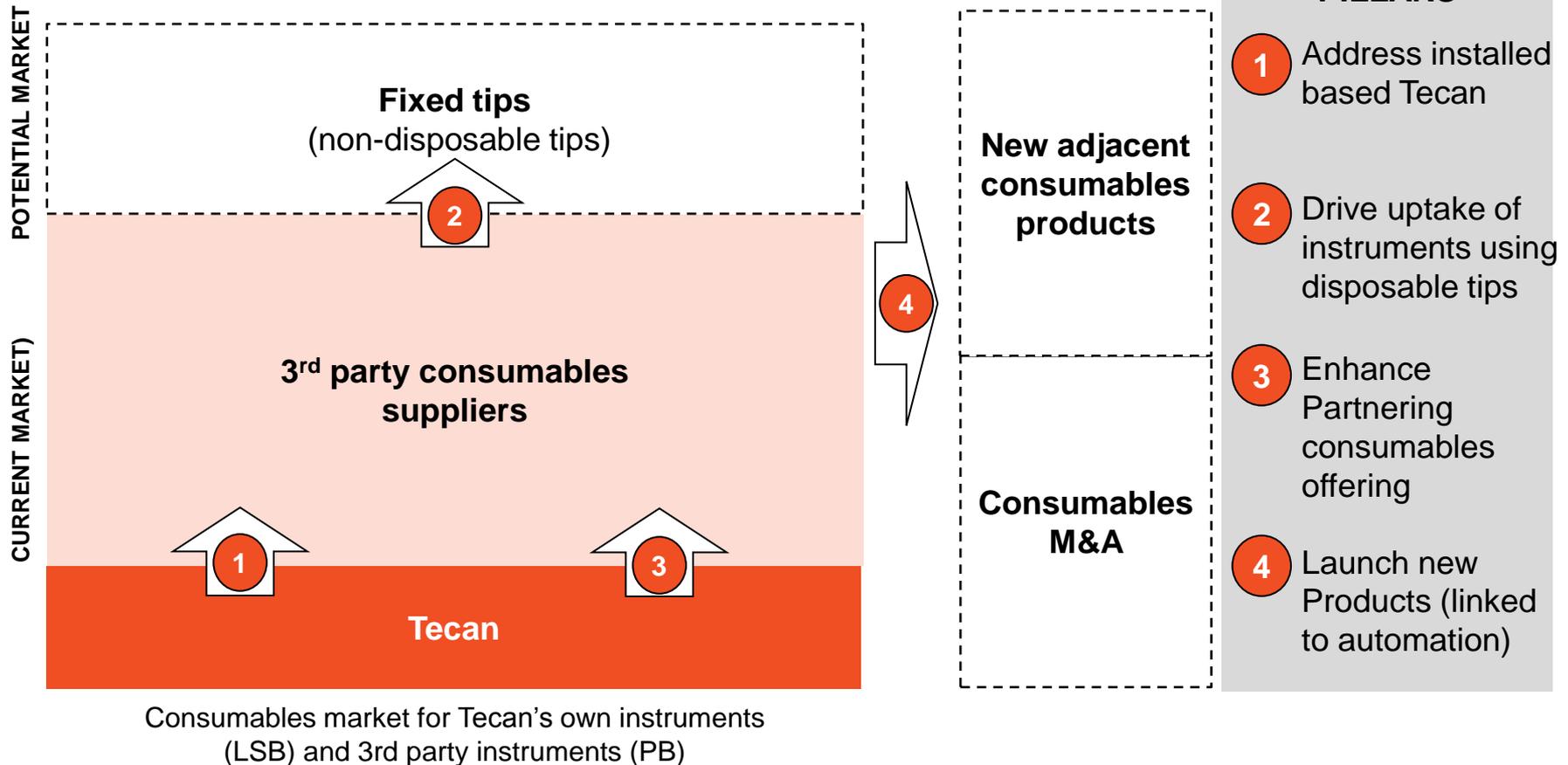
## LAB PLASTICWARE MARKET DEFINITION



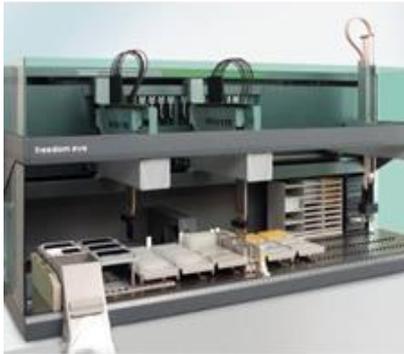
# Consumables Strategy Growth Pillars

## AUTOMATION CONSUMABLES MARKET (TIPS, PLATES, LABWARE)

*Current market: USD 1.2BN+ market*



# Tecan is best positioned to drive the *integrated* sales of its consumables



Instrument **Hardware design** to best suit our consumables ✓

Instrument **software and liquid detection** optimized & **validated** for our consumables ✓

**Own design** of consumables ✓

**High end manufacturing** and in-line **quality control** ✓

Integrated solution to empower accurate results





## YOU'RE ASSURED.

At Tecan, we work continually to **provide assurance** to our customers that their tests and experiments are carried out to the **highest standards of performance – down to every single tip**





# Capital Markets Day

**M&A AS COMPETITIVE ADVANTAGE**

**KLAUS LUN, EXECUTIVE VP CORPORATE DEVELOPMENT**



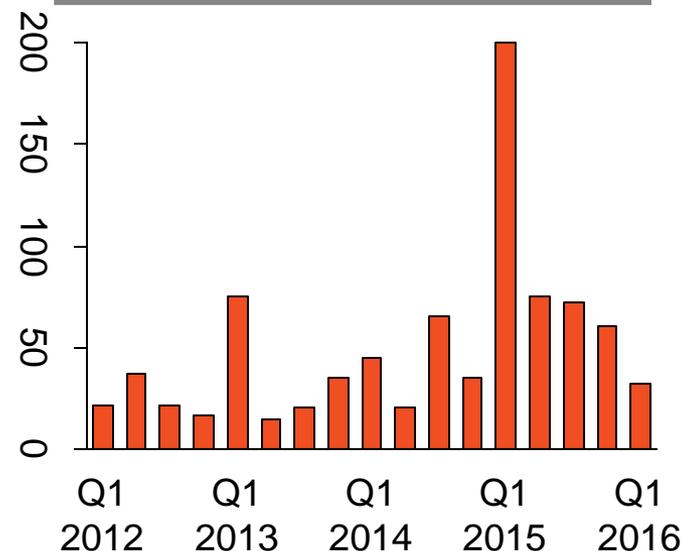
# Appropriate, Thoughtful M&A as Key Growth Driver

## M&A strategy at Tecan



- 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

## Life Science and Healthcare M&A (USD bn)\*



- Life science market still very fragmented but M&A driving consolidation
- Volume uptake over the last years

\*Source: Pharmaceutical and Life Sciences Deals PwC (includes Pharmaceuticals, Biotechnology, Medical Devices, Diagnostics, Services)

# Key Reasons for Driving M&A at Tecan

1

**Use balance sheet to drive more growth**

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

2

**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)

3

**Increase share of recurring revenues**

Add more reagents, expand plastic consumables

4

**Expand profitability with additions of new pillars**

Target reagent products, differentiated portfolios with good underlying profitability

5

**Decrease volatility of business**

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

# Tecan M&A vectors aligned with corporate growth strategy

## LIFE SCIENCE RESEARCH

## IN-VITRO DIAGNOSTICS

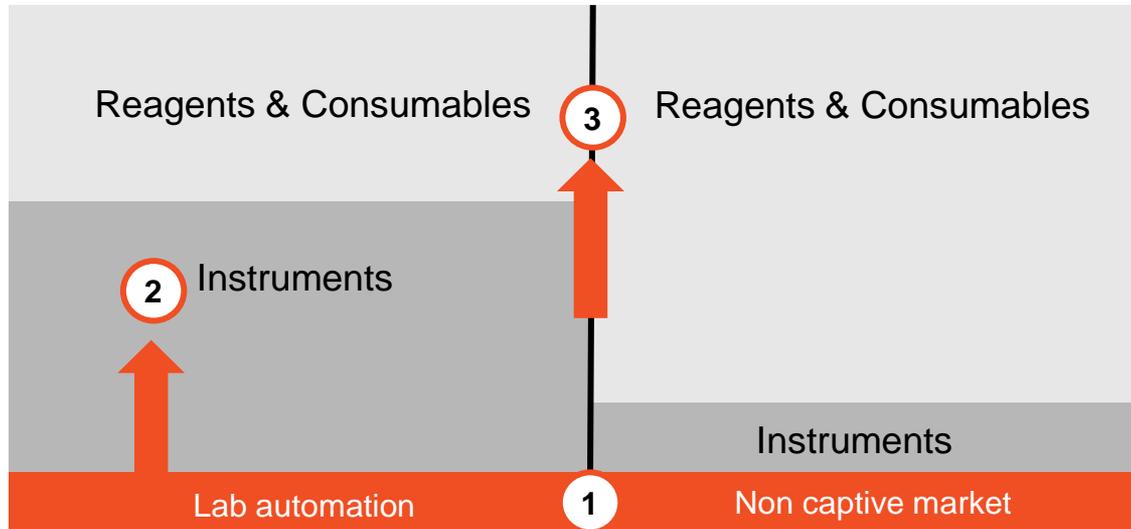
## STRATEGIC PILLARS

CAGR **+3-5%**

**+3-5%**

**> 40 BN USD**

**> 40 BN USD**



① Scale & capability



② Build additional pillars and complete portfolio

③ Expand recurring revenues



## LIFE SCIENCE RESEARCH

## IN-VITRO DIAGNOSTICS



# IBL and Sias acquisitions tick the boxes – Deal characteristics unchanged



	IBL	Sias
• 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)	✓	n.a.
• 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	n.a.	n.a.



Well positioned to deploy several hundreds of million of capital over the next years

Pipeline includes larger, transformative deals

Continue to execute on smaller bolt-on acquisitions

Company funnel well filled, with various projects at different stages





# Capital Markets Day

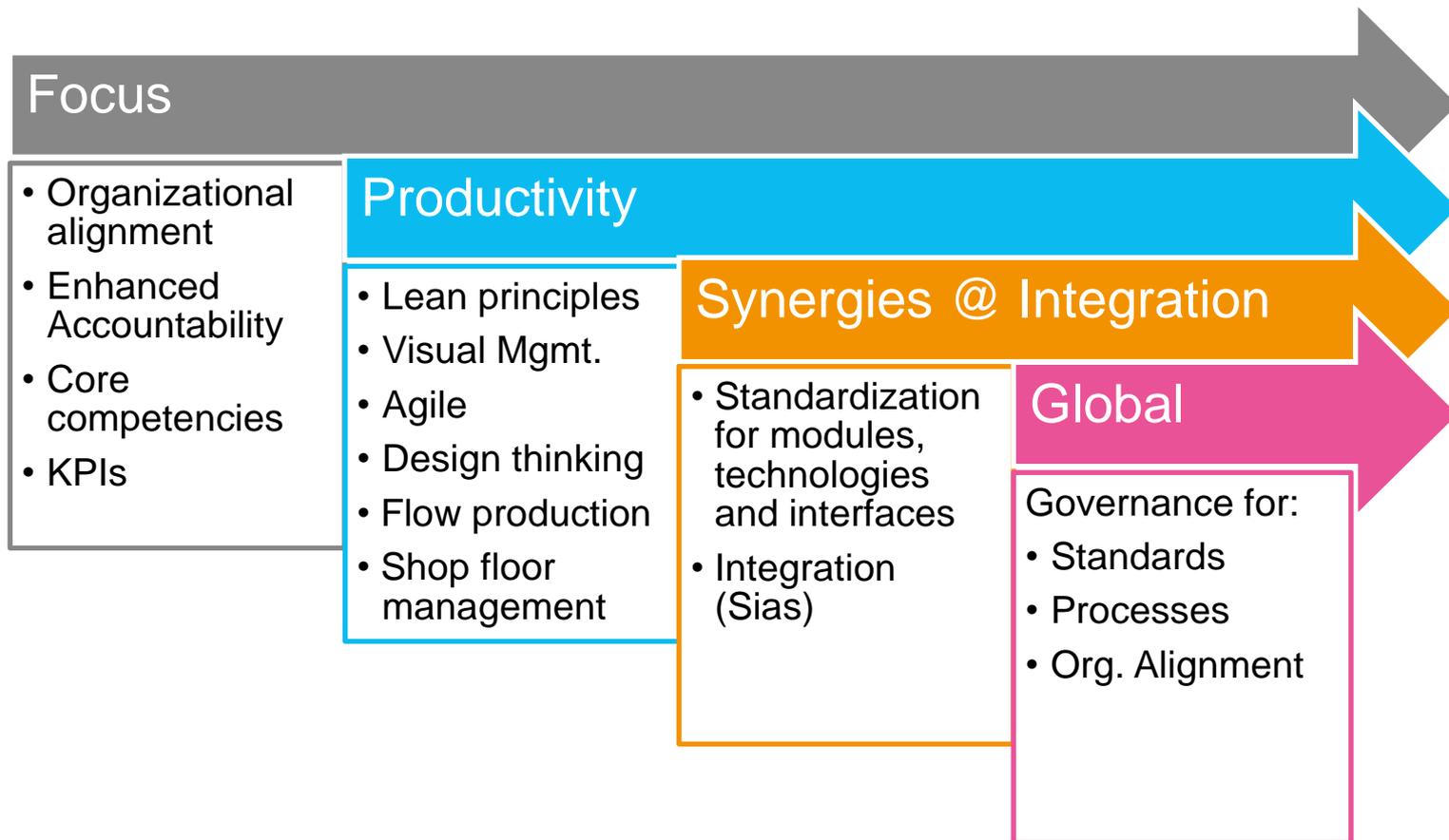
**D&O – DRIVING OPERATIONAL EXCELLENCE**

**ULRICH KANTER, EXECUTIVE VP, HEAD DEVELOPMENT & OPERATIONS**





# Strategic directions towards DO priorities



# Achievements since last CMD: R&D

## **New R&D Management and organization implemented**

- Impact on methods, processes and culture
- Common targets with Operations

## **Definition of core competencies for R&D in Männedorf completed**

- Areas for outsourcing to engineering partners identified
- First projects with selected partners started

## **2015 R&D target of < 10% met**

- with 90% of R&D projects launched in time and budget

## **Significant reduction of expensive external contractors in R&D due to healthier balance of larger and smaller projects**

## **Driving savings through consolidation of SW development and testing in existing Competence Center in Germany**

## **Lean, agile methodology introduced in R&D**

## **R&D TEST AREA IN THE PAST**



## **...TODAY**



# Achievements since last CMD: Operations

## **New Product line management and organization implemented**

- Factory-in-Factory principle with enhanced accountability

## **Shift from Cell to Flow production to reduce WIP (work in progress) and standardize labor time**

- ## **New shop floor management focus on Lean**
- Significantly improved operational efficiency

## **Tactical material cost savings with existing suppliers in the LSD millions CHF in 2015**

## **Identification and preparation of opportunities for strategic cost reductions 2016, 2017**

- Supply chain restructuring
- Relocation to new suppliers
- Supplier consolidation

## **Successfully passed FDA inspections for 3 major production sites with zero formal observations**



# Progressing on the Learning Curve

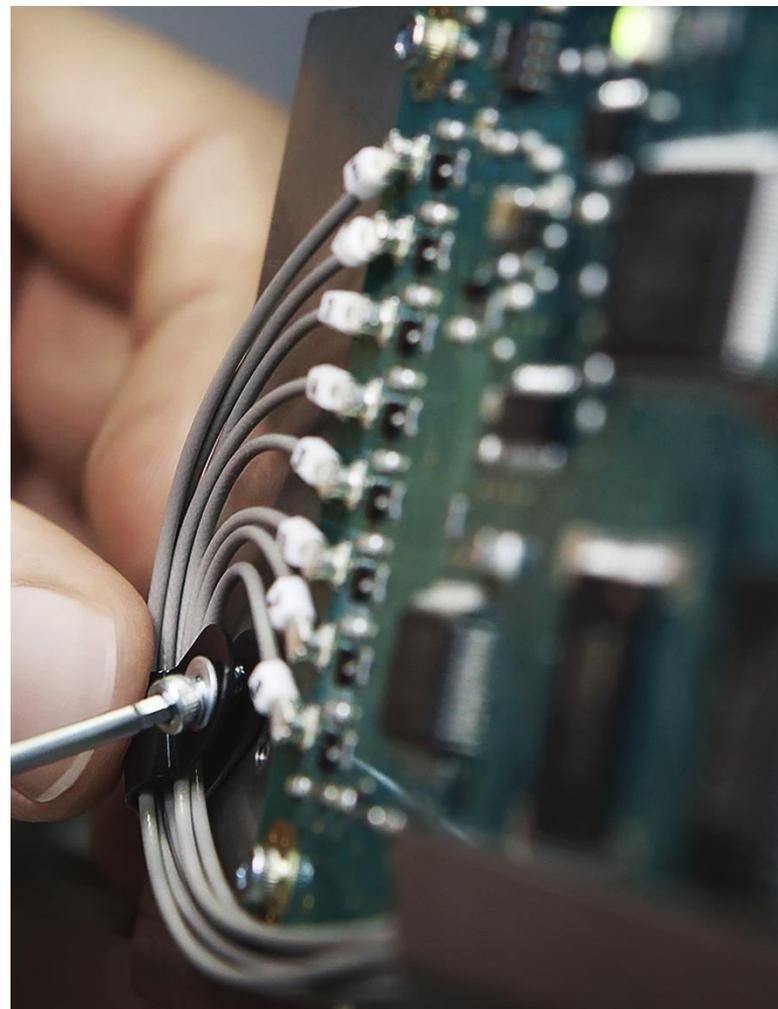
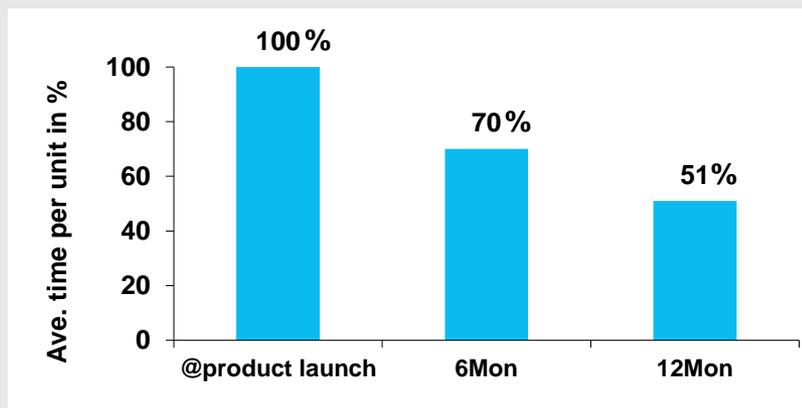
## LEAN AT TECAN

### Change to Line-Flow-Principle

- Significant improvements in hours of labor time to produce each instrument

### Change to One-Piece-Flow in 2016

- Kan Ban module assembly – ship to line



# COGS Improvements

## COMPLEX DIE CASTED PART RELOCATED TO ASIAN SUPPLIER

**Prior to relocation**

448 CHF

**After relocation**

106 CHF

With the same design, the realized savings were 76%



## SAND CASTED STRUCTURE SUPPLIER RELOCATION

In the process of relocation of sand casted chassis

With the same design, the savings potential is >30 % due to:

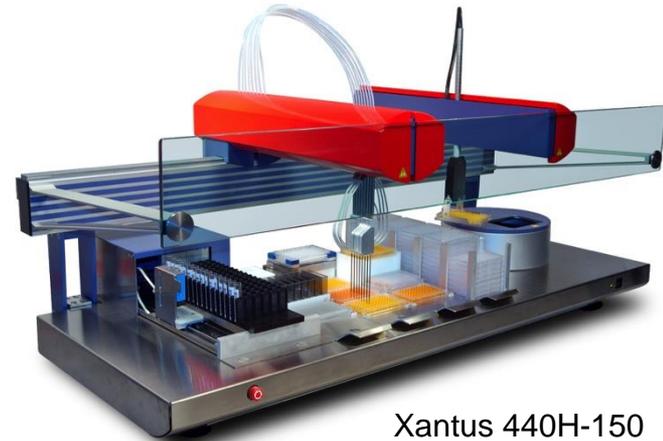
- Fully automated casting production line
- Higher casting quality and thus less machining
- Automated machining production line



# Sias Integration

## COMPLETE SIAS INTEGRATION

- Legal integration completed
- Site consolidation planned to be completed by Q3 2016
- Drive synergies for R&D and Operations
- New shop floor management and one piece flow production at Tecan enables integration of former SIAS production lines in existing space in Männedorf
- Enable product platforms (CoGs, quality, compliance) to be leveraged through Tecan
- Sias owned building to be sold



# Next steps

## R&D

### **Further strengthen global R&D governance**

- Enforce defined standards and architectures

### **Global definition and rollout of R&D processes and milestone deliverables**

### **Increased focus on technology and innovation**

## OPERATIONS

### **Continue supply chain restructuring with focus on**

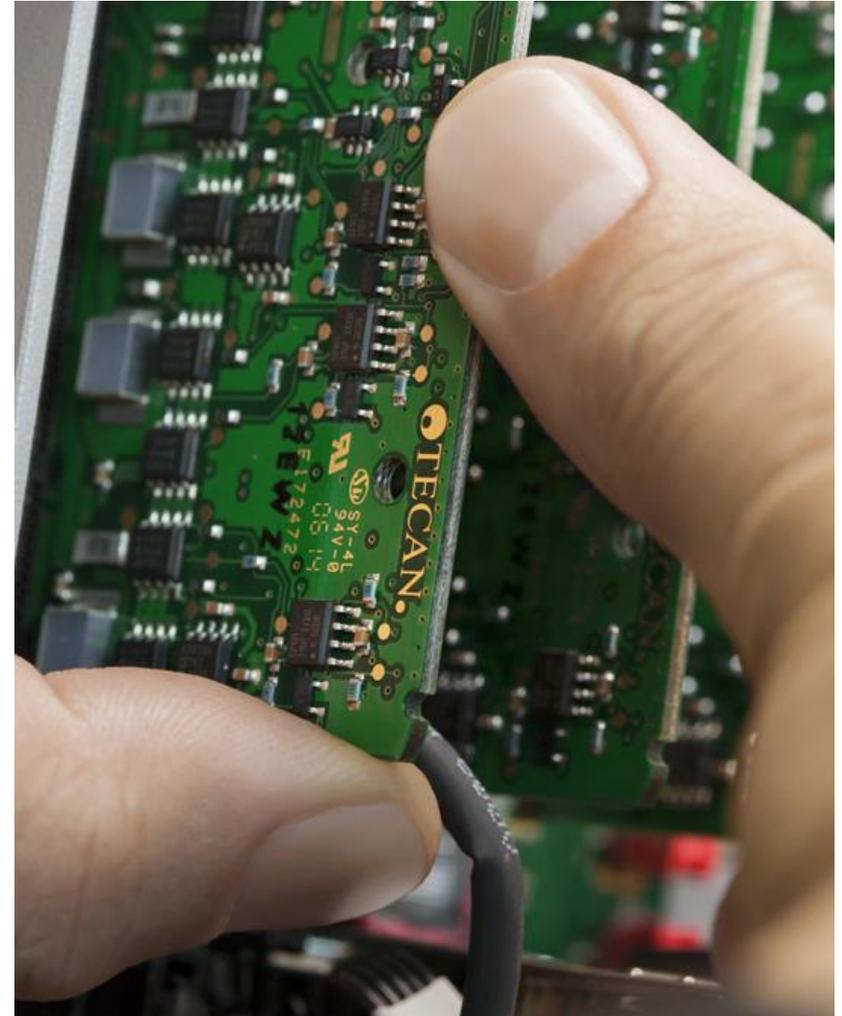
- Supplier relocation
- Consolidation: expanding from parts to modules

### **Align procurement activities globally to maximize bargaining power**

### **Assess vertical integration for components through insourcing of production steps**

### **Strategically leverage established sourcing hub in Singapore to increasingly access Asian market**

### **Global transportation optimization**





**Tecan Group  
Capital Markets Day**

**EMPOWERING LIFE SCIENCES AND DIAGNOSTICS**

**DR. DAVID MARTYR, CEO**



# Advancing Tecan

## SALES

- **Accelerating topline growth**
- **Outgrowing the market**
- 2015: +13.1%, highest rate since 2006
- Organic: +9.6%, clearly above market

## PROFITABILITY

- **Expand operating margins**
- **Focus on operational efficiency**
- 2015: EBITDA margin up by 200 bps
- Net profit even stronger

## CAPITAL DEPLOYMENT

- **M&A the primary focus**
- **Smaller bold-on acquisitions and larger, transformative deals**
- First two acquisitions completed
- M&A funnel well filled with further bolt-ons and potential larger deals

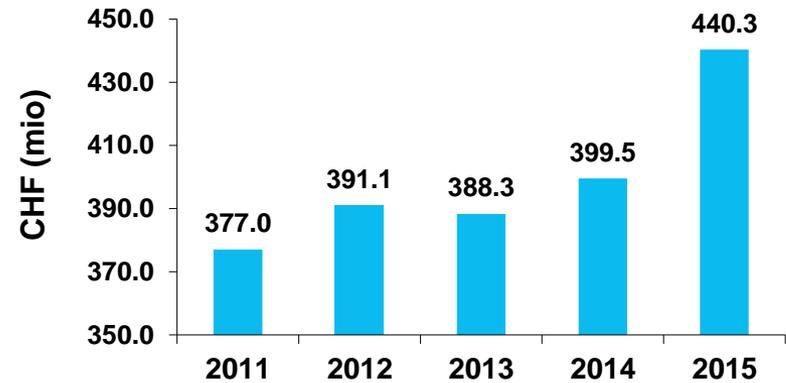
## CULTURE & BRAND

- **Customer-centric organization**
- **Refreshed brand**
- “Always there for you” customer promise
- New set of values impacting culture
- Refreshed look and feel

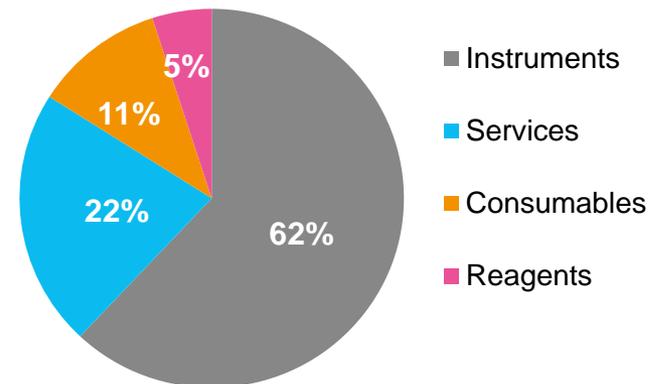
# Advancing Tecan: Sales

- Significant topline momentum in both business divisions
- Positioned to outgrow the market
- Strong performance from recurring revenue sources
- 2016 expected to be another double-digit sales growth year (in local currencies)
- Continue to strive for outgrowing the market organically, also beyond 2016
- Further acquisitions will add to topline development

## SALES DEVELOPMENT



## SALES BY PRODUCT GROUP (2015)



# Advancing Tecan: Profitability

- Continue to expand underlying profit margins 2016 and beyond

- Key factors impacting future margin development:

+

- Increased operating efficiency with focus on material cost and supply chain
- Topline leverage
- Maintained focus on R&D efficiency
- Price increases

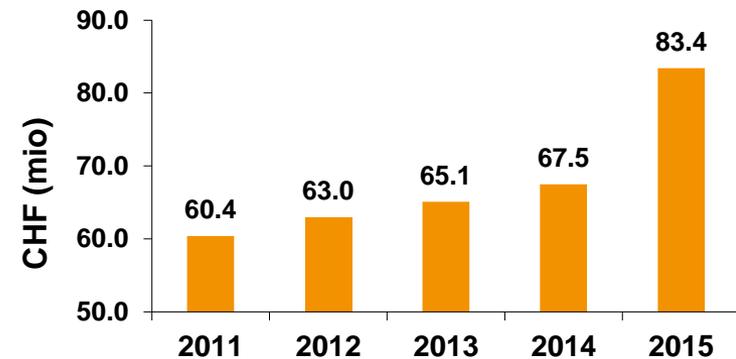
-

- Product mix: some new products with lower profitability in the launch phase partially replacing older, highly profitable platforms
- Costs from a completed customer-specific development now being split over every unit shipped (non-cash)

+/-

- FX, M&A

## OPERATING PROFIT (EBITDA)



## OUTLOOK FOR 2016

### EBITDA (in CHF mio) at about similar level as 2015

- Including integration costs in a mid single-digit million CHF amount related to the Sias acquisition (accretive in 2017)

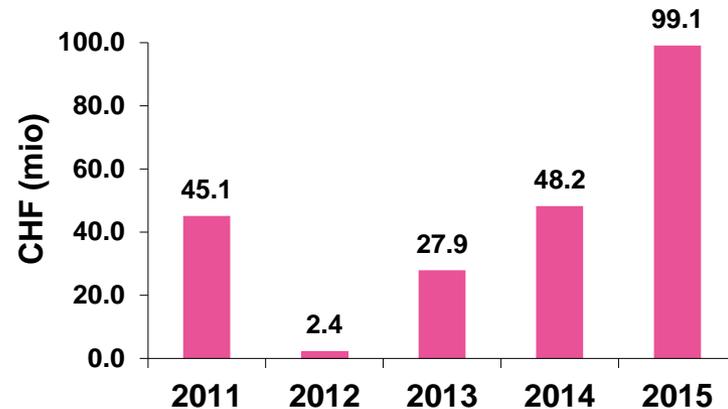
### Underlying EBITDA margin to expand by at least 50 bps

- Excluding the Sias business and adjusted for one-time tailwind in 2015
- At 1.05 EUR/CHF and 0.98 USD/CHF

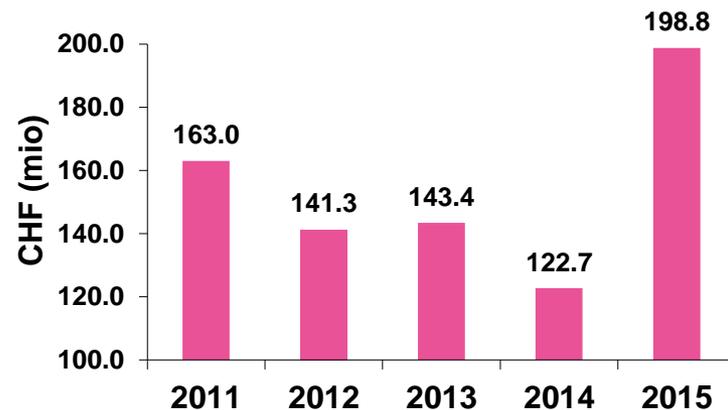
# Advancing Tecan: Capital Deployment

- M&A as the primary focus of capital deployment
- Increased dividend to CHF 1.75, roughly maintaining yield and payout ratio
- Prepared for larger, transformative deals in addition to continued bolt-ons
- Expect to deploy up to several hundreds million CHF in the next 2-3 years
- Growing net cash position
- Strong operating cash flows (2015: 22.5% of sales)
- Prepared to go into net debt; based on risk profile of target

## OPERATING CASH FLOW



## NET LIQUIDITY (DEC 31)



# Advancing Tecan: Culture & Brand

- Tecan is a leading brand in life sciences and diagnostics and **the leading brand** in lab automation
- Refreshed branding and increased focus on brand equity
- New company values and other elements impacting culture rolled out globally
  - Continue to focus on the strengths, stretching for more
- Customer-centered organization to build loyalty for the long term
- With a new spirit, the organization is eager to advance Tecan to the next phase of development

## Empowered with Tecan.



# Every Lab. Every Day. Empowered.

## **OUTGROWING MARKET ORGANICALLY**

- Life Sciences Business with new and leading product portfolio and improved organization
- Partnering Business with major platform in ramp up phase and broad pipeline

## **INCREASING PROFITABILITY**

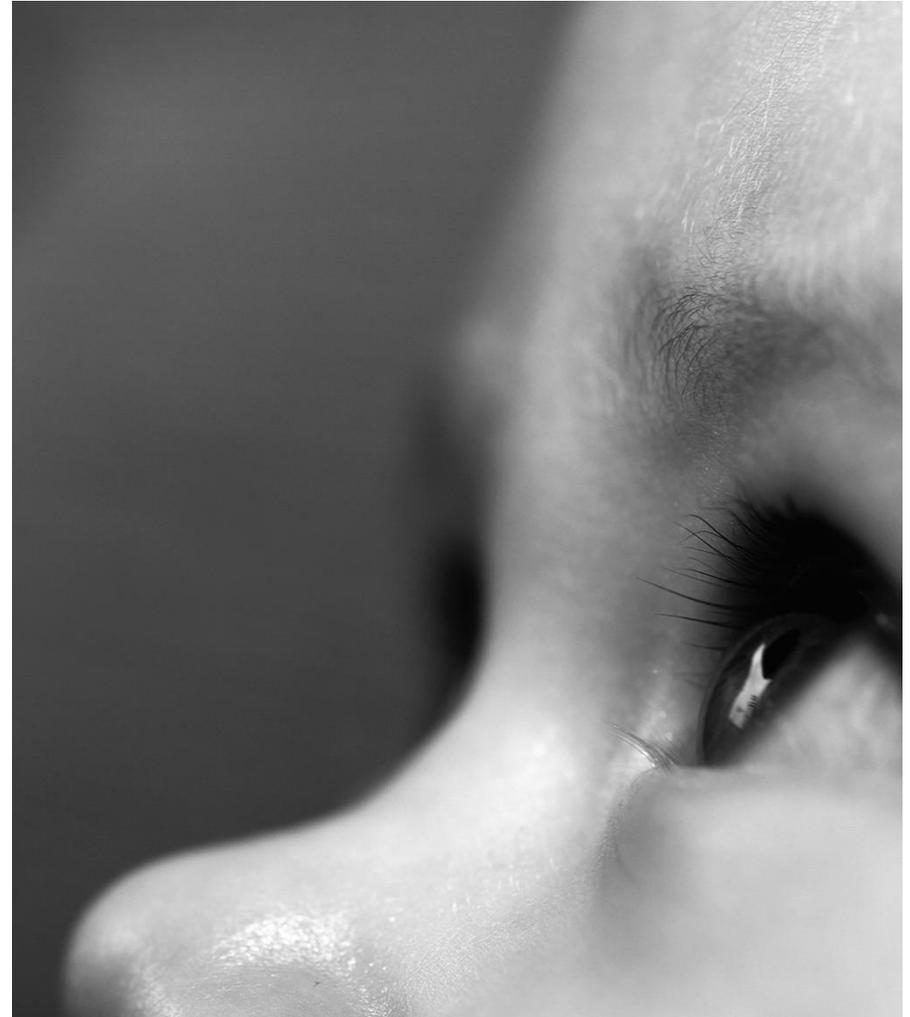
- Committed to drive profitability higher together with sales growth
- Cash flows growing even stronger

## **M&A AS COMPETITIVE ADVANTAGE**

- Two completed acquisitions progressing well
- Funnel well filled, committed to execute further deals

## **LEADING AND REFRESHED BRAND**

- New winning spirit
- A customer-centered organization



# Agenda

<p>08:45 – 10:00</p>	<p><b>Advancing Tecan</b></p> <p><b>Life Sciences Business</b>          Strategy and Growth Drivers          Customer Needs Driving Solutions          Expanding Our Reagents Business</p>	<p>David Martyr</p> <p>Stefan Traeger          James O'Brien          Geert Nygaard</p>
<p>10:00 – 10:15</p>	<p><b>Coffee Break</b></p>	
<p>10:15 – 12:00</p>	<p><b>Partnering Business</b>          Strategy and Growth Drivers          Singulex – NextGen Immunodiagnostics</p> <p><b>Growing Consumables Business</b>  <b>M&amp;A as Competitive Advantage</b></p> <p><b>Driving Operational Efficiency</b></p> <p><b>Outlook &amp; Closing Remarks</b></p>	<p>Achim von Leoprechting          Guido Baechler, Singulex</p> <p>Klaus Lun</p> <p>Ulrich Kanter</p> <p>David Martyr</p>
<p>12:00 – 12:30</p>	<p><b>Q&amp;A</b></p>	



# Q&A



## IR IPAD APP

News, financial reports, presentations, videos and more



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[www.tecan.com](http://www.tecan.com)

## NEXT EVENT 2016

August 16: Half Year Results 2016



# Thank you for your attention.

The webcast and presentations end

Day continues with

- **site tour** at Tecan Headquarters in Maennedorf
- **live demos** of some instruments



TECAN. PARTNERING

## NA Extraction Module.

Prototype module for NA extraction from large sample volumes

- Easy
- Multi
- High

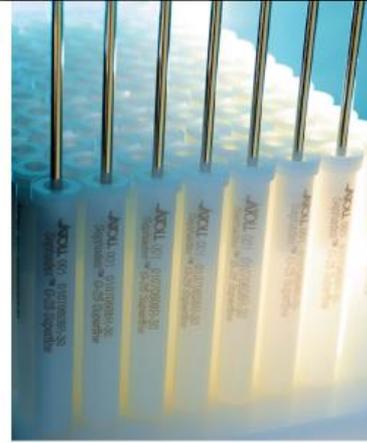


TECAN. LIFE SCIENCES

## Freedom EVO® High Throughput Protein Purification.

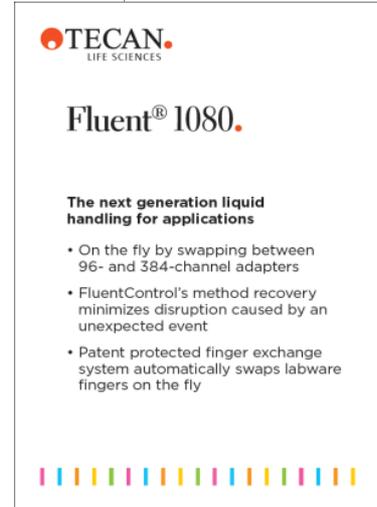
Partnership with Atoll

- Unique Te-Chrom® Wizard enables the user to easily set-up automation
- Up to 96 samples unattended
- Using Atoll's MediaScout® RoboColumns



TECAN. LIFE SCIENCES

## Freedom EVO® NGS.



TECAN. LIFE SCIENCES

## Fluent® 1080.

The next generation liquid handling for applications

- On the fly by swapping between 96- and 384-channel adapters
- FluentControl's method recovery minimizes disruption caused by an unexpected event
- Patent protected finger exchange system automatically swaps labware fingers on the fly



TECAN. LIFE SCIENCES

## Spark® 20M.

Adaptable

Mid-throughput automating and other

flexible, robust and



TECAN. PARTNERING

## Sias Xantus™ Platform.

Adaptable

Mid-throughput automating and other

flexible, robust and



Empowered

with

Tecan.



## Tecan – Who we are

Tecan ([www.tecan.com](http://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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