Zurich, March 15 2017 Full Year Results 2016 **ANALYST & MEDIA CONFERENCE**





Agenda



INTRODUCTION

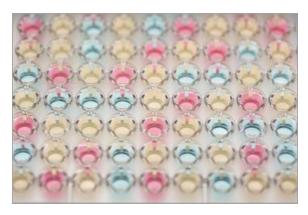
FINANCIAL RESULTS
PRIORITIES
OUTLOOK
QUESTIONS AND ANSWERS

Financial Performance 2016

- Another year of double-digit sales growth; with +13.5% in local currencies exceeding the CHF 500 million mark for the first time in the Company's history
- Strong sales growth in both divisions and all regions; China a particular highlight with sales growing by more than 50% to close to CHF 50 million
- Outgrowing the market organically
- Underlying EBITDA margin improved by 140 basis points, comfortably delivering on the margin commitment for the year of "at least 50 basis points".
- High operating cash flow of CHF 119 million or over 23% of sales







Operating Highlights 2016

- Significant increase in serial production of major platforms in Partnering Business
 - Partner Ortho Clinical Diagnostics celebrated the 1'000th installation of an ORTHO VISION™ Analyzer platform worldwide in January 2017
- Sias integration and move to M\u00e4nnedorf site completed
 - Legally merged with a Tecan subsidiary; fully integrated
- Acquisition of SPEware Corporation in September 2016, a leading provider for mass spectrometry sample preparation solutions
- Launch of the 4th wave of innovation for the Fluent[®] laboratory automation family as well as a new variant of the Spark[®] reader platform



ORTHO VISION™ Max Analyzer (Ortho Clinical Diagnostics)



Sias Xantus



SPEware



Fluent®



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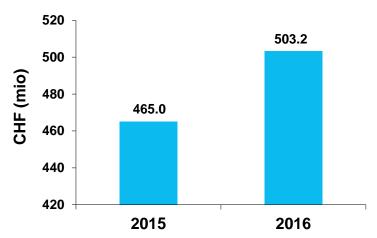
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FINANCIAL RESULTS

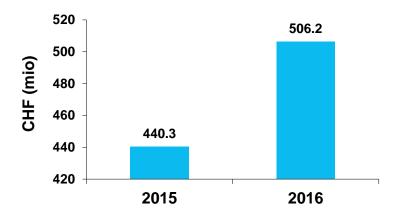
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2016 Order Entry and Sales Performance

ORDER ENTRY FY 2016



SALES FY 2016



ORDER ENTRY H2 2016 VS. H2 2015

- +3.1% in CHF and +2.8% in LC
- Strong growth in Life Sciences Business
- Growth in Partnering Business impacted by one large order shifted to January 2017

ORDER ENTRY FY 2016 VS. FY 2015

- +8.2% in CHF and +6.9% in LC
- Organic +1.8% in LC, despite order timing effect

SALES H2 2016 VS. H2 2015

- +12.7% in CHF
- +12.2% in LC
- Organic +7.3% in LC

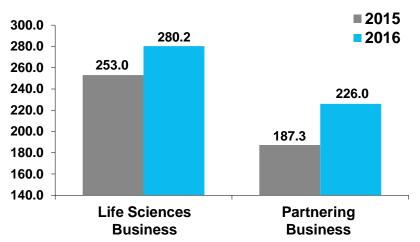
SALES FY 2016 VS. FY 2015

- +15.0% in CHF
- +13.5% in LC
- Organic +9.6% in CHF and +8.2% in LC

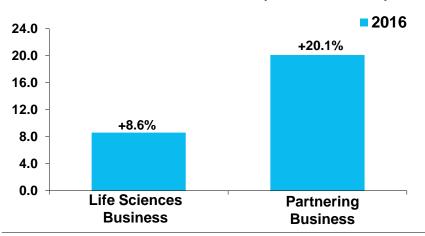


2016 Segment Sales

SALES (IN CHF MILLIONS)



SALES IN LOCAL CURRENCY (CHANGE IN %)



LIFE SCIENCES BUSINESS:

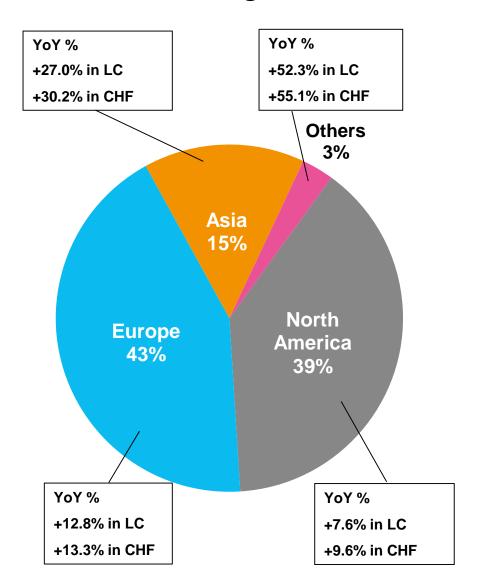
- H2 Sales up by 11.7% in CHF and 10.7% higher in LC
 - Organic sales growth of +7.5% in LC
- Sales 10.7% above prior-year in CHF and 8.6% higher in LC
 - Organic sales increased by 6.8% in LC
 - Strong contribution from new platforms and recurring sales from services, consumables and reagents
 - Strong order entry; acceleration in H2

PARTNERING BUSINESS:

- H2 Sales increased 14.3% in CHF as well as in LC
 - Organic sales growth of +7.0% in LC
- **FY** Sales up by 20.7% and 20.1% in LC
 - Organic sales increased by 10.1% in LC
 - Recent instrument launches and China driving growth
 - Order entry growing at solid rate



FY 2016 Regional Sales Development



EUROPE:

 Strong growth driven primarily by Partnering Business and first-time Sias contribution

NORTH AMERICA:

- Solid growth in both divisions
- Note: major new platform for US market in Partnering Business recorded in Europe (location of customer)

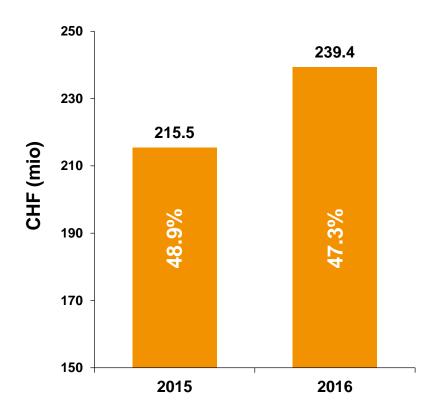
ASIA:

- Both segments posted double-digit organic growth; further supported by Sias contribution
- China grew with over 50% to almost CHF 50m



FY 2016 Gross Profit

GROSS PROFIT (% = % **OF SALES**)



GROSS PROFIT INCREASED TO CHF 239.4M

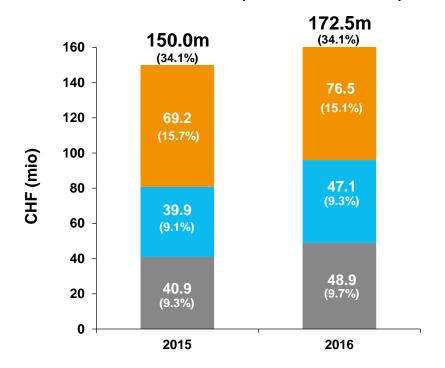
CHF 23.9m or 11.1% above 2015

GROSS PROFIT MARGIN DOWN BY 160 BPS

- (-) Impact from acquisitions
- (-) Divisional mix with higher revenue share from Partnering Business
- (-) Product mix impact within divisions: higher sales contribution from new products with lower profitability in early life cycle
- (+) Material cost savings and positive exchange rate impact
- (+) Price increases

FY 2016 Cost Structure

OPERATING EXPENSES (% = % OF SALES)



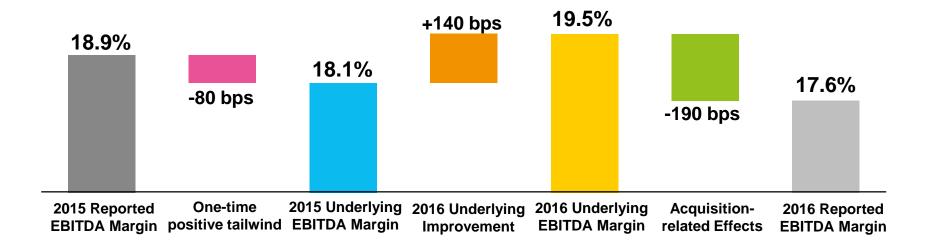
- Sales and marketing
- Research and development
- General and administration

OPERATING EXPENSES GREW IN LINE WITH SALES

- All operating expenses include costs from acquired businesses
- 2015 expenses benefitted from a positive onetime impact from revised pension liabilities according to IAS 19
- Sales & Marketing increased less than sales despite continued investments in market units
- R&D ratio slightly up, driven by higher amortization of capitalized development costs
- G&A ratio increased due to acquisition-related costs and more cost on corporate level



FY 2016 EBITDA Margin Development

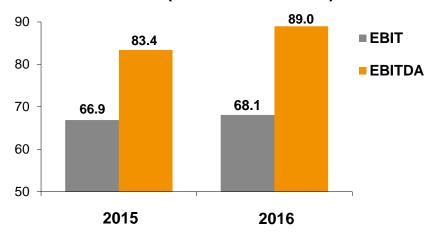


- Underlying EBITDA margin 2015 excludes a one-time positive net impact mainly from revised pension liabilities
- Underlying EBITDA margin 2016 excludes all acquisition-related effects
- Improvement of 140 basis points, comfortably delivering on the margin commitment for the year of "at least 50 basis points"
- Margin improvement driven by positive volume and price effects as well as substantial efficiency improvements in operations and in R&D

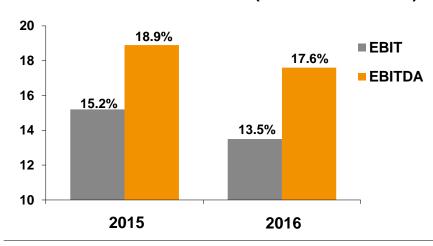


FY 2016 EBIT and EBITDA

EBIT AND EBITDA (IN CHF MILLIONS)



EBIT AND EBITDA MARGIN (% = % OF SALES)



EBIT INCREASED TO CHF 68.1M

 Including acquisition-related costs in a mid single-digit million Swiss franc amount

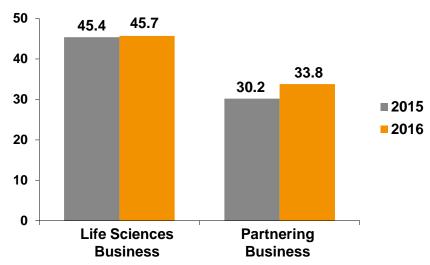
EBITDA GREW TO CHF 89.0M

CHF 5.6m or 6.8% above 2015

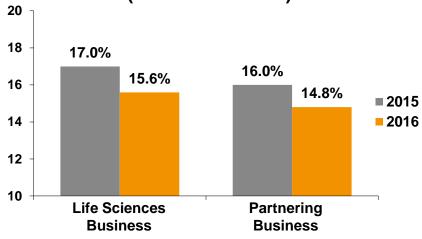


FY 2016 Segment Profitability

EBIT (IN CHF MILLIONS)



EBIT MARGIN (% = % OF SALES)



LIFE SCIENCES BUSINESS:

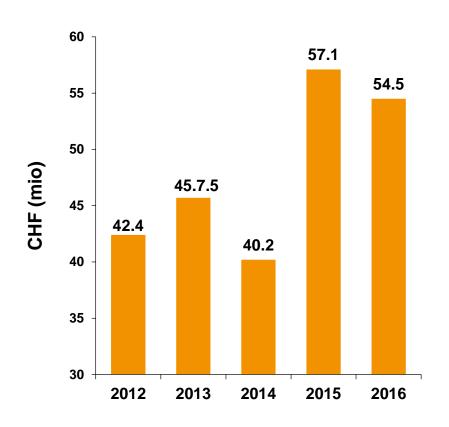
- EBIT margin decreased to 15.6%
- Factors contributing include:
 - (+) Positive price effect
 - (+) Positive volume effect
 - (-) Product mix

PARTNERING BUSINESS:

- EBIT margin decreased to 14.8%
- Factors contributing include:
 - (-) Sias acquisition impact
 - (-) Product mix
 - (+) Positive volume effect
 - (+) Material cost savings and efficiency gains

FY 2016 Net Profit

NET PROFIT

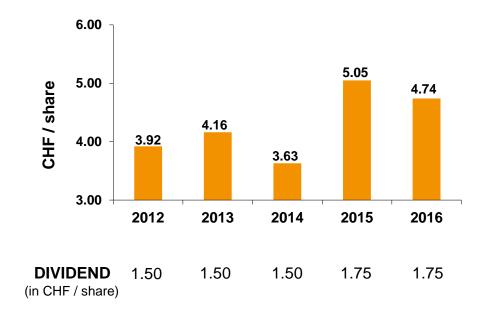


DESPITE HIGHER OPERATING RESULT, NET PROFIT BELOW PRIOR YEAR DUE TO EFFECTS BELOW EBIT LINE

- (-) CHF 1.8m lower financial result due to currency hedging
- (-) More normalized tax rate of 16.6%; 2015 tax rate of 13.4% benefitted from one-off items

FY 2016 Basic Earnings per Share

BASIC EARNINGS PER SHARE



EARNINGS PER SHARE DEVELOPED IN LINE WITH NET PROFIT TO CHF 4.74

AVERAGE NUMBER OF SHARES OUTSTANDING: 11.5M (2015: 11.3M)

UNCHANGED DIVIDEND OF CHF 1.75 PER SHARE TO BE PROPOSED TO ANNUAL GENERAL MEETING

FY 2016 Cash Flow



CASH FLOW FROM OPERATIONS OF CHF 118.8M (2015: CHF 99.1M)

- Cash conversion of 23.5% of sales, including further reimbursement of development costs by an OEM partner
- Net working capital decreased, mainly due to increased deferred revenues
- Days Sales Outstanding improved to 46.5 days (2015: 50 days)
- Includes CHF 20.9m for amortization & depreciation (2015: CHF 16.5m), thereof CHF 11.6m on capitalized development costs

INVESTMENTS OF CHF 14.0M (2015: CHF 14.6M)

CASH FLOW FROM FINANCING ACTIVITIES INCLUDES DIVIDEND PAYMENTS OF CHF 20.1M NET PAYABLE FOR SPEWARE FULLY PAID IN CASH; BASE PURCHASE CONSIDERATION OF USD 50.0M NET LIQUIDITY¹ INCREASED TO CHF 242.3M (DEC 31, 2015: CHF 198.8M)



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

FY 2016 Key Figures

	2015	2016	Δ IN %
Sales (in CHF mio)	440.3	506.2	+15.0%
Sales in local currencies (in CHF mio)	446.1	506.2	+13.5%
,			
Gross Profit (in CHF mio)	215.5	239.4	+11.1%
in % of sales	48.9%	47.3%	
R&D (in CHF mio)	39.9	47.1	+18.1%
in % of sales	9.1%	9.3%	
EBIT (in CHF mio)	66.9	68.1	+1.8%
in % of sales	15.2%	13.5%	
EBITDA (in CHF mio)	83.4	89.0	+6.8%
In % of sales	18.9%	17.6%	
Underlying EBITDA (in CHF mio)	79.7	93.2	+16.9%
In % of sales	18.1%	19.5%	
Net profit (in CHF mio)	57.1	54.5	-4.6%
in % of sales	13.0%	10.8%	
EPS (in CHF)	5.05	4.74	-6.1%
Return on net assets (RONA)	29%	28%	
Net liquidity December 31 (1) (in CHF mio)	198.8	242.3	+21.9%
Equity (in CHF mio)	440.7	487.1	+10.5%
Cash Flow (operating) (in CHF mio)	99.1	118.8	+19.8%

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



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Review of Priorities of 2016

Operational efficiency	 Realized a MSD million CHF amount of net material cost savings Achieved significantly shorter manufacturing times Fully integrated acquired SIAS business
Partnering Business	Substantial increase in serial productionSignificant sales growth in ChinaConcluded several new agreements
Life Sciences Business	 Fluent quickly became the industry-leading platform Strong market uptake for Spark Immunoassays continued to grow above market
Recurring revenues	 Recurring revenues now accounting for 38% of sales Strong growth in pipetting tips and immunoassays Addition of SPEware smart consumables in Q4
M&A	 Acquisition of US-based SPEware Corporation Supported integration of the Sias business Further build-up of funnel and cultivation of targets

Priorities for 2017

Operational efficiency	 Realize further material cost savings Further improvements in operating efficiencies Maintaining fast pace of innovation 	
Partnering Business	 Continued delivery ramp-up Supporting new product launches Concluding new development agreements Continue to expand in Asia 	
Life Sciences Business	 Fluent and Spark platforms continued major focus Launching more application-focused solutions Integration of SPEware, leveraging global setup Driving geographic expansion 	
Recurring revenues	 Continuation of very successful activities from 2016 Further expanding existing business Leveraging installed base of instruments Expanding product portfolio 	
M&A	 Continue to drive thoughtful M&A Support evolution into solutions Successful integration of SPEware and Pulssar 	



Additional Instruments Ramping Up in 2017 PROVIDING BASIS FOR CONTINUED GROWTH



High sensitivity next gen immunodiagnostics



IFA/ELISA for autoimmunity



Chemoluminescence IA for infectious diseases



MDx for infectious diseases



Cell separation for multiple applications



NGS sample prep



Multiplex ELISA for pharma



MDx for stool testing

...AND MORE



Priorities for 2017

Operational efficiency	 Realize further material cost savings Further improvements in operating efficiencies Maintaining fast pace of innovation
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Growing Solutions Offering in Select Applications LEVERAGING TECAN'S GLOBAL PRESENCE AND CUSTOMER BASE

IMMUNOASSAYS FOR SPECIALTY DIAGNOSTICS

Building on Tecan's long tradition in immunoassay processing with open platforms



- Offering wide range of tests for specialty diagnostics through acquired IBL International
- Increasing need for an integrated instrument and reagent offering
 - 75 assays adapted to Tecan automation, further assays in process
- Direct distribution initiated in various countries

SAMPLE PREPARATION SOLUTIONS FOR MASS SPECTROMETRY

Leveraging Tecan's leading position in mass spectrometry sample prep automation



- Offering smart consumables and instruments for MS sample prep through acquired SPEware
- Preferred technique for high complexity tests
- Combining automation and consumables into integrated solutions for MS sample prep
- Preparing for commercialization beyond
 North American market



Priorities for 2017

Operational efficiency	 Realize further material cost savings Further improvements in operating efficiencies Maintaining fast pace of innovation 	
Partnering Business	 Continued delivery ramp-up Supporting new product launches Concluding new development agreements Continue to expand in Asia 	
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M&A	Continue to drive thoughtful M&ASupport evolution into solutionsSuccessful integration of SPEware and Pulssar	

Expanding the Partnering Business Portfolio with Pulssar Technologies Precision Pumps

- Innovative niche player in OEM piston pumps
- Strong reputation for quality of products
- Modular product line of high performance OEM piston pumps
- Technology validated by lead customers
- Good project pipeline





- Market leader in laboratory automation
- Leading brand in OEM components and integrated IVD systems
- Leading in high performance OEM syringe pumps
- Global sales and service infrastructure

Become an even stronger player in OEM pumps for diverse applications

- Giving instrument designers an even broader choice of liquid handling technologies
- Complimentary pump technologies to meet the application-specific needs of different customer segments and expand addressable market
- 3 Opportunity to leverage global infrastructure



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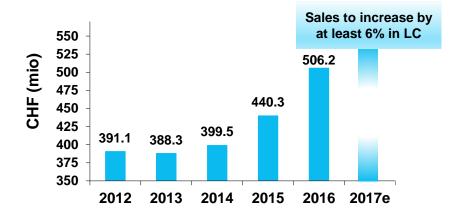
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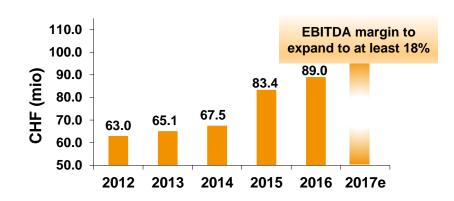
Outlook for 2017

SALES DEVELOPMENT



- In the mid-term forecasting to continue to organically outgrow the market average
- Expecting to increase this growth rate through acquisitions

OPERATING PROFIT (EBITDA)



- Based on average FX rates of:1.07 EUR/CHF and 0.99 USD/CHF
- Including acquisition-related costs in a mid single-digit million Swiss franc amount
- Committed to drive profitability higher together with sales growth



Q&A



IR IPAD APP

News, financial reports, presentations, videos and more



NEXT EVENTS 2017

April 11: Annual Shareholder Meeting

August 16: Half-year reporting

CONTACT

Martin Braendle

Vice President, Communications & IR

Phone: +41 (0) 44 922 84 30

investor@tecan.com

www.tecan.com





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.

Australia +61 3 9647 4100 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

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