



**Tecan Group**  
**CS Swiss EQ Mid Cap Conference 2017**

**DR. DAVID MARTYR, CEO**  
**NOVEMBER 17, 2017**  
**ZURICH**





# Introduction

# Tecan's Vision Statement

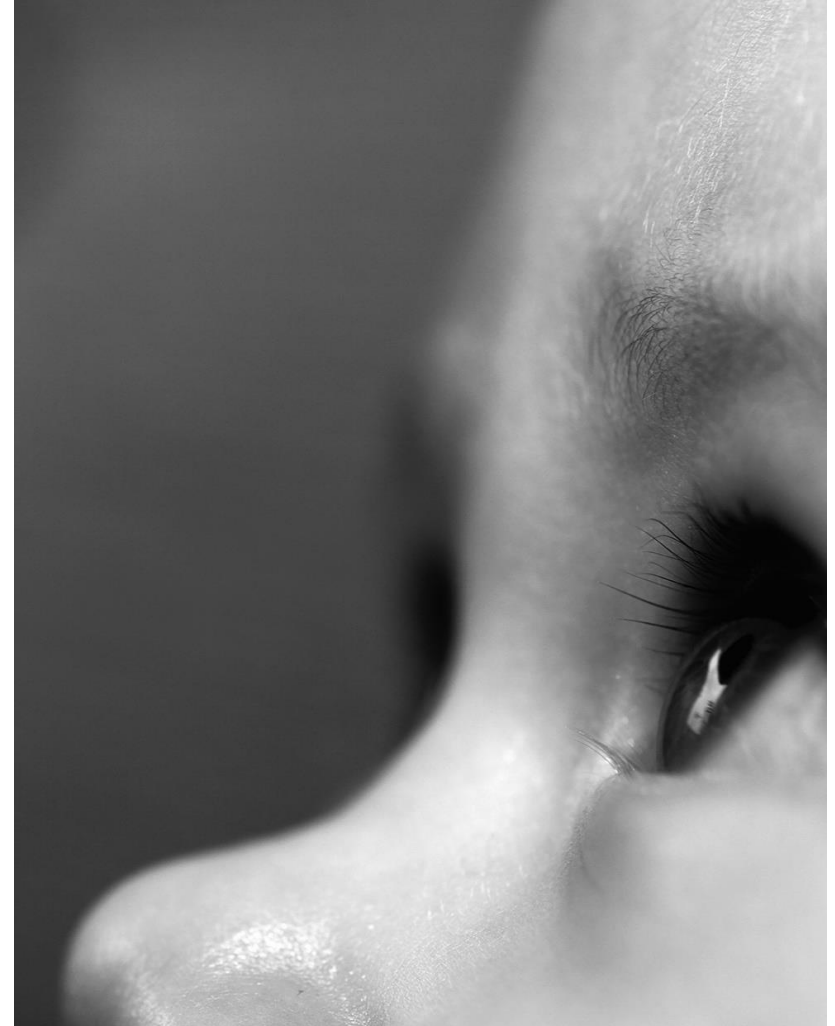
Every lab.

Every day.

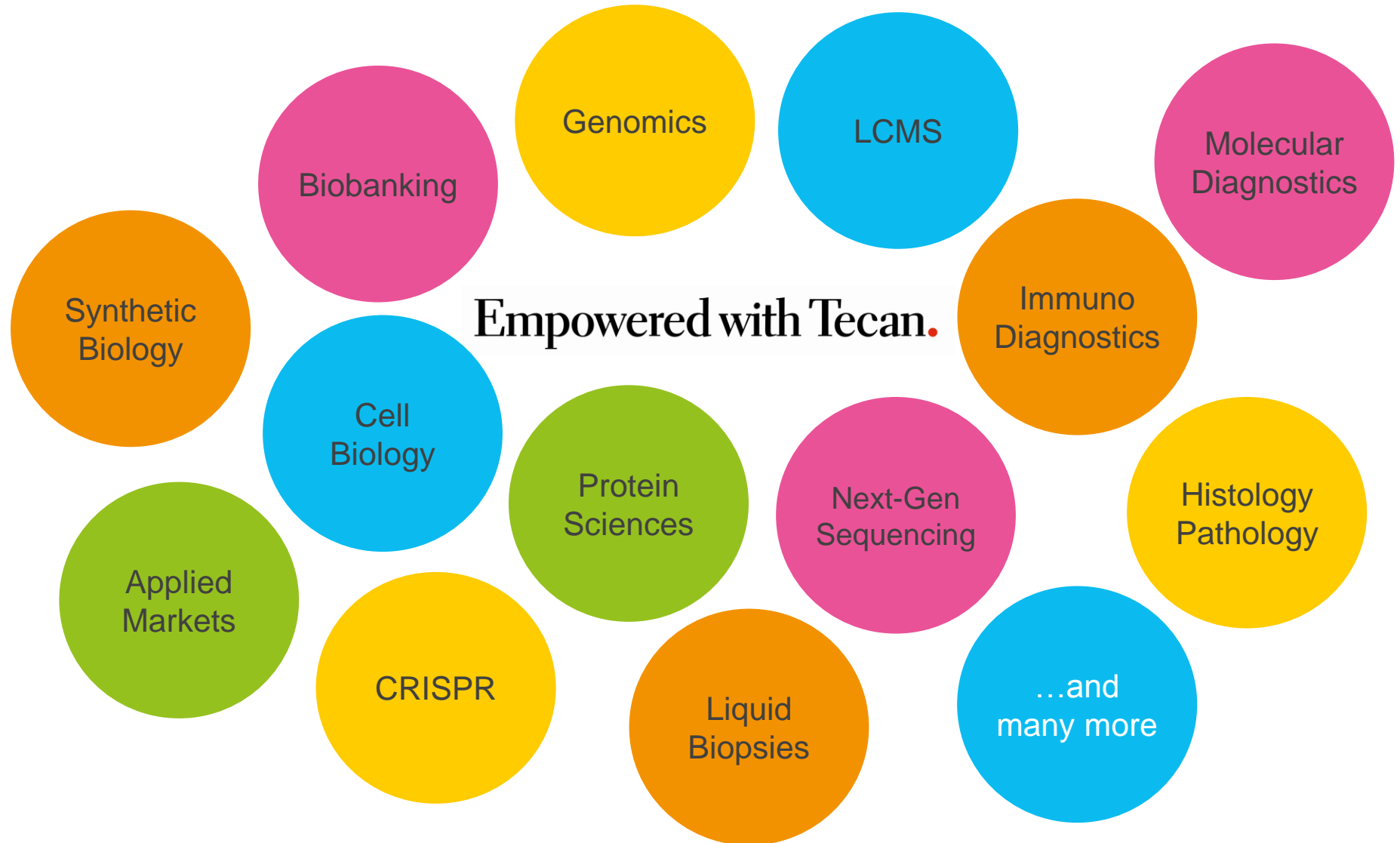
# Empowered.

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



# Introducing Tecan

- Pioneer and global leader in laboratory automation since over 35 years
- Our solutions accelerate, automate and enhance the processes in state-of-the-art diagnostics and life sciences labs
- Offering solutions in select application areas: immunoassays for specialty diagnostics and mass spectrometry sample preparation
- HQ in Switzerland, 3 manufacturing and R&D sites in Europe and 2 in the US; software competence center in Germany
- ~1,500 employees; sales and service network in 52 countries
- Listed at the SIX Swiss Exchange (TECN; TECN SW)



# 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
- Instruments, reagents, consumables, customer service, spare parts



55% 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
- Dedicated systems, platform-based instruments, components, consumables, spare parts, service



45% OF GROUP SALES

CHF 506M IN REVENUE

DIAGNOSTICS

LIFE SCIENCE  
RESEARCH

FORENSICS

APPLIED  
MARKETS

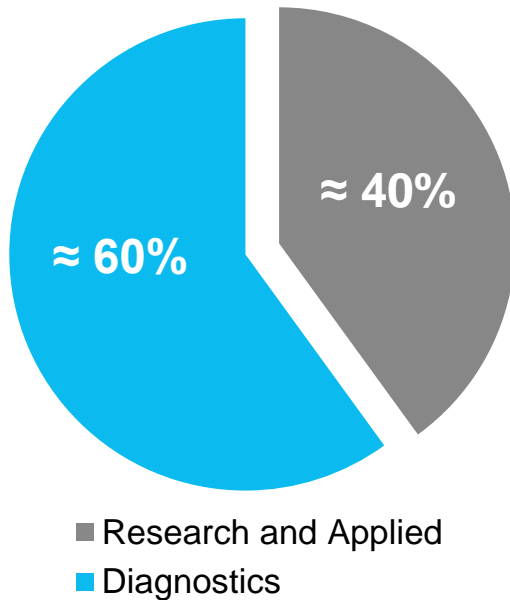
Fiscal year 2016



# Revenue Profile Provides a Solid Basis

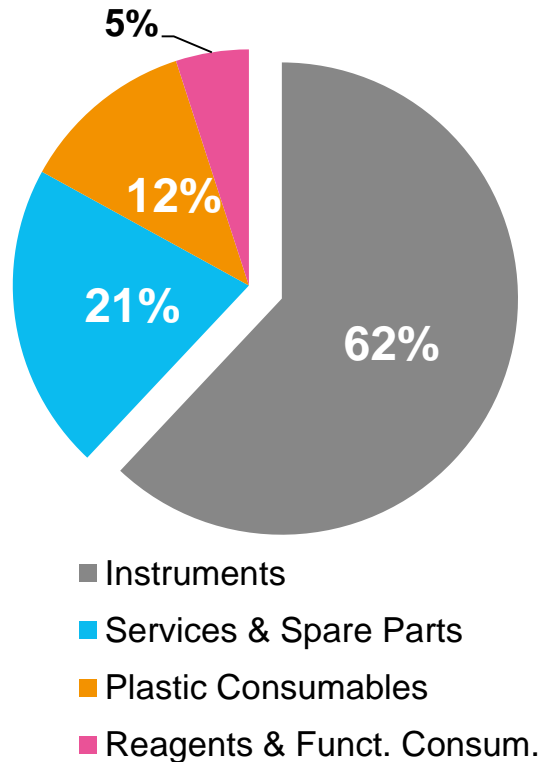
## STRONG DRIVERS IN DIAGNOSTICS

Customer Segments



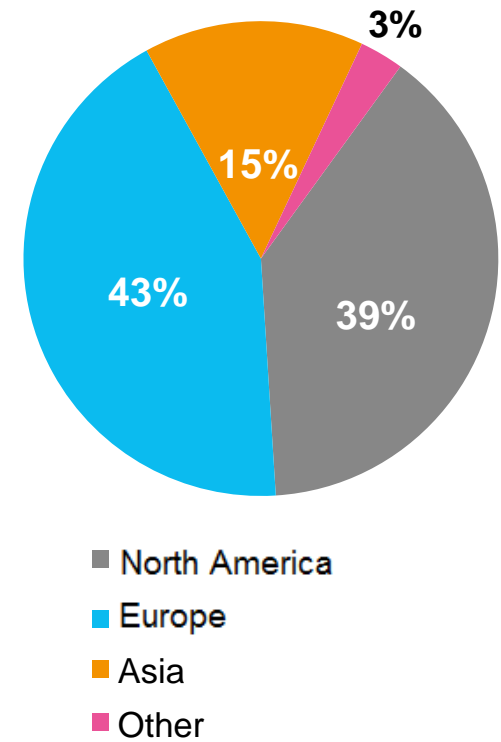
## ACQUISITIONS ADDING NEW SOURCES OF RECURRING REVENUES

Products



## GROWING DIRECT PRESENCE IN EMERGING MARKETS

Geographies



Fiscal year 2016



# Strategy and Growth Drivers



# Basis for Corporate Strategy: Market Structure

## LIFE SCIENCE RESEARCH

## IN-VITRO DIAGNOSTICS

## STRATEGIC PILLARS

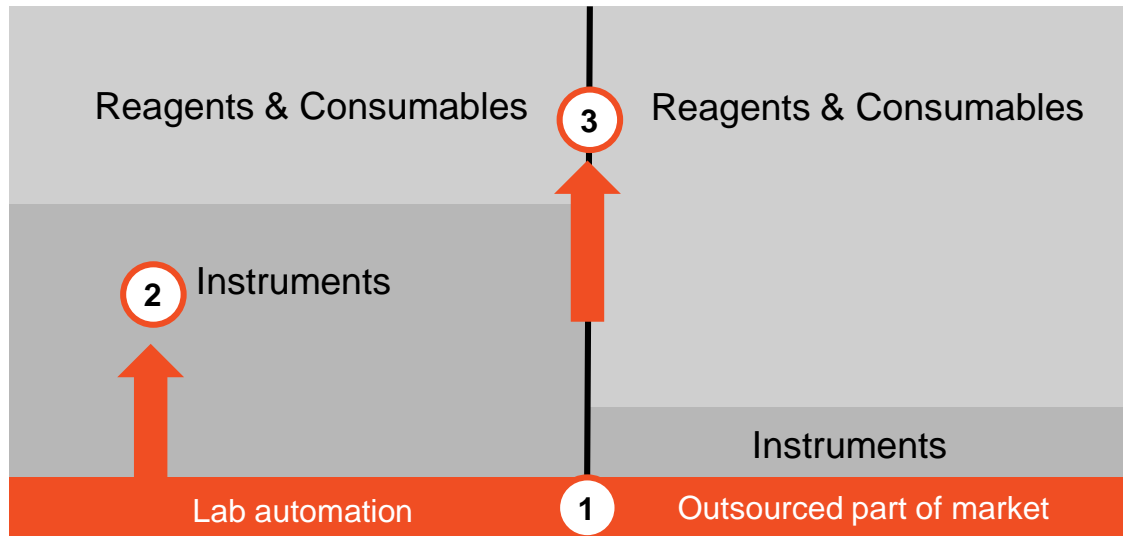
CAGR

**+3-5%**

**+3-5%**

**40-50 BN USD**

**40-50 BN USD**



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

## LIFE SCIENCE RESEARCH

## IN-VITRO DIAGNOSTICS



# New Platforms in Two Main Instrument Segments

**STRONG MARKET UPTAKE AND ORDER MOMENTUM**

## FLUENT®\* NEXT GENERATION LIQUID HANDLING PLATFORM FAMILY

**Setting new standards for simplicity, productivity and confidence**



- Built around the application-specific needs for various life science workflows such as
  - Genomics, cell biology, compound mgmt and a wide range of additional applications
- Delivering more capacity, increased speed, superior precision, throughput and walkaway time

## SPARK®\* NEXT GENERATION READER PLATFORM

**Greater flexibility, increased speed and productivity**



- Industry leading sensitivity and speed
- Integrated microscopy enables automated live cell imaging and confluence measurement
- Engineered in a modular, upgradeable fashion
- Designed with unique suite of technology and software for entirely new assay possibilities

\* For research use only in USA

# 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



- Expanding MS sample prep offering through acquired SPEware (now Tecan SP)
- Offering smart consumables and dedicated instruments under new RESOLVE<sup>TM</sup> brand
- Preparing for commercialization beyond North American market
- European launch initiated in H2 2017

# Partner of Choice to the IVD Industry

25+ ACTIVE INSTRUMENT ACCOUNTS, MARKET LEADER IN COMPONENTS

## DAKO OMNIS FOR AGILENT TECHNOLOGIES

Advanced staining platform for tissue-based cancer diagnostics



- Continued global commercial uptake
- Dako continuing to build assay and antibody portfolio for Dako Omnis
- Agilent named the Primary IHC and Special Stains vendor for Quest Diagnostics\*
  - “Demonstrates the advantages of DGG’s staining workflow solutions.”

\* Agilent Q2 2017 Earnings Presentation; May 22, 2017

## ORTHO VISION™ ANALYZER FOR ORTHO CLINICAL DIAGNOSTICS

Next generation diagnostics instrument for blood typing



- Early 2017, Ortho Clinical Diagnostics already celebrated 1,000 installations worldwide\*
- ORTHO VISION® Analyzer: CE Mark in Oct 2014 and FDA 510(k) clearance in Aug 2015
- ORTHO VISION® Max Analyzer: CE Mark clearance in Oct 2015, FDA 510(k) in Oct 2016
- China CFDA clearances in Oct 2017

\* Ortho Clinical Diagnostics press release; January 24, 2017

# Additional Instruments Ramping Up in 2017

## PROVIDING BASIS FOR CONTINUED GROWTH



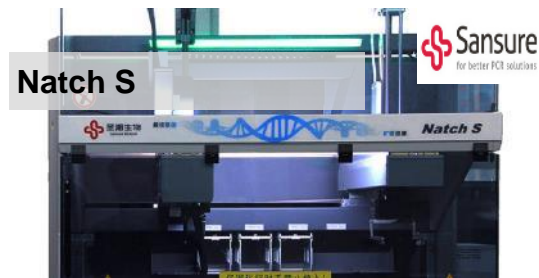
High sensitivity next gen immunodiagnosics



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

# New Instrument Developments

MULTIPLE NEW DEVELOPMENTS IN PROCESS AND BROAD PIPELINE

## NEW PLATFORM FOR DIASORIN

Nucleic Acid extraction for MDx



- Use of Tecan's Fluent® Laboratory Automation Solution in combination with the DiaSorin Liaison® MDX PCR system
- To be optimized for use with DiaSorin extraction chemistry and automated PCR set up of the Liaison® MDX 96 well disc

## NEW PLATFORM FOR SYSMEX

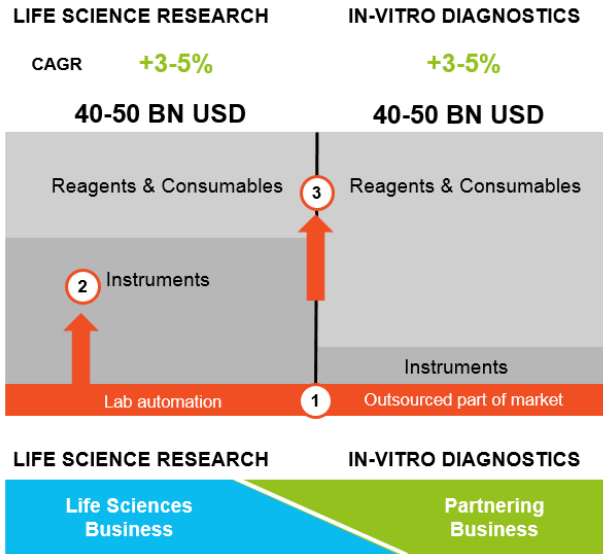
Sample preparation for flow cytometry



Prototype instrument

- Development based on Tecan's new Cavro® Omni Flex robotic platform with customized software
- Flow cytometry is a fast growing application
- Will be deployed across research and IVD markets

# Acquisitions, Key Element of Corporate Strategy



## ACQUISITIONS ANNOUNCED TO DATE

- 3 August 2016: Acquisition of SPEware**
  - Leading provider for mass spectrometry sample preparation solutions
  - Further expanding Tecan's dedicated solutions offering
  - Over 70% of revenues from smart consumables; also offering dedicated positive pressure devices
- 3 August 2014: Acquisition of IBL International**
  - Established and leading immunoassay company for specialty diagnostics, supports evolution into solutions
  - Leveraging Tecan's global presence and long tradition in immunoassay processing
- 1 December 2015: Acquisition of Sias AG**
  - Leading OEM supplier of a wide range of modular and complete laboratory automation solutions
  - Complementary OEM liquid handling platforms
- 1 March 2017: Acquisition of Pulssar Technologies**
  - Adding complimentary pump technologies



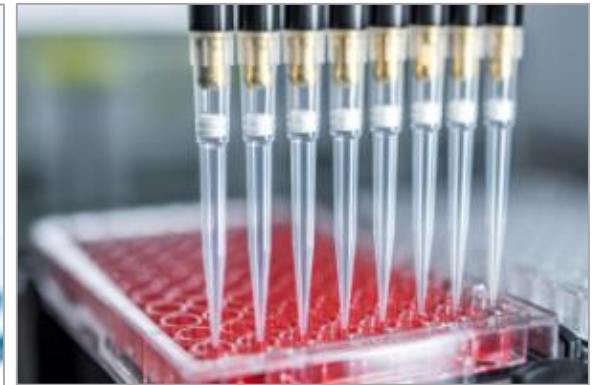
# Financials, Outlook and Summary



# Financial Performance H1 2017

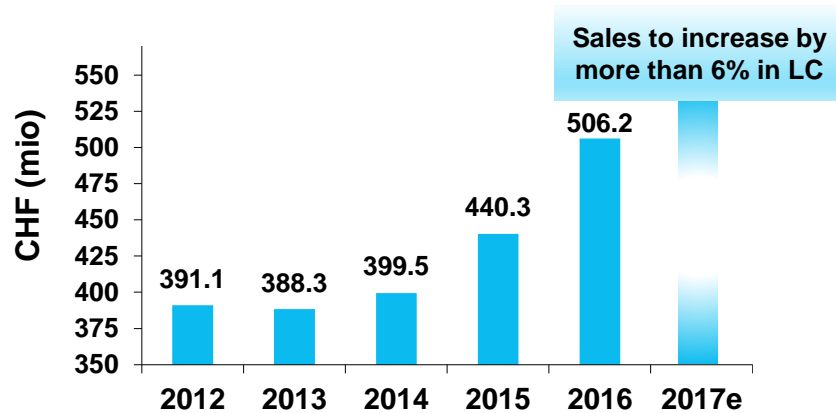
- Significant increase in order entry; +16.7% and +12.5% organic
- Substantial sales growth of +18.2% in Life Sciences Business (+9.5% organic)
- Strong growth in components business, services and consumables as part of Partnering Business; double-digit increase in order entry
- Total recurring revenues at 45% of sales; highest level to date
- China with continued high growth rates
- Slight improvement of EBITDA margin

All growth figures are in local currencies



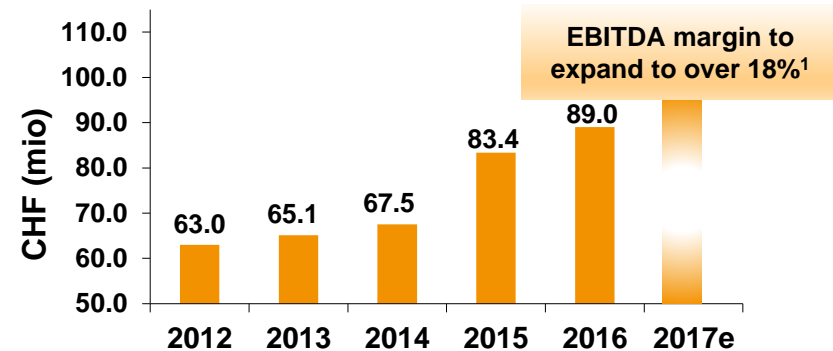
# Outlook for 2017 Confirmed

## SALES DEVELOPMENT



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

## OPERATING PROFIT (EBITDA)



- Including acquisition-related costs in a mid single-digit million Swiss franc amount
- Also beyond 2017, committed to drive profitability higher together with sales growth

<sup>1</sup> Based on average FX rates of: 1.07 EUR/CHF and 0.99 USD/CHF



# Advancing Tecan

## **OUTGROWING MARKET ORGANICALLY**

- Life Sciences Business with new and leading product portfolio and improved organization
- Growing solutions offering in select applications
- Partnering Business with multiple platforms in ramp up phase and broad pipeline

## **INCREASING PROFITABILITY**

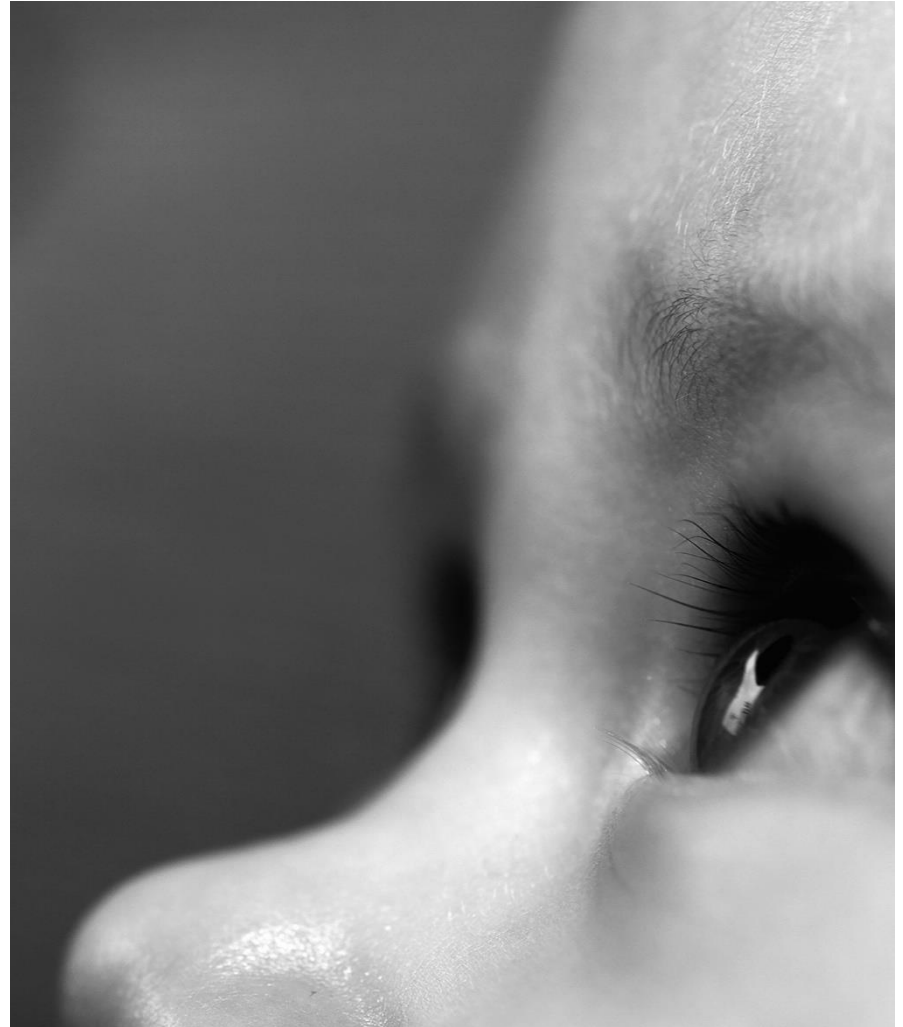
- Committed to drive profitability higher together with sales growth
- Focus on operational efficiency
- Strong operating cash flows

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

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

## **LEADING AND REFRESHED BRAND**

- New winning spirit
- A customer-centered organization



# 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 <sup>(1)</sup> (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

# H1 2017 Key Figures

	2016	2017	Δ IN %
Order Entry (in CHF mio)	250.6	291.2	+16.2%
Sales (in CHF mio)	235.3	253.3	+7.7%
Sales in local currencies (in CHF mio)	234.5	253.3	+8.0%
Gross Profit (in CHF mio)	112.3	119.9	+6.7%
in % of sales	47.7%	47.3%	
R&D (in CHF mio)	22.9	23.5	+2.8%
in % of sales	9.7%	9.3%	
EBIT (in CHF mio)	27.7	29.6	+6.6%
in % of sales	11.8%	11.7%	
EBITDA (in CHF mio)	37.9	41.3	+8.8%
In % of sales	16.1%	16.3%	
Net profit (in CHF mio)	23.5	25.7	+9.6%
in % of sales	10.0%	10.1%	
EPS (in CHF)	2.04	2.22	+8.8%
Return on net assets (RONA)	26%	22%	
Net liquidity <sup>(1) (2)</sup> (in CHF mio)	242.3	243.9	+0.7%
Equity <sup>(2)</sup> (in CHF mio)	487.1	503.5	+3.4%
Cash Flow (operating) (in CHF mio)	64.9	31.7	-51.2%

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

(2) 2016 balance sheet figures are as of Dec. 31, 2016

# Q&A



## IR IPAD APP

News, financial reports,  
presentations,  
videos and more



## NEXT EVENT 2018

March 14: Full Year Results 2017

April 17: Annual Shareholder Meeting

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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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