

Speakers

Dr. David Martyr, CEO

Dr. Rudolf Eugster, CFO



Agenda



INTRODUCTION
FINANCIAL RESULTS
PRIORITIES AND OUTLOOK
QUESTIONS AND ANSWERS

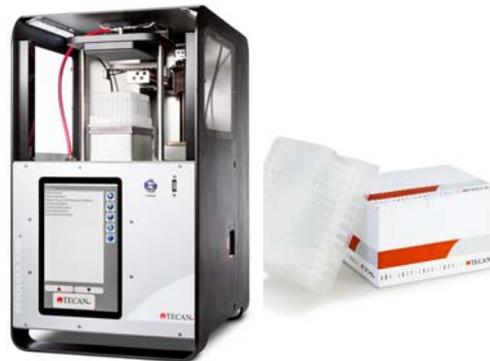


Financial Performance 2017

- With +8.0% in LC, another year of significant sales growth
- Sales up by a total of around CHF 150 million or 37% over the last three years
- Total recurring revenues now at 42% of sales
- Strong growth in order entry (+11.8% in LC)
- Significant EBITDA margin increase of 160 basis points, driven by efficiency improvements and one-time effects
- High operating cash flow of CHF 99 million or 18% of sales



Fluent®, new 2018 model



Resolvex™ A200 and consumables for LCMS sample prep



Cavro® Omni Flex, basis for OEM instruments



Operating Highlights 2017

- Integration of US company SPEware (now Tecan SP) and European market launch of the Resolvex™ product line for sample preparation for mass spectrometry
- Acquisition of Pulssar Technologies to expand the technology portfolio in Partnering Business; relocation of production completed
- Signing of new platform development projects with DiaSorin and Sysmex in Partnering Business
- Further significant increase in serial production of major platforms

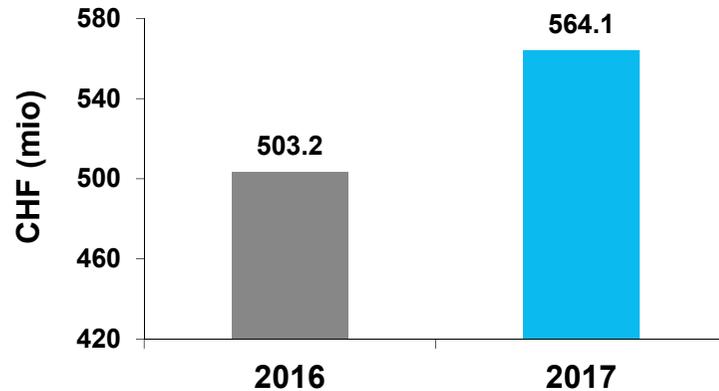


Production of functional consumables for LCMS sample prep at Tecan SP



2017 Order Entry and Sales Performance

ORDER ENTRY FY 2017



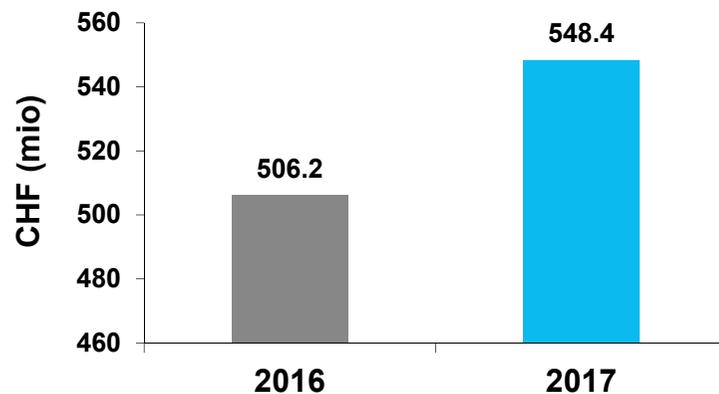
ORDER ENTRY FY 2017 VS. FY 2016

- +12.1% in CHF and +11.8% in LC
- Organic +8.5% in LC
- Both business segments contributed with double-digit growth rates
- Order backlog with double-digit % increase

ORDER ENTRY H2 2017 VS. H2 2016

- +8.0% in CHF and +7.1% in LC

SALES FY 2017



SALES FY 2017 VS. FY 2016

- +8.3% in CHF, +8.0% in LC
- Achieving annual outlook of “more than 6% in LC” communicated in March 2017
- Organic +5.0% in CHF and +4.7% in LC

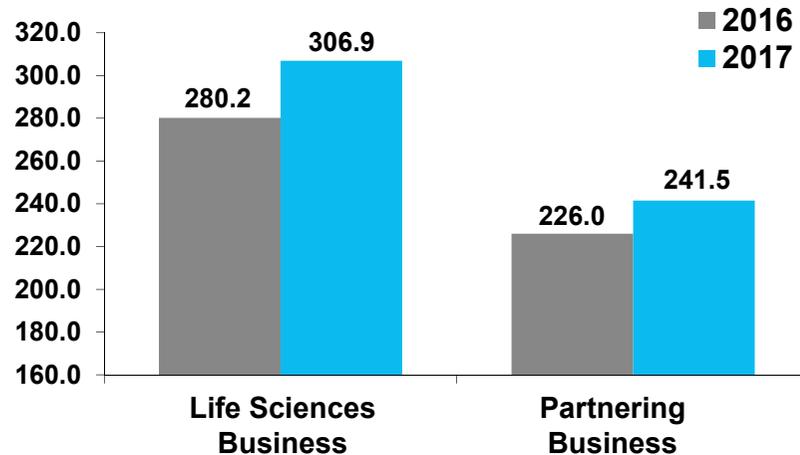
SALES H2 2017 VS. H2 2016

- +8.9% in CHF, +8.0% in LC
- Continuing positive trajectory from H1
- Organic +5.8% in LC

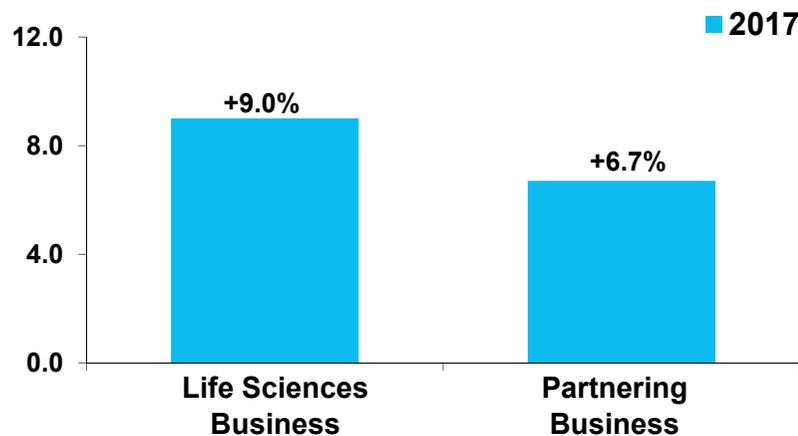


2017 Segment Sales

SALES (IN CHF MILLIONS)



SALES IN LOCAL CURRENCY (CHANGE IN %)



LIFE SCIENCES BUSINESS:

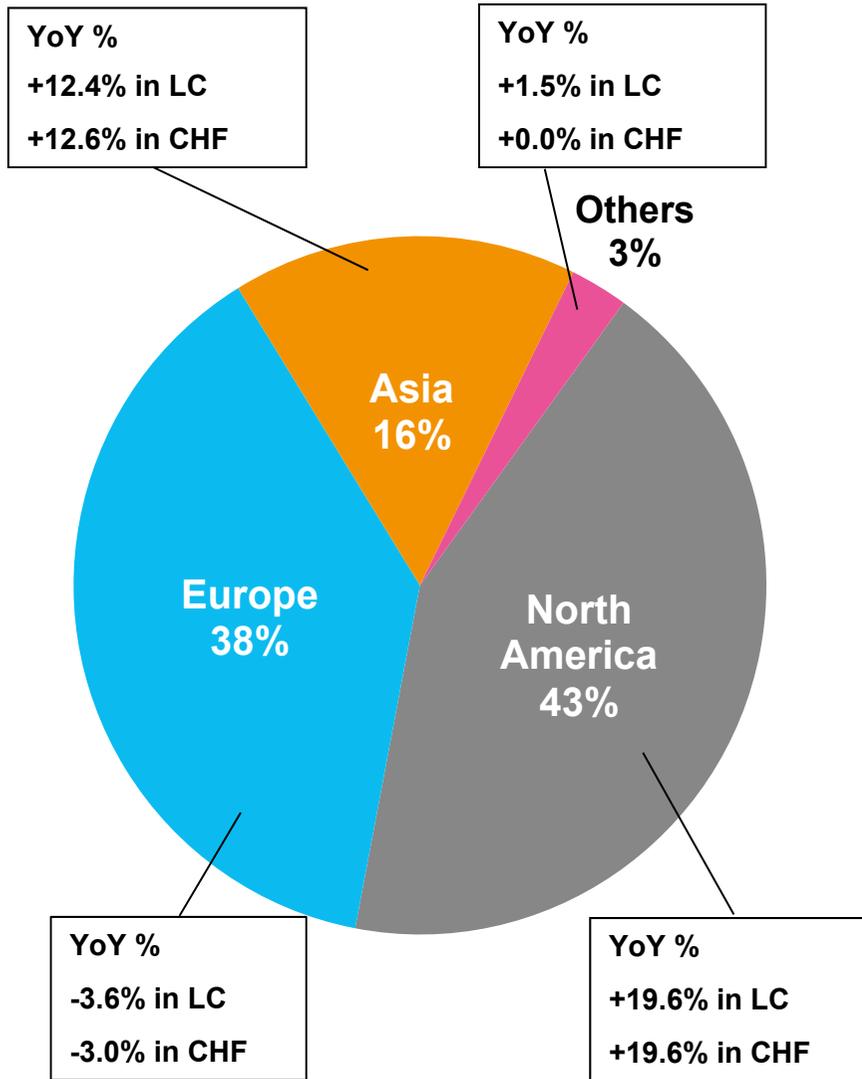
- FY**
- Sales +9.5% in CHF and +9.0% in LC
 - Organic sales growth of 3.6% in LC
 - Growth driven by Tecan SP, the service business and consumables
- H2**
- Sales up by 3.8% in CHF and 2.5% higher in LC
 - Organic sales slightly down by -0.6% in LC
 - Orders also up in H2, comfortably exceeding overall sales growth

PARTNERING BUSINESS:

- FY**
- Sales up by 6.9% and 6.7% in LC
 - Organic sales growth of 6.1% in LC, despite a high baseline in H1 2016
- H2**
- Sales up by 16.6% in CHF and 16.4% higher in LC
 - Strong growth of new instruments, components, services and consumables



FY 2017 Regional Sales Development



EUROPE:

- Growth in Life Sciences Business, however overall negative trend primarily due to positive one-time effect in H1 2016 incurred by Partnering Business
- Sales increased by 6.2% in LC in H2 2017

NORTH AMERICA:

- Life Sciences Business with strong growth driven by first-time contribution of SPEware (Tecan SP)
- Partnering Business with significant double-digit growth; strong contribution from the components business

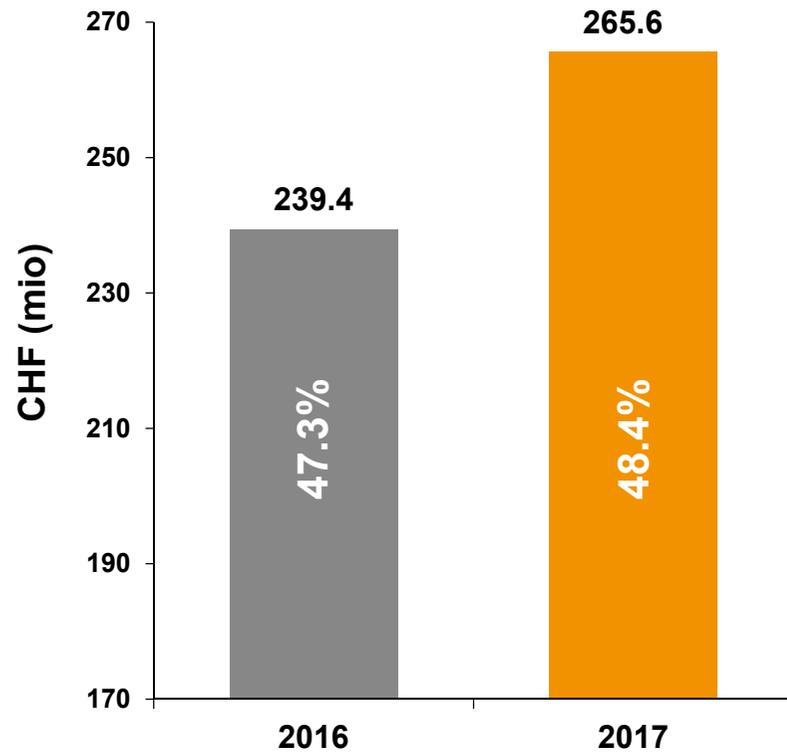
ASIA:

- Both segments posted double-digit growth
- In China, both segments benefit from continuing major investment in healthcare and life science research



FY 2017 Gross Profit

GROSS PROFIT (% = % OF SALES)



GROSS PROFIT INCREASED TO CHF 265.6M

- CHF 26.2m or 11.0% above 2016

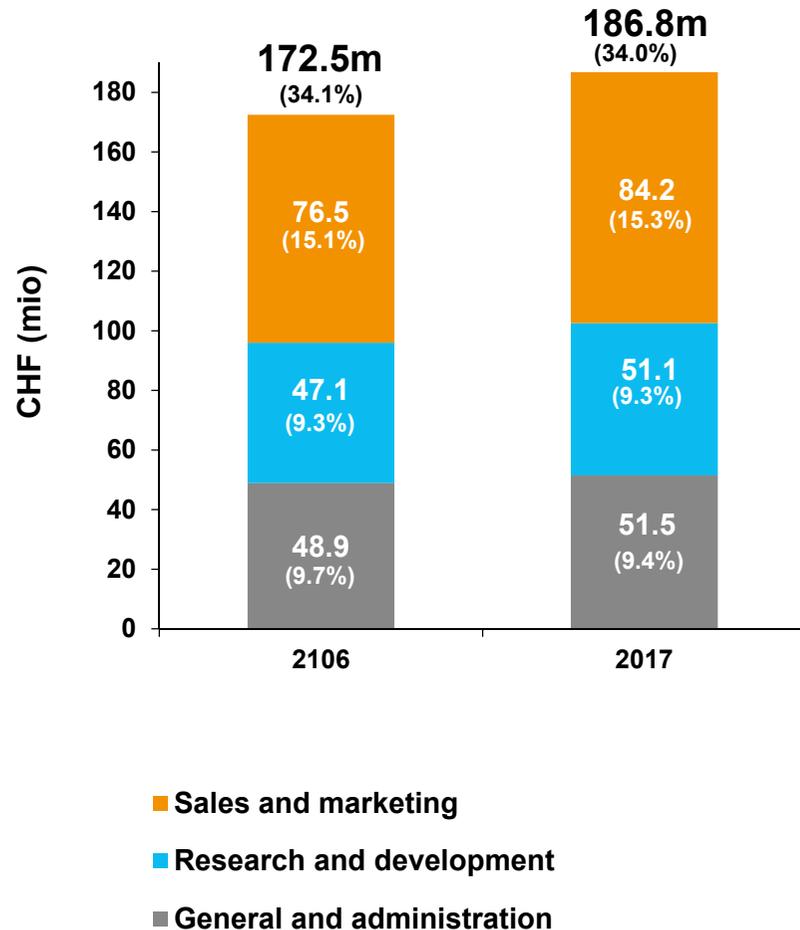
GROSS PROFIT MARGIN UP BY 110 BPS

- Main effects contributing:
 - (+) Material cost savings
 - (+) Impact from acquisition
 - (-) Product mix with higher share of services & consumables
 - (-) Price



FY 2017 Cost Structure

OPERATING EXPENSES (% = % OF SALES)



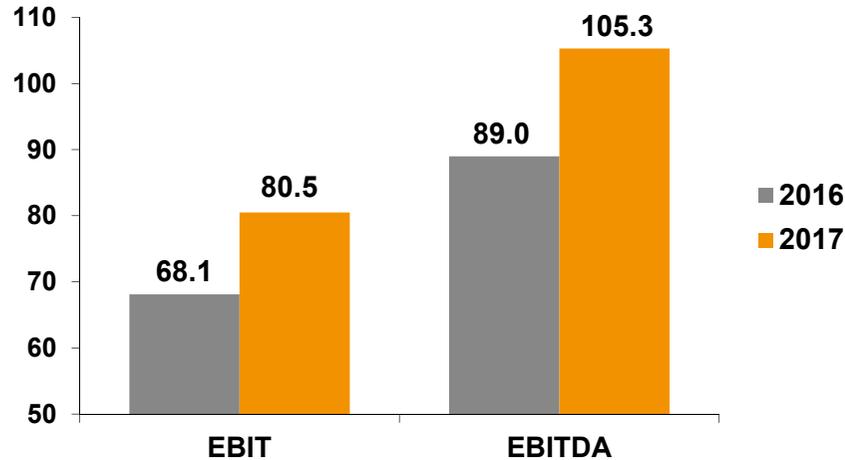
OPERATING EXPENSES GREW IN LINE WITH SALES

- All operating expenses include costs from acquired businesses
- Sales & Marketing increased slightly more than sales due to continued investments in market units
- R&D ratio at prior-year level
- G&A ratio increased less than sales; volume effect; absolute increase almost entirely acquisition-related



FY 2017 EBIT and EBITDA

EBIT AND EBITDA (IN CHF MILLIONS)



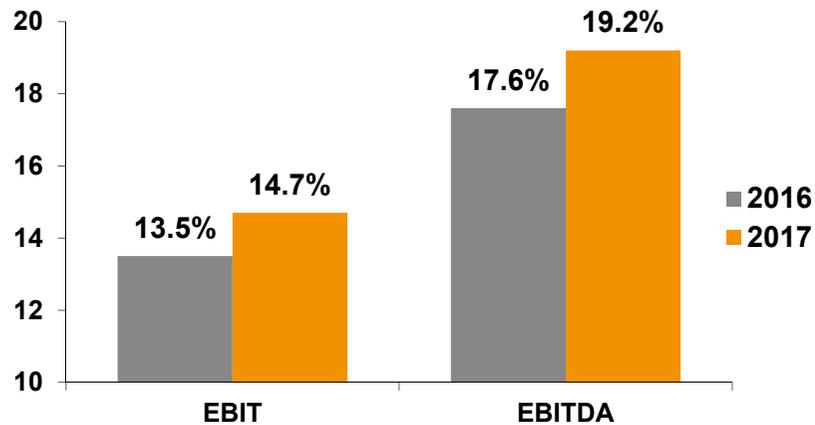
EBIT INCREASED TO CHF 80.5M

- 12.3m or 18.1% above 2016
- Including all costs from acquired businesses, higher PPA and MSD CHF amount of integration costs

EBITDA GREW TO CHF 105.3M

- CHF 16.3m or 18.3% above 2016

EBIT AND EBITDA MARGIN (% = % OF SALES)



EBIT MARGIN AT 14.7%

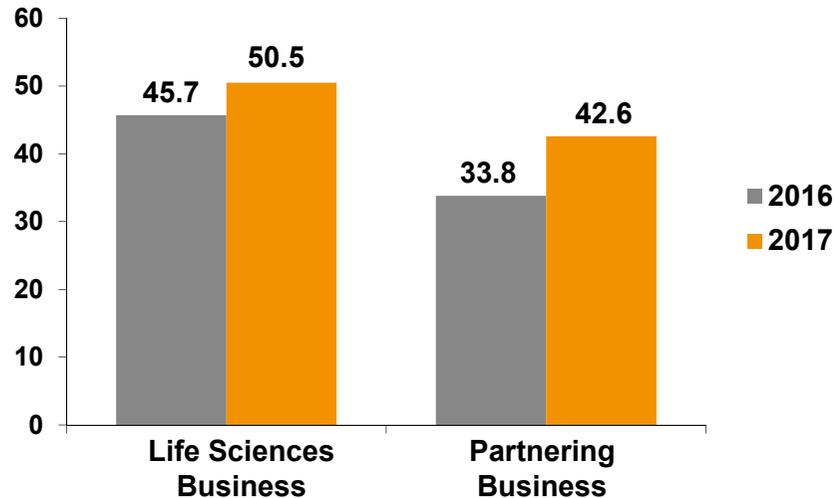
EBITDA MARGIN REACHED 19.2%

- Improvement of 160 bps
 - Positive volume effects
 - Substantial efficiency improvements in procurement and production
 - Non-recurring positive effects
- Comfortably exceeded communicated outlook of “more than 18%”



FY 2017 Segment Profitability

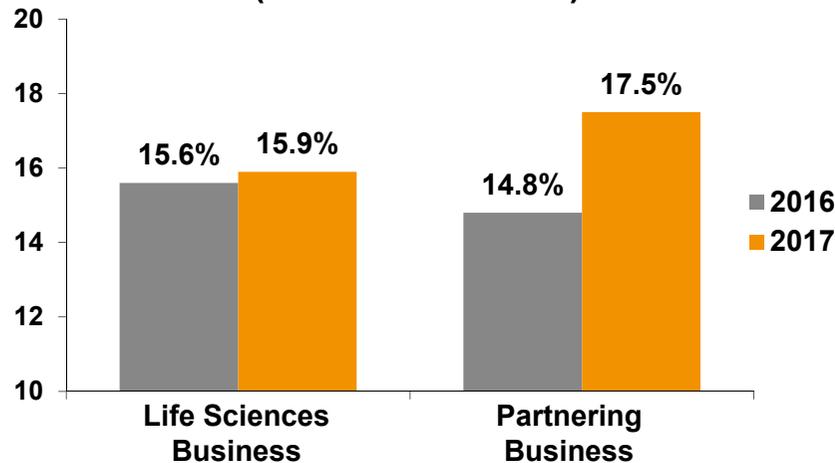
EBIT (IN CHF MILLIONS)



LIFE SCIENCES BUSINESS:

- EBIT margin increased to 15.9%
- Factors contributing include:
 - (+) Gross profit
 - (+) Volume effect
 - (+) Efficiency gains
 - (-) Integration-related costs (SPEware)

EBIT MARGIN (% = % OF SALES)



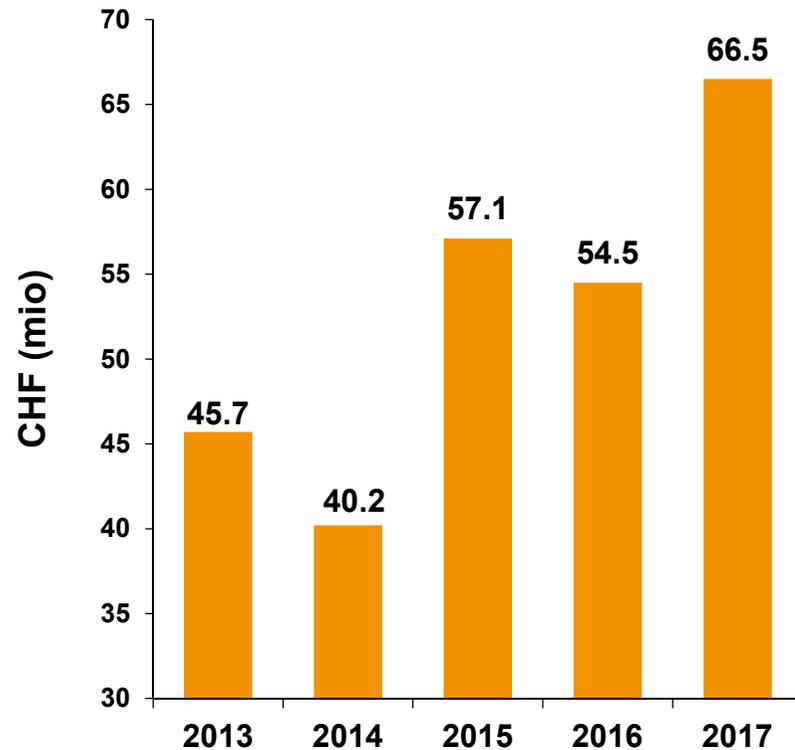
PARTNERING BUSINESS:

- EBIT margin increased to 17.5%
- Factors contributing include:
 - (+) Gross profit
 - (+) Volume effect
 - (+) Efficiency gains
 - (+) Less integration-related costs (Sias)
 - (-) Integration and relocation costs (Pulssar)



FY 2017 Net Profit

NET PROFIT



NET PROFIT GREW FASTER THAN SALES

- CHF 12.0m or 22.0% above 2016
- Highest level to date

NET PROFIT MARGIN +130 BPS TO 12.1%

EBIT INCREASE OF CHF 12.3M

BELOW EBIT LINE

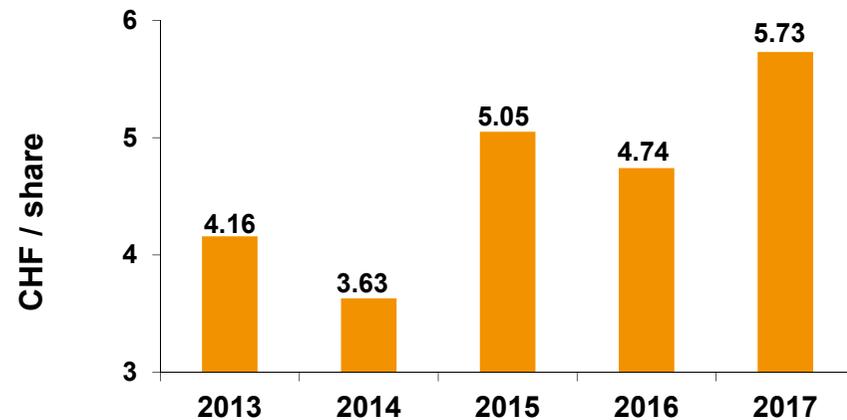
- (+) Better financial result

TAX RATE AT 16.5% (2016: 16.6%)



FY 2017 Basic Earnings per Share

BASIC EARNINGS PER SHARE



**EARNINGS PER SHARE DEVELOPED ABOUT
IN LINE WITH NET PROFIT TO CHF 5.73**

**AVERAGE NUMBER OF SHARES
OUTSTANDING: 11.6M (2016: 11.5M)**

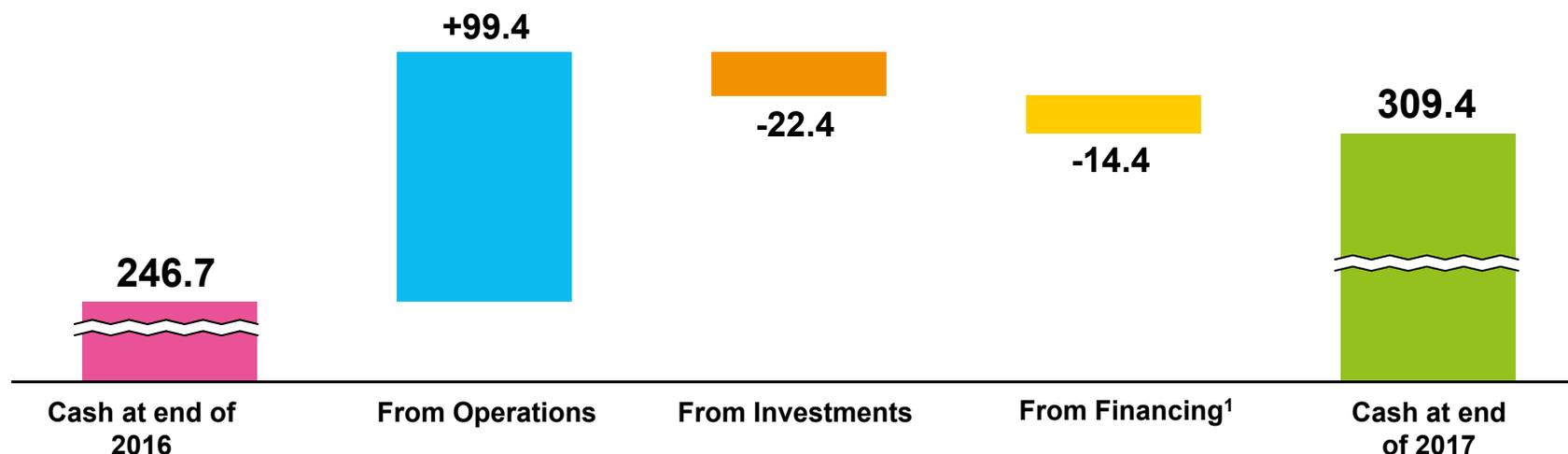
**INCREASE IN THE DIVIDEND FROM CHF 1.75
TO CHF 2.00 PER SHARE TO BE PROPOSED
TO ANNUAL GENERAL MEETING**

DIVIDEND (in CHF / share)	2013	2014	2015	2016	2017
	1.50	1.50	1.75	1.75	2.00*

* To be proposed to the shareholders at the Company's Annual General Meeting on April 17, 2018



FY 2017 Cash Flow



CASH FLOW FROM OPERATIONS OF CHF 99.4M (2016: CHF 118.8M)

- Cash conversion of 18.1% of sales (2016 included reimbursement of development costs by an OEM partner)
- Net working capital increased, mainly due to significantly higher December sales
- Days Sales Outstanding at 50 days (2016: 47 days)
- Includes CHF 24.8m for amortization & depreciation (2016: CHF 20.9m), thereof CHF 3.5m for PPA and CHF 12.6m from capitalized development costs

INVESTMENTS OF CHF 19.5M (2016: CHF 14.0M), THEREOF CHF 10.1M ON CAPITALIZED DEVELOPMENT COSTS

CASH FLOW FROM FINANCING ACTIVITIES INCLUDES DIVIDEND PAYMENTS OF CHF 20.3M

NET LIQUIDITY² INCREASED TO CHF 290.7M (DEC 31, 2016: CHF 242.3M)

¹ Includes translation differences of CHF 0.8m ² Net Liquidity = cash and cash equivalents minus bank liabilities and loans



FY 2017 Key Figures

	2016	2017	Δ IN %
Order Entry (in CHF mio)	503.2	564.1	+12.1%
Sales (in CHF mio)	506.2	548.4	+8.3%
Sales in local currencies (in CHF mio)	507.8	548.4	+8.0%
Gross Profit (in CHF mio)	239.4	265.6	+11.0%
in % of sales	47.3%	48.4%	
R&D (in CHF mio)	47.1	51.1	+8.4%
in % of sales	9.3%	9.3%	
EBIT (in CHF mio)	68.1	80.5	+18.1%
in % of sales	13.5%	14.7%	
EBITDA (in CHF mio)	89.0	105.3	+18.3%
In % of sales	17.6%	19.2%	
Net profit (in CHF mio)	54.5	66.5	+22.0%
in % of sales	10.8%	12.1%	
EPS (in CHF)	4.74	5.73	20.9%
Return on net assets (RONA)	28%	31%	
Net liquidity December 31 ⁽¹⁾ (in CHF mio)	242.3	290.7	+20.0%
Equity (in CHF mio)	487.1	550.3	+13.0%
Cash Flow (operating) (in CHF mio)	118.8	99.4	-16.3%

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



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Company-wide Priorities 2017 and 2018

CONTINUATION OF STRATEGIC PRIORITIES

Operational efficiency

- Realized a MSD million CHF amount of net material cost savings in 2017; same target for 2018
- Continued focus on operational efficiency and high level of innovation output

Partnering Business

- Support further increase in serial production
- Continued significant sales growth in China
- Execution of newly signed development agreements
- Concluding new agreements from healthy pipeline

Life Sciences Business

- Continued major focus on Fluent and Spark platforms
- Fully exploit potential in key application areas
- Leveraging global setup for acquired businesses
- Launch of Fluent Gx for regulated markets

M&A

- Successfully integrated the fourth acquired business
- M&A remains a priority in 2018
- Target list continues to be well filled
- Continue to look for bolt-ons and larger deals

Recurring revenues

- Recurring revenues grew repeatedly with a DD rate to highest level to date (42%)
- Further significant potential to expand existing business
- Continued focus in all business areas



Tecan's newest liquid handler coming soon to a regulated lab near you



Fluent[®] Gx.

Not available in all markets



Successful Integration of Acquired Businesses

COMMITTED TO EXECUTE FURTHER DEALS

PARTNERING BUSINESS

EXPANDING THE PORTFOLIO OF HIGH PRECISION PUMPS

Complimentary pump technologies to meet application-specific needs



- Completed relocation of Pulssar production from Paris to San Jose in less than 1 year
- Pulssar pumps now produced in line with ISO 13485
- Product range integrated into components portfolio, leveraging Tecan's global presence

SAMPLE PREPARATION SOLUTIONS FOR MASS SPECTROMETRY

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



- Smart consumables and dedicated instruments now also offered under new Resolvex™ brand in Europe
- Significantly expanded production capacity of functional consumables (~80% of revenues)
- Development of new Resolvex A200, a compact positive pressure workstation

LIFE SCIENCES BUSINESS



Partner of Choice to the IVD Industry

30+ ACTIVE INSTRUMENT ACCOUNTS, MULTIPLE NEW DEVELOPMENTS IN PROGRESS

IN REGULAR SUPPLY PHASE

INSTRUMENTS RAMPING UP

UNDER DEVELOPMENT

INSTRUMENT PIPELINE

35+ different instruments supplied

- From leading diagnostics companies, segment specialists to emerging players

Examples:



m2000sp for Abbott Molecular



Procleix Xpress for Grifols



ORTHO VISION® Analyzer and ORTHO VISION® Max Analyzer for Ortho Clinical Diagnostics



Natch S for Sansure



Qwalys® 3 for Diagast



Dako Omnis for Agilent Technologies



Sgx Clarity™ for Singulex



BD PrepStain™ Slide Processor for BD



Autrax for Liferiver



QUANTA Lyser® 3000 for Inova Diagnostics



Amplidiag® Easy for Mobidiag

5+ projects under development

- From smaller to large potential

Examples:



New nucleic acid extraction platform in MDx for DiaSorin



New sample preparation platform in flow cytometry for Sysmex Corporation

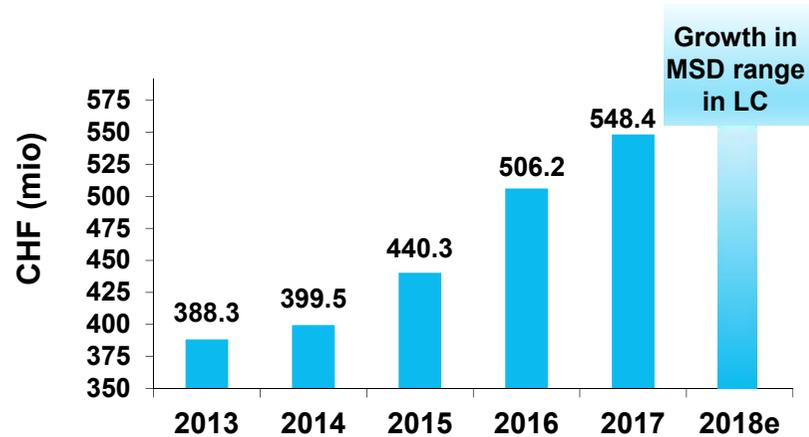
25+ concrete concepts in discussions

- New technologies transitioning into IVD
- Richest project funnel to date; Asia contribution significant
- Majority in MDx and other fast growing applications
- Leveraging broad portfolio of modular platforms, consumables plus company-wide application & service expertise



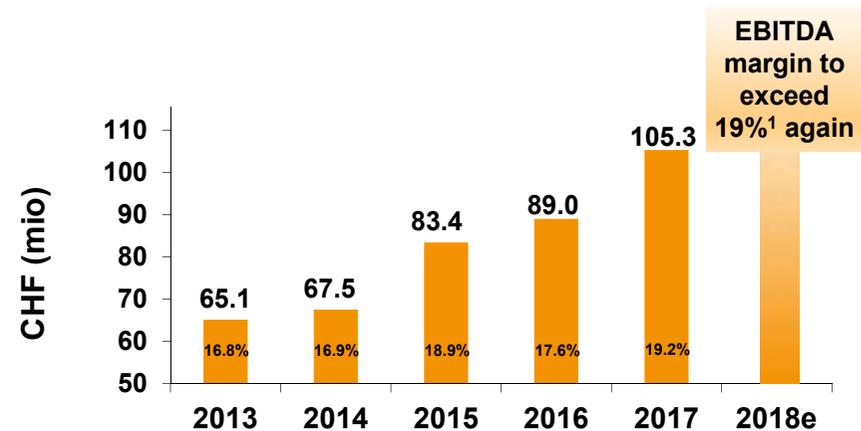
Outlook for 2018

SALES DEVELOPMENT



- Forecast for organic growth in local currencies in the mid-single-digit percentage range
- Potential acquisitions not taken into account
- 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)



- After significant margin increase in 2017, a further year of EBITDA margin of more than 19% of sales expected
- Including integration costs in a low single-digit million CHF amount for already completed acquisitions
- Also beyond 2018, committed to drive underlying profitability higher together with organic sales growth

¹ Based on average FX rates of: 1.15 EUR/CHF and 0.96 USD/CHF



Q&A



IR IPAD APP

News, financial reports,
presentations,
videos and more



NEXT EVENT 2018

April 17: Annual Shareholder Meeting

August 16: Half Year Results 2018

CONTACT

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Empowered

with

Tecan.



