



Zurich, August 16 2018

Half Year Results 2018

ANALYST & MEDIA CONFERENCE CALL



Speakers

Dr. David Martyr, CEO

Dr. Rudolf Eugster, CFO



Agenda



INTRODUCTION

FINANCIAL RESULTS

UPDATE AND OUTLOOK

QUESTIONS AND ANSWERS

Financial Highlights H1 2018

- Strong sales growth +8.4% and +6.9% LC*; almost exclusively organic
- Double-digit sales growth of +16.1% in LC in Partnering Business
- Total recurring revenues at 45% of sales
- Operating profit with significant increase: EBIT +26%, EBITDA +16%
- Net profit also growing at a double-digit percentage rate (+12%)

* LC = local currencies



New Fluent® Gx



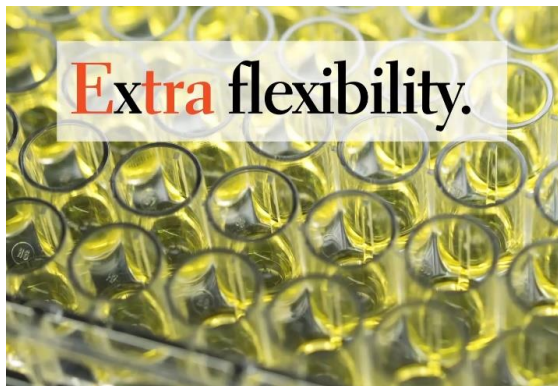
Resolvex™ A200 and consumables for
LCMS sample prep



Cavro® Omni Flex, basis for OEM instruments

Operating Highlights H1 2018

- Market launch of Fluent® Gx platform variant for regulated markets
 - Successful registration as a Class I medical device in the US
 - Strong demand leading to sharp rise in order backlog in the Life Sciences Business
 - Prestigious customers ordering multiple instruments at once
- Considerable progress with development projects in the Partnering Business
 - More than five projects currently in the development phase; sales potential ranges from single-digit to clear double-digit million amounts in Swiss francs per year
 - First market launches are expected within the next six months

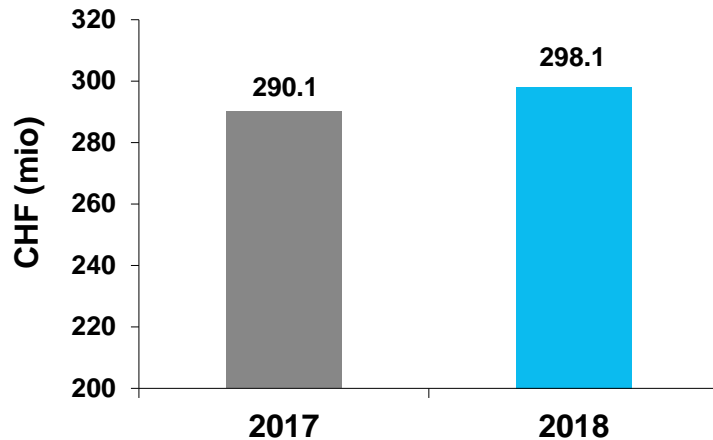


Fluent Gx brings advantages of Fluent to regulated environments

QUESTIONS AND ANSWERS

H1 2018 Order Entry and Sales Performance

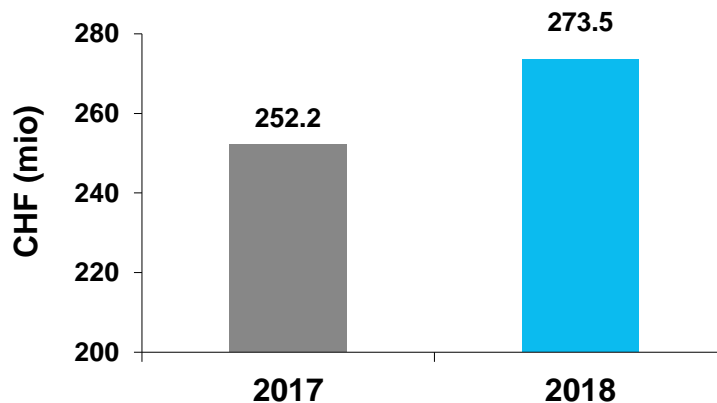
ORDER ENTRY H1 2018



ORDER ENTRY H1 2018 VS. H1 2017

- +2.8% in CHF, +1.3% in LC
- Substantially exceeding sales in CHF (book-to-bill ratio of 1.09)
- H1 2017 influenced by timing of several large orders in Partnering Business
- Order backlog in Life Sciences Business with double-digit % increase

SALES H1 2018

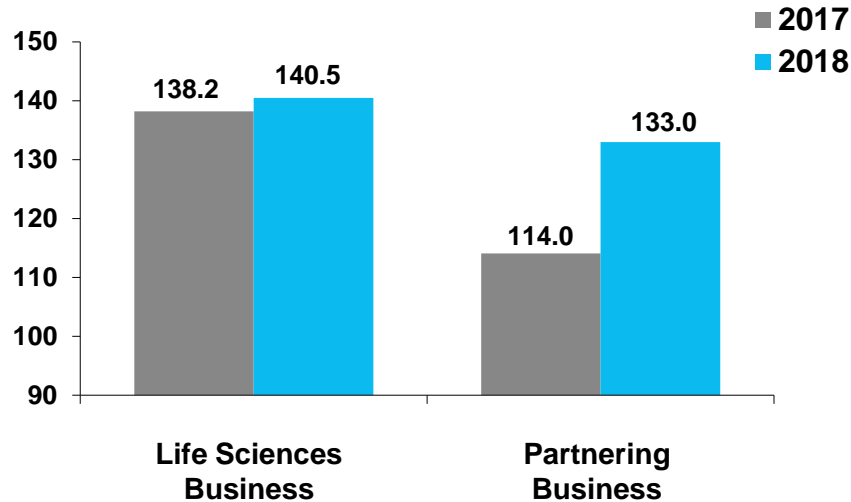


SALES H1 2018 VS. H1 2017

- +8.4% in CHF, +6.9% in LC
- Driven by double-digit increase in the Partnering Business
- Almost exclusively from organic growth

H1 2018 Segment Sales

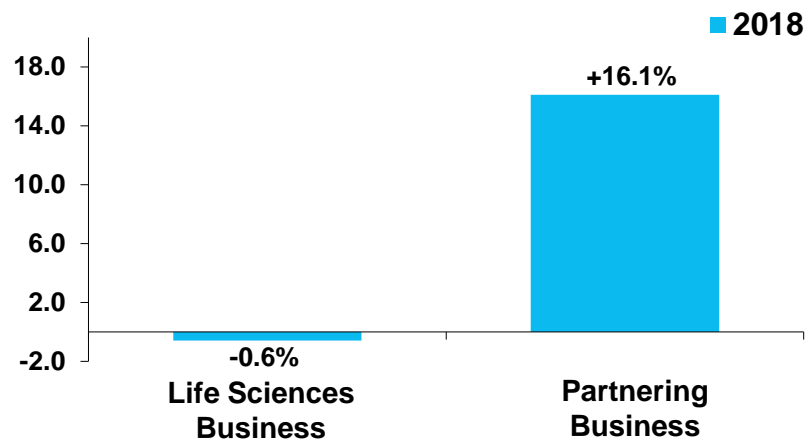
SALES (IN CHF MILLIONS)



LIFE SCIENCES BUSINESS:

- Sales up by 1.7% in CHF and down by -0.6% in LC
- Following growth of 18.2% in LC in H1 2017
- Strong demand for new Fluent Gx platform contributing significantly to sharp rise in order backlog

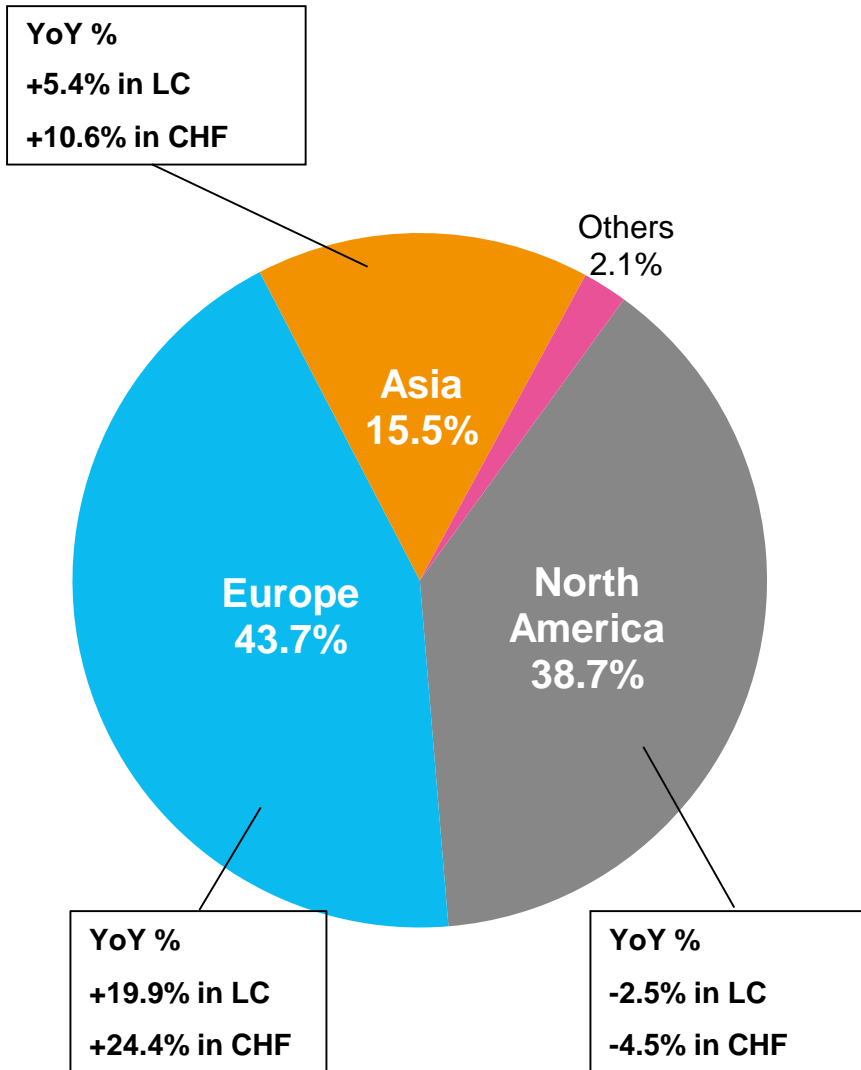
SALES IN LOCAL CURRENCY (CHANGE IN %)



PARTNERING BUSINESS:

- Sales increased by 16.6% in CHF and 16.1% in LC
- Continued strong growth from existing instrument platforms and the consumables business

H1 2018 Regional Sales Development



EUROPE:

- Partnering Business growing 40%; unusually low base in prior-year period
- Life Sciences Business benefited from stronger euro; stable against high base of H1 2017 in LC

NORTH AMERICA:

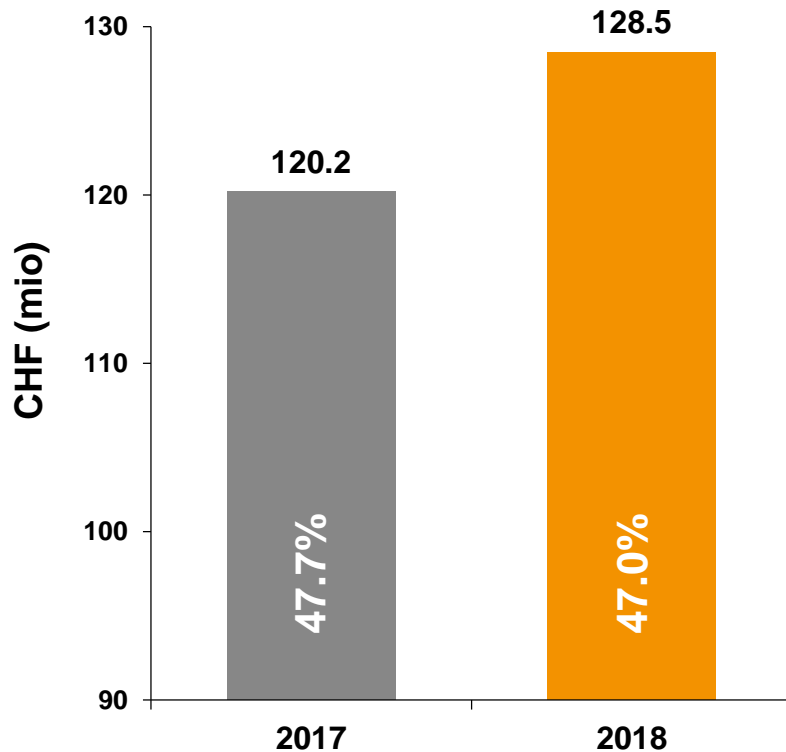
- Development mainly due to the unusually high comparative basis of the prior-year period
- Strong demand and orders for Fluent and Fluent Gx in Life Sciences Business and components in Partnering Business

ASIA:

- Both segments with good growth in all of the region's key national markets

H1 2018 Gross Profit

GROSS PROFIT (% = % OF SALES)



GROSS PROFIT INCREASED TO CHF 128.5M

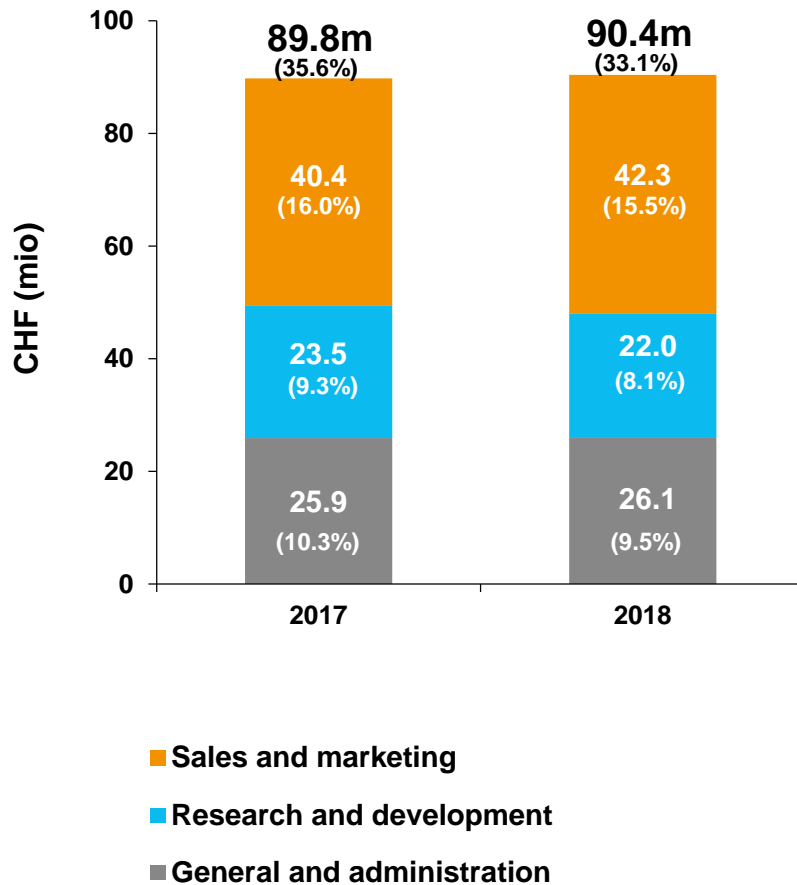
- CHF 8.3m or 6.9% above H1 2017

GROSS PROFIT MARGIN DOWN BY 70BPS

- Main effects contributing:
 - (-) Exchange rate impact (cost in euro > sales in euro)
 - (-) Divisional mix with higher revenue share from Partnering Business
 - (+) Material cost savings

H1 2018 Cost Structure

OPERATING EXPENSES (% = % OF SALES)

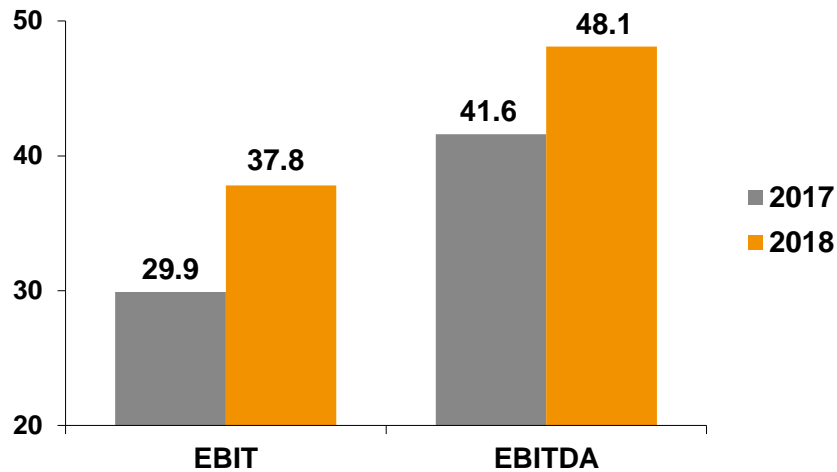


OPERATING EXPENSES GREW LESS THAN SALES

- Operating expenses down by 250 bps
- Sales & Marketing increased less than sales despite continued investments in market units
- R&D increased less than sales
 - More gross R&D, including higher engineering income for OEM partners and capitalized R&D
 - Less amortization of capitalized R&D
- G&A increased less than sales; mainly volume effect

H1 2018 EBIT and EBITDA

EBIT AND EBITDA (IN CHF MILLIONS)



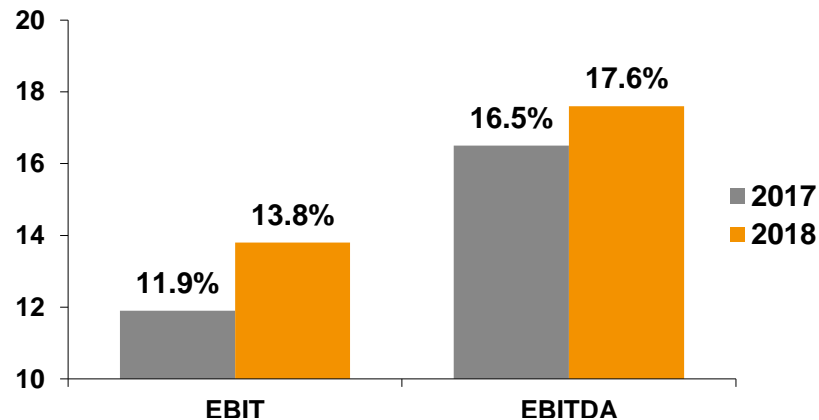
EBIT INCREASED TO CHF 37.8M

- 7.9m or 26.3% above H1 2017

EBITDA GREW TO CHF 48.1M

- CHF 6.5m or 15.5% above H1 2017

EBIT AND EBITDA MARGIN (% = % OF SALES)



EBIT MARGIN AT 13.8%, UP BY 190 BPS

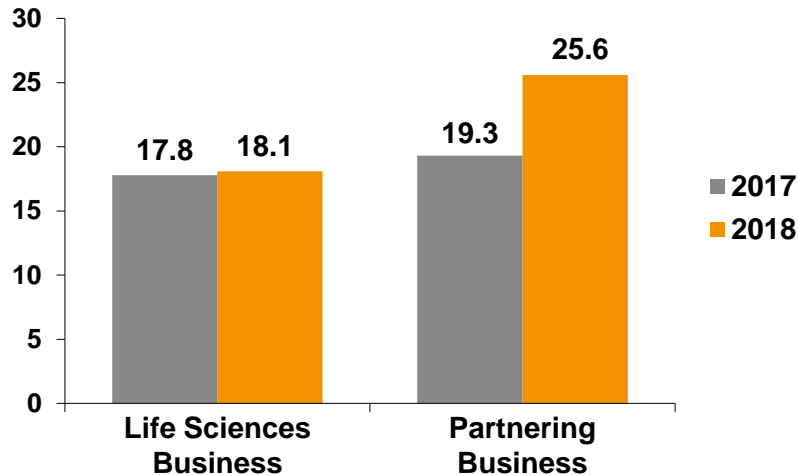
- At H1 2017 constant exchange rates EBIT margin reached 14.7% of sales

EBITDA MARGIN REACHED 17.6%

- Improvement of 110 bps
 - Driven by positive volume effects
 - Lower acquisition-related integration costs
 - Efficiency improvements in procurement and production

H1 2018 Segment Profitability

EBIT (IN CHF MILLIONS)



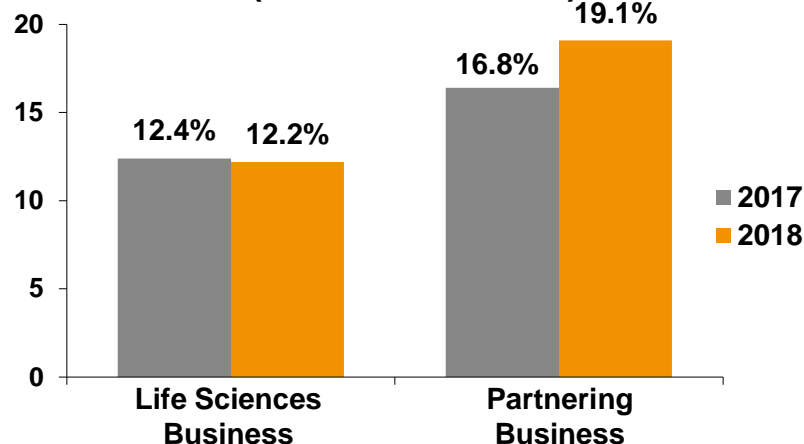
LIFE SCIENCES BUSINESS:

- EBIT margin at 12.2%
- Factors contributing include:
 - (-) Exchange rate impact
 - (+) Lower OPEX
 - (+) Efficiency gains

PARTNERING BUSINESS:

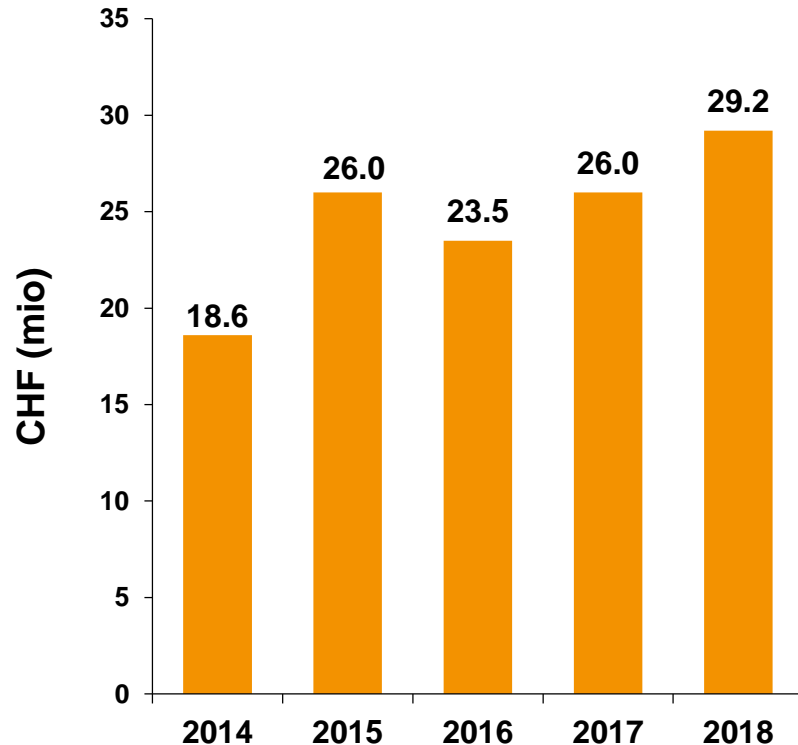
- EBIT margin increased to 19.1%
- Factors contributing include:
 - (+) Volume effect
 - (+) Lower acquisition-related integration costs
 - (-) More engineering income

EBIT MARGIN (% = % OF SALES)



H1 2018 Net Profit

NET PROFIT



NET PROFIT GREW FASTER THAN SALES

- CHF 3.1m or 12.1% above H1 2017

NET PROFIT MARGIN +40 BPS TO 10.7%

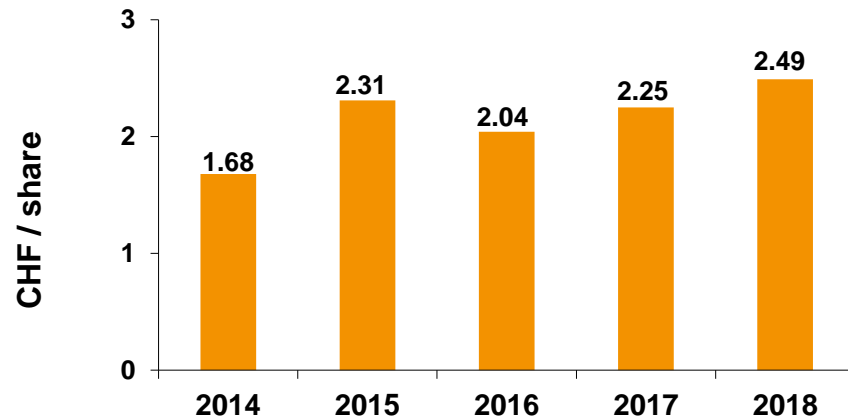
EBIT INCREASE OF CHF 7.9M

BELOW EBIT LINE

- (-) CHF 4.6m lower financial result
- (+) Lower tax rate of 16.1% (H1 2017: 17.2%)

H1 2018 Basic Earnings per Share

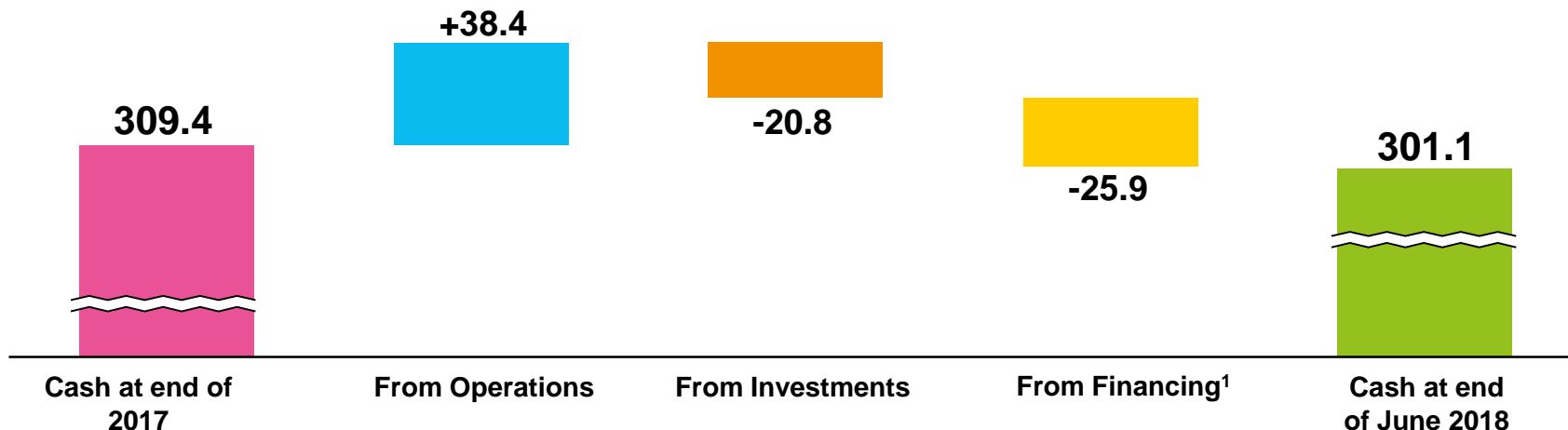
BASIC EARNINGS PER SHARE



**EARNINGS PER SHARE INCREASED TO
CHF 2.49**

**AVERAGE NUMBER OF SHARES
OUTSTANDING: 11.7M (H1 2017: 11.6M)**

H1 2018 Cash Flow



CASH FLOW FROM OPERATIONS UP BY 21% TO CHF 38.4M (H1 2017: CHF 31.7M)

- Cash conversion of 14.0% of sales
- Days Sales Outstanding increased to 55 days (H1 2017: 50 days)
- Includes CHF 10.3m for amortization & depreciation (H1 2017: CHF 11.7m), thereof CHF 5.2m on capitalized development costs (incl. PPA)

INVESTMENTS OF CHF 20.8M (H1 2017: CHF 12.3M) , THEREOF CHF 6.7M ON CAPITALIZED DEVELOPMENT COSTS AND AN EQUITY INVESTMENT OF CHF 4.0M

CASH FLOW FROM FINANCING ACTIVITIES INCLUDES DIVIDEND PAYMENTS OF CHF 23.5M

NET LIQUIDITY² DECREASED TO CHF 284.1M (DEC 31, 2017: CHF 290.7M)

¹ Includes translation differences of -0.16m

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

H1 2018 Key Figures

	2017	2018	Δ IN %
Order Entry (in CHF mio)	290.1	298.1	+2.8%
Sales (in CHF mio)	252.2	273.5	+8.4%
Sales in local currencies (in CHF mio)	255.9	273.5	+6.9%
Gross Profit (in CHF mio)	120.2	128.5	+6.9%
in % of sales	47.7%	47.0%	
R&D (in CHF mio)	23.5	22.0	-6.3%
in % of sales	9.3%	8.1%	
EBIT (in CHF mio)	29.9	37.8	+26.3%
in % of sales	11.9%	13.8%	
EBITDA (in CHF mio)	41.6	48.1	+15.5%
In % of sales	16.5%	17.6%	
Net profit (in CHF mio)	26.0	29.2	+12.1%
in % of sales	10.3%	10.7%	
EPS (in CHF)	2.25	2.49	+10.7%
Return on net assets (RONA)	22%	28%	
Net liquidity ^{(1) (2)} (in CHF mio)	290.7	284.1	-2.3%
Equity (in CHF mio)	504.2	572.0	+13.4%
Cash Flow (operating) (in CHF mio)	31.7	38.4	+21.0%

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

(2) 2017 figure as of Dec. 31, 2017

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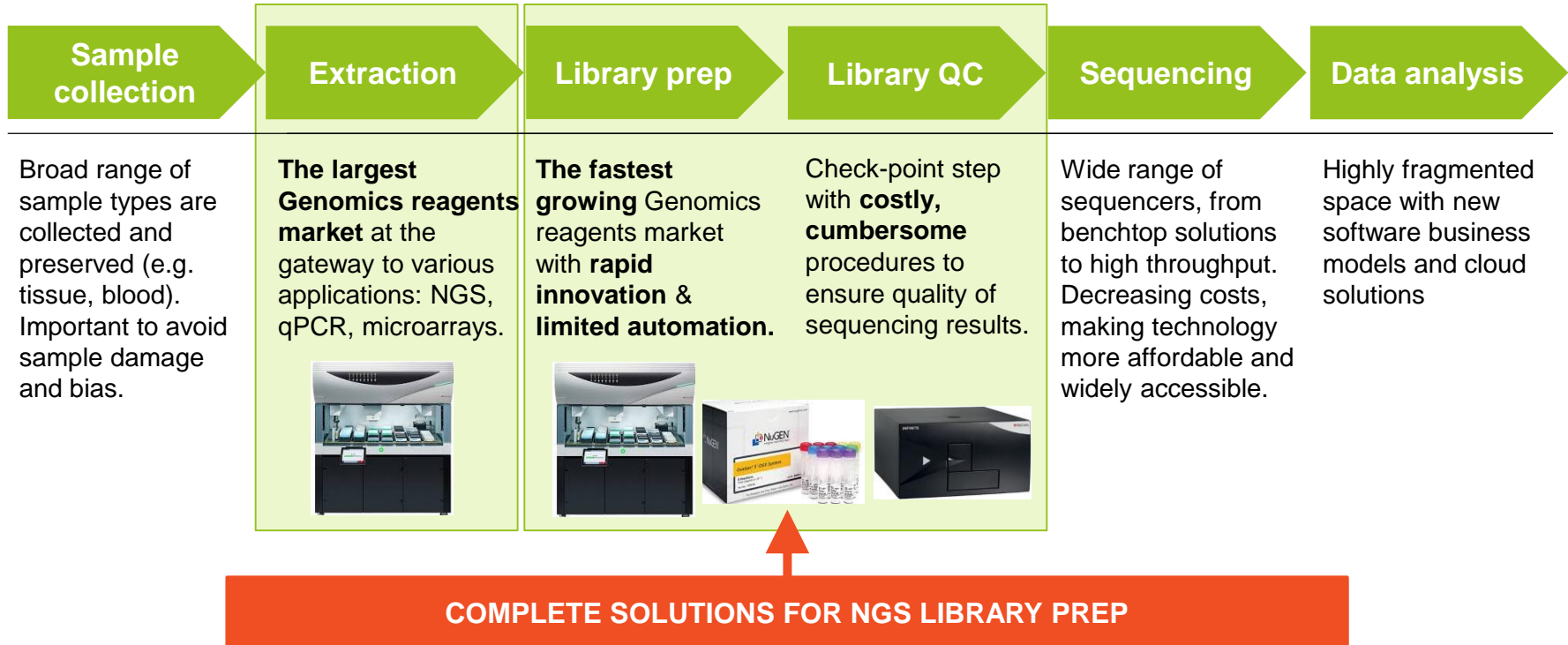
Accelerating Broad Genomics Strategy with Acquisition of NuGEN Technologies

- Tecan further expanding dedicated solution offering in new market segment of NGS reagents
- US-based NuGEN is a leading provider of innovative NGS kits and sample prep reagents, serving the fastest growing field within genomics
- Consideration of USD 54.5m (CHF 54.0m); less than 4x FY 2018e sales of Nitro
- NuGEN's sales anticipated to triple by 2023
- Total contribution of more than CHF 75m expected from broad genomics strategy by 2023, incl. NuGEN and new workstations already under development
- Transaction expected to become accretive for 2022
- Closing of transaction anticipated within the coming weeks



NGS Workflows are Composed of Multiple Steps

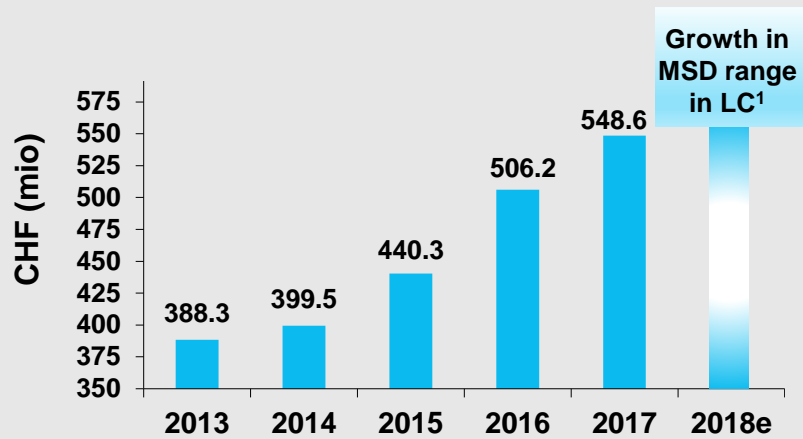
THEY REPRESENT ABOUT HALF OF THE OVERALL USD 12BN GENOMICS MARKET



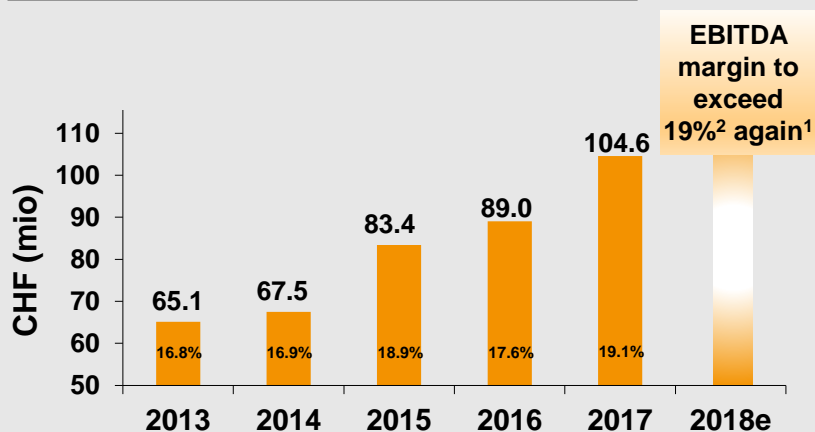
- 1 Combine leading automation, existing and under development, with innovative NGS reagents into dedicated solutions for NGS library preparation incl. QC
- 2 Overlapping customer base; cross-leverage commercial capabilities and ensure complete application and automation support
- 3 Leverage Tecan's geographic reach and market position in genomics automation to sell NuGEN's products globally with expanding sales capabilities in key regions

Organic Outlook for 2018 Confirmed

SALES DEVELOPMENT



OPERATING PROFIT (EBITDA)



¹ Excluding NuGEN ² Based on average FX rates of: 1.15 EUR/CHF and 0.96 USD/CHF

ORGANIC OUTLOOK¹ FOR 2018

- Confirming organic outlook for 2018 given in March
- Organic sales growth in the mid-single-digit percentage range in LC expected
- 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

CONSOLIDATION IMPACT 2018 FROM NUGEN

- Financial impact for FY 2018 depends on exact timing of closing of the transaction
- Additional sales in a low single-digit million CHF amount expected
- Impact of initial integration costs and moderate loss from operations expected to lower communicated EBITDA margin outlook by around 50 to 75 bps

Q&A



IR IPAD APP

News, financial reports,
presentations,
videos and more



NEXT EVENTS 2019

March 14: Full Year Results 2018

April 16: Annual Shareholder Meeting

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