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Press Release

Ad hoc announcement pursuant to Article 53 of the SIX Exchange Regulation Listing Rules

H1 2021: Tecan reports substantial double-digit growth in sales and more than a doubling in net profit – on top of an already strong performance in the prior-year period

Financial results for the first half of 2021

- **Order entry increased to CHF 449.6 million (H1 2020: CHF 374.0 million)**
  - **Increase of 20.9% in local currencies or 20.2% in Swiss francs**
- **Sales of CHF 454.0 million (H1 2020: CHF 310.0 million)**
  - **Growth of 47.5% in local currencies or 46.5% in Swiss francs**
  - **Both business segments with similar growth rates**
- **Reported operating profit before depreciation and amortization (EBITDA) of CHF 115.0 million (H1 2020: CHF 60.2 million)**
  - **Reported EBITDA margin of 25.3% (H1 2020: 19.4%)**
- **Reported net profit of CHF 82.6 million (H1 2020: CHF 36.0 million)**
  - **Reported earnings per share increased by 127.8% to CHF 6.88 (H1 2020: CHF 3.02)**
- **Outlook for organic full-year sales and reported EBITDA margin raised**

Operating highlights in the first half of 2021

- **Launch of new variants of the Fluent® Automation Workstation to solve specific needs in key research and diagnostic applications**
- **Introduced important new reagent and digital offerings**
- **Tecan one of the first companies to meet the new requirements of the European Union's In Vitro Diagnostic Regulation (IVDR), successfully completing first product certification**
- **Tecan ranked among Switzerland's Best Large Workplaces™ by Great Place to Work® Switzerland**
- **Tecan expands its commercial reach, its capabilities and its US and Asia presence with the acquisition of Paramit Corporation (completed on August 2, 2021)**

Männedorf, Switzerland, August 18, 2021 – The Tecan Group (SIX Swiss Exchange: TECN) posted a substantial double-digit increase in sales and more than a doubling in net profit in the first half of 2021. This builds on an already strong performance in the prior-year period.

Tecan CEO Dr. Achim von Leoprechting commented: "Tecan achieved outstanding sales and profit growth in the first half of the year, and I am incredibly proud of our employees, who support our customers with great commitment and passion. We still saw a strong sales contribution from product lines helping with the global response to COVID-19. However, in terms of order entry, this was outpaced by demand for products for other research and clinical applications. In particular, we are seeing strong momentum in automation systems as customers – in a reaction to the pandemic – seem to be placing more emphasis on keeping labs operational also in a hybrid working model with fewer personnel. This new aspect complements productivity and reproducibility, the traditional main advantages and value propositions of automation.

With the acquisition of Paramit Corporation successfully closed early August 2021, we look forward to working alongside our new colleagues at Paramit to scale innovation from research and diagnostics now all the way to the clinic."

Financial results for the first half of 2021

Order entry increased by 20.9% in local currencies or 20.2% in Swiss francs to CHF 449.6 million in the first six months of the year (H1 2020: CHF 374.0 million). The company continued to see strong order entry for consumables to support the global fight against the coronavirus pandemic and, as expected, to a lesser extent for new instruments used for COVID-19 testing. In contrast to the two previous 6-month reporting periods, orders for products for other research and clinical applications were at a significantly higher level and exceeded pandemic-related orders.

Sales climbed by 47.5% in local currencies or 46.5% in Swiss francs to CHF 454.0 million in the first half of the year (H1 2020: CHF 310.0 million). Based on the high order backlog at year-end 2020 and new orders, Tecan continued to book significant pandemic-related sales for instruments, components and consumables. As with order entry, sales in the first half of 2021 also benefited significantly from a recovery and a more positive market environment in areas that were negatively impacted by the pandemic, such as life science research, pharma and non-COVID-19 diagnostic testing. Both business segments contributed almost equally to the overall sales growth in the first six months of the year.
Recurring sales of services, consumables and reagents increased in the first half of 2021 by 37.6% in local currencies and 35.4% in Swiss francs. With even higher growth rates for instruments, recurring sales accounted for 43.1% of total sales compared to 46.6% in the same period last year.

The reported operating profit before depreciation and amortization (earnings before interest, taxes, depreciation and amortization; EBITDA) rose to CHF 115.0 million in the reporting period (H1 2020: CHF 60.2 million). With an increase of 91.1%, reported EBITDA grew significantly faster than sales, mainly driven by benefits of scale due to the significantly increased volumes and a favorable product mix of instruments as well as a higher contribution from consumables and spare parts. The results development was also helped by a one-time positive effect from an adjustment of the Swiss pension plan (CHF 7.0 million). However, the company is assessing alternative pension schemes that could require a reversal of this gain in the second half of the year.

The reported EBITDA margin grew correspondingly by 590 basis points to 25.3% of sales (H1 2020: 19.4%).

Reported net profit in the first half of 2021 more than doubled to CHF 82.6 million (H1 2020: CHF 36.0 million). Reported net profit increased in line with operating profit (earnings before interest and taxes; EBIT). The reported net profit margin amounted to 18.2% of sales (H1 2020: 11.6%), while basic earnings per share rose to CHF 6.88 (H1 2020: CHF 3.02).

Cash flow from operating activities increased by 34.5% to CHF 111.4 million in the first half of 2021 (H1 2020: CHF 82.8 million), corresponding to 24.5% of sales (H1 2020: 26.7%).

Information by business segment

Life Sciences Business (end-customer business)

Sales in the Life Sciences Business increased by 47.8% to CHF 250.4 million (H1 2020: CHF 169.4 million) in the first half of the year and were 49.5% above the prior-year period in local currencies. Based on the high order backlog at year-end 2020, the Life Sciences Business continued to see a strong revenue contribution from products supporting the COVID-19 response, mainly liquid handling and automation workstations and associated disposable pipette tips. Segment sales in the first half of 2021 also benefited significantly from a recovery in areas that were negatively impacted by the pandemic, including liquid handling and automation workstations for various life science research applications, detection instruments and research reagents for next-generation sequencing (NGS).

Order entry in the Life Sciences Business grew with a strong double-digit rate in the first half of the year. The increase in order entry was mainly driven by strong momentum in automation systems for a wide variety of applications, detection instruments as well as continued substantial demand for consumables used for COVID-19 testing.

Reported operating profit in this segment (earnings before interest and taxes; EBIT) rose by 180.9% to CHF 63.1 million (H1 2020: CHF 22.5 million). The operating profit margin increased to 22.8% of sales (H1 2020: 12.6%). This positive performance is primarily a result of sales growth as well as a strong margin contribution from the consumables business.

Partnering Business (OEM business)

The Partnering Business generated sales of CHF 203.7 million in the period under review (H1 2020: CHF 140.6 million), which corresponds to an increase of 44.8% in Swiss francs and 45.1% in local currencies. Similar patterns to the Life Sciences Business were observed in the Partnering Business, with automation platforms, OEM components and disposable pipette tips supporting COVID-19 testing contributing strongly to sales as orders were converted from the high backlog into sales. Sales to customers in other areas of in-vitro diagnostics, which were negatively affected during the pandemic, also showed positive momentum again.

With the shift in order entry from COVID-driven applications to non-infectious disease customers, order entry in the Partnering Business also grew at a strong double-digit rate.
Operating profit in this segment (earnings before interest and taxes; EBIT) increased by 86.9% to CHF 49.2 million (H1 2020: CHF 26.3 million), while the operating profit margin grew to 24.0% of sales (H1 2020: 18.6%). Main drivers for the increase in profitability were benefits of scale due to the significantly higher volumes and a favorable product mix.

Additional information

Regional development

In Europe, Tecan's sales in the first six months of 2021 increased by 36.1% in local currencies and by 38.3% in Swiss francs. Both business segments grew with a double-digit rate, the Partnering Business with 13.4% in local currencies and the Life Sciences Business with 59.0%.

In North America, sales rose by 69.4% in local currencies and by 62.0% in Swiss francs. The Life Sciences Business increased sales in the first six months of 2021 by 61.1% in local currencies. In the Partnering Business sales rose by 80.8%, despite the high comparative basis from the prior-year period.

In Asia, Tecan generated an increase in sales of 30.9% in local currencies and 33.7% in Swiss francs. Both segments contributed to the sales growth in the region with double-digit rates, the Life Sciences Business with growth in local currencies of 8.6% and the Partnering Business with 59.7%. In the first half of this year, the Chinese market environment returned to normal levels. Business in China had already benefited significantly from pandemic-related sales growth in the prior-year period. Tecan continued to record solid sales growth in the first half of 2021, although this was lower than in the Asia region as a whole due to the high comparison base.

Operating highlights in the first half of 2021

To further drive its application-focused strategy, Tecan continued to launch new variants of the leading Fluent Automation Workstation for key research and diagnostic applications. The Fluent Mix and Pierce Workstation provides end-to-end automation for whole blood pipetting in clinical environments. This newly developed instrument configuration is intended to standardize pre-analytical sample handling and mixing for consistent and scalable blood sampling and reduces the risk of laboratory staff coming into contact with infectious materials. Another example is the Frida Reader™ for Fluent that was launched earlier this year. It offers researchers the ability to quantify nucleic acids without sample loss. This unique solution performs UV absorbance-based quantification and purity assessment in a hanging drop, avoiding the consumption of rare and precious samples following nucleic acid purification (NAP).

Tecan also introduced new important reagent and digital offerings. New reagent kits for example enable end-to-end processing of human samples to allow complete viral RNA-Seq library preparation in a single day. New offerings in Tecan's growing digital ecosystem include the development of a fully integrated, sample-to-result solution for PCR workflows together with laboratory software specialist UgenTec and the FluentControl Scheduler for the Fluent Automation Workstation. The FluentControl Scheduler is a new software that offers a number of features designed to simplify day-to-day laboratory automation for significantly increased throughput and workflow efficiency, streamlining workflows for laboratories that run various assays and processes in parallel.

At the beginning of the year, Tecan has become one of the first companies to meet the requirements of the European Union's In Vitro Diagnostic Regulation (IVDR) 2017/746 (Annex IX, Chapter I and III), successfully completing certification of its IBL International DHEA Saliva ELISA diagnostic assay kit through BSI Notified Body 2797. The valuable insights gained from this process will now be applied to the registration of Tecan's complete portfolio of specialty IVD products – as well as to help its OEM partners ensure they are 'IVDR ready' – ahead of the May 2022 transition deadline. The new IVDR represents a major regulatory overhaul, requiring reclassification and certification of all EU-registered IVD assays and devices.

Tecan firmly believes that a trust-based, purpose-driven, diverse and inclusive workplace culture makes a crucial difference in helping the company to become an even more successful business in the long term. In order to continue to improve in a targeted manner, for the first time in 2020 Tecan conducted the TrustIndex™ employee survey by the international research and consulting company Great Place to Work®. As a result of this survey and an additional in-depth Culture Audit™, Tecan has been officially certified as a Great Place to Work in January. Moreover, Tecan was ranked one of Switzerland's Best Workplaces in the Large Company category (more than 250 employees) in May.

Acquisition of Paramit Corporation

On June 23, Tecan announced that it had entered into a definitive agreement to acquire US-based Paramit Corporation and its affiliates ("Paramit") for a total purchase consideration of USD 1.0 billion (CHF 920 million). Paramit, headquartered in Morgan Hill (CA), US, is a leading OEM developer and manufacturer of medical devices and life sciences instruments. With the addition of approximately USD 300 million in revenues (CHF 276 million) expected in 2022, the acquisition will further extend Tecan's position in solutions for life sciences and in-vitro diagnostics (IVD). It will also add a new business vertical in the attractive and fast-growing market for medical devices. The acquisition will bring significant engineering as well as cost-competitive manufacturing capabilities, both in North America and in the APAC region. Equipped with proprietary computer-directed

assembly technology, these facilities deliver ultra-flexible production planning, while reducing the potential for errors ("zero-defect manufacturing").
The acquisition of Paramit was successfully completed on August 2, 2021.

Strong balance sheet – high equity ratio

Tecan's equity ratio was 69.6% as of June 30, 2021 (December 31, 2020: 66.2%). Net liquidity (cash and cash equivalents plus short-term time deposits minus bank liabilities and loans) increased to CHF 534.4 million (June 30, 2020: CHF 354.0 million; December 31, 2020: CHF 467.7 million).
At the Tecan Group Annual General Meeting on April 13, 2021, shareholders approved an increase in the dividend from CHF 2.20 to CHF 2.30 per registered share. Half of the dividend, i.e., CHF 1.15, was paid out from the available capital contribution reserve and was therefore not subject to withholding tax.

Organic outlook for full-year 2021 raised

Based on the positive business performance in the first six months of 2021, as well as on the continued high order backlog and the anticipated demand in the second half of the year, Tecan raised its organic outlook for full-year 2021. Tecan continues to benefit from exceptional demand for COVID-19 related products and demand trends for these products remain subject to greater uncertainty.

Tecan now forecasts organic sales growth for full-year 2021 to be in the low to mid-teens percentage range in local currencies (previously "mid single-digit to mid-teens percentage range").

At the same time, excluding acquisition-related effects, Tecan now expects a reported EBITDA margin in fiscal year 2021 of at least 23% of sales (previously "at least at the 2020 level of 21.8% of sales").

The expectations regarding profitability are based on an average exchange rate forecast for full year 2021 of one euro equaling CHF 1.08 (unchanged) and one US dollar equaling CHF 0.90 (unchanged).

Impact of the acquisition of Paramit Corporation on Tecan's 2021 financial results

The acquisition of Paramit Corporation was successfully completed and from August 1, 2021, Paramit will be included in the consolidated financial statements of the Tecan Group as a part of the Partnering Business segment.

Tecan expects that Paramit will generate additional sales of around CHF 100 million and an additional EBITDA, before acquisition-related costs, of about CHF 18 million in the five months of August to December 2021.

Initial integration and transaction costs (including hedging costs and various fees) are expected to amount to approximately CHF 20 million in 2021.

Financial Report and Webcast

The full 2021 Interim Report can be accessed on the company's website www.tecan.com under Investor Relations.

Tecan will hold a conference call to discuss the results in the first half of 2021 today at 9:00 a.m. (CEST). The presentation will also be relayed by live audio webcast, which interested parties can access at www.tecan.com. A link to the webcast will be provided immediately prior to the event.

The dial-in numbers for the conference call are as follows:
For participants from Europe: +41 (0)58 310 50 00 or +44 (0)207 107 0613 (UK)
For participants from the US: +1 (1) 631 570 5613
Participants should if possible dial in 15 minutes before the start of the event.

Key upcoming dates

- The 2021 Annual Report will be published on March 15, 2022.
- The Annual General Meeting of Tecan's shareholders will take place on April 12, 2022.

About Tecan
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 automation 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. In 2020, Tecan generated sales of CHF 731 million (USD 778 million; EUR 683 million). Registered shares of Tecan Group are traded on the SIX Swiss Exchange (TECN; ISIN CH0012100191).

For further information:

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Tecan Group – Financial reporting
Interim consolidated financial statements as of June 30, 2021
(Key figures, unaudited)

Consolidated statement of profit or loss

January to June, CHF 1'000	2020	2021	△ in %
Sales	**310'004**	**454'043**	**46.5%**
Cost of sales	(163'900)	(229'544)	40.1%
Gross profit	**146'104**	**224'499**	**53.7%**
In % of sales	*47.1%*	*49.4%*	
Sales and marketing	(48'593)	(52'721)	8.5%
Research and development	(25'322)	(31'114)	22.9%
General and administration	(29'560)	(44'408)	50.2%
Other operating income	247	1'556	530.0%
Other operating expenses	(252)	(20)	-92.1%
Operating profit	**42'624**	**97'792**	**129.4%**
In % of sales	*13.7%*	*21.5%*	
Financial result	(1'290)	(2'761)	114.0%
Profit before taxes	**41'334**	**95'031**	**129.9%**
Income taxes	(5'296)	(12'468)	135.4%
Profit for the period	**36'038**	**82'563**	**129.1%**
In % of sales	*11.6%*	*18.2%*	

EBITDA	**60'166**	**114'987**	**91.1%**
In % of sales	*19.4%*	*25.3%*	

Basic earnings per share (CHF/share)	**3.02**	**6.88**	**127.8%**
Diluted earnings per share (CHF/share)	**3.01**	**6.85**	**127.6%**

Order entry

January to June, CHF 1'000	2020	2021	△ in % (CHF)	△ in % (LC)
Order entry	**374'048**	**449'578**	**20.2%**	**20.9%**

Segment information by business segments

Sales to third parties

January to June, CHF 1'000	2020	2021	△ in % (CHF)	△ in % (LC)
Life Sciences Business	169’361	250’374	47.8%	49.5%
Partnering Business	140’643	203’669	44.8%	45.1%
Total sales	**310’004**	**454’043**	**46.5%**	**47.5%**

Segment information

January to June, CHF 1'000	Life Sciences Business 2020	Life Sciences Business 2021	Partnering Business 2020	Partnering Business 2021	Corporate / Consolidation 2020	Corporate / Consolidation 2021	Total 2020	Total 2021
Sales to third parties	169’361	250’374	140’643	203’669	-	-	310’004	454’043
Intersegment sales	9’379	26’943	745	862	(10’124)	(27’805)	-	-
Total sales	**178’740**	**277’317**	**141’388**	**204’531**	(10’124)	(27’805)	**310’004**	**454’043**
Operating profit	**22’466**	**63’112**	**26’316**	**49’189**	(6’158)	(14’509)	**42’624**	**97’792**
In % of sales	*12.6%*	*22.8%*	*18.6%*	*24.0%*			*13.7%*	*21.5%*

Sales by regions (by location of customers)

January to June, CHF 1'000	Life Sciences Business 2020	Life Sciences Business 2021	Partnering Business 2020	Partnering Business 2021	Total 2020	Total 2021	△ in % (CHF)	△ in % (LC)
Europe	61’739	101’010	63’843	72’674	125’582	173’684	38.3%	36.1%
North America	72’425	109’718	51’437	90’909	123’862	200’627	62.0%	69.4%
Asia	31’014	34’293	23’981	39’254	54’995	73’547	33.7%	30.9%
Others	4’183	5’353	1’382	832	5’565	6’185	11.1%	9.4%
Total sales	**169’361**	**250’374**	**140’643**	**203’669**	**310’004**	**454’043**	**46.5%**	**47.5%**

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Consolidated balance sheet

CHF 1'000	31.12.2020	30.06.2021	△ in %
Assets			
Current assets	777’986	841’356	8.1%
Non-current assets	330’641	336’755	1.8%
Assets	**1’108’627**	**1’178’111**	**6.3%**
Liabilities and equity			
Current liabilities	225’018	233’703	3.9%
Non-current liabilities	149’958	124’754	-16.8%
Total liabilities	*374’976*	*358’457*	*-4.4%*
Shareholders’ equity	733’651	819’654	11.7%
Liabilities and equity	**1’108’627**	**1’178’111**	**6.3%**

Consolidated statement of cash flows

January to June, CHF 1'000	2020	2021	△ in %
Cash inflows from operating activities	82’842	111’415	34.5%
Cash outflows from investing activities[1]	(130’607)	(13’641)	-89.6%
Cash outflows from financing activities	(27’962)	(32’046)	14.6%
Translation differences	(870)	978	n.a.
(Decrease)/increase in cash and cash equivalents	**(76’597)**	**66’706**	**n.a.**
Cash and cash equivalents as per cash flow statement:			
At January 1	266’274	148’440	-44.3%
At June 30	189’677	215’146	13.4%

[1]The cash outflow from investing activities includes investments in time deposits (2020: CHF 120 million and 2021: CHF 0 million)

Consolidated statement of changes in equity

January to June, CHF 1'000	2020	2021	△ in %
Shareholders’ equity at January 1	**659’067**	**733’651**	**11.3%**
Profit for the period	36’038	82’563	129.1%
Other comprehensive income for the period	(3’593)	20’514	n.a.
Dividends paid	(26’242)	(27’612)	5.2%
New shares issued based on employee participation plans	2’108	1’749	-17.0%
Share-based payments	8’599	8’789	2.2%
Shareholders’ equity at June 30	**675’977**	**819’654**	**21.3%**