

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

## **Tecan delivers strong financial performance in the first half of the year and raises sales outlook for full year 2022**

### **Financial results for the first half of 2022 – Highlights**

- **Sales of CHF 584.0 million (H1 2021: CHF 454.0 million)**
  - Growth of +28.6% in Swiss francs or +29.0% in local currencies
  - Strong growth of organic non-COVID-related sales, estimated in the mid-teens percentage range, largely offset substantial decline in COVID-related revenues recorded in prior-year period
  - Organic sales decline of only -4.3% in local currencies, against a high COVID-driven comparison base of +47.5% growth in the prior-year period
  - Life Sciences Business segments achieved organic growth of +4.3% in local currencies based on strong global demand for automation solutions
- **With +34.2% in local currencies, order entry increased at higher rate than sales to CHF 600.5 million (H1 2021: CHF 449.6 million)**
  - Organic order entry growth of +2.4% in local currencies, more than replacing the substantial order entry achieved with COVID-related orders in the prior-year period
- **Adjusted EBITDA of CHF 119.1 million (H1 2021: CHF 115.0 million)**
  - Adjusted EBITDA margin of 20.4%, excluding Paramit of 22.1% (H1 2021: 25.3%)
- **Adjusted net profit of CHF 80.6 million (H1 2021: CHF 84.3 million)**
  - Adjusted earnings per share of CHF 6.34 (H1 2021: CHF 7.03)
- **Outlook for full-year sales growth raised, now forecasted to be in the mid- to high-teens percentage range in local currencies**

### **Operating highlights in the first half of 2022**

- **Significant progress in the integration of acquired Paramit Corporation, including transfer of Tecan components manufacturing to Paramit sites**
- **Maintaining resilient operations, successfully mitigating supply chain and freight challenges**
- **Expansion of automated genomics portfolio in both business segments**
  - Launch of innovative entry level and mid-range solutions for next-generation sequencing (NGS) library preparation in the Life Sciences Business
  - Start of commercial supplies of advanced genomics system in Partnering Business
- **Launch of new reagent kits for mass spectrometry and genomics applications**
- **Further building on sustainability activities**
  - Tecan again officially certified as a Great Place to Work®
  - Commitment to Science Based Targets initiative (SBTi) to reduce greenhouse gas emissions in line with climate science

**Männedorf, Switzerland, August 17, 2022** – The Tecan Group (SIX Swiss Exchange: TECN) delivered a strong financial performance in the first half of the year and raises its sales outlook for full year 2022.

Tecan CEO Dr. Achim von Leoprechting commented: "Tecan employees and partners around the world have made it possible for us to achieve another strong financial performance in the first half of this year. We are particularly pleased with the strong double-digit growth in applications that are not related to the COVID pandemic. It exceeds our earlier expectations that we were able to deliver organic sales growth in our Life Sciences Business segment already in the first half of the year, despite the extraordinarily high base from the prior-year period. This strong performance is based on high demand for our automation solutions in all major geographies, covering multiple customer segments and end applications. The Partnering Business also saw strong revenue growth for our Cavro components and experienced an upswing in demand for non-Covid routine diagnostic applications. The integration of Paramit is progressing well and the newly consolidated business delivered solid sales growth in line with expectations. Based on the positive business performance and momentum in the first six months, we are raising our revenue outlook for the full-year 2022."

### **Financial results for the first half of 2022**

Order entry increased by 34.2% in local currencies or 33.6% in Swiss francs to CHF 600.5 million in the first six months of the year (H1 2021: CHF 449.6 million). On an organic basis, i.e. excluding acquired Paramit, order entry grew by 2.4% in local currencies, despite the substantial order entry achieved with COVID-related orders in the prior-year period.

Sales climbed by 29.0% in local currencies or 28.6% in Swiss francs to CHF 584.0 million in the first half of the year (H1 2021: CHF 454.0 million), with Paramit contributing revenues of CHF 151.0 million. Organic sales were down only 4.6% in Swiss francs and down 4.3% in local currencies, despite the high base from the prior-year period, in which sales increased by 47.5% in local currencies. In the first half of 2022, strong organic growth of non-COVID-related sales, estimated in the mid-teens percentage range, largely offset the substantial decline in COVID-related revenues recorded in the prior-year period. Estimated COVID-related sales in the first half of this year were around CHF 50 million, a substantial decline compared to the first half of 2021. COVID-related sales in the first half of 2022 were mainly from consumables and spare parts, but also included a major shipment of customized high-throughput systems already ordered in the first half of 2021. Organic sales development was driven by strong demand for automation solutions for non-COVID applications and was supported by the fulfilment and subsequent revenue recognition of the high order backlog from 2021. Overall revenue growth also benefitted from significant price increases for products and services as well as by the contractual pass-through of higher material costs at Paramit.

Adjusted operating profit before depreciation and amortization (earnings before interest, taxes, depreciation and amortization; EBITDA) increased by 3.8% to CHF 119.1 million (H1 2021: CHF 114.7 million). The adjusted EBITDA margin amounted to 20.4% of sales. Excluding Paramit, it reached 22.1% of sales (H1 2021: 25.3%), with lower organic sales volumes, a post-COVID normalized operating cost base and higher material and freight cost being the main factors for the expected decrease.

Despite the significant inflationary impacts, the gross profit margin excluding Paramit reached 49.0% of sales and was only slightly below the prior-year period (H1 2021: 49.4%).

Adjusted net profit<sup>1</sup> amounted to CHF 80.6 million (H1 2021: CHF 84.3 million), while adjusted earnings per share<sup>1</sup> reached CHF 6.34 (H1 2021: CHF 7.03). Reported net profit for the first half of 2022 was CHF 65.7 million (H1 2021: CHF 82.6 million). This figure includes integration-related costs in connection with the Paramit acquisition (CHF 3.3 million) as well as the accumulated amortization of acquired intangible assets (CHF 13.0 million).

Cash flow from operating activities reached CHF 70.3 million in the first half of 2022 (H1 2021: CHF 111.4 million). Increased inventories and safety stock to ensure delivery capability in times of tight material supply, as well as higher income tax payments, had a negative impact on cash flow. After a short period of net debt to partially refinance the Paramit acquisition, Tecan has already restored its net liquidity position to CHF 3.2 million (cash and cash equivalents plus short-term time deposits less bank liabilities, loans and the outstanding bond).

## **Information by business segment**

### ***Life Sciences Business (end-customer business)***

Sales in the Life Sciences Business increased by 3.5% to CHF 259.1 million (H1 2021: CHF 250.4 million) and were 4.3% above the prior-year period in local currencies, despite the high base from the prior-year period, in which revenues increased by 49.5% in local currencies. Sales growth of products in non-COVID related applications is estimated in the high-teens percentage range in local currencies and was driven by strong demand for non-COVID-related liquid handling and detection instruments as well as service and spare parts revenues.

Order entry in the Life Sciences Business was also up on the prior-year period and exceeded reported segment sales in the first half of the year, resulting in a further increase in the order backlog.

Reported operating profit in this segment (earnings before interest and taxes; EBIT) reached CHF 53.2 million (H1 2021: CHF 63.1 million). The operating profit margin amounted to 19.5% of sales (H1 2021: 22.8%). Following a period of significant growth, substantial investment in the sales and service organization was required to support the larger installed base of instruments, resulting in a

more normalized operating cost base again, whereas, supported by sustainable price increases, the gross profit margin increased notably compared to the same period last year.

### ***Partnering Business (OEM business)***

The Partnering Business generated sales of CHF 324.9 million in the period under review (H1 2021: CHF 203.7 million), which corresponds to an increase of 59.5% in Swiss francs and 59.0% in local currencies. As expected, the “COVID effect” was more pronounced for the Partnering Business due to significantly lower COVID-related sales in the reporting period, resulting in organic sales declining by 14.6% in Swiss francs and 14.9% in local currencies. Demand for OEM components, on the other hand, was very strong, and sales to customers in other areas of in-vitro diagnostics, which were negatively affected during the pandemic, also showed positive momentum again. Sales growth of these products in non-COVID-related applications is estimated in the high single-digit percentage range in local currencies. Paramit also recorded strong sales results in the first half of the year, although the company suffered from some supply chain issues. Sales growth at Paramit was in the mid-teens percentage range when including the contractual pass-through of higher material costs, and in the mid single-digit percentage range when excluding this effect.

Reported operating profit in this segment (earnings before interest and taxes; EBIT) amounted to CHF 35.5 million (H1 2021: CHF 49.2 million), while the operating profit margin reached 10.9% of sales (H1 2021: 24.0%). The integration costs and amortization of acquired intangible assets in connection with the acquisition of Paramit were recognized for the Group in the Partnering Business segment and had a notable effect on the reported operating result for the segment. Other factors negatively impacting segment margins were the mix effect with lower EBIT margins at Paramit, lower organic volumes with corresponding negative economies of scale, and the contractual pass-through of higher material costs without margin. At the same time, the negative effects, as expected, could not be offset by price increases, as price adjustments for the instrument business are contractually regulated and only take effect at the end of the calendar year.

## **Additional information**

### ***Regional development***

In Europe, Tecan’s sales in the first six months of 2022 increased by 8.4% in Swiss francs and by 11.8% in local currencies. Organic sales development was significantly impacted by a pandemic-related surge in demand in the prior-year period, resulting in organic sales declining by 13.6% in Swiss francs and 10.9% in local currencies in the first half of this year. Against this high comparative basis, sales in the Life Sciences business were 10.5% lower than the previous year in local currencies, and in the Partnering business they declined organically by 11.4% in local currencies.

In North America, sales grew by 47.2% in Swiss francs and by 43.4% in local currencies. Similar to Europe, organic sales development in North America was affected by the COVID-related high comparison base, leading to a decline of revenues 5.7% in Swiss francs and 8.2% in local currencies. Due to the exceptionally high basis of comparison, organic sales of the Partnering Business segment decreased by 29.8% in local currencies. The Life Sciences business segment, on the other hand, reported a 9.3% increase in sales in local currencies, driven by strong demand for non-COVID-related instruments, more than replacing the significant COVID-related sales in the first half of 2021.

In Asia, Tecan recorded an increase in sales of 24.4% in Swiss francs and 26.4% in local currencies. On an organic basis, sales grew by 15.9% in Swiss francs and by 17.8% in local currencies, with organic sales development again particularly strong in Japan, but sales also returned to solid growth in China. Organic sales development was driven by both business segments, with the Life Sciences business recording growth of 25.5% in local currencies, while the Partnering business grew by 11.4% in local currencies.

#### ***Operating highlights for the first half of 2022***

Tecan made significant progress in the integration of Paramit Corporation, an acquisition that was successfully completed on August 2, 2021. The common culture and values of the two companies have proven to be a strong basis for the ongoing integration of the teams and the complementary skills in operations and development have already shown their appeal to new customers. In the first half of the year, Tecan has also started moving its US site for Cavro components from San Jose, California, to the Paramit facility in Morgan Hill which is located only 30 minutes away. The additional transfer of production of certain products from San Jose to the Paramit facility in Penang, Malaysia, also progressed well, with the start of serial production planned before year end. This necessary expansion of production capacity for Tecan's Cavro OEM components will also allow the high and growing demand for these products to be met in the future.

A focus area throughout 2022 is to maintain resilient operations and to successfully mitigate supply chain and freight challenges in times of continued uncertainty. In the first half of the year, Tecan's global manufacturing and business operations teams continued to be effective in securing uninterrupted support for our customers. By implementing various operational mitigation measures, they were able to ensure the availability of freight space and certain materials despite increased uncertainty in the demand mix.

In the first half of 2022, Tecan further expanded its automated genomics portfolio in both business segments. This included launches of innovative entry level and mid-range solutions for next-generation sequencing (NGS) library preparation in the Life Sciences Business, MagicPrep NGS and DreamPrep™ NGS Compact. MagicPrep NGS is an automated benchtop library preparation

system that transforms time-consuming and error-prone procedures into a simple, robust experience. The MagicPrep NGS system performs true load-and-go DNA-Seq and mRNA-Seq library preparation. With proven liquid handling technology, all-inclusive reagent kits, and an intuitive user interface, a run for the MagicPrep NGS is set up in just 10 minutes.

The DreamPrep NGS Compact expands the proven DreamPrep family. This benchtop solution comes with an optimized configuration to run almost any NGS protocol. Compared to the larger DreamPrep NGS, it has a smaller footprint to fit in every lab and is the ideal solution for low-medium throughput.

During the first half of the year, Tecan also began the commercial supply of an advanced genomics platform for a customer in the Partnering Business that leverages Tecan's automation technology.

Tecan introduced various new reagent kits for mass spectrometry and genomics applications. This includes a Steroid Panel LC-MS kit to quickly and reliably determine 18 different and clinically relevant steroids with only one extraction process. In combination with the Resolvex® A200 instrument, it is the first CE-IVDD solution of its kind, combining Tecan reagents, consumables and automation systems to eliminate the bottleneck of laborious manual sample preparation.

Key reagent introductions for genomic applications were related to the launch of the MagicPrep NGS system. All reagents and consumables are provided pre-aliquoted in a single kit. Each kit includes all consumables necessary for a run, including master mixes, buffers, beads, adapters, tubes and tips which have been pre-packaged to set up DNA or mRNA library preparation.

In the first six months of the year, Tecan has been further building on its broad sustainability activities. At the beginning of the year, Tecan signed the commitment to the Science Based Targets initiative (SBTi) to reduce greenhouse gas emissions in line with climate science.

In June, Tecan was again officially certified as a Great Place to Work®. The certification follows independent Trust Index™ employee surveys conducted by the international research and consulting company Great Place to Work® that provide a clear and accurate picture of the workplace culture. The new certification is based on the second survey from 2021 that saw both higher participation rates and an even improved "Trust Index" score compared to the first survey in 2020.

The 2021 Sustainability Report provides a comprehensive overview of Tecan's sustainability program and was published on the corporate website in March.

### **Sales outlook for full-year 2022 raised**

Based on the positive business performance and momentum in the first six months of 2022, as well as on the continued high order backlog and the anticipated demand in the second half of the year, Tecan has raised its sales outlook for full-year 2022.

Tecan now forecasts sales growth for full-year 2022 to be in the mid- to high-teens percentage range in local currencies (previously “mid-teens percentage range”).

Tecan continues to expect an adjusted EBITDA margin, excluding acquisition and integration-related costs, at around 20% of sales. The confirmed profitability expectation now offsets higher dilution from the contractual pass-through of increased material costs without margin.

Integration and acquisition-related costs are now expected to be in the low- to mid-teens of millions in Swiss francs in 2022 (previously “mid-teens of millions”), the accumulated amortization of all acquired intangible assets is expected to amount to CHF 20-25 million as communicated before.

The full-year exchange rate forecast was updated to reflect the average exchange rates in the first half of 2022: one US dollar equaling CHF 0.94 (previously CHF 0.92) and one euro equaling CHF 1.03 (previously CHF 1.08).

The outlook 2022 does not take account of potential acquisitions during the course of the year or any unforeseen events.

## **Financial Report and Webcast**

The full 2022 Interim Report can be accessed on the company’s website [www.tecan.com](http://www.tecan.com) under Investor Relations.

Tecan will hold an analyst and media conference to discuss the results in the first half of 2022 today at 09:00 (CET). The presentation will also be relayed by live audio webcast, which interested parties can access at [www.tecan.com](http://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 2022 Annual Report will be published on March 14, 2023.
- The Annual General Meeting of Tecan’s shareholders will take place on April 18, 2023.

<sup>1</sup> The calculation of adjusted net profit and adjusted earnings per share excludes integration costs (+3.3 million), one-time pension plan effects (+1.5 million) as well as the accumulated amortization of acquired intangible assets (+13.0 million) and they were calculated with the reported Group tax rate of 16.4%.

**About Tecan**

Tecan ([www.tecan.com](http://www.tecan.com)) improves people's lives and health by empowering customers to scale healthcare innovation globally from life science to the clinic. Tecan is a pioneer and global leader in laboratory automation. As an original equipment manufacturer (OEM), Tecan is also a leader in developing and manufacturing OEM instruments, components and medical devices that are then distributed by partner companies. Founded in Switzerland in 1980, the company has more than 3,000 employees, with manufacturing, research and development sites in Europe, North America and Asia, and maintains a sales and service network in over 70 countries. In 2021, Tecan generated sales of CHF 947 million (USD 1,041 million; EUR 877 million). Registered shares of Tecan Group are traded on the SIX Swiss Exchange (TECN; ISIN CH0012100191).

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**Tecan Group – Financial reporting**  
**Interim consolidated financial statements as of June 30, 2022**  
(Key figures, unaudited)

**Consolidated statement of profit or loss**

	2021	2022	Δ in %
January to June, CHF 1'000			
<b>Sales</b>	<b>454'043</b>	<b>584'007</b>	<b>28.6%</b>
Cost of sales	(229'544)	(351'150)	53.0%
<b>Gross profit</b>	<b>224'499</b>	<b>232'857</b>	<b>3.7%</b>
<i>In % of sales</i>	49.4%	39.9%	
Sales and marketing	(52'721)	(69'550)	31.9%
Research and development	(31'114)	(38'547)	23.9%
General and administration	(44'408)	(44'941)	1.2%
Other operating income	1'556	362	-76.7%
Other operating expenses	(20)	(1)	-95.0%
<b>Operating profit (EBIT)</b>	<b>97'792</b>	<b>80'180</b>	<b>-18.0%</b>
<i>In % of sales</i>	21.5%	13.7%	
Financial result	(2'761)	(1'615)	-41.5%
<b>Profit before taxes</b>	<b>95'031</b>	<b>78'565</b>	<b>-17.3%</b>
Income taxes	(12'468)	(12'908)	3.5%
<b>Profit for the period</b>	<b>82'563</b>	<b>65'657</b>	<b>-20.5%</b>
<i>In % of sales</i>	18.2%	11.2%	
<b>Non-GAAP EBITDA</b>	<b>114'987</b>	<b>114'281</b>	<b>-0.6%</b>
<i>In % of sales</i>	25.3%	19.6%	
<b>Non-GAAP adjusted EBITDA</b>	<b>114'723</b>	<b>119'076</b>	<b>3.8%</b>
<i>In % of sales</i>	25.3%	20.4%	
<b>Basic earnings per share (CHF/share)</b>	<b>6.88</b>	<b>5.17</b>	<b>-24.9%</b>
<b>Diluted earnings per share (CHF/share)</b>	<b>6.85</b>	<b>5.15</b>	<b>-24.8%</b>

**Order entry**

	2021	2022	Δ in % (CHF)	Δ in % (LC)
January to June, CHF 1'000				
<b>Order entry</b>	<b>449'578</b>	<b>600'482</b>	<b>33.6%</b>	<b>34.2%</b>

## Segment information by business segments

### Sales to third parties

	2021	2022	Δ in % (CHF)	Δ in % (LC)
January to June, CHF 1'000				
Life Sciences Business	250'374	259'136	3.5%	4.3%
Partnering Business	203'669	324'871	59.5%	59.0%
<b>Total sales</b>	<b>454'043</b>	<b>584'007</b>	<b>28.6%</b>	<b>29.0%</b>

### Segment information

January to June, CHF 1'000	Life Sciences Business		Partnering Business		Corporate / Consolidation		Total	
	2021	2022	2021	2022	2021	2022	2021	2022
Sales to third parties	250'374	259'136	203'669	324'871	-	-	454'043	584'007
Intersegment sales	26'943	12'955	862	749	(27'805)	(13'704)	-	-
<b>Total sales</b>	<b>277'317</b>	<b>272'091</b>	<b>204'531</b>	<b>325'620</b>	<b>(27'805)</b>	<b>(13'704)</b>	<b>454'043</b>	<b>584'007</b>
<b>Operating profit</b>	<b>63'112</b>	<b>53'187</b>	<b>49'189</b>	<b>35'451</b>	<b>(14'509)</b>	<b>(8'458)</b>	<b>97'792</b>	<b>80'180</b>
<i>In % of sales</i>	22.8%	19.5%	24.0%	10.9%			21.5%	13.7%

### Sales by regions (by location of customers)

January to June, CHF 1'000	Life Sciences Business		Partnering Business		Total		Δ in % (CHF)	Δ in % (LC)
	2021	2022	2021	2022	2021	2022		
Europe	101'010	86'064	72'674	102'237	173'684	188'301	8.4%	11.8%
North America	109'718	124'648	90'909	170'745	200'627	295'393	47.2%	43.4%
Asia	34'293	41'569	39'254	49'929	73'547	91'498	24.4%	26.4%
Others	5'353	6'855	832	1'960	6'185	8'815	42.5%	49.4%
<b>Total sales</b>	<b>250'374</b>	<b>259'136</b>	<b>203'669</b>	<b>324'871</b>	<b>454'043</b>	<b>584'007</b>	<b>28.6%</b>	<b>29.0%</b>

### Consolidated balance sheet

	31.12.2021	30.06.2022	Δ in %
CHF 1'000			
<b>Assets</b>			
Current assets	671'859	764'970	13.9%
Non-current assets	1'324'326	1'353'376	2.2%
<b>Assets</b>	<b>1'996'185</b>	<b>2'118'346</b>	<b>6.1%</b>
<b>Liabilities and equity</b>			
Current liabilities	306'374	351'199	14.6%
Non-current liabilities	464'916	450'987	-3.0%
<i>Total liabilities</i>	<i>771'290</i>	<i>802'186</i>	<i>4.0%</i>
Shareholders' equity	1'224'895	1'316'160	7.5%
<b>Liabilities and equity</b>	<b>1'996'185</b>	<b>2'118'346</b>	<b>6.1%</b>

### Consolidated statement of cash flows

	2021	2022	Δ in %
January to June, CHF 1'000			
Cash inflows from operating activities	111'415	70'287	-36.9%
Cash outflows from investing activities	(13'641)	(15'078)	10.5%
Cash outflows from financing activities	(32'046)	(43'170)	34.7%
Translation differences	978	384	-60.7%
<b>Increase in cash and cash equivalents</b>	<b>66'706</b>	<b>12'423</b>	<b>-81.4%</b>
<b>Cash and cash equivalents as per cash flow statement:</b>			
At January 1	148'440	121'006	-18.5%
At June 30	215'146	133'429	-38.0%

### Consolidated statement of changes in equity

	2021	2022	Δ in %
January to June, CHF 1'000			
<b>Shareholders' equity at January 1</b>	<b>733'651</b>	<b>1'224'895</b>	<b>67.0%</b>
Profit for the period	82'563	65'657	-20.5%
Other comprehensive income for the period	20'514	54'313	n.a.
Dividends paid	(27'612)	(35'597)	28.9%
New shares issued based on employee participation plans	1'749	34	-98.1%
Share-based payments	8'789	6'858	-22.0%
<b>Shareholders' equity at June 30</b>	<b>819'654</b>	<b>1'316'160</b>	<b>60.6%</b>