Tecan Group

33rd Annual J.P. Morgan Healthcare Conference

Dr. David Martyr, CEO
January 15, 2015
Safe Harbor Statement

All statements in this presentation not referring to historical facts are predictions of the future and constitute no guarantee whatsoever of future performances. They are subject to risks and uncertainties including, but not limited to, future global economic conditions, exchange rates, legal regulations, market conditions, activities of competitors and other factors outside the Company’s control.

Tecan Group AG is making all efforts to include accurate and up-to-date information into this presentation. Yet, it cannot be ruled out that omissions or errors might have occurred. Therefore, Tecan Group AG cannot make any representations or warranties, expressed or implied, as to the accuracy or completeness of the information provided in this presentation. The Company assumes no obligation to update the information in this presentation. Changes in this presentation can be made any time without notice. All mentioned trademarks are protected by law.

© Tecan Group AG, Tecan Trading AG, Switzerland, all rights reserved.
Contents

- Introducing Tecan and Corporate Strategy
- Growth Drivers
- Financials, Summary and Conclusion
- Questions and Answers
Introducing Tecan

- Global leader in laboratory automation for more than 30 years
- Our solutions accelerate, automate and enhance the processes in state-of-the-art diagnostics and life sciences labs
- Offering immunoassays for specialty diagnostics through recently acquired IBL International
- HQ in Switzerland, 3 manufacturing and R&D sites in Europe and 1 in the US; software competence center in Germany
- \( \approx 1,300 \) 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
- Mainly configurable open platforms

≈ 58% 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

≈ 42% of Group sales

CHF 388M in revenue

- **Diagnostics**
- **Life Science Research**
- **Forensics**
- **Applied Markets**

All figures are from FY 2013 and they do not include IBL International, which was acquired in 2014.
Revenue Profile Provides a Solid Basis

- Strong drivers in Diagnostics
- IBL will further increase share of recurring revenues
- Growing direct presence in Emerging markets

Customer Segments:
- Diagnostics: 61%
- Pharma: 18%
- Biotech + CROs: 12%
- Academia: 9%

Products:
- Instruments: 66%
- Services & spare parts: 22%
- Plastic consumables: 12%

Geographies:
- North America: 43%
- Europe: 41%
- Asia: 13%
- Other: 3%

All figures are from FY 2013 and they do not include IBL International, which was acquired in 2014.
Basis for Corporate Strategy: Market Structure

**Life Science Research**
- Instruments
- Reagents & Consumables
- Life Sciences Business

**In-Vitro Diagnostics**
- Instruments
- Reagents & Consumables
- Partnering Business

**CAGR**
- +3-5%
- >40 BN USD

**Strategic pillars**
1. Scale & capability
2. Build additional pillars and complete portfolio
3. Offer solutions in selected areas
## Refined Corporate Strategy - Overview

<table>
<thead>
<tr>
<th>Life Sciences Business</th>
<th>Partnering Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be the <strong>Go-to Partner</strong> for automation and analytical needs in the <em>life science research lab</em></td>
<td>Be the <strong>Partner of Choice</strong> for automation systems in the <em>In Vitro Diagnostic industry</em></td>
</tr>
<tr>
<td>Provide automation and a dedicated <strong>solution offering</strong> for <em>Clinical Diagnostics</em> – not competing with Partnering Business</td>
<td><strong>Defend and expand</strong> leading position for liquid handling pumps and robotic components for OEMs</td>
</tr>
</tbody>
</table>

- Increase share of recurring revenues
- Continue to build out the China business
- Driving thoughtful M&A
- Improve R&D and operational excellence
Contents

• Introducing Tecan and Corporate Strategy
• Growth Drivers
• Financials, Summary and Conclusion
• Questions and Answers
New Product Launches: Fluent, and Much More

- The Fluent™ Laboratory Automation Solution, Tecan’s next generation liquid handling platform family
  - Unique concept built around application-specific needs of laboratories
  - First Fluent solutions are designed to meet needs of strongly growing cell biology market
  - Fluent provides ease of use, high precision, superior throughput, more capacity, increased speed and extended walkaway time
  - Product shipments to customers ongoing

- Launch of several new products with application focus and improved user-friendliness
  - Freedom EVO® NGS workstation with tested and verified automated sample preparation protocols
  - Freedom EVO® Nucleic Acid Purification workstation
  - Sample preparation for mass spectrometry (MS)
  - New consumables to increase recurring revenues
New Platform Launches: Dako Omnis

- Dako Omnis for Dako (an Agilent Technologies Company)
- New fully-automated advanced staining platform for tissue-based cancer diagnostics
- IHC and ISH procedures can be automated simultaneously
- Dako Omnis sets new standards in terms of flexibility, ease of use, capacity, efficiency and traceability of slides
- “Full swing launch” started in 09/2013
- Production ramp up continues through 2015
- Expanding test menu and regional focus
New Platform Launches: ORTHO VISION™

• Ortho Clinical Diagnostics (OCD) is the global market leader in immunohematology
• Blood transfusion testing assures patient-donor compatibility
• Program builds on a long-lasting partnership
• Tecan developed and is supplying the fully automated ORTHO AutoVue® Innova for markets outside the US
• The new ORTHO VISION™ platform will be rolled-out by OCD globally, therefore significantly extending the potential for Tecan
• OCD received CE Mark for the ORTHO VISION™ analyzer in October 2014
  • Commercialization in Europe, Japan and Australia
  • Continued development of ORTHO VISION™ Max

ORTHO AutoVue and ORTHO Vision are trademarks of Ortho-Clinical Diagnostics, Inc.
Executing on Healthy Pipeline of New Projects

- Well-stocked pipeline of opportunities with about 20 instrument projects
- More emphasis on platform-based developments (level 1)
  - Leveraging Freedom EVO, Cavro Omni and Fluent platforms
  - Faster time to market, less development risks, easier to integrate in organization
- Also projects for dedicated instrument developments (level 2)
- Building a pipeline for new eFluidics technology

Different «level 1» projects for various applications and potential customers
Expanding Tecan’s China Business

- Tecan has a presence in China since 2004 and an own legal entity since 2008
- The business has gained significant momentum in recent years
- Temporary disruption in 2014 due to structural reforms
- Tecan is the market leader for lab automation in large hospitals in China
- Expanding direct regional market coverage, dealer channels and service capabilities
- Added focus on Partnering Business
Appropriate, Thoughtful M&A as Key Growth Driver

• M&A is a key element of the corporate strategy
  • Experienced Corporate Development team with range of skills (scientific background, deep industry knowledge, finance expertise, project management)
  • Corporate strategy to define areas of focus
  • Active identification of targets, build-up of target funnel and cultivation of targets
  • Disciplined approach on valuation
  • Early involvement of key functions to ensure successful integration

• Areas of focus
  • Catalyst to core business and to support evolution into solutions
  • Ideally high consumables/reagents content, focusing on niches where Tecan is advantaged owner
  • Also interested in bolt-ons to expand addressable market
Tecan Acquired IBL International

- In July 2014, Tecan acquired IBL International, based in Hamburg, Germany
- Total consideration of EUR 29.0m (CHF 35.2m); cash and debt free
- ~ EUR 16m revenue in 2013, consistently growing and profitable
- An established and leading immunoassay company for specialty diagnostics
- Founded in 1983 with currently more than 80 employees
- Subsegment of the immunoassay market not in competition with typical Partnering Business instrumentation customers
Improving Operational Excellence

• A multi-year project to reduce manufacturing costs (COGS) was launched at the start of 2014
• The biggest potential is lowering material costs
• Improved supply chain management and sourcing are key factors to develop profitability further
• Increased sourcing from around the world through supplier relocation and consolidation
• Additional longer-term benefits to be realized with the start of new product development programs
  • Building modular, flexible platforms, standard elements
  • Increased re-use of common modules
  • Focus on core competencies
  • Early involvement of procurement and manufacturing engineering in product development
Contents

• Introducing Tecan and Corporate Strategy

• Growth Drivers

• Financials, Summary and Conclusion

• Questions and Answers
Financial Summary and Outlook

Accelerating Sales Growth
• Good sales growth trend in H2 2014: MSD in LC
• Organic growth outlook for FY 2014: LSD in LC
• IBL International with an additional HSD million CHF revenue contribution
• Wave of new platforms and products leading to strongly accelerated Group sales in 2015

Increasing Profitability
• Improving operating profitability (excluding M&A related costs)
• Normalizing net R&D after reaching peak in 2012
• Increasing sales volumes
• Focus on operating efficiency and COGS

Strong Cash Generation
• Low CAPEX requirements
• Significant reimbursement of pre-financed development costs in 2014 and expected in 2015

LSD = low single-digit percentage range; MSD= mid single-digit percentage range; HSD= high single-digit; DD = double-digit percentage range; LC = local currencies
Summary and Conclusion

- Wave of new major platforms and new products in both divisions hitting the market
- Refined strategy in place with focus now on deployment
- M&A transaction closed in July 2014; pipeline well filled
- Strengthened organization and management with key appointments
- Improving operational excellence as a priority
- Strong balance sheet and key financial ratios
- Tecan continues to be well on its way to a successful future
Q&A

IR iPad App
News, financial reports, presentations, videos and more

Next Events
2015:
March 18: Financial Results 2014
April 16: Annual Shareholder Meeting

Contact
Martin Braendle
Vice President, Communications & IR
Phone: +41 (0) 44 922 84 30
investor@tecan.com
www.tecan.com
Thank you for your attention

Tecan – Who we are
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 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.

Tecan Group Ltd. makes every effort to include accurate and up-to-date information, however, it is possible that omissions or errors might have occurred. Tecan Group Ltd. cannot, therefore, make any representations or warranties, expressed or implied, as to the accuracy or completeness of the information provided. Changes can be made at any time without notice. All mentioned trademarks are protected by law. For technical details and detailed procedures of the specifications provided please contact your Tecan representative. This may contain reference to applications and products which are not available in all markets. Please check with your local sales representative.

© 2014, Tecan Trading AG, Switzerland, all rights reserved.