

AZENTA
LIFE SCIENCES

Conference Call First Quarter Fiscal 2023 Financial Results

February 8, 2023



Safe Harbor Statement



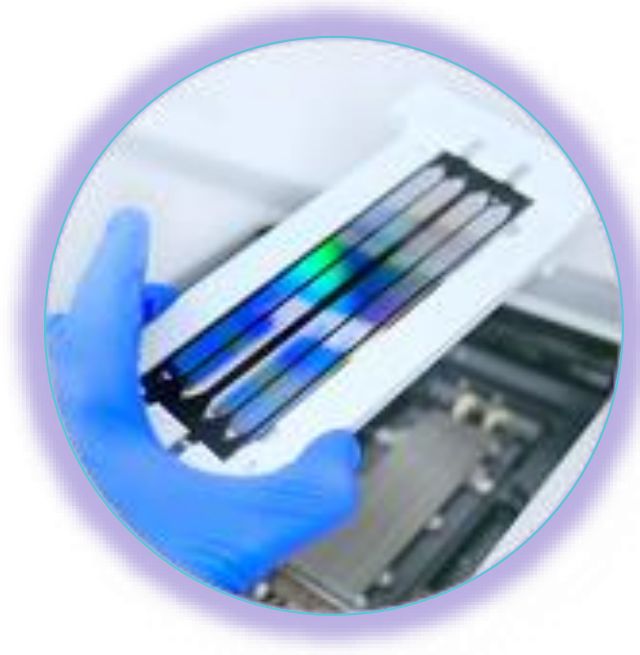
“Safe Harbor” Statement under the U.S. Private Securities Litigation Reform Act of 1995; certain matters in this presentation, including forecasts of future demand and future Company performance, are forward-looking statements that are subject to risks and uncertainties that could cause actual results to materially differ, either better or worse, from those projected. Further discussions of risk factors are available in the Company’s most recent SEC filings including form 10-K for the fiscal year ended September 30, 2022. The Company assumes no obligation to update the information in this presentation.

Regulation G

This presentation contains certain non-GAAP measures which are provided to assist in an understanding of the Azenta business and its operational performance. These measures should always be considered in conjunction with the appropriate GAAP measure. Reconciliations of all non-GAAP amounts to the relevant GAAP amount are provided in either an attachment to our first quarter financial results press release issued on February 8, 2023 or as an attachment to call slides used to accompany prepared comments made during our financial results conference call of the same date. Both documents are available on our investor relations website at www.investors.azenta.com

Azenta Life Sciences Q1 FY 2023 Overview

Continuing Operations – Quarter and Ended December 31, 2022



Q1'23 revenue of \$178M, up 28% YtY; Organic growth ex-COVID of 7% YtY

- Products +15% YtY organic ex-COVID driven by automated systems (+23%) and C&I (+16%)
- Services +4% YtY organic ex-COVID driven by strength in SRS (+10%) and NGS (+12%)
- B Medical delivered record revenue of \$42M driven by cold chain products



Q1'23 non-GAAP EPS \$0.12, flat YtY; Adj. EBITDA of 6.7%

- GAAP EPS of \$(0.15) on continuing operations
- Cost reduction initiatives underway to take out \$20 million annualized costs
- Targeted reductions net of investment expected to contribute 2 points of margin enhancement in 2nd half FY23



\$1.4B in cash, no debt at December 31, 2022

- Strong balance sheet for M&A opportunities and organic investment
- In November 2022 the Company committed to \$1B share repurchases within one year
 - \$500M accelerated share repurchase program launched in November 2022
 - Another \$500M to follow
- Aside from share repurchase commitments, ~\$900M in cash available for investment

Azenta Life Sciences Operating Performance

Continuing Operations – Quarter Ended December 31, 2022



\$ millions, except EPS

	GAAP		Non-GAAP		
	Q1'23	QtQ	Q1'23	QtQ	YtY
Revenue	178	30%	178	30%	28%
Gross profit	74	27%	81	34%	18%
%	41.4%	(0.8) pts.	45.4%	1.5 pts.	(3.9) pts.
R&D	8	(1%)	8	(1%)	16%
SG&A	93	43%	73	45%	47%
Operating Income	(28)	nm	(0)	(102%)	(100%)
%	(15.5%)	(4.9) pts.	(0.0%)	(1.5) pts.	(8.8) pts.
Interest Income (Expense)	11	\$1	11	\$1	\$11
Other Income (Expense)	1	\$0	1	\$0	\$2
Tax Benefit (Provision)	5	\$7	(3)	(\$1)	(\$1)
Net Income - continuing ops	(11)	nm	9	(24%)	0%
%	(6.3%)	(2.4) pts.	5.0%	(3.5) pts.	(1.4) pts.
Continuing Ops - Diluted EPS	(\$0.15)	(\$0.08)	\$0.12	(\$0.03)	\$0.00
Total Azenta - Diluted EPS	(\$0.15)	\$0.12			
Adjusted EBITDA			12	27%	(40%)
%			6.7%	(0.2) pts.	(7.5) pts.

Q1'23 Revenue Growth (YtY)

	Q1'22	Q1'23	YtY
Reported	140	178	28%
FX		(6)	4%
M&A		46	(33%)
Organic	140	139	(1%)
COVID	11	0	8%
Organic ex-COVID	129	138	7%

- 7% organic growth year over year excluding estimated COVID impact
- FX was a 4pt headwind
- M&A contributed 33pts

Life Sciences Products Performance

Quarter Ended December 31, 2022



\$ millions

	<u>Q4'22</u>	<u>Q1'23</u>	<u>QtQ</u>	<u>YtY</u>
Revenue	48	90	85%	80%
Gross profit	19	39	99%	69%
%	40.2%	43.2%	3.0 pts.	(2.7) pts.
Operating expenses	19	35	85%	91%
Operating income	0	3	nm	(24%)
%	0.5%	3.7%	3.2 pts.	(5.1) pts.
Adjusted EBITDA	1	7	nm	15%
%	2.8%	8.2%	5.4 pts.	(4.7) pts.

Products Revenue Growth (YtY)

	Q1'22	Q1'23	YtY
Reported	50	90	80%
FX		(3)	6%
M&A		46	(92%)
Organic	50	47	(6%)
COVID	9	-	21%
Organic ex-COVID	41	47	15%

- B Medical and Barkey acquisitions contributed \$46M
- 15% organic growth excluding estimated COVID impact

Life Sciences Services Performance

Quarter Ended December 31, 2022



\$ millions

	<u>Q4'22</u>	<u>Q1'23</u>	<u>QtQ</u>	<u>YtY</u>
Revenue	89	89	(1%)	(1%)
Gross profit	41	42	3%	(8%)
%	45.8%	47.6%	1.7 pts.	(3.6) pts.
Operating expenses	39	45	17%	20%
Operating income	2	(3)	nm	nm
%	2.1%	(3.7%)	(5.8) pts.	(12.5) pts.
Adjusted EBITDA	7	4	(47%)	(74%)
%	7.6%	4.0%	(3.6) pts.	(11.5) pts.

Services Revenue Growth (YtY)

	Q1'22	Q1'23	YtY
Reported	90	89	(1%)
FX		(3)	4%
M&A		-	0%
Organic	90	92	2%
COVID	2	0	2%
Organic ex-COVID	88	92	4%

- **4% organic growth excluding estimated COVID impact**
 - Genomics +2%
 - SRS +10%

Summary Consolidated Balance Sheet



\$ millions	Sep 2022	Dec 2022	QtQ
Cash, restricted cash, short term marketable securities	1,953	1,138	(814)
Accounts receivable, net	164	202	38
Inventories	86	146	60
Other current assets	257	134	(124)
Current Assets	2,459	1,620	(839)
Accounts payable	(39)	(55)	(17)
Deferred revenue	(40)	(43)	(3)
Other current liabilities	(152)	(151)	1
Current Liabilities	(231)	(249)	(18)
Net Current Assets	2,229	1,371	(858)
Long-term marketable securities, restricted cash	352	305	(47)
Property, plant and equipment	154	217	63
Goodwill and intangible assets	692	1,088	396
Net long-term deferred tax assets (liabilities)	(63)	(86)	(22)
Other net long-term assets (liabilities)	(1)	(25)	(24)
Net assets	3,363	2,871	(492)

- \$1.4B cash, cash equivalents, restricted cash and marketable securities at 12/31/22
- \$1.5B share repurchase authorization
 - ✓ \$500M launched via accelerated share repurchase in November 2022
 - Additional \$500M committed and planned by end of calendar year 2023
- Strong balance sheet for future organic growth and M&A investment opportunities

Q2'23 Guidance



Q2'23

\$ millions, except EPS	<u>Q1'23</u>	<u>Guidance Q2'23</u>
Revenue	\$178	\$156 - \$171
LS Products	\$90	\$72 - \$79
LS Services	\$89	\$84 - \$92
Adjusted EBITDA	\$12	(\$2) - \$6
Non-GAAP diluted EPS	\$0.12	(\$0.04) - \$0.04
GAAP diluted EPS - Cont Ops	(\$0.15)	(\$0.24) - (\$0.16)

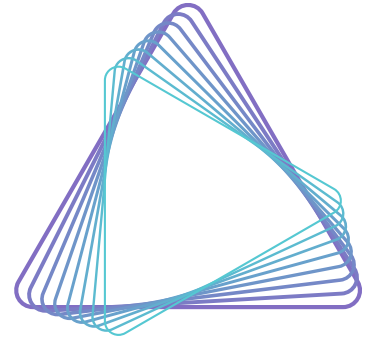
FY 2023

- Targeting FY23 reported revenue growth of 30%
 - ~\$130 million for B Medical
- Adjusted EBITDA margin to achieve 10% by Q4'23

Projected Q2'23 Revenue Growth (YtY)

	Q2'23
Reported	~13%
Organic	~(5)%
Organic ex COVID	~2%

- Reflects projections of:
 - ~\$30M from M&A
 - ~3 pts FX headwind
 - ~7 pts COVID headwind



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Appendix



GAAP to Non-GAAP Reconciliation

Continuing Operations – Total Azena



\$ millions, except EPS	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Revenue	139.7	145.5	132.7	137.6	178.4
GAAP gross profit	67.0	70.8	59.6	58.1	73.9
<i>Gross profit margin</i>	48.0%	48.7%	44.9%	42.3%	41.4%
Amortization expense	1.8	1.8	1.8	1.9	4.2
Tariff adjustment	-	(0.5)	0.0	-	-
Other special charges	-	-	-	0.3	-
Purchase accounting impact on inventory	-	-	-	-	2.9
Non-GAAP gross profit	68.8	72.2	61.4	60.3	80.9
<i>Non-GAAP gross profit margin</i>	49.3%	49.6%	46.3%	43.8%	45.4%
GAAP Research and development	(6.5)	(6.9)	(6.5)	(7.6)	(7.5)
GAAP Selling, general and administrative	(60.7)	(68.5)	(58.1)	(64.7)	(92.6)
Merger and acquisition costs / Other	3.7	5.6	1.7	7.0	11.8
Amortization expense	6.3	6.0	5.7	6.9	7.4
Other special charges	0.6	1.3	0.3	0.2	(0.1)
Non-GAAP Selling, general and administrative	(50.1)	(55.6)	(50.4)	(50.6)	(73.4)
Restructuring charges	(0.2)	(0.1)	(0.0)	(0.4)	(1.5)
GAAP operating profit (loss)	(0.3)	(4.7)	(5.1)	(14.6)	(27.7)
<i>Operating profit margin</i>	(0.2%)	(3.2%)	(3.8%)	(10.6%)	(15.5%)
Non-GAAP operating profit	12.2	9.7	4.4	2.1	(0.1)
<i>Non-GAAP operating profit margin</i>	8.8%	6.7%	3.4%	1.5%	(0.0%)
GAAP net income (loss)	2.9	(1.8)	(7.0)	(5.3)	(11.2)
Merger and acquisition costs / Other	3.7	5.6	1.7	7.0	11.8
Amortization expense	8.0	7.9	7.6	8.8	11.5
Restructuring charges	0.2	0.1	0.0	0.4	1.5
Other special charges	0.6	1.3	0.3	0.5	(0.1)
Tariff adjustment	-	(0.5)	0.0	-	-
Purchase accounting impact on inventory	-	-	-	-	2.9
Loss on extinguishment of debt	-	0.6	-	-	-
Tax related adjustments	(4.2)	(0.9)	8.4	2.5	(1.4)
Tax effect of adjustments	(2.3)	(3.6)	(2.1)	(2.1)	(6.0)
Non-GAAP net income	8.9	8.7	8.8	11.8	9.0
<i>Diluted earnings per share</i>	\$0.04	(\$0.02)	(\$0.09)	(\$0.07)	(\$0.15)

GAAP to Non-GAAP Reconciliation

Continuing Operations – Segments



\$ millions, except EPS	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
<u>Life Sciences Products</u>					
Revenue	49.9	53.6	47.4	48.4	89.7
GAAP gross profit	22.7	26.3	21.0	19.1	33.0
<i>Gross profit margin</i>	45.5%	49.0%	44.4%	39.4%	36.8%
Amortization expense	0.2	0.3	0.3	0.4	2.8
Purchase accounting impact on inventory	-	-	-	-	2.9
Non-GAAP gross profit	22.9	26.6	21.3	19.4	38.7
<i>Non-GAAP gross profit margin</i>	45.9%	49.5%	44.9%	40.2%	43.2%
GAAP Research and development	(3.4)	(3.8)	(3.3)	(4.1)	(4.4)
GAAP Selling, general and administrative	(15.1)	(17.5)	(15.7)	(15.1)	(32.4)
Operating expenses	(18.5)	(21.3)	(19.1)	(19.2)	(36.8)
GAAP operating profit	4.2	5.0	2.0	(0.1)	(3.8)
<i>Operating profit margin</i>	8.4%	9.4%	4.1%	(0.3%)	(4.2%)
Other special charges	-	-	-	-	1.4
Non-GAAP operating profit	4.4	5.3	2.2	0.3	3.3
<i>Non-GAAP operating profit margin</i>	8.8%	9.9%	4.7%	0.5%	3.7%
<u>Life Sciences Services</u>					
Revenue	89.8	91.9	85.4	89.2	88.7
GAAP gross profit	44.4	44.5	38.6	39.1	40.9
<i>Gross profit margin</i>	49.4%	48.4%	45.2%	43.8%	46.1%
Amortization expense	1.6	1.6	1.6	1.5	1.3
Tariff adjustment	-	(0.5)	0.0	-	-
Other special charges	-	-	-	0.3	-
Non-GAAP gross profit	45.9	45.6	40.1	40.8	42.2
<i>Non-GAAP gross profit margin</i>	51.2%	49.6%	47.0%	45.8%	47.6%
GAAP Research and development	(3.1)	(3.1)	(3.2)	(3.6)	(3.2)
GAAP Selling, general and administrative	(35.0)	(37.7)	(34.7)	(35.5)	(42.3)
Operating expenses	(38.1)	(40.8)	(37.9)	(39.0)	(45.5)
GAAP operating profit	6.3	3.8	0.7	0.0	(4.6)
<i>Operating profit margin</i>	7.0%	4.1%	0.8%	0.0%	(5.2%)
Other special charges	-	-	-	0.0	-
Non-GAAP operating profit	7.9	4.9	2.3	1.8	(3.3)
<i>Non-GAAP operating profit margin</i>	8.8%	5.3%	2.6%	2.0%	(3.7%)

Net Income to Adjusted EBITDA Reconciliation

Continuing Operations



\$ millions	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Net income	43.3	2,119.9	(9.6)	(20.8)	(11.2)
Income (Loss) from discontinued operations, net of tax	(40.5)	(2,121.7)	2.6	15.5	-
Net income (Loss) from continuing operations	2.9	(1.8)	(7.0)	(5.3)	(11.2)
<u>Adjustments:</u>					
Interest income	(0.0)	(3.1)	(6.8)	(10.4)	(10.7)
Interest expense	0.5	1.6	2.1	0.5	0.0
Income tax provision	(4.7)	(3.2)	7.3	1.9	(4.6)
Depreciation	5.2	5.3	5.3	6.1	8.6
Amortization of intangible assets	8.0	7.9	7.6	8.8	11.5
Loss on extinguishment of debt	-	0.6	-	-	-
EBITDA - from Continuing Operations	11.9	7.3	8.4	1.6	(6.4)
<u>Adjustments:</u>					
Purchase accounting impact on inventory	-	-	-	-	2.9
Stock-based compensation	3.5	5.5	3.5	(0.0)	2.2
Rebranding and transformation	0.6	1.3	0.3	0.5	(0.1)
Tax indemnification reserve release	-	-	-	-	-
Impairment of trademark	-	-	-	-	-
Tariff adjustment	-	(0.5)	0.0	-	-
Restructuring charges	0.2	0.1	0.0	0.4	1.5
Merger and acquisition costs / Other	3.7	5.6	1.7	7.0	11.8
Adjusted EBITDA - from Continuing Operations	19.8	19.4	13.8	9.5	12.0
Adjusted EBITDA margin	14.2%	13.3%	10.4%	6.9%	6.7%

Operating Profit to Adjusted EBITDA Reconciliation

Continuing Operations – Segments



\$ millions					
<u>Life Science Products</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>Q3 FY22</u>	<u>Q4 FY22</u>	<u>Q1 FY23</u>
Operating Profit (Loss)	4.2	5.0	2.0	(0.1)	(3.8)
<u>Adjustments:</u>					
Depreciation	0.7	0.9	0.9	1.2	3.1
Amortization of intangible assets	0.2	0.3	0.3	0.4	4.3
EBITDA	5.1	6.2	3.1	1.4	3.5
EBITDA margin	10.2%	11.5%	6.5%	2.9%	3.9%
<u>Adjustments:</u>					
Purchase accounting impact on inventory	-	-	-	-	2.9
Stock-based compensation	1.3	2.1	1.3	(0.1)	0.9
Adjusted EBITDA	6.4	8.3	4.4	1.4	7.3
Adjusted EBITDA margin	12.8%	15.5%	9.3%	2.8%	8.2%
<u>Life Science Services</u>	<u>Q1 FY22</u>	<u>Q2 FY22</u>	<u>Q3 FY22</u>	<u>Q4 FY22</u>	<u>Q1 FY23</u>
Operating Profit (Loss)	6.3	3.8	0.7	0.0	(4.6)
<u>Adjustments:</u>					
Depreciation	3.9	4.4	4.4	4.9	5.6
Amortization, restructuring related, and other special charges	1.6	1.6	1.6	1.8	1.3
EBITDA	11.8	9.8	6.6	6.8	2.3
EBITDA margin	13.1%	10.6%	7.8%	7.6%	2.6%
<u>Adjustments:</u>					
Tariff adjustment	-	(0.5)	0.0	-	-
Stock-based compensation	2.1	3.3	2.1	0.0	1.3
Adjusted EBITDA	13.9	12.6	8.8	6.8	3.6
Adjusted EBITDA margin	15.5%	13.7%	10.3%	7.6%	4.0%

Calculation of Organic Revenue Excluding COVID

Continuing Operations



\$ millions	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Revenue	140	146	133	138	178
Acquisitions/divestitures	-	2	-	4	46
Currency exchange rates	-	(2)	(4)	(6)	(6)
Organic revenue	140	145	137	139	139
Estimated impact of COVID	11	10	1	1	0
Organic revenue ex COVID	129	136	136	139	138

\$ millions	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Life Sciences Products					
Revenue	50	54	47	48	90
Acquisitions/divestitures	-	2	-	4	46
Currency exchange rates	-	(1)	(2)	(3)	(3)
Organic revenue	50	53	49	48	47
Estimated impact of COVID	9	10	3	-	-
Organic revenue ex COVID	41	42	46	48	47

\$ millions	Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
Life Sciences Services					
Revenue	90	92	85	89	89
Acquisitions/divestitures	-	-	-	-	-
Currency exchange rates	-	(1)	(2)	(3)	(3)
Organic revenue	90	93	87	92	92
Estimated impact of COVID	2	(1)	(2)	1	0
Organic revenue ex COVID	88	93	89	91	92

Growth Metrics				
Q1 FY22	Q2 FY22	Q3 FY22	Q4 FY22	Q1 FY23
18%	12%	3%	0%	28%
(2%)	(1%)	0%	(3%)	(33%)
(0%)	1%	3%	4%	4%
16%	12%	6%	2%	(1%)
2%	8%	11%	10%	8%
18%	20%	17%	12%	7%
10%	2%	(3%)	(9%)	80%
(3%)	(3%)	0%	(8%)	(92%)
(1%)	2%	4%	7%	6%
6%	1%	2%	(10%)	(6%)
3%	9%	20%	23%	21%
9%	10%	21%	13%	15%
24%	19%	6%	6%	(1%)
(1%)	0%	0%	0%	0%
(0%)	1%	2%	3%	4%
22%	20%	8%	10%	2%
(0%)	6%	7%	1%	2%
22%	26%	15%	11%	4%

Note: The Company has referenced in the explanation of revenue the estimated impact of COVID. Estimated impact of COVID includes the estimated revenue contribution from products delivered and services rendered to support COVID testing and research, and estimated constraints on our business due to disruptions in customer demand or the Company's ability to deliver in the COVID environment.