

AZENTA

LIFE SCIENCES

December 21, 2022

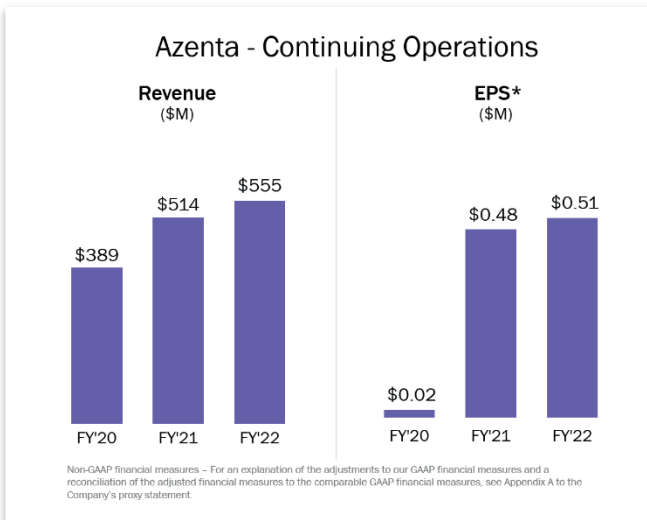
Dear Fellow Stockholders,

We were very busy in fiscal year 2022 positioning the company to best capture the tremendous market opportunity that is expanding in front of us. In the space of just one year, we have successfully completed the transition from a company that was the life sciences division of Brooks Automation to a standalone publicly traded life sciences company that is fully equipped to make the most of our potential.

On December 1, 2021, we completed the corporate name and stock ticker change from Brooks Automation, Inc. (Nasdaq: BRKS) to Azenta, Inc. (Nasdaq: AZTA), and on February 1, 2022, we completed the sale of the Semiconductor Automation business to Thomas H. Lee Partners for \$3 billion in cash, adding approximately \$2.5 billion of cash to the balance sheet after taxes, fees and adjustments. We deployed over \$500 million of cash to make two valuable additions to our portfolio with the acquisitions of Barkey Holding GmbH (“Barkey”) and B Medical Systems, and we put in place a \$1.5 billion share repurchase authorization with a commitment to return at least \$1 billion of cash to shareholders over the next year, while maintaining adequate capacity to support our strategy of disciplined organic and inorganic growth investments.

Our Azenta team continued to drive top line growth against a market environment that is still on uncertain footing in a post-pandemic world. As the year progressed and countries emerged from the COVID-19 pandemic, we saw a return to in-person meetings. Our employees were once again able to connect with each other and with customers face to face for the first time in several years. We believe these in-person connections are critical to building strong relationships among colleagues and customers and key to our long-term success.

In a year of tremendous change, we believe we got most things right, but our full year results came in below our expectations for the business, and after some reflection, we think that a more challenging macroeconomic environment coupled with the impact of some internal changes we made in our go-to-market approach may have caused some disruption that manifested in a slower growth rate of sales in the second half of fiscal 2022. Fortunately, we believe the fixes are straightforward and we have the right team in place to implement them. While the impact of these initiatives may take some time to regain traction, we are full speed ahead and encouraged with our progress as we exited the fourth quarter of fiscal 2022.



Though we have work ahead of us, we believe we made significant progress in fiscal 2022, and I would like to thank our employees for their hard work and efforts on behalf of Azenta over the past year.

2022 Recap

Azenta delivered revenue of \$555 million and grew 8% year over year with Life Sciences Products segment delivering flat performance due to the absence of COVID-19 related revenue versus the prior year and the Life Sciences Services segment growing 13%. The divestiture of the Semiconductor Automation business was completed on February 1, 2022, and the results are treated as discontinued operations.

Non-GAAP EPS was \$0.51, up 6% year over year. Adjusted EBITDA margin was 11.3%, down 550 basis points year over

year as we continued to invest for growth amid softer-than-expected topline performance in the second half.

2022 Detailed Performance Summary

Our Life Sciences Products business was flat over the past year primarily due to softness in our consumables and instruments (C&I) business as we saw lower demand for our PCR plates and tubes in support of COVID-19 research and testing compared to the prior year. Excluding the estimated impact of COVID-19 in both periods, the underlying organic growth of the business

was 13%, driven by strength in our automated stores and infrastructure services businesses. Our large-automated stores systems had a record bookings year in fiscal 2022. Demand for our cryogenic solutions was also strong, especially with cell and gene therapy (“CGT”) customers where our automated solution provides unique benefits in security, traceability and reliability. In July 2022, we acquired Barkey, a leading provider of controlled rate thawing devices, and a natural extension of our advanced cryogenic offerings, expanding our customer reach in the fast-growing CGT space.

Our Sample Repository Solutions business continued its strong performance, growing 18% year over year, as we continued to increase the number of samples stored at our global sites. Most notably, we saw meaningful sample inflows related to two significant contract wins in the prior fiscal year. We believe our deep expertise in sample management and storage is being recognized by our customers as evidenced by our growth and pipeline of future opportunities.

Our Genomics Services business grew 11% year over year, as the business experienced some deceleration in the second half primarily due to disruptions in our China genomics operations as well as slower performance in Europe. We believe that the long-term market outlook for genomic analysis remains incredibly robust and that our portfolio of services, including customer access to over 400 advanced degree scientists, is uniquely positioned to provide value added solutions across a broad customer set. We pride ourselves on staying at the forefront of omics technology, and we continued to add new platforms and services offerings throughout the year.

Finally, we completed the acquisition of B Medical Systems on October 3, 2022, a market leader in temperature-controlled storage and transportation solutions that enable the delivery of life-saving treatments in more than 150 countries worldwide. The acquisition complements our cold chain capabilities, adding differentiated solutions for reliable and traceable transport of temperature-sensitive specimens. Furthermore, we see opportunity to extend our sample management solutions including biorepository, sample procurement, and analytical expertise into the fast-growing emerging markets served by B Medical as well as opportunities to bring B Medical’s solutions into the geographies that we currently operate in.

Looking Forward

Entering fiscal 2023, we are now a company of over 3,500 employees ready to address the ever-increasing needs of our customers. Driven by our purpose to bring impactful breakthroughs and therapies to market faster, we’re enthusiastic about our work in support of our customers’ missions, and we are committed to delivering on the promise of enabling world class performance for our customers and their patients.

Our business operates in high growth, attractive markets, and we are focused on delivering our goals and returning our growth to the double-digit trajectory and profitability profile that we are capable of. Even as we return excess cash to shareholders, our balance sheet is strong and we remain keenly focused on high return organic investments in R&D, innovation, and capacity expansion, as well as value-added M&A opportunities.

On behalf of our Board of Directors and the entire global Azenta team, we thank our stockholders for their continued support and confidence, and we look forward to continued success in 2023.

Sincerely,



Steve Schwartz
President and Chief Executive Officer