



**AZENTA**  
LIFE SCIENCES

December 17, 2024

Dear Fellow Stockholders,

I'm excited to write to you in my first shareholder letter since joining Azenta as CEO earlier this year. I'm proud of what has been achieved by our dedicated team over the last year, and I'm extremely optimistic about the opportunity ahead of us.

Fiscal 2024 was a pivotal year for Azenta: Amid a challenging macro environment, we delivered strong organic revenue growth of 4% in Sample Management Solutions ("SMS") and 3% in Multiomics. In addition, we met our commitment to meaningfully improve profitability, increasing our adjusted EBITDA margin by 290 basis points. This improvement demonstrates the impact of our transformation program that is simplifying our infrastructure to enable scalability and future growth. Furthermore, we announced notable collaborations with key customers, expanded operations in strategic locations, launched new product and service offerings, and completed our \$1.5 billion share repurchase program. We also made several changes to our Board of Directors this year that will provide the skillsets and insights needed for our path forward. As my colleagues and I look at our fiscal 2025 operating framework and beyond, we are focused on portfolio optimization, operational excellence, and value-enhancing capital allocation.

In November, we announced our plan to pursue a sale of B Medical Systems. This decision allows us to focus on our core SMS and Multiomics segments, two highly differentiated businesses that produced impressive core revenue growth and margin expansion in fiscal 2024. In addition, we have identified opportunities in these remaining businesses to further reduce complexity and improve our operational performance. Shareholders should expect more of this going forward: focus, continuous improvement, process simplification, and the construction of a high-performance organization with a unified and winning culture.

In the next phase of our transformation, we will turn our attention to further expanding margins by right-sizing our cost structure. Those savings, alongside reallocated resources, will be partially reinvested in growth for the future. We anticipate making high-impact growth investments in sales, marketing, and R&D. Simplification of our corporate and operating company functions will provide clarity and accountability, while simultaneously empowering our employees who are closest to the customer to make the right commercial decisions.

The management team has developed a consistent and robust process for capital allocation that will help us track costs and optimize value going forward. We will use this process to evaluate investments that will improve productivity and expand gross margin, support profitable growth by increasing capacity or developing new organic offerings, and drive inorganic growth through logical and accretive tuck-in M&A.

### **Fiscal 2024 Recap**

Azenta delivered revenue of \$656 million, down 1% year-over-year driven by softness in B Medical Systems.

Non-GAAP EPS was \$0.41, compared to \$0.31 in the prior year. Adjusted EBITDA margin was 7.5%, up 290 basis points year-over-year primarily driven by product mix, operational efficiencies, and cost reduction initiatives.

## **Fiscal 2024 Detailed Performance Summary**

Our SMS business grew revenue 4% year over year on an organic basis. The Sample Repository Services business revenue grew 7% on an organic basis, largely driven by Storage. The Core Products business grew 3% on an organic basis with notable growth in Stores, Cryogenic Stores and Consumables & Instruments.

Our Multiomics business grew revenue 3% year over year on an organic basis. Despite the softer market environment, the Next Generation Sequencing and Gene Synthesis business grew mid-single digits year-over-year, offset in part by a slowdown in the Sanger sequencing market. We remained at the cutting edge of genomics technology innovation, adding the latest sequencing platforms and introducing new services offerings over the course of the year that position us for continued future growth.

### **Looking Forward**

I am excited about Azenta's potential and confident in our ability to deliver long-term sustainable value to our customers, employees, and stockholders. We have good momentum and an optimistic outlook entering fiscal 2025. We are incredibly well positioned in the markets we serve and are poised to outperform thanks to our talented and hard-working team and our highly differentiated product and service offerings. We continue to be driven by our purpose: to enable life sciences organizations around the world to bring impactful breakthroughs and therapies to market faster.

On behalf of our Board of Directors and the entire global Azenta team, we thank our stockholders for their continued support, investment, and confidence. We look forward to all that's ahead in 2025 and beyond.

Sincerely,



John Marotta

President and Chief Executive Officer