

AZENTA
LIFE SCIENCES

Conference Call First Quarter Financial Results

February 7, 2024



Safe Harbor Statement



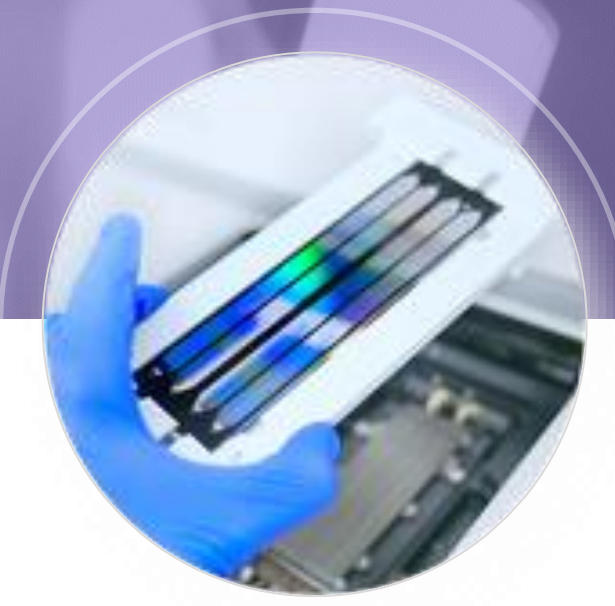
“Safe Harbor” Statement under the U.S. Private Securities Litigation Reform Act of 1995; certain matters in this presentation, including forecasts of future demand and future Company performance, are forward-looking statements that are subject to risks and uncertainties that could cause actual results 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, 2023. 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 financial results press release issued on February 7, 2024 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 2024 Financial Overview

Continuing Operations – Quarter Ended December 31, 2023



Q1'24 Revenue



- Revenue of \$154M, down 13% YoY and down 15% on an organic basis
 - As expected, lower B Medical revenue was the primary driver of the Q1 decline
- Organic growth of 5% year over year ex-B Medical and C&I
- Continued strength in SMS storage and large automated stores



Q1'24 Profitability and Cash Flow



- Non-GAAP EPS of \$0.02 & Adj. EBITDA of 3.0%
- Cost reduction initiatives delivering on track
- \$15M of free cash flow generation in Q1. Third consecutive quarter of positive free cash flow



Balance Sheet and Capital Allocation



- Strong balance sheet with cash balance of \$1.1B at 12/31/23
- Returned \$113M of capital via 2.3M share repurchases in Q1
- Ample cash of ~\$500M available after committed repurchases for disciplined and long-term value creating initiatives

See Appendix to this presentation for a reconciliation of GAAP to non-GAAP

Azenta Operating Performance

Continuing Operations – Quarter Ended December 31, 2023



Total Azenta



	Non-GAAP		
	Q1'23	Q1'24	YtY
Revenue	178	154	(13%)
Gross profit	81	67	(17%)
%	45.4%	43.5%	(1.9) pts.
R&D	8	8	13%
SG&A	73	67	(8%)
Operating Income	(0)	(9)	(\$9)
%	(0.0%)	(5.6%)	(5.6) pts.
Interest Income (Expense)	11	10	(\$1)
Other Income (Expense)	1	1	(\$0)
Tax Benefit (Provision)	(3)	(1)	\$2
Net Income - continuing ops	9	1	(\$8)
%	5.0%	0.9%	(4.1) pts.
Continuing Ops - Diluted EPS	\$0.12	\$0.02	(\$0.10)
Total Azenta - Diluted EPS			
Adjusted EBITDA	12	5	(\$7)
%	6.7%	3.0%	(3.7) pts.

Organic Growth

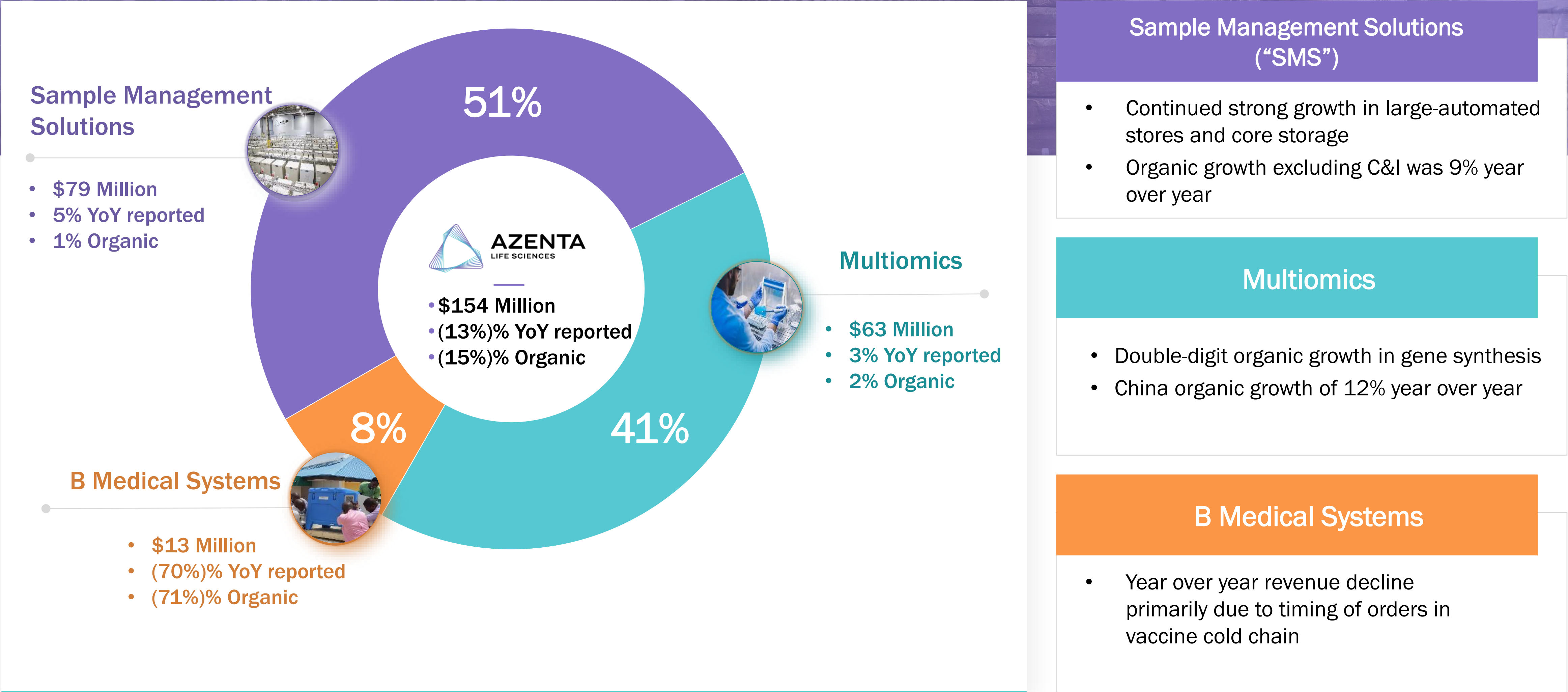


	Q1'23	Q1'24	YtY
Reported	178	154	(13%)
FX		2	(1%)
Ex FX	178	152	(15%)
M&A		1	(1%)
Organic	178	151	(15%)

- By Segment
 - Sample Management Solutions: 5%
 - Multionics: 3%
 - B Medical: (70%)
- Organic growth ex-B Medical and Consumables & Instruments was up 5% year over year

See Appendix to this presentation for a reconciliation of GAAP to non-GAAP

Q1 2024 Revenue Summary



Summary Consolidated Balance Sheet



Balance Sheet



\$ millions	Sep 2023	Dec 2023	QtQ
Cash, restricted cash, short term marketable securities	1,022	989	(34)
Accounts receivable, net	157	156	(1)
Inventories	128	127	(1)
Other current assets	112	111	(1)
Current Assets	1,419	1,383	(36)
Accounts payable	(36)	(40)	(4)
Deferred revenue	(35)	(35)	(0)
Other current liabilities	(140)	(160)	(20)
Current Liabilities	(211)	(236)	(25)
Net Current Assets	1,208	1,147	(61)
Long-term marketable securities, restricted cash	112	62	(49)
Property, plant and equipment	206	211	5
Goodwill and intangible assets	1,079	1,090	12
Net long-term deferred tax assets (liabilities)	(67)	(65)	2
Other net long-term assets (liabilities)	(3)	(3)	1
Net assets	2,534	2,444	(91)

Highlights



- \$1.1B cash, cash equivalents, and marketable securities at 12/31/23
- Strong balance sheet for future investment opportunities

Summary Consolidated Cash Flow



Cash Flow



\$ millions	Q1'24
Cash, restricted cash and marketable securities - Beginning	1,134
Net income	(16)
Deferred income tax benefit (provision)	2
Depreciation & amortization	22
Stock compensation	3
Change in working capital	7
Other operating items	9
Cash flow from operations	26
Capital expenditures	(12)
Free cash flow	15
Stock repurchase	(113)
Other	16
Net change in cash and marketable securities	(83)
Cash, restricted cash and marketable securities - Ending	1,051

Highlights



- Operating cash flow of \$26M
- Free cash flow of \$15M
- \$113M spent on share repurchases

Fiscal Year 2024 Guidance

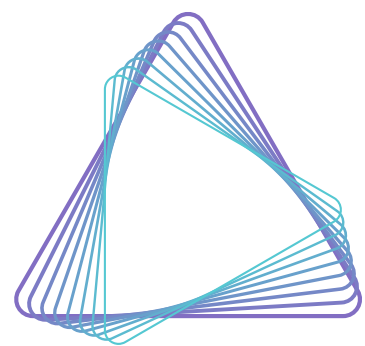


2024 Guidance	November 13, 2023	February 7, 2024	Comments
Revenue	Organic Growth: 5% to 8% Revenue: \$696M to \$718M	No Change	<ul style="list-style-type: none">Growth driven by sales execution, broadening use of channel partners, expanding geographic footprint, and innovation<ul style="list-style-type: none">Multimomics: +LSD to +MSD growthSample Management Solutions: +MSD to +HSD growthB Medical: +MSD growth
Adjusted EBITDA	~300 bps margin improvement	No Change	<ul style="list-style-type: none">~75% growth in adjusted EBITDA \$
Non-GAAP EPS	\$0.19 to \$0.29	No Change	<ul style="list-style-type: none">Interest Income: \$27M to \$29M<ul style="list-style-type: none">Lower interest income vs. FY'23 drives (\$0.18) EPS headwind\$500M cash deployment towards share repurchase drives lower interest incomeTax Rate: 33% to 37%<ul style="list-style-type: none">Higher tax rate vs. FY'23 drives (\$0.03) EPS headwindLargely driven by deferred tax assets that will not be realized related to stock-based compensationAverage share count of ~52 million<ul style="list-style-type: none">Lower share count vs. FY'23 drives \$0.05 EPS benefitAdditional \$0.5B buyback by September 30, 2024, completing the full \$1.5B under the existing authorization

Q2'24 Guidance Considerations



P&L Line Item	Comments
Revenue	<ul style="list-style-type: none">• Multiomics & Sample Management Solutions (“SMS”): Combined +MSD YoY growth• B Medical: ~25% YoY growth• Overall, Q2 expected to grow mid-to-high single digits YoY
Adj. EBITDA	<ul style="list-style-type: none">• Adjusted EBITDA Margin %: Approaching MSD• Gross Margin %: Approaching mid-40s, and slightly better than Q1'24• R&D: Similar to Q1'24 on a percentage of revenue basis• SG&A: Slightly better than Q1'24 on a percentage of revenue basis
Non-GAAP EPS	<ul style="list-style-type: none">• Non-GAAP EPS: Roughly flat to Q1'24• Interest income: ~\$8M to \$9M• Tax rate: In line with FY24 range• Average share count: ~55 million



AZENTA
LIFE SCIENCES

Appendix



GAAP to Non-GAAP Reconciliation

Continuing Operations – Total Azenta



\$ millions, except EPS	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24
Revenue	178.4	148.4	165.9	172.4	665.1	154.3
GAAP gross profit	73.9	53.2	68.0	68.0	263.1	61.5
<i>Gross profit margin</i>	41.4%	35.9%	41.0%	39.5%	39.6%	39.9%
Amortization expense	4.2	4.9	4.7	4.8	18.5	5.6
Purchase accounting impact on inventory	2.9	2.9	3.0	0.9	9.7	-
Non-GAAP gross profit	80.9	61.0	75.6	73.7	291.3	67.1
<i>Non-GAAP gross profit margin</i>	45.4%	41.1%	45.6%	42.8%	43.8%	43.5%
GAAP Research and development	(7.5)	(8.5)	(9.0)	(8.9)	(34.0)	(8.5)
GAAP Selling, general and administrative	(92.6)	(56.2)	(74.1)	(74.9)	(297.7)	(78.6)
Merger and acquisition costs and costs related to share repurchase (*)	11.8	0.0	0.2	1.8	13.8	4.3
Contingent consideration - fair value adjustments	-	(17.1)	(1.4)	-	(18.5)	-
Amortization expense	7.4	7.5	7.5	7.5	29.9	6.9
Other special charges	(0.1)	0.0	0.0	(0.0)	(0.1)	0.0
Non-GAAP Selling, general and administrative	(73.4)	(65.8)	(67.7)	(65.7)	(272.6)	(67.4)
Restructuring charges	(1.5)	(1.5)	(0.8)	(0.8)	(4.6)	(1.1)
GAAP operating profit (loss)	(27.7)	(13.0)	(15.8)	(16.6)	(73.1)	(26.7)
<i>Operating profit margin</i>	(15.5%)	(8.7%)	(9.5%)	(9.6%)	(11.0%)	(17.3%)
Non-GAAP operating profit	(0.1)	(13.3)	(1.1)	(0.9)	(15.3)	(8.7)
<i>Non-GAAP operating profit margin</i>	(0.0%)	(8.9%)	(0.6%)	(0.5%)	(2.3%)	(5.6%)
GAAP net income (loss)	(11.2)	(2.0)	(2.5)	2.8	(12.9)	(15.7)
Merger and acquisition costs and costs related to share repurchase (*)	11.8	0.0	0.2	1.8	13.8	4.3
Contingent consideration - fair value adjustments	-	(17.1)	(1.4)	-	(18.5)	-
Amortization expense	11.5	12.4	12.2	12.2	48.4	12.5
Restructuring charges	1.5	1.5	0.8	0.8	4.6	1.1
Other special charges	(0.1)	0.0	0.0	(0.0)	(0.1)	0.0
Purchase accounting impact on inventory	2.9	2.9	3.0	0.9	9.7	-
Tax related adjustments	(1.4)	0.1	(0.0)	(6.7)	(8.1)	1.9
Tax effect of adjustments	(6.0)	(1.9)	(3.9)	(4.4)	(16.2)	(2.7)
Non-GAAP net income	9.0	(4.2)	8.3	7.5	20.6	1.4
<i>Diluted earnings per share</i>	(\$0.15)	(\$0.03)	(\$0.04)	\$0.05	(\$0.19)	(\$0.28)
<i>Non-GAAP diluted earnings per share</i>	\$0.12	(\$0.06)	\$0.13	\$0.13	\$0.31	\$0.02

(*) Includes expenses related to governance-related matters.

GAAP to Non-GAAP Reconciliation

Continuing Operations – Segments



\$ millions, except EPS	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24
<u>Multiomics</u>						
Revenue	61.1	62.2	63.8	61.1	248.3	62.7
Gross profit	27.7	27.0	28.3	26.8	109.8	28.5
<i>Gross profit margin</i>	45.4%	43.4%	44.3%	43.9%	44.2%	45.4%
Amortization expense	1.2	1.2	1.2	1.2	4.9	1.0
Non-GAAP gross profit	28.9	28.2	29.5	28.0	114.7	29.5
<i>Non-GAAP gross profit margin</i>	47.4%	45.4%	46.2%	45.8%	46.2%	47.1%
GAAP Research and development	(3.1)	(3.0)	(3.0)	(2.9)	(12.0)	(2.9)
GAAP Selling, general and administrative	(29.1)	(29.1)	(29.9)	(28.4)	(116.5)	(30.0)
Operating expenses	(32.2)	(32.0)	(32.9)	(31.3)	(128.5)	(33.0)
Operating profit	(4.5)	(5.0)	(4.6)	(4.5)	(18.6)	(4.5)
<i>Operating profit margin</i>	(7.3%)	(8.1%)	(7.3%)	(7.4%)	(7.5%)	(7.2%)
Non-GAAP operating profit	(3.3)	(3.8)	(3.4)	(3.3)	(13.8)	(3.5)
<i>Non-GAAP operating profit margin</i>	(5.3%)	(6.1%)	(5.3%)	(5.4%)	(5.5%)	(5.5%)
\$ millions, except EPS	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24
<u>SMS</u>						
Revenue	75.5	71.0	75.3	81.8	303.7	79.0
GAAP gross profit	32.0	27.5	34.9	38.3	132.8	33.3
<i>Gross profit margin</i>	42.5%	38.8%	46.4%	46.8%	43.7%	42.1%
Amortization expense	0.4	0.9	0.7	0.9	3.0	0.8
Non-GAAP gross profit	32.5	28.5	35.7	39.2	135.8	34.1
<i>Non-GAAP gross profit margin</i>	43.0%	40.1%	47.3%	47.9%	44.7%	43.1%
GAAP Research and development	(3.5)	(4.8)	(4.5)	(5.2)	(17.9)	(4.4)
GAAP Selling, general and administrative	(32.0)	(30.0)	(30.4)	(28.1)	(120.5)	(30.6)
Operating expenses	(35.5)	(34.8)	(34.9)	(33.3)	(138.4)	(35.0)
GAAP operating profit	(3.5)	(7.2)	0.1	5.0	(5.6)	(1.7)
<i>Operating profit margin</i>	(4.6%)	(10.2%)	0.1%	6.1%	(1.9%)	(2.2%)
Amortization of other intangibles	0.0	0.2	0.0	0.1	0.3	0.1
Non-GAAP operating profit	(3.0)	(6.1)	0.8	5.9	(2.3)	(0.9)
<i>Non-GAAP operating profit margin</i>	(4.0%)	(8.5%)	1.1%	7.2%	(0.8%)	(1.1%)

GAAP to Non-GAAP Reconciliation – Continued

Continuing Operations – Segments



\$ millions, except EPS	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24
<u>B Medical</u>						
Revenue	41.8	15.1	26.8	29.4	113.1	12.6
GAAP gross profit	14.1	(1.3)	4.8	2.9	20.5	(0.2)
<i>Gross profit margin</i>	33.7%	(8.7%)	17.9%	10.0%	18.1%	(1.8%)
Amortization expense	2.5	2.7	2.7	2.7	10.6	3.8
Purchase accounting impact on inventory	2.9	2.9	3.0	0.9	9.7	-
Non-GAAP gross profit	19.5	4.3	10.4	6.5	40.8	3.5
<i>Non-GAAP gross profit margin</i>	46.6%	28.7%	39.0%	22.3%	36.1%	28.1%
GAAP Research and development	(1.0)	(0.8)	(1.4)	(0.9)	(4.0)	(1.2)
GAAP Selling, general and administrative	(13.6)	(6.9)	(7.5)	(9.2)	(37.2)	(6.8)
Operating expenses	(14.6)	(7.7)	(8.9)	(10.1)	(41.3)	(7.9)
GAAP operating profit	(0.5)	(9.0)	(4.1)	(7.2)	(20.8)	(8.2)
<i>Operating profit margin</i>	(1.1%)	(59.7%)	(15.4%)	(24.3%)	(18.3%)	(65.0%)
Amortization of other intangibles	1.4	0.0	0.0	0.0	1.4	0.0
Non-GAAP operating profit	6.3	(3.4)	1.5	(3.5)	0.9	(4.4)
<i>Non-GAAP operating profit margin</i>	15.1%	(22.3%)	5.7%	(12.0%)	0.8%	(35.0%)

Net Income to Adjusted EBITDA Reconciliation

Continuing Operations



\$ millions	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	FY23	Q1 FY24
Net income	(11.2)	(4.9)	(1.5)	3.4	(14.3)	(15.7)
(Income) Loss from discontinued operations, net of tax	-	2.9	(1.0)	(0.6)	1.4	-
Net income (Loss) from continuing operations	(11.2)	(2.0)	(2.5)	2.8	(12.9)	(15.7)
<u>Adjustments:</u>						
Interest income	(10.7)	(10.4)	(11.3)	(11.3)	(43.7)	(10.1)
Interest expense	-	-	-	-	-	-
Income tax provision	(4.6)	(3.3)	(1.2)	(8.4)	(17.5)	(0.2)
Depreciation	8.6	9.5	9.1	9.9	37.2	9.4
Amortization of intangible assets	11.5	12.4	12.2	12.2	48.4	12.5
Loss on extinguishment of debt	-	-	-	-	-	-
EBITDA - from Continuing Operations	(6.4)	6.3	6.3	5.2	11.4	(4.1)
<u>Adjustments:</u>						
Purchase accounting impact on inventory	2.9	2.9	3.0	0.9	9.7	-
Stock-based compensation	2.2	4.0	4.0	(0.7)	9.5	3.2
Other special charges	(0.1)	0.0	0.0	(0.0)	(0.0)	0.0
Tariff adjustment	-	-	-	-	-	-
Restructuring charges	1.5	1.5	0.8	0.8	4.6	1.1
Merger and acquisition costs and costs related to share repurchase (*)	11.8	0.0	0.2	1.8	13.8	4.3
Contingent Consideration - Fair Value Adjustments	-	(17.1)	(1.4)	-	(18.5)	-
Adjusted EBITDA - from Continuing Operations	12.0	(2.4)	12.9	7.9	30.4	4.6
Adjusted EBITDA margin	6.7%	(1.6%)	7.8%	4.6%	4.6%	3.0%

(*) Includes expenses related to governance-related matters.

Calculation of Organic Revenue

Continuing Operations



\$ millions	<u>Q1 FY23</u>	<u>Q2 FY23</u>	<u>Q3 FY23</u>	<u>Q4 FY23</u>	<u>FY23</u>	<u>Q1 FY24</u>
Revenue	28%	2%	25%	25%	20%	(13%)
Acquisitions/divestitures	(33%)	(13%)	(24%)	(22%)	(23%)	(1%)
Currency exchange rates	4%	3%	0%	(1%)	2%	(1%)
Organic revenue	(1%)	(8%)	2%	2%	(1%)	(15%)

\$ millions	<u>Q1 FY23</u>	<u>Q2 FY23</u>	<u>Q3 FY23</u>	<u>Q4 FY23</u>	<u>FY23</u>	<u>Q1 FY24</u>
SMS						
Revenue	(0%)	(12%)	3%	9%	(0%)	5%
Acquisitions/divestitures	(5%)	(5%)	(7%)	(1%)	(4%)	(2%)
Currency exchange rates	4%	3%	0%	(3%)	1%	(2%)
Organic revenue	(1%)	(14%)	(4%)	5%	(4%)	1%

\$ millions	<u>Q1 FY23</u>	<u>Q2 FY23</u>	<u>Q3 FY23</u>	<u>Q4 FY23</u>	<u>FY23</u>	<u>Q1 FY24</u>
Multimomics						
Revenue	(4%)	(4%)	8%	(2%)	(1%)	3%
Acquisitions/divestitures	-	-	-	-	-	-
Currency exchange rates	5%	3%	1%	0%	2%	(0%)
Organic revenue	0%	(1%)	8%	(2%)	1%	2%

\$ millions	<u>Q1 FY23</u>	<u>Q2 FY23</u>	<u>Q3 FY23</u>	<u>Q4 FY23</u>	<u>FY23</u>	<u>Q1 FY24</u>
B Medical						
Revenue	0%	0%	0%	0%	0%	(70%)
Acquisitions/divestitures	-	-	-	-	-	-
Currency exchange rates	0%	0%	0%	0%	0%	(2%)
Organic revenue	0%	0%	0%	0%	0%	(71%)