



Enabling discovery, safety and
production of tomorrow's therapeutics

NASDAQ: HBIO

Q1'24 Earnings Presentation

Jim Green, Chairman, President & CEO
Jennifer Cote, CFO & Treasurer
May 7, 2024



Forward-Looking Statements and Non-GAAP Financial Information

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “may,” “will,” “expect,” “plan,” “anticipate,” “estimate,” “intend” and similar expressions or statements that do not relate to historical matters. Forward-looking statements include, but are not limited to, information concerning expected future financial and operational performance including revenues, gross margins, earnings, cash and debt position, growth and the introduction of new products, and the strength of the Company’s market position and business model. Forward-looking statements are not guarantees of future performance and involve known and unknown uncertainties, risks, assumptions, and contingencies, many of which are outside the Company’s control. Risks and other factors that could cause the Company’s actual results to differ materially from those described its forward-looking statements include those described in the “Risk Factors” section of the Company’s most recently filed Annual Report on Form 10-K as well as in the Company’s other filings with the Securities and Exchange Commission. Forward-looking statements are based on the Company’s expectations and assumptions as of the date of this document. Except as required by law, the Company assumes no obligation to update forward-looking statements to reflect any change in expectations, even as new information becomes available.

Use of Non-GAAP Financial Information

This document includes non-GAAP financial information including one or more of adjusted operating income (loss), adjusted operating margin, adjusted net income (loss), adjusted EBITDA, adjusted EBITDA margin, adjusted diluted earnings (loss) per share, foreign exchange adjusted revenue, and net debt. We believe that this non-GAAP financial information provides investors with an enhanced understanding of the underlying operations of the business. For the periods presented, these non-GAAP financial measures have excluded certain expenses and income resulting from items that we do not believe are representative of the underlying operations of the business. Items excluded include stock-based compensation, amortization of intangibles related to acquisitions, other operating expenses, loss on equity securities, income taxes and the tax impact of the reconciling items. Management believes that this non-GAAP financial information is important in comparing current results with prior period results and is useful to investors and financial analysts in assessing the Company’s operating performance. Non-GAAP historical financial statement information included herein is accompanied by a reconciliation to the nearest corresponding GAAP measure which is included as exhibits below.

With respect to non-GAAP forward-looking measures, we provide an outlook for adjusted EBITDA margin. Many of the items that we exclude from this forward-looking measure calculation are less capable of being controlled or reliably predicted by management. These items could cause the forward-looking measures presented in our outlook statements to vary materially from our GAAP results.

The non-GAAP financial information provided in this presentation should be considered in addition to, not as a substitute for, the financial information provided and presented in accordance with GAAP and may be different than other companies’ non-GAAP financial information.

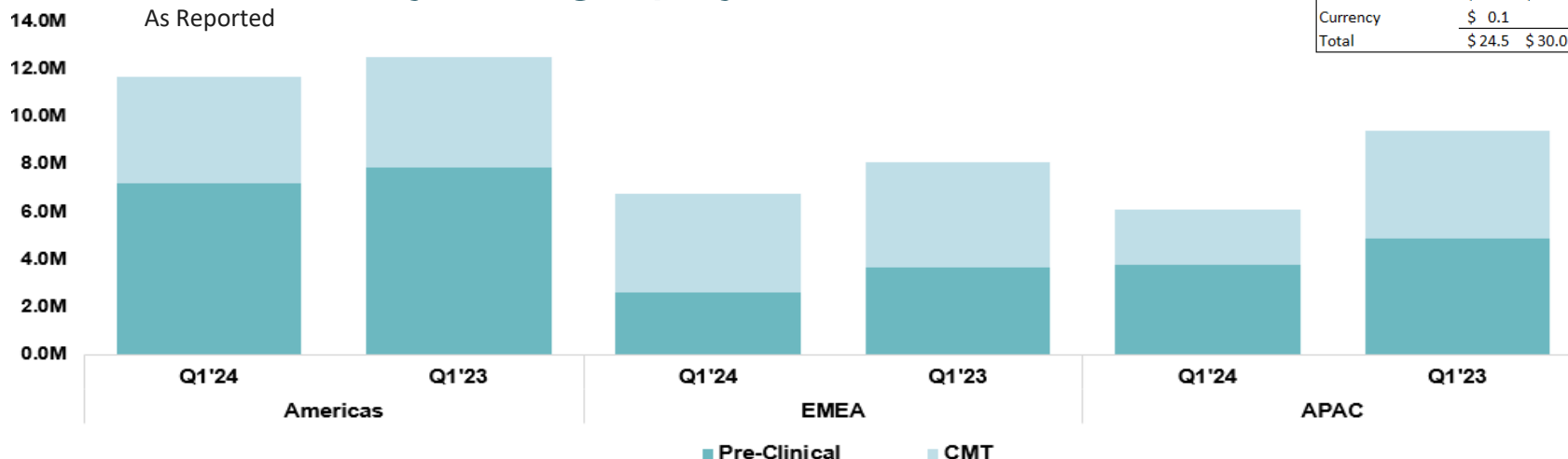
CEO Summary: Q1'24 Highlights

Strong gross margin performance and focus on efficiency to support ongoing investments in growth

Income Statement Components (\$ in millions except percentages)	Q1' 2024	Q1'2023
Revenue	24.5	30.0
Gross Margin	14.8	18.3
% of Revenue	60.3%	61.2%
Operating (Loss) Profit	(2.3)	1.7
% of Revenue	-9.3%	5.8%
Adjusted Operating Profit*	1.2	4.4
% of Revenue	4.8%	14.8%
Adjusted EBITDA*	1.6	4.8
% of Revenue	6.6%	15.9%

* Non-GAAP measure, see Appendix for reconciliation to GAAP financial measures

Q1'24 Revenue by Geography



Currency Adjusted Revenue			
(in \$M)	Q1'24*	Q1'23	
CMT	\$ 10.9	\$ 13.9	-21.5%
Pre-Clinical	\$ 13.5	\$ 16.1	-16.3%
Currency	\$ 0.1		0.5%
Total	\$ 24.5	\$ 30.0	-18.2%

Americas

- Overall: Down 6.6% as reported
- Pre-clinical: Slow in Covid related Respiratory products
- CMT: Growth in advanced cell based systems
- Academics/NIH: Slow - lack of budget clarity
- Pharma and CRO: Still keeping tight strings

EMEA

- Overall: Down 16% reported, includes 1% FX headwind
- Pre-clinical: General slowing on tight budgets
- CMT: modest slowing
- Macro: Spending slower with higher interest rates; Ukraine funding affecting government spend

APAC

- Overall: Down 35.4% reported vs record PY
- Pre-clinical: Continued down on tight budgets
- CMT: Academics remained down significantly from government funded timing for academic research
- Macro: Improving outlook for second half on China stimulus announcement

* Non-GAAP measure

New Product Introductions: Focused on Commercialization

Established base platform targets market growth; exciting new growth opportunities in bio-production and cellular

STRENGTHEN THE BASE



PRECLINICAL



CMT

- Extend leadership in telemetry with the introduction of SoHo™ Shared Housing telemetry family of implants
- Introduced latest Ponemah™ software integrating VivaMARS™ high-capacity behavioral testing with our industry leading GLP data management and reporting system
- Showcased VivaMARS™ at SfN and SoT expanding our addressable market into neuro pharmacology applications
- Fortify leading position in cellular/molecular/inhalation-respiration technologies for research/discovery
- Continue to expand field service offerings

~85% of FY23 Rev

EXPAND TO BIO-PRODUCTION



CMT

- Adapted our well known BTX electroporation family to cGMP bioproduction applications
- Released our GLP/cGMP compliant Amino Acid Analyzer for Biopharma bioproduction, adapted from our leading AAA clinical analyzer

~10% of FY23 Rev

INNOVATE CELLULAR



CMT-
ORGANOIDS

- Launched the Mesh MEA™ Organoid Platform at SfN
- Showcased Mesh MEA™ at Society for Toxicology
- Initial applications in research and biopharma discovery for neuro, exploring in-vitro safety applications

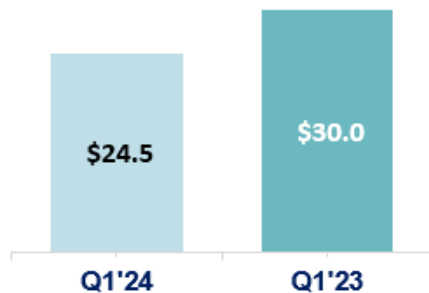
~5% of FY23 Rev

Financials

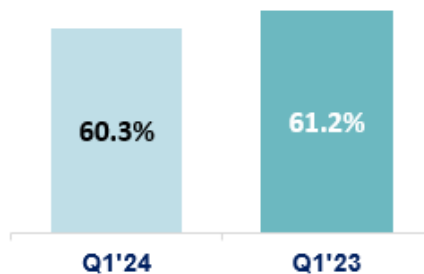
Q1'24 Performance vs. Q1'23 (GAAP except where noted)

\$ in millions except
per share data

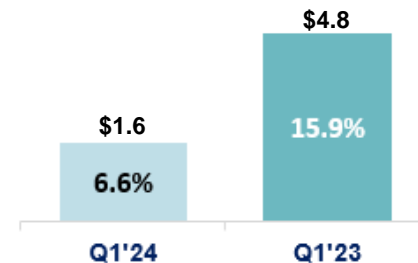
REVENUE



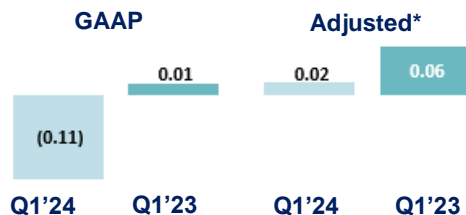
GROSS MARGIN



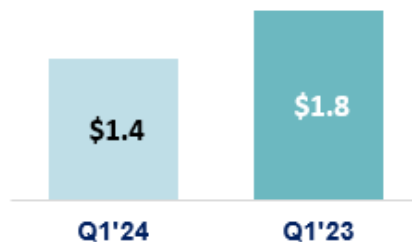
ADJUSTED EBITDA*



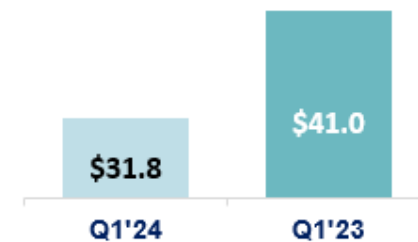
DILUTED (LOSS) EARNINGS PER SHARE



CASH FLOW FROM OPERATIONS



NET DEBT*



* Non-GAAP measure, see Appendix for reconciliation to GAAP financial measures

Outlook

2024 Full Year Outlook: 'A Tale of Two Halves'

For FY2024, we expect:

- Revenues approximately flat for the full year vs. prior year
- Weakness in the first half versus a strong prior year comparison
- Second half growth versus both first half of 2024 and the second half of 2023, supported by new product commercializations and expected improvements in China
- Gross margins in the 60% range
- Adjusted EBITDA margins to the mid-teens



Appendix

Reconciliation to GAAP P&L

	Three Months Ended		
	March 31, 2024	March 31, 2023	
GAAP operating (loss) income	\$ (2,279)	\$ 1,749	
Stock-based compensation	1,048	1,153	
Acquired asset depreciation & amortization	1,339	1,401	
Other operating expenses (1)	966	-	
Other adjustments	97	131	
Adjusted operating income	\$ 1,171	\$ 4,434	
Operating margin	(9.3%)	5.8%	
Adjusted operating margin	4.8%	14.8%	
GAAP net (loss) income	\$ (4,694)	\$ 622	
Stock-based compensation	1,048	1,153	
Acquired asset depreciation & amortization	1,339	1,401	
Other operating expenses (1)	966	-	
Other adjustments	97	131	
Gain on sale of product line and dividend income	-	(493)	
Loss on equity securities	1,312	-	
Income taxes	627	(340)	
Adjusted net income	695	2,474	
Depreciation & amortization	443	321	
Interest and other expense, net	893	1,036	
Adjusted income taxes (2)	(417)	924	
Adjusted EBITDA	\$ 1,614	\$ 4,755	
Adjusted EBITDA margin	6.6%	15.9%	
Diluted (loss) earnings per share (GAAP)	\$ (0.11)	\$ 0.01	
Diluted adjusted earnings per share	\$ 0.02	\$ 0.06	
Weighted-average common shares:			
Diluted GAAP	43,402	42,783	
Diluted Adjusted	44,693	42,783	
	March 31, 2024	December 31, 2023	March 31, 2023
Debt, including unamortized deferred financing costs	\$ 35,610	\$ 36,563	\$ 44,053
Unamortized deferred financing costs	490	560	770
Cash and cash equivalents	(4,255)	(4,283)	(3,789)
Net debt	\$ 31,845	\$ 32,840	\$ 41,034

(1) Other operating expenses include a \$0.5 million commission paid in connection with the receipt of employee retention credits and an estimated loss of \$0.5 million related to an unclaimed property audit.

(2) Adjusted income taxes includes the tax effect of adjusting for the reconciling items using the tax rates in the jurisdictions in which the reconciling items arise.

