2016 INVESTOR DAY
Disclaimer

Cautionary Statements
This presentation contains “forward-looking statements” within the meaning of the federal securities laws. Except for historical information contained herein, the statements in this presentation are forward-looking and made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements made herein relate to, among other things, future sales, earnings, return on equity, cost savings, process improvements, free cash flow, share repurchases, capital expenditures, acquisitions, benefits of investments and partnerships, business strategies and other matters. Such statements can be identified by words such as: “expected,” “expects,” “expect,” “forecast,” “would,” “estimate,” “will,” or similar references to future periods.

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This presentation also contains non-GAAP financial information. Management uses this information in its internal analysis of results and believes this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For definitions of applicable non-GAAP financial measures and reconciliations of non-GAAP financial information to GAAP financial information, see the Reconciliations of GAAP to Non-GAAP Financial Measures included in the Company’s financial reports on Forms 10-Q and 10-K and related press releases.
EXECUTING TO A STRATEGY
1. INTRODUCTION
   Chuck Kummeth, President and CEO

2. BUSINESS GROUPS DESCRIPTION
   Kevin Gould, Sr. VP Diagnostics
   Bob Gavin, Sr. VP Protein Platforms
   Dave Eansor, Sr. VP Biotechnology

3. PRODUCTS AND TECHNOLOGIES ROAD MAP
   Fernando Bazan, Chief Tech. Officer

4. FINANCIAL RETURNS ON STRATEGY
   Jim Hippel, Chief Financial Officer

5. Q&A
   All
Corporate Leadership Team

Chuck Kummeth  
CEO

Gerry Andros  
Vice President  
Sales

Dr. Fernando Bazan  
Chief Technology Officer

Ruth Bright  
Managing Director  
R&D Systems Europe

Peter Breloer  
Vice President  
Asia Pacific

Dave Eansor  
Sr. Vice President  
Biotech Division

Brenda Furlow  
Senior Vice President and General Counsel

Bob Gavin  
Senior Vice President  
Protein Platforms

Kevin Gould  
Sr Vice President  
Diagnostic Division

Jim Hippel  
Chief Financial Officer
Corporate Leadership Team

Dave LePage
Chief Information Officer

Dr. Frank Mortari
Vice President
Corporate Development

Karen Padgett
Vice President
Marketing

Dr. Kevin Reagan
Vice President
Diagnostics Markets

Struan Robertson
Vice President
Human Resources

Dr. Wendy Shao
Managing Director
R&D Systems
China

Gary Stapleton
Vice President
European Operations

Marcel Veronneau
Senior Vice President
Clinical Controls
What is our Mission?

EPIC TOOLS FOR EPIC SCIENCE

Empowerment
Passion
Innovation
Collaboration
Large Addressable Market Opportunities

IVD Assays and Reagents $3.6B
Multiplex Testing Platforms $0.7B
Neuroscience $0.9B
Research Antibodies $1.0B
Immunology $1.5B
Bioprocessing and Media $1.6B
Oncology $0.8B
Stem Cells $0.9B

>$10 Billion Addressable Market
4-10% CAGR

Customers Served
- Pharma
- Biotech
- Academia
- CROs
- Hospitals
- Foundations
- Government
3 Years Accomplishments

- $310MM in Revenue growing to $500MM
- Company’s first 5 year strategic plan
- $168MM in Adj. Operating Income to near $200MM
- 500% increase in first year product sales
- 9 acquisitions in 3 years, cash and debt strategy strictly adhered to
- 12 new senior executives (ThermoFisher, LifeTech, 3M, Genentech)
- Enterprise wide business systems (SFDC, ERP, Hyperion, LMS, Ultipro, etc.)
- 689 employees to near 1700
- New company name and branding strategy
- Complete new website with over 70+ active pathways for researchers
- New EPIC Human capital and culture plan
- 200%+ growth in China ($14MM in revenue to near $40MM)
- Global Subsidiary model implemented with 3 divisions and 3 regions
- IR group and process to address investors
- 24,000 self manufactured products to over 40,000
- 120+ employees given bonus and equity incentive plans
M&A Strategy Results

- Targets with ROIC > WACC
- Targets that fill perceived gaps
- Sound prioritization strategy
- Healthy hopper of targets
24 Global Sites

North America
- Minneapolis
- San Marcos
- Devens
- Cambridge
- San Jose
- Newark
- Emeryville
- Littleton
- Oakville
- Toronto
- Ottawa
- Wallingford

Europe
- Abingdon
- Langley
- Bristol
- Wiesbaden
- Lille
- Milan
- Zug

Asia
- Shanghai
- Beijing
- Hong Kong
- Singapore
- Tokyo

Total Geographic Sites – 24
Total WW Employees - ~1700
Organic Sales Growth - Mainland China

Core Business Organic Growth

FY 16: 25%
FY 15: 29%
FY 14: 19%

¹ Tocris, R&D Systems, Novus products
Key Initiatives to Support China Growth Strategy

• Hiring of an experienced commercial lead for Asia

• Increase in on-the-ground sales force for greater customer visibility

• Integrated sales functions between the three business units in China: Bio-Techne legacy business, PrimeGene and ProteinSimple (ACD is next!)

• Greater regional coverage through the distributor network

• Continued emphasis on the use of web-based marketing to better serve our customers

• Broad based Trade Show plan, dozens occur in many cities annually
FY 16 Mainland China Sales Growth By Regions and Staffing

West (1 employee): +41%
North (4 employees): +25%
East (32 employees): +18%
South (2 employees): +26%

* R&D Systems, Tocris
Europe Summary

- **Regional Mfg and Logistics**
  - >200 Employees

- **>90% Direct Sales**

- **5 Commercial Sites**

- **2 Operating Divisions**

- In region distribution and manufacturing
- > 30% of European employees PhD qualified
- Selling more directly with our customers
- UK, Germany, Switzerland, France, Italy
- Protein Platforms and Biotech divisions now operating regional model
Europe (EMEA) Key Financial Metrics

Europe continues to deliver strong mid-single digit organic growth.
Prioritization Process: Why Prioritize?

• Prioritization provides clear direction for **investment decisions** across the whole business that deliver or exceed the Strategic Plan goals

• Provide answers to...
  
  ▪ Which programs generate the **best return** and should therefore be resourced?
  
  ▪ Which programs generate a **poor return** and should therefore be put on hold or killed to **release resources** to invest in growth programs?
  
  ▪ What investment is needed to **fully resource** the programs that maximize financial and commercial success?
Process – Comparing strategic investments

Scoring Criteria Using Three questions:
1. What are the resources required to deliver the project?
2. What are the benefits of the project, assuming success?
3. What is the probability of success?

Option A

Option B

Benefit Filters
- Strategic Growth
- Competitive Differentiation
- Talent & Retention
- Long Term Revenue ($)
- Gross Margin ($)
- Revenues ($)
Bio-Techne – Optimized Portfolio

Benefit/Cost Prioritization Frontier

- Fixed CORE only
- Fixed Core + Existing
- Div/Corp Picks

$0M - $367.3M

Relative Benefit

Cost

$0M - $367.3M
EMPOWERMENT
PASSION
INNOVATION
COLLABORATION

• The guiding principle from which leaders lead
• The cultural heartbeat connecting each and every site
• The mobilization of a global workforce
• The benchmark by which all people initiatives are measured
• The word that challenges us to imagine what is possible
EPIC - Bio-Techne Pride

• Global Recognition Program
• Bio-Techne Training Squad
• Community Affairs
• Groundbreaking Performance Mgt
• Women In Science Program
• EPIC Top Banana and Minions
• Global Leadership Development
• Total Compensation Focus
Bio-Techne Training Squad
Global footprint, with offices in NA, Europe and Asia
- Minneapolis, MN based headquarters
- Strong balance sheet with exceptional profitability through high gross margins and operational efficiency
- Deep product portfolio and application expertise that includes cytokine/growth factors, immunoassays, small molecules, antibodies, automated protein analysis and quantitation, and clinical controls
- Current leadership position in cytokines and immunoassays for research
- Provider of biological content for research, diagnostic and clinical instruments
- First to market with difficult-to-make bioactive proteins
- Adopted new mission and vision statements: EPIC Tools for EPIC Science

Going Forward
- Build on Bio-Techne’s history of product and financial success.
- Innovation and expansion of core products & technology both organically and via M&A
- Bring automation to the customer’s workflow that leverage our reagents
- Expansion of our geographic footprint in both commercial and scientific collaborations (eg.: KOL network)
- Build development and operational processes that allow us to scale efficiently
- Recruit, develop and retain the most talented staff
Strategic Goals

- China over $100MM
- Op Margins 30%-35%
- 2500+ employees
- $1B Revenue!
- Global EPIC Culture
- 4-6 divisions
Bio-Techne Summary

- **300,000 Products**
- **+1,700 Employees**
- **40 Years**
- **500,000 Citations**
- **6 Instruments**

Our brands bring you >300,000 quality products

Over 1700 employees globally

Our companies have been manufacturing and sourcing reagents for 40 years

Generated using our products

6 instrument platforms that leverage biological content
Diagnostics Division

Kevin Gould
Sr Vice President
Clinical Diagnostic Products

Diagnostic Reagents
Assay Development
Quality Controls/Calibrators
Proficiency Testing Material
Biological Raw Materials
Antibodies, Antigens, Proteins
Plasma/Serum
We develop and manufacture the full spectrum of reagents, calibrators and quality controls for the following diagnostic areas:

- General Chemistry
- Hematology
- Diabetes (Blood glucose, HbA1c)
- Blood Gas/Electrolytes
- Cardiac Markers
- Coagulation
- Urine Chemistry/Urinalysis
- Lipids
- Specific Proteins
- Tumor (Cancer) Markers
- Immunochemistry
- TDM
- Toxicology
Biological Materials and Plasma Processing

• Protein purification – Affinity chromatography
• Stabilization of proteins in Liquid Matrices
• Enzyme stabilization
• Fractionation
• Plasma processing
• Custom processing: defibrination, delipidization,
• Ultra-filtration/Dialysis
• Heat inactivation
• Fermentation
• Disease state plasmas

“We enable IVD companies globally to produce their products”
# Regulatory Certifications

<table>
<thead>
<tr>
<th>Certification</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDA Registered Establishment and Device Listing</td>
<td></td>
</tr>
<tr>
<td>Device Manufacturing Licenses</td>
<td></td>
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<tr>
<td>ISO 13485:2003 Certification</td>
<td></td>
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<tr>
<td>ISO 9001:2008 Certification</td>
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<tr>
<td>Compliant with cGMP/QSRs (US), ISO, IVDD and other regulations (EU), ANVISA</td>
<td></td>
</tr>
<tr>
<td>Canadian Medical Device Regulation (CMDR) and Establishment License</td>
<td></td>
</tr>
</tbody>
</table>

All Bio-Techne Diagnostics locations are compliant to current regulations and certifications
Custom Products and Contract Manufacturing

• Customization for specific applications and instrument platforms
• Key supporting products:
  – Calibration Verification/Linearities
  – Standards
  – Proficiency Products
  – Reagents
Products for the Point of Care Market

- Industry leading experience developing products for automated and manual POC analyzers and test systems

- We produce the consumable fluids and reagents for the IVD industry’s leading companies and platforms
Diagnostics Division-Today

- Customer oriented organization
- Four locations: ~225,000 square feet
- Management team with extensive IVD industry experience
- Balance of infrastructure and technology
- Strict Regulatory Compliance with an exemplary quality record:
  - Last FDA Audits
    - No Observations (483’s)
  - Substantial 510K Portfolio
    - Over 175 approved 510K’s

Development through Commercialization – A Complete IVD Supply Partner
Protein Platforms Division

Bob Gavin
Sr Vice President
Why Proteins?

• Proteins Are Complex
Why Proteins?

- Todays Protein Tools Can Be Even More So
Tools Don’t Need To Be Complex

We provide systems to allow scientists to focus on scientific questions and answers, not performing the experiment in between.
Systems Based Approach

- Imaging
- Separation
- Immunoassay
- Microfluidics
- Measurement
- Analysis

protein simple®
a bioteche® brand
Unique Protein Analysis Focus

FluorChem AlphaImager

Simple Western

Single-Cell

Simple Plex

iCE

MFI
Proven Track Record of Innovation
ProteinSimple

[proh-teen sim-puh l]

• Examples
• Word Origin

verb (used with object), ProteinSimple it!
1. to rethink complex scientific problems into simple, elegant solutions that are delightful to use.

We took that old fashioned Western Blot and ProteinSimpled it!
Innovation Drives Revenue

2010: 31
2016: 77
Global Footprint

• 16,000+ Installed Base
• ~300 Employees Worldwide
• Production facilities in San Jose, Wallingford, Toronto, Ottawa
• Demo facilities in San Jose, Boston, Abingdon, Minneapolis, Shanghai, Tokyo
• Direct sales in NA, Europe and Asia
Attractive Revenue Mix

- 67% Biopharma
- 42% Recurring
- 44% Outside US
Serving All Aspects of Life Science

Basic Research → Applied Research → Clinical Research → Diagnostics

Pharma Development → Pharma Production

Instruments
Reagents
Consumables

Life Science Tools
Life Science
What’s In Your Sample?

- Different scientists, different questions

Basic Research → Applied Research → Clinical Research → Diagnostics

Measure small amounts of protein in complex mixtures

Pharma Development → Pharma Production

Measure and characterize purified proteins
What’s In Your Sample?

- Different questions, different tools

- **Basic Research**
  - FluorChem
  - AlphaImager

- **Applied Research**
  - Simple Western

- **Clinical Research**
  - Single-Cell

- **Diagnostics**
  - Simple Plex

- **Pharma Development**
  - Pharma Production
  - MFI
  - iCE
Biologics Drive Pharma Growth

- Purified Proteins as Drugs
- ~700 companies worldwide researching and commercializing biologics
- Pipeline of Biologics in Phase I to Application Submission >900
Many analytical techniques are required.
iCE – Is My Drug Consistent?

Gold Standard for Charge Heterogeneity
Installed in development and QC
MFI – Is Drug Contaminated?

MFI

Defined the field for monitoring protein aggregation
What’s in your sample?

Western Blot

ELISA
Start with a Lot of Gear...

- Gels
- Separation
- Blotting
- Imaging
- ImmunoAssay
- Antibody
Spend Up to Two Days...

- Load gel
- Run gel
- Prep gel
- Build Sandwich
- Membrane Transfer
- Primary Probe
- Wash
- Secondary Probe
- Wash Again
- Expose
- Develop
- Detect
And Get Inconsistent Data!

- Manual
- Time consuming
- Inconsistent
- Non-reproducible
- Semi-quantitative at best
Simple Western is the Future...

Prepare samples

Click start

Results automatically
...with Data you can Rely on

- Fully automated
- Fast
- Consistent
- Reproducible
- Fully quantitative

CV=9.1% → CV=4.4%
Gel-free. Blot-free. Hands-free.

**Wes**
25 samples

**Sally Sue**
96 size

**Peggy Sue**
96 size/charge

**NanoPro 1000**
96 charge

---

**Sally Sue**
96 size

**Peggy Sue**
96 size/charge

**NanoPro 1000**
96 charge

---

**Wes**
25 samples

---

**Sally Sue**
96 size
ELISA – That’s a lot of plates!

- ~2,000,000 ELISAs are performed annually
- ~1,000,000 are ELISA kits
- Typical lab does 50-100 plates per year on 6-10 different targets
ELISA

- Sensitive & Accurate
- Laborious

1. Coat Plate with Capture Ab
2. Wash Plate
3. Add Antigen (sample)
4. Wash Plate
5. Add 2\textdegree{} Ab and incubate
6. Wash Plate
7. Add Detection Reagent and incubate
8. Read in plate reader and analyze

Gold Standard
Simple Plex – A New Way to ELISA

Prepare samples

Click start

Results automatically
Simple Plex Removes the Tedium

- Traditional ELISA
  - Up to 8 separate steps
  - Each Step adds variability
  - May take up to 6 hours
  - Requires larger sample volumes

- Simple Plex ELISA
  - Only 2 separate steps
  - Variability is low
  - Only takes up to 1.25 hours
  - Requires low sample volume
Produces More and Better Data

- Up to 4 targets per sample
- Wider dynamic range
- Lower detection limits
Four Growth Platforms

- **Biologics**
- **Simple Plex**
- **Simple Western**
- **Single-Cell**
Unique Combination and Opportunity
Biotechnology Division

Dave Eansor
Sr Vice President
Our Business Today: Biotech

**Business Overview**
- Largest, most profitable Division of Bio-techne
- Highest Quality reagents for Life Science Research and Diagnostics
- World Leader in Proteins, ELISA and Immunoassay Reagent Content
- Mid/Upper Single Digit Growth
- Improving Operational Productivity

**Key Growth Drivers**
- New Reagent Development (Novel Content)
- Revenue Sharing (with OEM Customers)
- Value-Added Products (Assays, Cell Culture, GMP Applications, Diagnostic Assays)
- Digital Marketing, Search Engine Optimization
- Synergies with Captive Instrument Platforms
- Acquisitions (PrimeGene, Novus, ACD, Space)
- Geographic Expansion (esp. China, S. Korea)

**Historical Financials**
- Maintaining Operating Margins in mid 50s%
- Organic Growth Transition from Slightly Negative in FY13 to +6% in FY16
- Reflects GM Preservation, Efficiency Gains and Disciplined Expense Management
Proteins

2500+ Recombinant proteins
95% Developed and tested in-house
43 GMP-grade proteins
Custom protein development service

R&D Systems: The most widely used proteins in the world

1800 Papers Citing Recombinant Proteins

R&D Systems
41%
High Value/High Growth Applications

Specialty Media Supplements

Bioprocessing (Growth Factors for Large scale Production)

Cell Therapy (GMP Proteins)

Cancer Immunotherapy Research (Immune Checkpoint Proteins)
Antibodies

- In-house manufacturing & testing
- Polyclonal, monoclonal, recombinant
- Antibodies for Diagnostic assays
- Custom Antibody development services
The Versatility of High Quality Antibodies

Western Blot and Simple Western

IHC

Flow Cytometry

Immunocytochemistry

Blocking/Neutralization Assays

Luminex® Assays

ELISA Assays

Ella

Arrays
Advanced Cell Diagnostics

- Acquired in August 2016
- Newark, CA based company with ~120 employees
- Developed technology to improve detection of genes and gene transcripts using probes (in-situ hybridization) with initial focus on RNA transcript detection (RNAScope)
  - Key improvements:
    - Binding specificity to target RNA
    - Better signal amplification (b-DNA)
    - Retention of morphological context
- Could be an aid to pathology practices where IHC reagents are deficient or lacking
- 9,000 current products, first commercialized in 2011, sold to both research and clinical customers
In Situ RNA Analysis - the Unmet Need

- IHC and FISH are important tools for research & tissue diagnostics
- No sensitive and robust technology for *in situ* RNA detection prior to...

DNA → RNA → Protein

FISH 1990s → RNAscope® 2010 → IHC 1970s
Automation for Research and Clinical Diagnostics

Automated Hybridization & Amplification | Visualize | Quantify

RNAscope Reagents

VENTANA: Discovery Ultra, Discovery XT
LEICA: Leica Bond III and Rx

*Commercial Launch of RNAscope ASRs on Leica’s Bond III Clinical Platform in late 2016
Example: **Merrimack** Pharmaceuticals, Inc. is using ACD's RNAscope technology to select patients for its Phase 2 clinical trial of its product candidate MM-121. **Merrimack** will utilize RNAscope to identify heregulin positive patients, with locally advanced or metastatic non-small cell lung cancer...
Biotech Channels to Market

Direct Salesforce

3rd Party (Fisher)

Distribution

eCommerce

Pharma, Biotech, Academia, Government, CRO, Resellers
Best-in-class Websites & Search Engine Optimization
Deep, Relevant, Contextual Scientific Content

Bioinformatics Tool for HIF-1 alpha

Discover related pathways, diseases and genes to HIF-1 alpha. Need help? Read the Bioinformatics Tool Guide for instructions on using this tool.

Supporting Bibliography

**HIF1A - PATHOGENESIS**


3. 'An HRE-Binding Pvi-Im Polvamide Impairs

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Datasheet  Reviews & Publications  Protocols & FAQs  Support Products  Research Tools
• Optimization of digital channels is driving >10% traffic growth YOY for newly developed Bio-Techne web properties

• Online orders have increased by 15% YOY as a result of optimizing digital channels for conversion and improving user experience across the sites
Biotech Product Positioning Strategy:
Protect share and move up the value chain into higher growth application areas

<table>
<thead>
<tr>
<th>Traditional RUO Product Lines</th>
<th>High Growth Applications</th>
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<tbody>
<tr>
<td>Proteins &amp; Small Molecules</td>
<td>Novel Content, Stem Cells, GMP Applications, Specialty Medias, Assay Standards</td>
</tr>
<tr>
<td>Antibodies/Antibody Pairs</td>
<td>Novel Content, New ELISAs, Diagnostics, Luminex (Multiplex Assays), SimplePlex, Wes, Arrays</td>
</tr>
<tr>
<td>Traditional ELISAs</td>
<td>Custom ELISA Development, Diagnostic ELISAs, SimplePlex Assays</td>
</tr>
<tr>
<td>ACD RNA (CISH) Assays</td>
<td>New IHC Assays, DNA Assays, Splice Variants, Mutations, Diagnostics</td>
</tr>
<tr>
<td>Bulk, OEM Supplier</td>
<td>Value Added Assay Development &amp; Content Provider, Premium Pricing &amp; Royalties</td>
</tr>
</tbody>
</table>
Roadmaps to Products and Technologies

J. Fernando Bazan
Chief Technology Officer
Our extensive portfolio of reagent products is unrivaled, and continually strives to capture new proteins, antibodies, small molecules and assays, that drive discovery in life science and clinical research.

Our New Product Introductions (NPIs) are higher impact, and better tailored to market needs.

Product vitality remains remarkably consistent.
Product Vitality and the Role of Innovation

- This iconic picture of long-term product sales shows how they typically ascend from their (NPI) introduction to reach a high sustained level, and this is the nature of Bio-Techne’s product vitality.

- Our deep product shelf is a remarkable resource that reaches into every life science field, and that we continuously grow and refresh.

- How can we improve seeding of new products directly into the top ranks, or better propel lagging ones upwards?
Product Discovery Challenges

• We are refining the way we choose and develop new product candidates—target proteins, specific antibodies and sensitive assays—to not only rely on characterized molecules from publications..

  *because papers in journals capture past work, & don’t necessarily reflect current research or market needs*

• See the ‘dark proteome’ as a target of opportunity, and source of new molecules with intriguing biology to uncover, IP to capture, papers, collaborations, etc.

• New emphasis on molecular systems—biologically relevant families, pathways and networks—over one-off targets

• Focus on the extracellular proteome

• Get closer to pre-publication, cutting-edge research, & participate in the discovery process

• Shift our stance from a reactive reagent provider, to a catalytic, impactful player in science
Product Discovery and Innovation

To hone our new product strategy, we have examined how we vet and shape candidate projects, seek outside advice, spark collaborations and partnerships, and initiated an in-house discovery program

• An active effort to build a more robust and diverse KOL constellation, backed by a strong Scientific Advisory Board
• Cross-functional ‘Focus Group’ teams, aimed at diverse areas of therapeutic research interest, interacting with cutting-edge scientists and science trends, and aligned to our Business Units, and marketing efforts
• Created a vibrant in-house seminar series, and sponsor very well subscribed Bio-Techne Symposia on timely topics of high interest
Focus Group Strategies

FGs are cross-functional teams of scientists, marketing specialists and product managers, tasked with mapping new strategies and products we drive forward, capture emerging trends, VOC, trigger seminars, and interface with our KOL network

- Integrate data from a number of sources, to define and prioritize new systems or groupings of product candidates

- FG roadmaps cover areas like cancer signaling, stem cells, cytokines, immunology, neuroscience, enzymes, New Technology, and the new Discovery Group

FGs provide a dynamic, collaborative engine for innovative product discovery

• Aligned to Business Units
Key Opinion Leaders Strategies

KOLs can be organized as a dynamic ‘constellation’ from our inner ring of closest Scientific Advisory Board (SAB) members, to a bench of close KOLs and consultants, to a larger outer set of reliable KOLs and top customers. We can organize the KOLs by discipline, institution, molecular interests, consortiums, biotech/biopharma, etc.

- KOLs are involved in substantive collaborations, new product ideas and testing, and plug into Discovery Group projects, perhaps point to custom services, investments

*This graphic nicely frames the growth & level of engagement with our diverse KOLs
- new SAB members are recruited from our close KOLs

* David Masopust, new Immuno-SAB
Discovery Initiatives

We are constantly refining our processes and improving our products, & driving innovation to address the more complex strategic needs of a diversified Bio-Techne, the changing nature of the reagent market, and new clinical and research needs.

• A dedicated, agile Discovery Group tackles new and difficult targets for first-to-market opportunities, explores new technology and methods, is structurally rigorous and captures molecular interactions, heightened focus on drug targets, and has become a collaborative hub for the company and our KOLs.

• Builds greater value products, competitively taps into new fields, integrates with Tocris & ProteinSimple, engages our customers at a higher level, and reaches adjacent markets, like diagnostics and personalized medicine.

• Antibody platform innovation: one size does not fit all.
Discovery & Innovation Drive Entrance into New Areas

- High-value reagents, together with next-gen devices & cutting-edge genomic tools, add new strategic dimensions to our products, & enlarge the addressable markets.
Turning Strategy into Financial Returns

Jim Hippel
Chief Financial Officer
The results of our strategy so far...

On the way to $1B Revenue with solid organic growth in our core, profitability in line with organic growth, and acquisitions positioned to accelerate both going forward.
**Bio-Techne**

**Biotechnology**
- Organic growth improved from (1%) in FY13 to +5% in FY16.
- Adj. OM% decreased from 58% in FY13 to 53% in FY16 mostly due to the impact of FX and Novus acquisition.

**Diagnostics (formally Clinical Controls)**
- Significant increase in Revenue due to Bionostics and Cliniqa acquisitions.
- Acquisitions contributed significantly to the income growth, although at a lower margin profile.

**Protein Platforms**
- Segment was created with the acquisitions of ProteinSimple, CyVek, and Zephyrus.
- Income will accelerate as these “start-ups” continue to ramp on revenue.

---

*Bio-Techne has become a well diversified Life Science tools company, with a much improved growth trajectory from three years ago*
The Impact of Our Acquisitions To-Date

**BioTechnology**
- **PrimeGene**  China-for-China protein manufacturing, GMP capabilities in China.
- **Novus Biologicals**  Extended breadth of antibody portfolio to over 200K SKUs; greatly improved web platform and digital commerce; enhanced marketing capabilities and creativity; bolstered leadership bench across the company.
- **Space**  Expands direct sales force capabilities in Southern Europe.
- **ACD**  Adjacent “picks-n-shovels” supplier for genomics market using in-situ hybridization; could be an aid to pathology practices where IHC reagents are deficient or lacking
- **FY16 Financials**  Revenue ~ $28mm (20%+ OG)  adj. Op. Income ~ $8mm

**Diagnostics**
- **Bionostics**  Expanded portfolio of blood chemistry-based controls to include glucose & gas
- **Cliniqa**  Kit and reagent manufacturing for diagnostic assays, expanding our “picks-n-shovels” portfolio to better serve our diagnostic customers
- **FY16 Financials**  Revenue ~ $60mm (8% OG)  adj. Op. Income ~ $16mm

**Protein Platforms**
- **ProteinSimple**  Instrument-based protein analysis tools that utilize our reagents; automation of Western Blot laboratory workflow; entrance into quality-control market for pharmaceutical mfg.
- **CyVek**  Automated “super-ELISA” solution with potential diagnostic applications.
- **Zephyrus**  Automated “single-cell” Western Blot analysis tool.
- **FY16 Financials**  Revenue ~ $77mm (20%+ OG)  adj. Op. Income ~ $4mm

Strategic additions that will bring financial strength
Potential Financial Returns on Current Portfolio

Our goal is to exit FY21 with both double-digit organic revenue growth and adjusted EPS growth rates.
Key Assumptions by Segment

Biotechnology
- Continue to grow the “core” at mid-single digits
- Rapid growth in ACD as technology gains adoption in diagnostic pathology markets
- Protect/maintain “core” margins while greatly expanding ACD operating margins

Diagnostics
- Hematology Controls continue with mid-single digit growth
- Diagnostic kit manufacturing grows high-single digits with more POC applications
- Maintain solid margins with OEM customers

Protein Platforms
- Double-digit revenue CAGR with strong market adoption potential still ahead for Simple Western / Simple Plex platforms
- Expand margins by leveraging cost structure

*With solid execution, the right portfolio to get to double digit top and bottom-line growth*
What “gaps” do we still need to fill?

M&A will remain our #1 priority for capital allocation for the foreseeable future

Opportunities

- Media
- Stem Cells
- Flow Cytometry
- PCR
- Single Cell
- Clinical Biomarkers
- Diagnostics
- Therapeutics
- China
- India
- South America
- Veterinary
- Cosmeceuticals

>$10 Billion Addressable Market
4-10% CAGR

- IVD Assays and Reagents $3.6B
- Oncology $0.8B
- Stem Cells $0.9B
- Neuroscience $0.9B
- Immunology $1.5B
- Research Antibodies $1.0B
- Bioprocessing and Media $1.6B
- Multiplex Testing Platforms $0.7B

Neuroscience $0.9B

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Bioprocessing and Media $1.6B

Multiplex Testing Platforms $0.7B

IVD Assays and Reagents $3.6B

Neuroscience $0.9B
What Does Our Acquisition Pipeline Look Like?

~ 75 total targets

~ 30 high strategic fit

~ 20 located in China

~ 15 instrument platforms

~ 10 > $100mm Rev

~ 10 < $10mm Rev

~ 10 actionable

Always “working” ~ half a dozen at any given time
Key Criteria on Our Acquisition Filter

- Strategic Fit
- Technology Differentiation
- Operational Capabilities
- GM% profile
- Growth rate
- Scalability
- ROIC

Actionable?

Process, perseverance, and patience needed to be successful in M&A

DEAL
How Much “Dry Powder” for More Acquisitions?

~$1.2B

Over the next five years

Assumes maximize leverage of 3.5x EBITDA over next five years, with free cash flow after paying dividend also allocated to acquisitions
Assuming we acquire targets with similar financial trajectories as past acquisitions, we should continue to increase our organic growth rate and contribution to the bottom-line.
Q&A Panel