

**ASX RELEASE**

Trajan continues to perform strongly with Net Revenue up more than 50% and nEBITDA up more than 60% year-on-year.

**Highlights**

- Net Revenue of \$162.2M (PCP: \$107.6M), up 50.7%.
- Normalised EBITDA of \$21.1M (PCP \$12.5M), up 67.9%, inclusive of \$0.6M revaluation expense of the foreign exchange hedge book (PCP \$0.1M).
- Excluding net investment of \$4.4M in new Disruptive Technologies, Trajan's underlying core business produced an EBITDA of \$23.9M.
- Organic Net Revenue growth of 14.5% on PCP - 8.4% on a constant currency basis.
- Proforma Gross Margin expansion continues, currently at 43.2% (PCP 41.9%), progressing toward 50% target with continued progress on Project Neptune.
- Strengthening of the Balance Sheet with Gearing Ratio reducing from 36.0% to 29.0%, Loans reducing from \$54.8M to \$48.6M, and Net Debt decreasing from \$41.7M to \$37.6M.
- Guidance: Outlook remains positive. FY24 Net Revenue \$170.0M-\$180.0M and nEBITDA (Core business) \$25.7M-\$27.5M.

**28 August 2023** – Global analytical science and device company Trajan Group Holdings Limited (**ASX: TRJ**) (**Trajan** or **the Company**) today reported its Full Year Results for the 2023 financial year (FY23).

In its twelfth year of growth, the Company reported Net Revenue of \$162.2M (PCP \$107.6M) representing an increase of 50.7% on the prior corresponding period (PCP). Trajan achieved a full-year normalised EBITDA of \$21.1M (PCP \$12.5M), up 67.9%. The full year included a \$0.6M expense with the revaluation of the Company's forward foreign exchange (FEC) hedging book, and a full year of activities from the acquired businesses.

**Segment Performance Benefiting from Contributions from Acquisitions and Organic Growth**

The Life Science Solutions business represents 47.6% of the Group's total revenues and includes a range of automated workflow solutions along with products focused on areas related to human health. Revenue for this segment grew by \$29.9M, up 63.2%, from \$47.3M to \$77.2M. The Life Science Solutions segment made a pre-normalised EBITDA of \$12.2M, up from \$7.2M PCP. Neoteryx LLC, LEAP PAL Parts and Axel Semrau contributed to the performance of this segment.

Analytical Product revenue increased by \$24.7M, up 41.0%, from \$60.3M to \$85.0M. Pre-normalisation, the Analytical Product segment EBITDA was \$28.8M, up from \$21.1M PCP. Growth was positively influenced by the addition of Chromatography Research Supplies and continued organic growth.

**Organic Growth Tracking Solidly**

Organic growth was strong at 14.5% and was 8.4% on a constant currency basis.

Market share expansion was influenced by the adoption of new products such as nano-bore tubing in the Life Sciences segment and emitter tips used in the Analytical Products segment. Strong performance was



reported from the Axel Semrau business, as well as with food contamination and pharmaceutical applications.

Excluding the impact of the Company's forward FEC hedge book, nEBITDA grew 19.0% over the H1FY23 result, a trend recorded over the last two years.

### **Gross Margin Continues to Expand**

Gross Margin has improved for the third year as the Company's margin expansion program Project Neptune continues, influenced by the increase in production automation across global operations, transfer of activities to Malaysia, and cost synergies from acquisitions.

Initiatives likely to contribute to further margin expansion in FY24 include the introduction of additional production automation in Trajan's manufacturing facilities, new methods in glass processing, further dilution of indirect costs across the growing income stream, commercialisation of new technologies, and site and function consolidation. The Company has set a medium-term proforma Gross Margin target of 50%, and nEBITDA margins approaching 20% which it remains confident of achieving.

### **Supporting Trajan's Operational Streams**

Since inception Trajan invested in and developed disruptive technologies. The Trajan "Core" business includes all the related activities such as Operations, Commercial and R&D programs. The Core business is a resilient, high growth and increasingly profitable foundation of the business, contributing \$23.9M EBITDA in FY23. Excluding the impact of FEC hedge book revaluation, the company's nEBITDA grew to \$21.6M (2022 \$12.6M). 2H FY23 nEBITDA (excluding FEC hedge book revaluation) of \$11.7M (1H FY23 \$9.9M), up by 19.0%.

In parallel, Trajan continues to invest in a range of high potential "Disruptive Technologies" that will contribute to the future financial performance of the business and ensure Trajan remains a leader in its field. These second-generation products are in the areas of clinical pathology, related biological micro-sampling tools and the "Hummingbird" modular miniaturised instrument platform. Investment in Disruptive Technologies was \$4.4M during FY23, with the long-term future market potential becoming increasingly evident and exciting.

Trajan has a history of balancing a strong and growing underlying core business with investing free cashflow into these new Disruptive Technologies, aligned with its vision and at a pace tolerated by the business and its shareholders.

The Company will review how it reports, funds, and potentially structures these separate activities to unlock value for shareholders. The strength of the underlying Core business can then be better understood and valued with a higher degree of transparency.

### **Cash Generation Allows Trajan to Self-Fund Investment and Reduce Debt**

During the period, the Company strengthened the Balance Sheet with Gearing Ratio (net debt to equity ratio) reducing from 36.0% to 29.0%, Net Debt reducing to \$37.6M, and Loans decreasing from \$54.8M to \$48.6M. After the application of cash to investment and debt reduction, the Company finished the period with an \$11.0M reported cash balance.

### **FY24 Revenue and EBITDA Guidance**

The Company will no longer report normalised earnings with commercialisation costs and includes FEC hedge book (gains/losses) which are non-operating in nature.

Trajan is forecasting Revenue to grow to between \$170.0M and \$180.0M and EBITDA of the Core business increasing from \$23.9M to between \$25.7M and \$27.5M.



Commenting on the result, Trajan Managing Director and Chief Executive Officer Mr. Stephen Tomisich said:

“This is the twelfth consecutive year of growth for Trajan as we deliver on our strategy to build a global business of scale to have a positive impact on human health. We can observe in those areas where we have focused on being best practice that market adoption and growth follows. As we execute that strategy in the areas of Environmental, Clinical, Pharmaceutical, and Food applications we know our work is underpinning the quality of analytical data being generated. That leads to better decisions to impact human health.

It is the successful integration of the acquired businesses and teams along with the continued support and enhancement of existing product lines that enables the robust performance reported today.

I continue to be so appreciative of the efforts of the 653 Trajan team members around the world, our customers and key suppliers that make this adventure possible.

We are looking forward to continuing to work to our plan over the coming year and beyond.”

**Authorised for ASX release by the Board of Trajan Group Holdings Limited.**

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**About Trajan**

Trajan is a global developer and manufacturer of analytical and life sciences products and devices founded to enable science that benefits people by enriching personal health through scientific tools and solutions. These products and solutions are used in the analysis of biological, food, and environmental samples. Trajan has a portfolio and pipeline of new technologies which support the move towards decentralised, personalised data-based healthcare.

Trajan is a global organisation of more than 650 people, with seven manufacturing sites across the US, Australia, Europe and Malaysia, and operations in Australia, the US, Asia, and Europe.