



Enabling discovery, safety and
production of tomorrow's therapeutics

NASDAQ: HBIO

Q2'24 Earnings Presentation

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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, the strength of the Company’s market position and business model and anticipated macroeconomic conditions. 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, diluted adjusted 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: Q2'24 Highlights

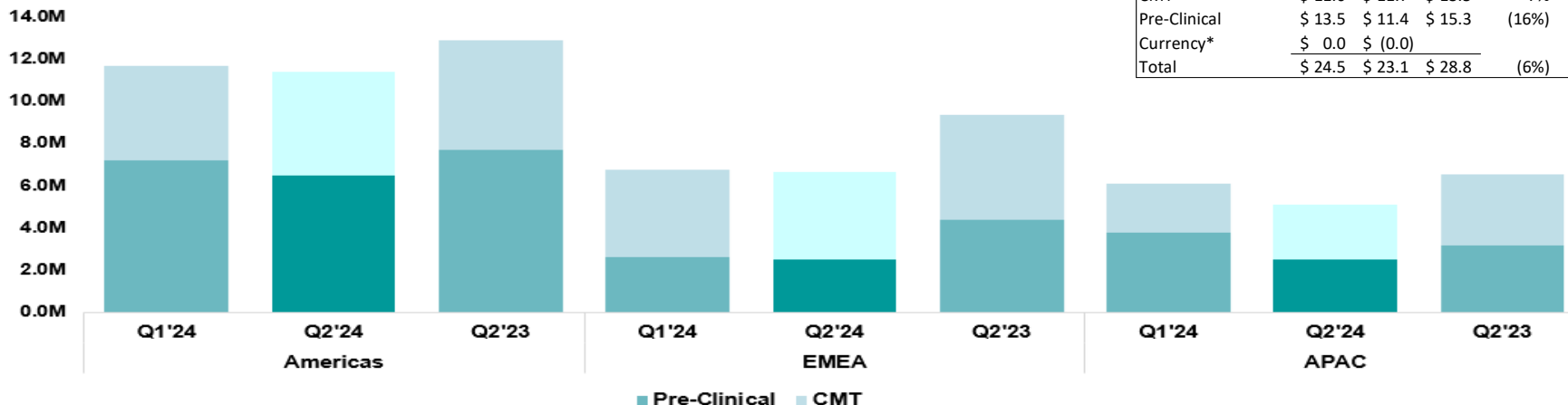
Stay the course, stay lean and remain focused on product commercializations for new revenue streams

Income Statement Components (\$ in millions except percentages)	Q2' 2024	Q2'2023
Revenue	23.1	28.8
Gross Margin	13.2	16.7
% of Revenue	57.2%	58.0%
Operating (Loss) Income	(2.1)	0.8
% of Revenue	-9.0%	2.8%
Adjusted Operating Income*	0.8	3.6
% of Revenue	3.5%	12.4%
Adjusted EBITDA*	1.3	3.9
% of Revenue	5.5%	13.6%

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

Q2'24 Revenue by Geography

As Reported



Fx Adjustment (in \$M)	Q1'24	Q2'24	Q2'23	vs Q1	vs PY
CMT	\$ 11.0	\$ 11.7	\$ 13.5	7%	(13%)
Pre-Clinical	\$ 13.5	\$ 11.4	\$ 15.3	(16%)	(25%)
Currency*	\$ 0.0	\$ (0.0)			
Total	\$ 24.5	\$ 23.1	\$ 28.8	(6%)	(20%)

Americas

- Overall: Down 12% as reported from prior year, sequentially similar run-rate to Q1
- Pre-clinical: Slow with delayed spending from CRO's
- CMT: Sequential growth in advanced cell based and molecular systems
- Academics/NIH: slow on quote to order
- Pharma and CRO's: Tough quarter for CRO's

EMEA

- Overall: Down 29% as reported from prior year, sequentially similar run-rate to Q1
- Pre-clinical: Tight spending continues with tough comparison to prior year but stable relative to Q1
- CMT: Down from strong prior year, sequentially in line with Q1
- Macro: Spending slower with higher interest rates, energy costs and Ukraine funding

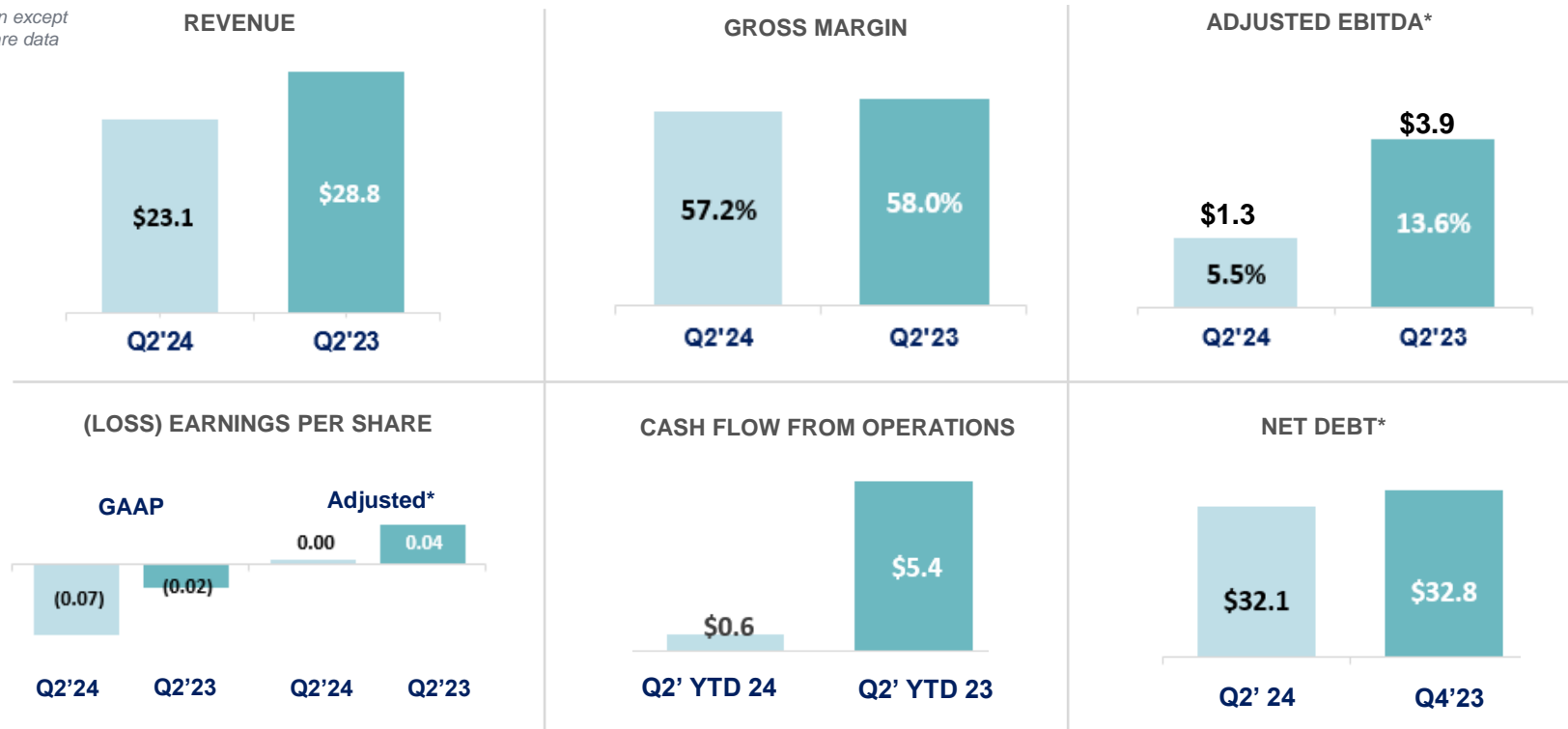
APAC

- Overall: Down 22% as reported from prior year, sequentially down 16% from Q1
- Pre-clinical: saw further erosion from both prior year Q2 and sequentially from Q1
- CMT: Though down from PY, Academics appear to be stabilizing with modest improvement sequentially from Q1
- Macro: Expectation for recovery pushing later in H2 for impact of Chinese stimulus funding

* FX impact due to currency

Q2'24 Financial Metrics (GAAP except where noted)

\$ Million except
per share data



* Non-GAAP measure, reconciliations to GAAP financial measures are available in the appendix

New Product Introductions: Focused on Commercialization

STRENGTHEN THE BASE: TARGET > MARKET GROWTH



PRECLINICAL



CMT

- Ponemah™ Enterprise Data Acquisition/Analysis GLP Platform
- Extend Leadership in wireless telemetry – Introduced SoHo
- Introduced Hi-volume GLP Neuro-behavioral (VivaMARS™)
- Well established cellular/molecular/inhalation-respiration technologies for research/discovery
- Growing recurring revenue from consumables and services

~85% of FY23 Rev

EXPAND HIGH GROWTH BIO-PRODUCTION



CMT

- Established BTX brand for electroporation/electrofusion
- Supports latest applications in cell and gene editing, cell and gene therapy CGT
- Introduced BTX for bioproduction
- Introduced Amino Acid Analysis for bioproduction

~10% of FY23 Rev

EXPAND HIGH GROWTH MESH ORGANOID



CMT- ORGANOIDS

- Introduced breakthrough MeshMEA™ Organoid Platform
- Leverage leadership position in advanced electrophysiology
- Adapting our leading MEA technology to emerging organoid applications in neuro and cardiac safety toxicology

~5% of FY23 Rev

2024 New Product Introductions: Supports Long Term Growth Targets

Growth Category	Product Line	Application	Customers	Commercial Status	Key Trade Show Product Focus
Base	<ul style="list-style-type: none"> • SoHo™ Shared Housing Telemetry • VivaMARS™ 	<ul style="list-style-type: none"> • Safety Pharmacology • Toxicology 	<ul style="list-style-type: none"> • CROs • Biopharma • Academics 	<ul style="list-style-type: none"> • Q3: Soho Production Shipments • Q4: VivaMARS Additional Shipments 	<ul style="list-style-type: none"> • Federation of European Neuroscience Societies • Safety Pharmacology Society (September: highlight VivaMARS) • Society for Neuroscience • American College of Toxicology
Electroporation & Bridge to Bioproduction	<ul style="list-style-type: none"> • BTX™ Electroporation • Amino Acid Analysis 	<ul style="list-style-type: none"> • Electroporation • Bioproduction 	<ul style="list-style-type: none"> • Biopharma 	<ul style="list-style-type: none"> • BTX in production • Q3: AAA cGMP production Shipments 	<ul style="list-style-type: none"> • International. Society for Stem Cell Research • Bioprocessing Summit
MeshMEA™ / Organoid	<ul style="list-style-type: none"> • MEA Systems • 3D & Mesh Sensors (consumables) 	<ul style="list-style-type: none"> • Neuro Research • Cardiac Research • In-Vitro Safety Pharmacology & Toxicology 	<ul style="list-style-type: none"> • Academics • Biopharma • Advanced CROs 	<ul style="list-style-type: none"> • Q2: Beta Sites in Operation • Q3/Q4: Early Adopters shipments • Q1'25: Production 	<ul style="list-style-type: none"> • Federation of European Neuroscience Societies • International. Society for Stem Cell Research • Society for Neuroscience • American College of Toxicology

Outlook

2024 Full Year Outlook

For FY2024, we expect:

- With a weaker than planned Q2 and a market recovery pushing to late 2024, we are reducing our revenue outlook for the year to be \$97M-\$102M
- Sequential growth in the second half primarily supported by new product commercializations
- Gross Margins to remain in the 59-60% range
- Adjusted EBITDA margins in the high single digits



Appendix

Reconciliation to GAAP P&L

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
GAAP operating (loss) income	\$ (2,069)	\$ 796	\$ (4,348)	\$ 2,545
Stock-based compensation	1,278	1,102	2,326	2,255
Acquired asset depreciation & amortization	1,338	1,398	2,676	2,798
Other operating expenses (1)	271	-	1,335	-
Other adjustments	-	276	-	408
Adjusted operating income	\$ 818	\$ 3,572	\$ 1,989	\$ 8,006
Operating margin	(9.0%)	2.8%	(9.1%)	4.3%
Adjusted operating margin	3.5%	12.4%	4.2%	13.6%

GAAP net loss	\$ (2,927)	\$ (980)	\$ (7,621)	\$ (358)
Stock-based compensation	1,278	1,102	2,326	2,255
Acquired asset depreciation & amortization	1,338	1,398	2,676	2,798
Other operating expenses (1)	271	-	1,335	-
Other adjustments	-	367	-	4
Loss on equity securities	280	1,581	1,593	1,581
Income taxes	(36)	(1,776)	591	(2,115)
Adjusted net income	204	1,692	900	4,165
Depreciation & amortization	464	328	907	649
Interest and other expense, net	929	1,222	1,822	2,258
Adjusted income taxes (2)	(317)	658	(734)	1,582
Adjusted EBITDA	\$ 1,280	\$ 3,900	\$ 2,895	\$ 8,654
Adjusted EBITDA margin	5.5%	13.6%	6.1%	14.7%

Diluted loss per share (GAAP)	\$ (0.07)	\$ (0.02)	\$ (0.18)	\$ (0.01)
Diluted adjusted earnings per share	\$ 0.00	\$ 0.04	\$ 0.02	\$ 0.09
Weighted-average common shares:				
Diluted GAAP	43,486	42,354	43,443	42,204
Diluted Adjusted	44,450	44,656	44,516	44,020

Other operating expenses for the six months ended June 30, 2024 include a \$0.5 million commission fee paid in connection with the receipt of employee retention credits, a loss of \$0.3 million related to an unclaimed property audit, and \$0.4 million of restructuring-related charges.

- (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.

	June 30, 2024	December 31, 2023
Debt, including unamortized deferred financing costs	\$ 35,680	\$ 36,563
Unamortized deferred financing costs	420	560
Cash and cash equivalents	(4,048)	(4,283)
Net debt	\$ 32,052	\$ 32,840



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