



Enabling discovery, safety and
production of tomorrow's therapeutics

NASDAQ: HBIO Q4'23 Earnings Presentation

Jim Green, Chairman, President & CEO
Jennifer Cote, CFO & Treasurer
March 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.

Management’s Use of Non-GAAP Financial Information

This document includes non-GAAP financial information including one or more of adjusted operating income (loss), adjusted net income (loss), adjusted EBITDA, adjusted EBITDA margin, adjusted diluted earnings (loss) per share, foreign exchange adjusted revenue, net debt and net leverage ratio. 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, litigation settlement, restructuring and other costs, unrealized gain/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 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 reported net income and other 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: Q4'23 Highlights

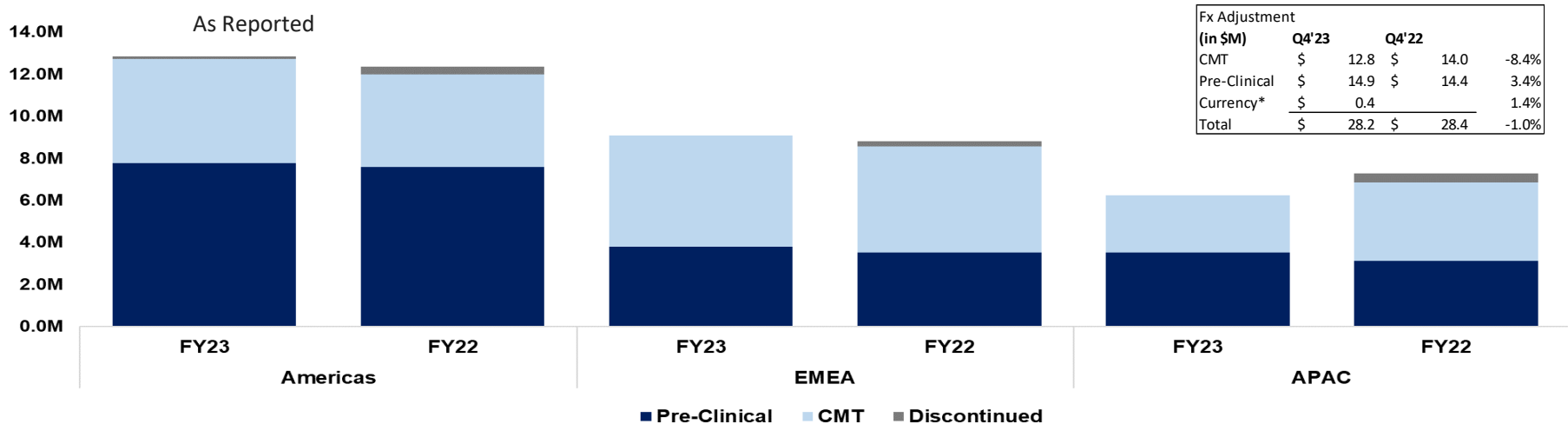
Growth in Americas offset by post-Covid-19 Academic funding from China

Income Statement Components	Q4' 2023	Q4' 2022
Revenue (GAAP)	28.2	28.4
Growth Rate	-1.0%	
Favorable FX Impact	0.4	
Net Reduction in Discontinued Products	(0.9)	
Gross Margin	16.3	15.8
% of Revenue	58.0%	55.7%
Operating Profit	0.3	(0.5)
% of Revenue	1.0%	-1.6%
Adj. Operating Profit*	3.3	3.4
% of Revenue	11.6%	11.9%
Adj. EBITDA*	3.6	3.7
% of Revenue	13.0%	13.0%
Diluted Loss per Share	(0.04)	(0.04)
Diluted Adj. Earnings per Share*	0.04	0.04
Cash Flow from Operations (GAAP)	4.3	2.7

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

\$ Millions except per share data

Q4'23 Revenue: Americas Solid, Impacted by Reduced China Funding



Americas

- Overall: Up 4.1% as reported, includes 2.1% net reduction from discontinued products
- Pre-clinical: Strong growth in telemetry and Ponemah enterprise software offset by reductions in respiratory
- CMT: Growth in electroporation, bioproduction and cell-based testing, impacted by discontinued products

EMEA

- Overall: Up 3.1% as reported, includes 2.9% net reduction from disco products, positive FX impact of 4.1%
- Pre-clinical: Modest growth, augmented by the first installation of the new VivaMars™ Behavior System
- CMT: Modestly decrease on discontinued products.

APAC

- Overall: Down 15% as reported, includes 5.4% net reduction from discontinued products, positive FX impact of 0.7%
- Pre-clinical: Telemetry and Ponemah enterprise software had modest growth
- CMT: Down on lower government funding for academic research

New Product Introductions: Focused on Commercialization

STRENGTHEN THE BASE



PRECLINICAL



CMT

- Introduced SoHo™ Shared Housing Telemetry Family at the Society for Neuroscience (SfN) conference
- Introduced latest Ponemah™ software to integrate VivaMARS™ high-capacity behavioral testing
- Expanding field services

EXPAND HIGH VOLUME APPLICATIONS



PRECLINICAL

- Introduced VivaMARS™ High Capacity Behavioral System at SfN
- Q4 - First commercial installation of VivaMARS™ with large CRO customer
- Showcasing VivaMARS™ at next week's Society of Toxicology (SoT) conference

EXPAND TO BIO-PRODUCTION



CMT

- Established commercial team dedicated to bio-production
- Q1- Released our GLP/cGMP compliant Amino Acid Analyzer for Pharma/CRO bioproduction, adapted from our leading clinical analyzer

INNOVATE CELLULAR



CMT-ORGANOIDS

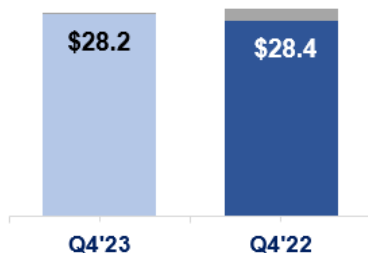
- Launched the Mesh MEA™ Organoid Platform at SfN
- Showcasing Mesh MEA™ at next week's SoT conference
- Initial applications in research and biopharma discovery, leading to higher volume compound analysis & testing applications

Financials

Q4'23 Performance versus Q4'22 (GAAP except where noted)

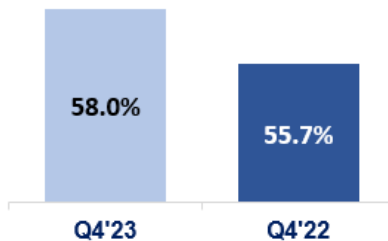
\$ Million except per share data

REVENUE

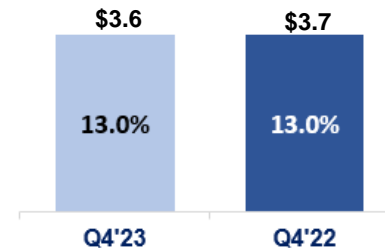


Q4'23 Revenue includes \$0.1 million and Q4'22 includes \$1.0 million in sales of discontinued products

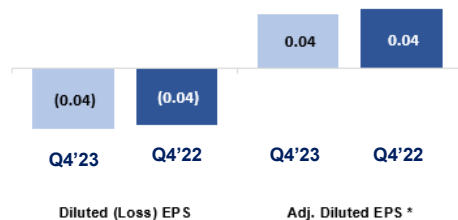
GROSS MARGIN



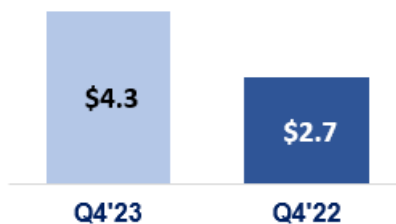
ADJUSTED EBITDA*



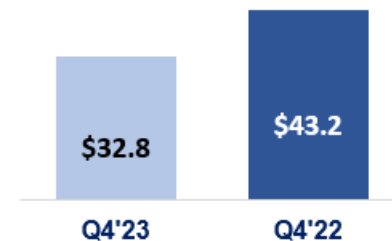
(LOSS) EARNINGS PER SHARE



CASH FLOW FROM OPERATIONS



NET DEBT*

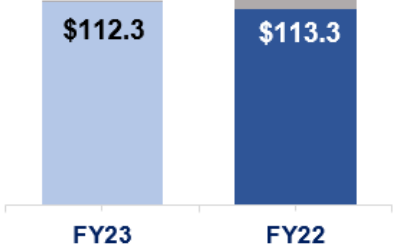


* Non-GAAP measure, reconciliations to GAAP financial measures are available in the appendix

FY23 Performance versus FY22 (GAAP except where noted)

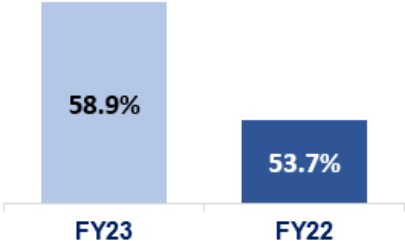
\$ Million except per share data

REVENUE

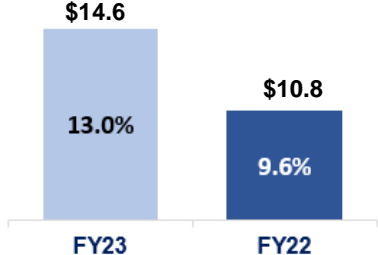


FY23 Revenue includes \$0.5 million and FY22 includes \$5.5 million in sales of discontinued products

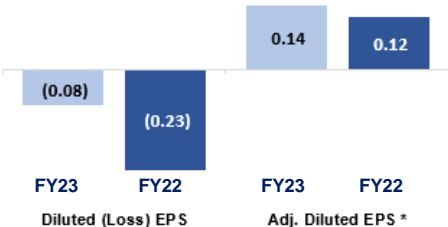
GROSS MARGIN



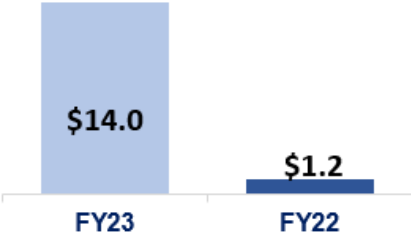
ADJUSTED EBITDA*



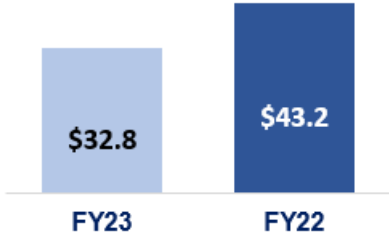
(LOSS) EARNINGS PER SHARE



CASH FLOW FROM OPERATIONS



NET DEBT*



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Outlook

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

For FY2024, we expect:

- Flat to modest revenue growth for the full year
- Weakness in the first half versus a strong prior year comparison
- Strong second half growth versus both first half of 2024 and versus the second half of 2023, supported by new product commercializations and improving China funding
- Gross Margins in the 60% range
- Adjusted EBITDA margins to the mid-teens



Appendix

Reconciliation to GAAP P&L

HARVARD BIOSCIENCE, INC.
Reconciliation of GAAP to Non-GAAP Financial Measures (unaudited)
(in thousands, except per share data)

	Three Months Ended		Year Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
GAAP operating income (loss)	\$ 282	\$ (457)	\$ 1,894	\$ (6,933)
Stock-based compensation	1,382	1,010	5,000	4,411
Acquired asset amortization	1,394	1,648	5,561	6,236
Restructuring & other	207	1,168	656	6,016
Litigation settlement	-	-	-	(233)
Adjusted operating income	\$ 3,265	\$ 3,369	\$ 13,111	\$ 9,497
Operating margin	1.0%	-1.6%	1.7%	-6.1%
Adjusted operating margin	11.6%	11.9%	11.7%	8.4%

GAAP net loss	\$ (1,818)	\$ (1,666)	\$ (3,415)	\$ (9,516)
Stock-based compensation	1,382	1,010	5,000	4,411
Acquired asset amortization	1,394	1,648	5,561	6,236
Restructuring & other	207	1,068	253	5,836
Litigation settlement	-	-	-	(233)
Unrealized loss on equity securities	258	-	632	-
Income taxes	315	(281)	(1,604)	(1,689)
Adjusted net income	1,738	1,779	6,427	5,045
Depreciation	386	314	1,440	1,338
Interest and other expense, net	1,126	536	4,221	2,426
Adjusted income taxes (1)	400	1,054	2,463	2,026
Adjusted EBITDA	\$ 3,650	\$ 3,683	\$ 14,551	\$ 10,835
Adjusted EBITDA margin	13.0%	13.0%	13.0%	9.6%

Diluted loss per share (GAAP)	\$ (0.04)	\$ (0.04)	\$ (0.08)	\$ (0.23)
Diluted adjusted earnings per share	\$ 0.04	\$ 0.04	\$ 0.14	\$ 0.12
Weighted-average common shares:				
Diluted GAAP	42,710	42,102	42,420	41,413
Diluted Adjusted	44,819	42,740	44,361	42,682

	December 31, 2023	December 31, 2022
Debt, including unamortized deferred financing costs	\$ 36,563	\$ 46,824
Unamortized deferred financing costs	560	840
Cash and cash equivalents	(4,283)	(4,508)
Net debt	\$ 32,840	\$ 43,156
Net leverage ratio (2)	2.3	4.0

(1) 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.

(2) Net leverage ratio is defined herein as net debt divided by our trailing twelve months adjusted EBITDA as defined in our credit agreement and as shown above.



HB

The image features a white logo consisting of a crescent moon shape on the left and the letters 'HB' in a bold, sans-serif font on the right. The logo is centered against a background of a low-poly, geometric pattern in various shades of teal and dark green.