

**ASX RELEASE**

## Trajan continues to execute to plan, delivering strong sales and profit growth across the group

**Highlights**

- Net Revenue of \$107.6M at the high end of guidance, up 40.5% on prior corresponding period (PCP).
- Normalised EBITDA of \$12.5M, up 26% on PCP.
- Recent acquisitions performed to plan contributing \$22.7M to revenue and \$2.1M to normalised EBITDA.
- Strong organic sales growth continues at 10.8%.
- Gross margin expansion tracking to plan at 41.9% despite significant headwinds, up 1.7 points PCP.
- Delivered on acquisition strategy acquiring Axel Semrau, Neoteryx, LEAP PAL Parts and Consumables, and Chromatography Research Supplies.
- Diversified business model and successful counter measures implemented during reporting period enabled Trajan to navigate macro global events including covid, supply chain disruption, and recent inflationary pressures.
- FY23 guidance Revenue \$150.0M-\$160.0M and normalised EBITDA \$21.0M-\$25.0M.

**24th August 2022** – Global analytical science and device company Trajan Group Holdings Limited (**ASX: TRJ**) (**Trajan** or **the Company**) today reported its Full Year Results for the 2022 financial year (FY22).

The Company reported revenues of \$107.6M (PCP \$76.6M) representing an increase of 40.5% on the prior corresponding period (PCP). Trajan achieved a full year normalised EBITDA of \$12.5M (PCP \$10.0M).

During the period, Trajan acquired four complementary businesses Axel Semrau, Neoteryx, LEAP PAL Parts and Consumables, and Chromatography Research Supplies to drive growth beyond strong organic performance.

The new acquisitions performed to plan contributing \$22.7M to revenue and \$2.1M to normalised EBITDA, continuing Trajan's strong track record in acquiring and integrating businesses. The company has now completed 11 acquisitions since inception in 2011.

Organic growth continued strongly in FY22 at 10.8%.

Gross margin strengthened 1.7 points to 41.9% (40.2% PCP), achieving the target set by the company.



## Segment Performance

Trajan's two business segments Analytical Products and Life Science Solutions reported improved revenue and EBITDA on PCP. Revenue in Analytical Products segment, which includes a diverse range of analytical products focused on biological, food and environmental testing applications, was \$60.3M (\$52.4M PCP) up 15% and gross profit grew by \$3.2M to \$25.5M (\$22.3M PCP). This growth was driven by sustained customer demand and capacity expansion, offsetting a reduction in Russian customer sales which was impacted by \$0.6M over the prior year. Pre-normalisations, the Analytical Product segment EBITDA improved by \$2.7M over PCP.

In the Life Science Solutions segment, which includes a range of automated workflow solutions along with products focused on areas directly related to human health, revenue was up 95.8% to \$47.3M (\$24.1M PCP) with a gross profit improvement of \$10.8M (127.5%) to \$19.4M (\$8.5M PCP). In 2022, the Life Science Solutions segment made a pre-normalised EBITDA of \$7.2M. The uplift in revenue was influenced by the successful expansion of capabilities in the capital equipment and microsampling businesses through acquisitions.

The company remains focused on delivering meaningful impact through best practice analytical solutions related to human wellbeing. That direction influences the design and development of new products and services as well as raising the performance of the existing portfolio, from consumables, components, and automation solutions through to complete analytical methods.

## Strategic Acquisitions and Investments

Since listing in June 2021, Trajan has executed a growth strategy by targeting strategic acquisitions and investing in proprietary technology and device portfolio.

Trajan has a proven history of identifying, acquiring, and integrating complementary businesses into its infrastructure. Utilising this framework, the company has completed another four successful business acquisitions in the financial year, demonstrating its commitment to grow a portfolio of businesses and technologies that provides accretive and strategic opportunities to grow shareholder value.

The completed acquisitions were:

- **Axel Semrau** acquired in November 2021 for \$31.5M and grew its order book to record levels in FY22 as part of the Trajan business. The acquisition supported Trajan's goals of simplifying and automating complex analytical workflows for labs that service pharmaceutical and food safety applications. It also strengthened the Company's global position with its first footing in Central Europe.
- **Neoteryx** acquired in December 2021 for \$24.9M has quickly transformed into Trajan's global centre of excellence for microsampling and the Californian-based team is now leading the global commercial execution for the entire portfolio. The team achieved \$2.7M in revenue in the second half of FY22 and is well underway to post significant growth in FY23.
- **LEAP PAL Parts and Consumables (LPP)** acquired in December 2021 for \$10.6M and represented a major expansion of Trajan's commercial arm. LPP enabled Trajan to diversify its customer base and distribute directly to more end-users. It also grew Trajan's presence in North America to reach over 600 laboratories via LPP's expansive distribution network serving the world's largest laboratories and pharmaceutical companies.
- **Chromatography Research Supplies (CRS)** acquired in June 2022 for \$63.8M and marked Trajan's largest acquisition to date. CRS added critical mass, and significant capabilities, to Trajan's economic engine, with mostly recurring revenue sourced from the same diversified customer base as Trajan and serving the same essential analytical measurement laboratories.

These recent acquisitions performed to plan contributing \$22.7M to revenue and \$2.1M to normalised EBITDA.



Trajan's successful acquisitions in FY22, plus the underlying organic growth that continues for the Company at double digit rates, has Trajan's business (Revenue and EBITDA) running at double the rate of its IPO starting point just over a year ago.

In addition, Trajan made a strategic investment in consumer health monitoring business Humankind Venture Ltd trading as Forth With Life in November 2021 for a consideration of \$1.3M. This investment supports Trajan's strategy towards health technology that interfaces directly with the consumer.

### **Acceleration of New Technology Commercialisation**

In line with Trajan's IPO commitment, additional resources continued to be applied to achieving solid traction in accelerating the commercialisation of targeted new technologies.

In the field of microsampling Trajan's investment in building an analytical and medical laboratory capability has made significant progress. In partnership with The Baker Heart and Diabetes Institute, laboratory workflows are under development to deploy a program assessing risk of cardiovascular disease. Work has also progressed on female hormone panel workflows and COVID antibody monitoring in pediatrics. The company has continued its work towards achieving NATA medical laboratory accreditation.

Commercial interaction with the Hummingbird™ modular miniaturised HPLC (high performance liquid chromatography), has accelerated with further systems demonstrating outstanding performance in US-based pharmaceutical applications. Recently the system was successfully deployed for in-field testing of fluorinated organic pollutants (PFAS) in soil in Melbourne.

### **Outlook**

Trajan has provided revenue guidance for FY23 between \$150.0M and \$160.0M and normalised EBITDA of \$21.0M-\$25.0M.

Commenting on the results, Chief Executive Officer Stephen Tomisich said: "Trajan continues to deliver on its plans and forecasts. The revenue and profit performance of the underlying business in both FY21 and now FY22 exceeded the guidance provided in the IPO Prospectus in early 2021. In FY22, post IPO, we did what we said we would do; deployed significant funds to bring forward our acquisition pipeline, completing four acquisitions in the first year since listing. Again, notably, those acquisitions now embedded in the Trajan Group are also performing to plan."

"We remain focused on our vision to deliver technologies that enable a future of personalised, preventative, data-based healthcare."

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

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### **Contact:**

#### **Investors**

Rebecca Wilson  
WE Communications  
[investorrelations@trajanscimed.com](mailto:investorrelations@trajanscimed.com)

#### **Media**

Amy Miller  
WE Communications  
[amymi@we-worldwide.com](mailto:amymi@we-worldwide.com)

### **About Trajan**

Trajan is a global developer and manufacturer of analytical and life sciences products and devices founded to have a positive impact on human wellbeing through scientific measurement. 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.