

**ASX RELEASE**

Continued strong first half performance for Trajan with revenue up 83.2% to \$80.1M and normalised EBITDA up 115.9% to \$10.3M

**GUIDANCE UPGRADED.****First half FY23 Highlights**

- Revenue of \$80.1M up 83.2% on prior corresponding period (PCP) (\$43.7M).
- Organic growth rate accelerated to 18.6% on PCP.
- Normalised EBITDA of \$10.3M, up 115.9% on PCP (\$4.8M).
- Acquisitions contributing at or above expectations.
- Full year guidance upgraded with revenue within the \$155.0M-\$165.0M range, and normalised EBITDA within \$21.7M-\$25.8M range.
- Analytical Product segment revenue was \$43.2M, up 49.2% (\$28.9M PCP).
- Life Science segment revenue was \$36.9M, up 149.8% (\$14.8M PCP).
- Strengthening balance sheet with strong cash generation and reducing debt.
- Cash reserves of \$21.1M able to support Trajan's strategy execution and extension of production and manufacturing capability.

**27<sup>th</sup> February 2023** – Global analytical science and device company Trajan Group Holdings Limited (**ASX: TRJ**) (**Trajan** or **the Company**) today reported its Half Year Results for the 2023 financial year (1H FY23).

The Company reported revenue of \$80.1M representing an increase of 83.2% on the previous corresponding period (PCP), delivering a normalised EBITDA of \$10.3M (\$4.8M PCP), an increase of 115.9%. The company maintains its impressive track record of more than 11 years of consecutive growth.

Given the strong first half performance, Trajan has upgraded guidance for the full year FY2023 with revenue forecast expected between \$155.0M-\$165.0M and normalised EBITDA between \$21.7M-\$25.8M.

The revenue performance was driven by revenue from acquired businesses and strong organic growth demonstrating a resilience against global macro-economic conditions.

Proforma gross profit margin was 40.7% (41.5% PCP), noting Q2 lifted 3% points over Q1, now running ahead of FY22 full year rate of 41.9%. Trajan experienced increased supply chain costs during the period. The impact of these costs was offset through product price increases passed on to customers in a phased process during the period.



## **Segment Performance**

Trajan's two business segments Analytical Products and Life Science Solutions reported improved revenue and proforma gross profit on PCP. During the year Analytical Products – which includes a range of analytical products that are focused on biological, food and environmental testing applications – achieved strong revenue performance up 49.2% to \$43.2M (\$28.9M PCP). In addition to continued organic growth, recent acquisitions contributed to an increase in new customers, markets, and channels. As a result, proforma gross profit grew by \$5.6M, up 45.2% on PCP.

In the Life Science segment – which includes Trajan's Automation solutions along with a range of products and services directly targeting human health– revenue was up 149.8% to \$36.9M (\$14.8M PCP). The growth was predominantly driven by organic revenue increases and the impact of acquisitions, which are now fully applied and will deliver continued returns in future financial performance. Proforma gross profit improved to \$14.7M (\$5.8M PCP).

## **Operational leverage strengthening**

Trajan's operational leverage continues to improve with healthy cash conversion and a strengthening balance sheet. The company finished the half year with \$21.1M cash (June 30 2022 \$13.2M) and reducing debt. Trajan progressed debt reduction during the period leading to a positive impact on net debt position and a decrease in the gearing ratio from 47.3% to 40.4%. As at 31 December 2022, Trajan is compliant with all covenants under its debt arrangement.

## **Status of acquisitions**

Since listing on the Australian Securities Exchange in 2021, Trajan has executed a dual growth strategy focused on continued organic growth and strategic acquisitions and investments. Since July 2021 the company has made four acquisitions and one strategic investment. The acquired businesses continue to be integrated into the Trajan business, delivering operational efficiencies and positive contribution to company performance.

Post the reporting period, Trajan announced it had entered into an Agreement to acquire from Sierra Analytics Inc (based in California, USA) all aspects of Sierra's HDExaminer software business for US\$0.43M. This acquisition allows Trajan to further develop and enhance its solutions for Life Science.

The company retains an active process of assessment of other potential acquisitions able to further support future growth.

Commenting on the results, Chief Executive Officer Stephen Tomisich said: "The Trajan business continues to perform strongly, yet again delivering results aligned with guidance, building on our track record of execution with more than 11 consecutive years of growth against a backdrop of a broad range of prevailing macro-economic conditions.

"We continue to demonstrate a resilience influenced by our global footprint which is scaled and strategically organised to provide capacity for growth through a diversified product portfolio, trusted and long-term relationships with our customers, and healthcare trends that align directly to our business.



“It is with this backdrop that we maintain confidence in our future growth prospects, upgrading our financial guidance, and with the ability to drive greater operational efficiencies and opportunities across our entire business.”

Investors are invited to join a live webcast and Q&A hosted by Trajan CEO and Managing Director, Stephen Tomisich and Chief Financial Officer Alister Hodges, on **Monday 27 February 2023 at 9:30am Australian Eastern Daylight Time (AEDT)**. Investors are invited to submit questions beforehand via the webinar registration page.

To register for the webcast, please follow this link:

[https://trajanscimed.zoom.us/webinar/register/WN\\_jTrFwvyhQEOTGipIURdkDA](https://trajanscimed.zoom.us/webinar/register/WN_jTrFwvyhQEOTGipIURdkDA)

**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 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 680 people, with seven manufacturing sites across the US, Australia, Europe and Malaysia, and operations in Australia, the US, Asia, and Europe.