

REFINITIV

# DELTA REPORT

## 10-Q

AZTA - AZENTA, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1311
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 CHANGES	291
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 DELETIONS	574
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 ADDITIONS	446
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
  
FORM 10-Q

(Mark One)  
☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: December March 31, 2023 2024

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-25434

AZENTA, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

04-3040660

(I.R.S. Employer  
Identification No.)

200 Summit Drive, 6<sup>th</sup> Floor

Burlington, Massachusetts

(Address of principal executive offices)

01803

(Zip Code)

Registrant's telephone number, including area code: (978) 262-2626

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	AZTA	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, **February 5, 2024** **May 6, 2024**: common stock, \$0.01 par value, and **55,765,135** **53,918,934** shares outstanding.

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**AZENTA, INC.**

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## INFORMATION RELATED TO FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that are, or may be considered to be, forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, as amended, Section-27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section-21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements. These statements may be identified by such forward-looking terminology as "expect," "estimate," "intend," "believe," "anticipate," "may," "will," "should," "could," "continue," "likely" or similar statements or variations of such terms. Forward-looking statements include, but are not limited to, statements that relate to our future revenue, margins, costs, operating expenses, tax expenses, capital expenditures, earnings, profitability, product development, demand, acceptance and market share, competitiveness, market opportunities and performance, levels of research and development, the success of our marketing, sales and service efforts, outsourced activities, anticipated manufacturing, customer and technical requirements, the ongoing viability of the solutions that we offer and our customers' success, our management's plans and objectives for our current and future operations and business focus, our share repurchase authorization, litigation, our ability to retain, hire and integrate skilled personnel, our ability to identify and address increased cybersecurity risks, including as a result of employees continuing to work remotely, the anticipated growth prospects of our business, the expected benefits and other statements relating to our divestitures and acquisitions, the adequacy, effectiveness and success of our business transformation initiatives, our ability to continue to identify acquisition targets and successfully acquire and integrate desirable products and services and realize expected revenues and revenue synergies, our adoption of newly issued accounting guidance, the levels of customer spending, our dependence on key suppliers or vendors to obtain services for our business on acceptable terms, including the impact of supply chain disruptions, general economic conditions, the impact of inflation, and the sufficiency of financial resources to support future operations. Such statements are based on current expectations and involve risks, uncertainties, and other factors which may cause the actual results, our performance or our achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include the risk factors which are set forth in Part I, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2023 (the "2023 Annual Report on Form 10-K") filed with the Securities and Exchange Commission ("SEC") on November 21, 2023, as updated and/or supplemented in subsequent filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q **hereof** and are based on information **currently** and reasonably known to **us**. **us at such time.** We do not undertake any obligation to release revisions to these forward-looking statements, to reflect events or circumstances that occur after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence or effect of anticipated or unanticipated events. Precautionary statements made herein should be read as being applicable to all related forward-looking statements wherever they appear in this Quarterly Report on Form 10-Q. Any additional precautionary statements made in our 2023 Annual Report on Form 10-K should be read as being applicable to all related forward-looking statements whenever they appear in this Quarterly Report on Form 10-Q.

Unless the context indicates otherwise, references in this Quarterly Report on Form 10-Q to "we", "us", "our", "the Company", and other similar references refer to Azenta, Inc. and its consolidated subsidiaries.

## TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This Quarterly Report on Form 10-Q includes our trademarks, trade names and service marks, which are our property and are protected under applicable intellectual property laws. Solely for convenience, trademarks, trade names and service marks may appear in this Quarterly Report on Form 10-Q without the ®, ™ and ™ symbols, but such references are not intended to indicate, in any way, that we or the applicable owner forgo or will not assert, to the fullest extent permitted under applicable law, our rights or the rights of any applicable licensors to these trademarks, trade names and service marks. We do not intend our use or display of other parties'

trademarks, trade names or service marks to imply, and such use or display should not be construed to imply a relationship with, or endorsement or sponsorship of us by, these other parties.

INDUSTRY AND OTHER DATA

Unless otherwise indicated, information contained in this Quarterly Report on Form 10-Q concerning our industry and the markets in which we operate, including our general expectations, market position and market opportunity, is based on management’s estimates and research, as well as industry and general publications and research, surveys and studies conducted by third parties. We believe the information from these third-party publications, research, surveys and

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studies included in this Quarterly Report on Form 10-Q is reliable. Management’s estimates are derived from publicly available information, their knowledge of our industry and their assumptions based on such information and knowledge, which we believe to be reasonable. This data involves a number of assumptions and limitations which are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the 2023 Annual Report on Form 10-K and those described in this Quarterly Report on Form 10-Q under “Information Related to Forward-Looking Statements” above and Part II, Item 1A “Risk Factors” below. These and other factors could cause our future performance to differ materially from our assumptions and estimates.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AZENTA, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(unaudited)  
(In thousands, except share and per share data)

December 31,		September 30,		March 31,		September 30,	
2023		2023		2024		2023	

Assets				
Current assets				
Cash and cash equivalents	\$ 702,923	\$ 678,910	\$ 353,491	\$ 678,910
Short-term marketable securities	281,212	338,873	468,220	338,873
Accounts receivable, net of allowance for expected credit losses (\$7,465 and \$8,057, respectively)	155,926	156,535		
Accounts receivable, net of allowance for expected credit losses (\$6,844 and \$8,057, respectively)			154,668	156,535
Inventories	127,184	128,198	122,351	128,198
Derivative asset	—	13,036	350	13,036
Short-term restricted cash	4,792	4,650	3,089	4,650
Prepaid expenses and other current assets	110,764	98,754	87,897	98,754
Total current assets	1,382,801	1,418,956	1,190,066	1,418,956
Property, plant and equipment, net	210,628	205,744	200,905	205,744
Long-term marketable securities	61,962	111,338	143,018	111,338
Long-term deferred tax assets	1,341	571	925	571
Operating lease right-of-use assets			69,662	66,580
Goodwill	800,166	784,339	681,140	784,339
Intangible assets, net	290,229	294,301	267,626	294,301
Other assets	77,187	70,471	10,155	3,891
Total assets	\$ 2,824,314	\$ 2,885,720	\$2,563,497	\$2,885,720
Liabilities and stockholders' equity				
Current liabilities				
Accounts payable	\$ 40,237	\$ 35,796	\$ 37,319	\$ 35,796
Deferred revenue	34,813	34,614	38,323	34,614
Accrued warranty and retrofit costs	10,047	10,223	9,745	10,223
Accrued compensation and benefits	33,368	33,911	27,985	33,911
Accrued customer deposits	23,432	17,707	21,772	17,707
Accrued VAT payable	24,033	20,595		
Accrued income taxes payable	13,228	7,378	10,706	7,378
Short-term operating lease liability			10,802	9,499
Accrued expenses and other current liabilities	56,462	50,704	46,347	61,800
Total current liabilities	235,620	210,928	202,999	210,928
Long-term tax reserves	369	380	377	380
Long-term deferred tax liabilities	65,865	67,301	62,267	67,301
Long-term operating lease liabilities	66,479	60,436	63,374	60,436
Other long-term liabilities	12,317	12,175	11,609	12,175
Total liabilities	380,650	351,220	340,626	351,220
Stockholders' equity				
Preferred stock, \$0.01 par value - 1,000,000 shares authorized, no shares issued or outstanding	—	—	—	—
Common stock, \$0.01 par value - 125,000,000 shares authorized, 69,180,281 shares issued and 55,718,412 shares outstanding at December 31, 2023, 71,294,247 shares issued and 57,832,378 shares outstanding at September 30, 2023	692	713		
Common stock, \$0.01 par value - 125,000,000 shares authorized, 68,464,925 shares issued and 54,614,041 shares outstanding at March 31, 2024, 71,294,247 shares issued and 57,832,378 shares outstanding at September 30, 2023			681	713
Additional paid-in capital	1,045,427	1,156,160	999,333	1,156,160
Accumulated other comprehensive loss	(26,784)	(62,426)	(41,728)	(62,426)

Treasury stock, at cost - 13,461,869 shares at December 31, 2023 and September 30, 2023				
	(200,956)	(200,956)		
Treasury stock, at cost - 13,850,884 shares at March 31, 2024 and 13,461,869 shares at September 30, 2023				
			(223,820)	(200,956)
Retained earnings	1,625,285	1,641,009	1,488,405	1,641,009
Total stockholders' equity	2,443,664	2,534,500	2,222,871	2,534,500
Total liabilities and stockholders' equity	\$ 2,824,314	\$ 2,885,720	\$2,563,497	\$2,885,720

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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AZENTA, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)  
(In thousands, except per share data)

	Three Months Ended	
	December 31,	
	2023	2022
Revenue		
Products	\$ 53,393	\$ 85,798
Services	100,924	92,568
Total revenue	154,317	178,366
Cost of revenue		
Products	36,838	54,099
Services	55,967	50,402
Total cost of revenue	92,805	104,501
Gross profit	61,512	73,865
Operating expenses		
Research and development	8,493	7,536
Selling, general and administrative	78,576	92,552
Restructuring charges	1,120	1,461
Total operating expenses	88,189	101,549
Operating loss	(26,677)	(27,685)
Other income		
Interest income, net	10,081	10,665
Other, net	682	1,145
Loss before income taxes	(15,914)	(15,875)
Income tax benefit	(190)	(4,640)
Net loss	\$ (15,724)	\$ (11,235)
Basic net loss per share	\$ (0.28)	\$ (0.15)
Diluted net loss per share	\$ (0.28)	\$ (0.15)

Weighted average shares used in computing net loss per share:				
Basic	56,709	72,543		
Diluted	56,709	72,543		
	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Revenue				
Products	\$ 59,017	\$ 51,917	\$ 112,410	\$ 137,715
Services	100,117	96,484	201,041	189,052
Total revenue	159,134	148,401	313,451	326,767
Cost of revenue				
Products	41,658	40,009	78,496	94,108
Services	54,091	55,156	110,058	105,558
Total cost of revenue	95,749	95,165	188,554	199,666
Gross profit	63,385	53,236	124,897	127,101
Operating expenses				
Research and development	8,707	8,520	17,200	16,056
Selling, general and administrative	78,314	73,339	156,890	165,891
Impairment of goodwill and intangible assets	115,975	—	115,975	—
Contingent consideration - fair value adjustments	—	(17,145)	—	(17,145)
Restructuring charges	7,344	1,499	8,464	2,961
Total operating expenses	210,340	66,213	298,529	167,763
Operating loss	(146,955)	(12,977)	(173,632)	(40,662)
Other income				
Interest income, net	9,565	10,394	19,646	21,059
Other income (expense), net	250	(2,668)	932	(1,523)
Loss before income taxes	(137,140)	(5,251)	(153,054)	(21,126)
Income tax benefit	(260)	(3,260)	(450)	(7,900)
Loss from continuing operations	(136,880)	(1,991)	(152,604)	(13,226)
Loss from discontinued operations, net of tax	—	(2,936)	—	(2,936)
Net loss	\$ (136,880)	\$ (4,927)	\$ (152,604)	\$ (16,162)
Basic net loss per share:				
Loss from continuing operations	\$ (2.47)	\$ (0.03)	\$ (2.72)	\$ (0.19)
Loss from discontinued operations, net of tax	—	(0.04)	—	(0.04)
Basic net loss per share	\$ (2.47)	\$ (0.07)	\$ (2.72)	\$ (0.23)
Diluted net loss per share:				
Loss from continuing operations	\$ (2.47)	\$ (0.03)	\$ (2.72)	\$ (0.19)
Loss from discontinued operations, net of tax	—	(0.04)	—	(0.04)
Diluted net loss per share	\$ (2.47)	\$ (0.07)	\$ (2.72)	\$ (0.23)
Weighted average shares used in computing net loss per share:				
Basic	55,440	69,111	56,078	70,858
Diluted	55,440	69,111	56,078	70,858

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.



AZENTA, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(unaudited)  
(In thousands)

	Three Months Ended	
	December 31,	
	2023	2022
Net loss	\$ (15,724)	\$ (11,235)
Other comprehensive income (loss), net of tax		
Net investment hedge currency translation adjustment, net of tax effects of \$4,576 and \$19,708 for the three months ended December 31, 2023 and 2022, respectively	(13,368)	(57,127)
Foreign currency translation adjustments	46,494	77,414
Changes in unrealized gains on marketable securities, net of tax effects of \$864 and \$537 for the three months ended December 31, 2023 and 2022, respectively	2,524	1,555
Actuarial loss in pension plans, net of tax effects of \$2 and \$0 for the three months ended December 31, 2023 and 2022, respectively	(8)	—
Total other comprehensive income, net of tax	35,642	21,842
Comprehensive income	\$ 19,918	\$ 10,607

	Three Months Ended		Six Months Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Net loss	\$ (136,880)	\$ (4,927)	\$ (152,604)	\$ (16,162)
Other comprehensive income (loss), net of tax				
Net investment hedge currency translation adjustment, net of tax effects of \$(1,739) and \$2,837 for the three and six months ended March 31, 2024, respectively, and (\$4,531) and (\$24,239) for the three and six months ended March 31, 2023, respectively	5,080	(13,133)	(8,288)	(70,260)
Foreign currency translation adjustments	(20,769)	33,850	25,725	111,264
Changes in unrealized gains on marketable securities, net of tax effects of \$(257) and \$607 for the three and six months ended March 31, 2024, respectively, and \$858 and \$1,395 for the three and six months ended March 31, 2023, respectively	752	2,487	3,276	4,042
Actuarial (loss) in pension plans, net of tax effects of \$(3) and \$(1) during the three and six months ended March 31, 2024, respectively, and \$0 during each of the three and six months ended March 31, 2023	(7)	—	(15)	—
Total other comprehensive income (loss), net of tax	(14,944)	23,204	20,698	45,046
Comprehensive income (loss)	\$ (151,824)	\$ 18,277	\$ (131,906)	\$ 28,884

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

AZENTA, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)  
(In thousands)

	Three Months Ended December 31,	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (15,724)	\$ (11,235)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	21,866	20,181
Stock-based compensation	3,202	2,105
Amortization and accretion on marketable securities	(704)	(3,104)
Deferred income taxes	(7,317)	(6,325)
Purchase accounting impact on inventory	—	2,869
Loss on disposals of property, plant and equipment	266	17
Changes in operating assets and liabilities:		
Accounts receivable	2,830	(12,141)
Inventories	4,542	(5,923)
Accounts payable	3,457	4,952
Deferred revenue	(321)	(59)
Accrued warranty and retrofit costs	(554)	504
Accrued compensation and tax withholdings	(979)	(14,015)
Accrued restructuring costs	(90)	1,139
Other assets and liabilities	15,957	(5,985)
Net cash provided by (used in) operating activities	26,431	(27,020)
Cash flows from investing activities		
Purchases of property, plant and equipment	(11,919)	(12,842)
Purchases of marketable securities	—	(166,374)
Sales and maturities of marketable securities	110,316	607,205
Acquisitions, net of cash acquired	—	(371,633)
Net cash provided by investing activities	98,397	56,356
Cash flows from financing activities		
Payments of finance leases	(198)	(91)
Withholding tax payments on net share settlements on equity awards	(2)	(4,629)
Share repurchases	(112,953)	(500,000)
Net cash used in financing activities	(113,153)	(504,720)
Effects of exchange rate changes on cash and cash equivalents	12,501	49,941
Net increase (decrease) in cash, cash equivalents and restricted cash	24,176	(425,443)
Cash, cash equivalents and restricted cash, beginning of period	684,045	1,041,296
Cash, cash equivalents and restricted cash, end of period	\$ 708,221	\$ 615,854
Supplemental disclosures:		
Cash paid for income taxes, net	2,599	7,291
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
	December 31,	September 30,
	2023	2023
Cash and cash equivalents of continuing operations	\$ 702,923	\$ 678,910
Short-term restricted cash	4,792	4,650
Long-term restricted cash included in other assets	506	485

Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows \$			708,221	\$	684,045
			Six Months Ended March 31,		
			2024		2023
Cash flows from operating activities					
Net loss	\$	(152,604)	\$	(16,162)	
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:					
Depreciation and amortization		44,214		42,140	
Impairment of goodwill and intangible assets		115,975		—	
Non-cash write-offs of assets		6,966		—	
Stock-based compensation		8,804		6,096	
Contingent consideration adjustment		—		(17,145)	
Amortization and accretion on marketable securities		(2,084)		(5,284)	
Deferred income taxes		(9,456)		(20,843)	
Purchase accounting impact on inventory		—		5,781	
Loss on disposals of property, plant and equipment		260		31	
Changes in operating assets and liabilities:					
Accounts receivable		2,922		23,925	
Inventories		7,975		(11,504)	
Accounts payable		936		(5,677)	
Deferred revenue		3,379		3,625	
Accrued warranty and retrofit costs		(714)		622	
Accrued compensation and tax withholdings		(6,153)		(21,797)	
Accrued restructuring costs		1,454		820	
Other assets and liabilities		12,913		(23,798)	
Net cash provided by (used in) operating activities		34,787		(39,170)	
Cash flows from investing activities					
Purchases of property, plant and equipment		(18,746)		(21,705)	
Purchases of marketable securities		(345,447)		(233,584)	
Sales and maturities of marketable securities		190,504		728,171	
Net investment hedge settlement		1,476		29,313	
Acquisitions, net of cash acquired		—		(387,665)	
Net cash provided by (used in) investing activities		(172,213)		114,530	
Cash flows from financing activities					
Payments of finance leases		(386)		(230)	
Withholding tax payments on net share settlements on equity awards		—		(4,906)	
Share repurchases		(186,834)		(500,000)	
Net cash used in financing activities		(187,220)		(505,136)	
Effects of exchange rate changes on cash and cash equivalents					
		4,721		60,355	
Net decrease in cash, cash equivalents and restricted cash					
		(319,925)		(369,421)	
Cash, cash equivalents and restricted cash, beginning of period					
		684,045		1,041,296	
Cash, cash equivalents and restricted cash, end of period			\$	364,120	\$ 671,875
Supplemental disclosures:					
Cash paid for income taxes, net		5,008		35,286	
Reconciliation of cash, cash equivalents and restricted cash to the condensed consolidated balance sheets					
			March 31,		September 30,
			2024		2023
Cash and cash equivalents of continuing operations	\$	353,491	\$	678,910	
Short-term restricted cash		3,089		4,650	
Long-term restricted cash included in other assets		7,540		485	
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows \$		364,120	\$	684,045	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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AZENTA, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
(unaudited)  
(In thousands, except share data)

	Common Stock Shares	Common Stock at Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Equity
<b>Balance September 30, 2023</b>	71,294,247	\$ 713	\$ 1,156,160	\$ (62,426)	\$ 1,641,009	\$ (200,956)	\$ 2,534,500
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	144,894	2	(2)	—	—	—	—
Open market repurchases	(2,258,860)	—	—	—	—	(113,956)	(113,956)
Retirement of treasury shares	—	(23)	(113,933)	—	—	113,956	—
Stock-based compensation	—	—	3,202	—	—	—	3,202
Net loss	—	—	—	—	(15,724)	—	(15,724)
Net investment hedge currency translation adjustment, net of tax	—	—	—	(13,368)	—	—	(13,368)
Foreign currency translation adjustments	—	—	—	46,494	—	—	46,494
Changes in unrealized gains on marketable securities, net of tax	—	—	—	2,524	—	—	2,524
Actuarial loss on pension plans, net of tax	—	—	—	(8)	—	—	(8)
<b>Balance December 31, 2023</b>	69,180,281	\$ 692	\$ 1,045,427	\$ (26,784)	\$ 1,625,285	\$ (200,956)	\$ 2,443,664
<b>Balance September 30, 2022</b>	88,482,125	\$ 885	\$ 1,992,017	\$ (83,916)	\$ 1,655,356	\$ (200,956)	\$ 3,363,386
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	123,926	—	—	—	—	(4,629)	(4,629)
Accelerated share repurchase	(6,090,134)	—	—	—	—	(500,000)	(500,000)
Retirement of treasury shares	—	(61)	(504,568)	—	—	504,629	—
Stock-based compensation	—	—	2,105	—	—	—	2,105
Net loss	—	—	—	—	(11,235)	—	(11,235)
Net investment hedge currency translation adjustment, net of tax	—	—	—	(57,127)	—	—	(57,127)

Foreign currency translation adjustments	—	—	—	77,414	—	—	77,414
Changes in unrealized gains on marketable securities, net of tax	—	—	—	1,555	—	—	1,555
Other	—	—	—	—	(81)	—	(81)
<b>Balance December 31, 2022</b>	<b>82,515,917</b>	<b>\$ 824</b>	<b>\$ 1,489,554</b>	<b>\$ (62,074)</b>	<b>\$ 1,644,041</b>	<b>\$ (200,956)</b>	<b>\$ 2,871,389</b>
	Common		Accumulated				
	Common	Stock at	Additional	Other			
	Stock	Par	Paid-In	Comprehensive	Retained	Treasury	Total
	Shares	Value	Capital	Loss	Earnings	Stock	Equity
<b>Balance December 31, 2023</b>	69,180,281	\$ 692	\$ 1,045,427	\$ (26,784)	\$ 1,625,285	\$ (200,956)	\$ 2,443,664
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	73,053	1	(1)	—	—	—	—
Open market repurchases	(1,177,424)	(12)	—	—	—	(74,559)	(74,571)
Retirement of treasury shares	—	—	(51,695)	—	—	51,695	—
Stock-based compensation	—	—	5,602	—	—	—	5,602
Net loss	—	—	—	—	(136,880)	—	(136,880)
Net investment hedge currency translation adjustment, net of tax	—	—	—	5,080	—	—	5,080
Foreign currency translation adjustments	—	—	—	(20,769)	—	—	(20,769)
Changes in unrealized gains on marketable securities, net of tax	—	—	—	752	—	—	752
Actuarial loss on pension plans, net of tax	—	—	—	(7)	—	—	(7)
<b>Balance March 31, 2024</b>	<b>68,075,910</b>	<b>\$ 681</b>	<b>\$ 999,333</b>	<b>\$ (41,728)</b>	<b>\$ 1,488,405</b>	<b>\$ (223,820)</b>	<b>\$ 2,222,871</b>
<b>Balance December 31, 2022</b>	<b>82,515,917</b>	<b>\$ 824</b>	<b>\$ 1,489,554</b>	<b>\$ (62,074)</b>	<b>\$ 1,644,041</b>	<b>\$ (200,956)</b>	<b>\$ 2,871,389</b>
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	86,785	—	1,573	—	—	—	1,573
Retirement of treasury shares	—	2	—	—	—	—	2
Stock-based compensation	—	—	3,991	—	—	—	3,991
Net loss	—	—	—	—	(4,927)	—	(4,927)
Net investment hedge currency translation adjustment, net of tax	—	—	—	(13,133)	—	—	(13,133)
Foreign currency translation adjustments	—	—	—	33,850	—	—	33,850
Changes in unrealized gains on marketable securities, net of tax	—	—	—	2,487	—	—	2,487
Other	—	—	—	—	(5)	—	(5)
<b>Balance March 31, 2023</b>	<b>82,602,702</b>	<b>\$ 826</b>	<b>\$ 1,495,118</b>	<b>\$ (38,870)</b>	<b>\$ 1,639,109</b>	<b>\$ (200,956)</b>	<b>\$ 2,895,227</b>
<b>Balance September 30, 2023</b>	<b>71,294,247</b>	<b>\$ 713</b>	<b>\$ 1,156,160</b>	<b>\$ (62,426)</b>	<b>\$ 1,641,009</b>	<b>\$ (200,956)</b>	<b>\$ 2,534,500</b>
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	217,947	3	(3)	—	—	—	—
Open market repurchases	(3,436,284)	(12)	—	—	—	(188,515)	(188,527)
Retirement of treasury shares	—	(23)	(165,628)	—	—	165,651	—
Stock-based compensation	—	—	8,804	—	—	—	8,804
Net loss	—	—	—	—	(152,604)	—	(152,604)
Net investment hedge currency translation adjustment, net of tax	—	—	—	(8,288)	—	—	(8,288)
Foreign currency translation adjustments	—	—	—	25,725	—	—	25,725

Changes in unrealized gains on marketable securities, net								
of tax	—	—	—	3,276	—	—	3,276	
Other	—	—	—	(15)	—	—	(15)	
<b>Balance March 31, 2024</b>	<b>68,075,910</b>	<b>\$ 681</b>	<b>\$ 999,333</b>	<b>\$ (41,728)</b>	<b>\$ 1,488,405</b>	<b>\$ (223,820)</b>	<b>\$ 2,222,871</b>	
<b>Balance September 30, 2022</b>	<b>88,482,125</b>	<b>\$ 885</b>	<b>\$ 1,992,017</b>	<b>\$ (83,916)</b>	<b>\$ 1,655,356</b>	<b>\$ (200,956)</b>	<b>\$ 3,363,386</b>	
Shares issued under restricted stock and purchase plans,								
net of shares withheld for employee taxes	210,711	—	1,573	—	—	(4,629)	(3,056)	
Accelerated share repurchase	(6,090,134)	—	—	—	—	(500,000)	(500,000)	
Retirement of treasury shares	—	(59)	(504,568)	—	—	504,629	2	
Stock-based compensation	—	—	6,096	—	—	—	6,096	
Net loss	—	—	—	—	(16,162)	—	(16,162)	
Net investment hedge currency translation adjustment, net								
of tax	—	—	—	(70,260)	—	—	(70,260)	
Foreign currency translation adjustments	—	—	—	111,264	—	—	111,264	
Changes in unrealized gains on marketable securities, net								
of tax	—	—	—	4,042	—	—	4,042	
Other	—	—	—	—	(85)	—	(85)	
<b>Balance March 31, 2023</b>	<b>82,602,702</b>	<b>\$ 826</b>	<b>\$ 1,495,118</b>	<b>\$ (38,870)</b>	<b>\$ 1,639,109</b>	<b>\$ (200,956)</b>	<b>\$ 2,895,227</b>	

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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AZENTA, INC.  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)

**1. Nature of Operations**

Azenta, Inc. ("Azenta", or the "Company") is a leading global provider of sample exploration and management solutions for the life sciences industry. The Company supports its customers from research and clinical development to commercialization with its sample management, automated storage, vaccine cold storage and transport, as well as genomic services expertise to help bring impactful therapies to market faster.

## Organizational Structure

As previously announced, effective Effective October 1, 2023, the Company realigned its organizational structure to three principal business segments: Sample Management Solutions ("SMS"), Multiomics, and B Medical Systems. The segment realignment had no impact on the Company's consolidated financial position, results of operations, or cash flows. All segment information included in this Form 10-Q is reflective of this new structure and prior period information has been recast to conform to the Company's current period presentation. Refer to Note 15, *Segment and Geographic Information* below for further details on the nature of operations of these segments.

## 2. Summary of Significant Accounting Policies

### Principles of Consolidation and Basis of Presentation

The accompanying Condensed Consolidated Financial Statements include the accounts of the Company and all entities where it has a controlling financial interest and have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). All intercompany balances and transactions have been eliminated in consolidation.

The accompanying year-end balance sheet was derived from audited financial statements but does not include all disclosures required by GAAP. The unaudited interim condensed consolidated financial statements Condensed Consolidated Financial Statements have been prepared on the same basis as the audited financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the Company's financial position, results of operations, and cash flows for the periods presented.

Certain information and disclosures normally included in the Company's annual consolidated financial statements have been condensed or omitted and, accordingly, the accompanying financial information should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2023 filed with the U.S. Securities and Exchange Commission ("SEC") on November 21, 2023 (the "2023 Annual Report on Form 10-K").

### Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect amounts reported in the financial statements and notes thereto. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may differ from these estimates. Estimates are associated with recording accounts receivable, inventories, goodwill, intangible assets other than goodwill, long-lived assets, derivative financial instruments, deferred income taxes, warranty obligations, revenue over time, stock-based compensation expense, and other accounts. The Company assesses the estimates on an ongoing basis and records changes in estimates in the period they occur and become known.

### Foreign Currency Translation

Certain transactions of the Company and its subsidiaries are denominated in currencies other than their functional currency. Foreign currency exchange gains (losses) generated from the settlement and remeasurement of these

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transactions are recognized in earnings and presented within "Other income" in the Condensed Consolidated Statements of Operations. Net foreign currency transaction and remeasurement losses were \$0.6 million \$0.4 million and gains were \$0.9 million for the three

months ended **December 31, 2023** March 31, 2024 and **2022**, 2023, respectively. Net foreign currency transaction and remeasurement losses were \$0.9 million and \$0.8 million during the six months ended March 31, 2024 and 2023, respectively.

#### **Recently Issued Accounting Pronouncements**

In October 2023, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. The ASU aligns the requirements in FASB's Accounting Standards Codification ("ASC") with SEC regulations. The effective date for each amendment is the date on which the SEC removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or if the SEC does not remove the requirement by June 30, 2027, the amendment will not become effective for any entity. Early adoption is prohibited. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements or disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The ASU requires the disclosure of incremental segment information on an annual and interim basis, primarily through enhanced disclosures about significant segment expenses. This update is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, and requires retrospective application to all prior periods presented in the financial statements. The Company is currently evaluating the standard to determine the impact of adoption to its consolidated financial statements and disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU is intended to enhance the transparency and decision usefulness of income tax disclosures primarily through changes to the rate reconciliation and income taxes paid information. This update is effective for annual periods beginning after December 15, 2024, though early adoption is permitted. The Company is currently evaluating the standard to determine the impact of adoption to its consolidated financial statements and disclosures.

In March 2024, the FASB issued ASU 2024-02, *Codification Improvements-Amendments to Remove References to the Concepts Statements*. The ASU contains amendments to the ASC that remove references to various FASB Concepts Statements. This update is effective for annual periods beginning after December 15, 2024, though early adoption is permitted. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements or disclosures.

In March 2024, the SEC issued final rules under SEC Release No. 33-11275, *The Enhancement and Standardization of Climate-Related Disclosures for Investors*. Effective fiscal year 2026, the Company is required to disclose climate-related risks that are reasonably likely to have a material impact on the Company's business strategy, results of operations, or financial condition. Additionally, the Company will be required to disclose the effects of severe weather events and other natural conditions within the notes to the financial statements, subject to certain materiality thresholds. Effective fiscal year 2027, required disclosures will also include disclosure of material direct greenhouse gas emissions from operations owned or controlled (Scope 1) and material indirect greenhouse gas emissions from purchased energy consumed in owned or controlled operations (Scope 2). In April 2024, the SEC issued an order voluntarily staying the effectiveness of the new rules pending the completion of judicial review of certain legal challenges to their validity. The Company is currently evaluating the impact of these rules assuming adoption as well as monitoring the status of the related litigation and the SEC's stay.

In 2021, the Organization of Economic Cooperation and Development ("OECD") introduced its Pillar II Framework Model Rules ("Pillar 2"), which are designed to impose a 15% global minimum tax on the earnings of in-scope multinational corporations on a country-by-country basis. Certain aspects of Pillar 2 took effect on January 1, 2024 while other aspects go into effect on January 1, 2025. The Company is evaluating the potential impact of Pillar 2 on its business, as the countries in which it operates are enacting legislation implementing Pillar 2.



## Other

For further information regarding the Company's significant accounting policies, please refer to Note 2, *Summary of Significant Accounting Policies* in the notes to the audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of the 2023 Annual Report on Form 10-K. There were no material changes to the Company's critical accounting policies during the ~~three~~ six months ended ~~December 31, 2023~~ March 31, 2024.

## 3. Business Combinations

The Company recorded the assets acquired and liabilities assumed related to the following acquisitions at their fair values as of the acquisition date, from a market participant's perspective. While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value the assets acquired and liabilities assumed on the acquisition date, its estimates and assumptions are subject to refinement. Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. The judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the Company's results of operations. The measurement period to finalize the fair values is completed within one year after the respective acquisition date.

### Acquisitions Completed in Fiscal Year 2023

#### Ziath, Ltd.

On February 2, 2023, the Company acquired Ziath, Ltd. and its subsidiaries ("Ziath"). Based in Cambridge, United Kingdom, Ziath is a leading provider of 2D barcode readers for life science applications. Founded in 2005, Ziath's innovative 2D barcode readers are a key component of the laboratory automation workflow serving pharmaceutical, biotechnology and academic customers worldwide. Ziath is expected to enhance the Company's offerings, which

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support the entire lifecycle of sample management from specimen collection to sample registration, storage and processing. The acquisition was completed at a purchase price of \$16.0 million, net of cash acquired. The acquired business is included in the Sample Management Solutions SMS segment.

The allocation of the consideration included \$12.0 million of goodwill, \$4.1 million of technology, \$1.1 million of deferred tax liability, \$0.6 million of customer relationships, \$0.3 million of trademarks, and several other assets and liabilities. The weighted average life of completed technology is 10 years, customer relationships is 13 years, and trademarks is 13 years. The goodwill represents the Company's ability to provide differentiated technology enabling high throughput scanning of varied formats of consumables. The goodwill is not expected to be deductible for income tax purposes.

The Company did not present pro forma financial information for its consolidated results of operations for the acquisition because such results are immaterial.

#### B Medical Systems S.á r.l.

On October 3, 2022, the Company acquired B Medical Systems S.á r.l. and its subsidiaries ("B Medical") for a purchase price of \$432.2 million. B Medical is a market leader in temperature-controlled storage and transportation solutions that enables the delivery of life-saving treatments to more than 150 countries worldwide.

The consideration paid for B Medical was allocated to the assets acquired and liabilities assumed based on their fair values at the acquisitions date. The Company finalized purchase accounting for B Medical in the fourth quarter of fiscal year 2023 and there have been no adjustments to the purchase price allocation disclosed in Note 3, *Business Combinations* in the notes to the audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of the 2023 Annual Report on Form 10-K.

In performing the purchase price allocation, the Company considered, among other factors, the intended future use of acquired assets, and historical financial performance and estimates of future performance of B Medical's business. As part

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of the purchase price allocations, the Company determined the identifiable intangible assets were completed technology value, trademarks, customer relationships and backlog. The fair value of the intangible assets was estimated using the income approach, specifically the multi-period excess earnings method, and the cash flow projections were discounted using a rate of 13%. The cash flows were based on estimates used to price the transaction, and the discount rate applied was benchmarked to the implied rate of return from the transaction and the weighted average cost of capital. The weighted average life of completed technology is 10 years, customer relationships is 16 years, trademarks is five years and backlog is one year. The intangible assets acquired are amortized over their respective weighted average life using methods that approximate the pattern in which the economic benefits are expected to be realized. The calculation of the excess of the purchase price over the estimated fair value of the tangible net assets and intangible assets acquired was recorded to goodwill. The goodwill recorded in connection with the transaction was largely reflects based on the potential expansion of the Company's cold chain capabilities by adding differentiated solutions for reliable and traceable transport of temperature-controlled specimens. The goodwill is not deductible for income tax purposes.

The acquired intangible assets and goodwill are subject to review for impairment if indicators of impairment develop and otherwise at least annually. See Note 6, *Goodwill and Intangible Assets* below for information about the impairment of this goodwill in the quarter ended March 31, 2024.

#### 4. Marketable Securities

The Company had sales and maturities of marketable securities of \$110.3 million and \$607.2 million in the three months ended December 31, 2023 and 2022, respectively. There were immaterial and \$0.3 million realized losses on the sale and maturities of marketable securities in the three months ended December 31, 2023 and 2022, respectively.

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#### 4. Marketable Securities

The Company had sales and maturities of marketable securities of \$80.2 million and \$121.0 million in the three months ended March 31, 2024 and 2023, respectively. The Company had sales and maturities of marketable securities of \$190.5 million and \$728.2 million in

the six months ended March 31, 2024 and 2023, respectively. There were insignificant realized gains or losses in each of the three and six months ended March 31, 2024 and 2023 on the sale and maturity of marketable securities.

The following is a summary of the amortized cost and the fair value, including accrued interest receivable as well as unrealized gains (losses) on the short-term and long-term marketable securities as of December 31, 2023, March 31, 2024 and September 30, 2023 (in thousands):

	Amortized Cost	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value	Amortized Cost	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
<b>December 31, 2023:</b>								
<b>March 31, 2024:</b>								
U.S. Treasury securities and obligations of U.S. government agencies	\$ 148,119	\$ (1,200)	\$ —	\$ 146,919	\$433,188	\$ (902)	\$ 8	\$432,294
Bank certificates of deposit	7,842	(94)	—	7,748	7,870	(68)	—	7,802
Corporate securities	190,696	(2,189)	—	188,507	171,648	(1,515)	3	170,136
Municipal securities					1,006	—	—	1,006
	<u>\$ 346,657</u>	<u>\$ (3,483)</u>	<u>\$ —</u>	<u>\$ 343,174</u>	<u>\$613,712</u>	<u>\$ (2,485)</u>	<u>\$ 11</u>	<u>\$611,238</u>
<b>September 30, 2023:</b>								
U.S. Treasury securities and obligations of U.S. government agencies	\$ 227,804	\$ (2,573)	\$ —	\$ 225,231	\$227,804	\$ (2,573)	\$ —	\$225,231
Bank certificates of deposit	8,122	(170)	—	7,952	8,122	(170)	—	7,952
Corporate securities	221,155	(4,127)	—	217,028	221,155	(4,127)	—	217,028
	<u>\$ 457,081</u>	<u>\$ (6,870)</u>	<u>\$ —</u>	<u>\$ 450,211</u>	<u>\$457,081</u>	<u>\$ (6,870)</u>	<u>\$ —</u>	<u>\$450,211</u>

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The fair values of the marketable securities by contractual maturities as of December 31, 2023, March 31, 2024 were as follows (in thousands):

	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	\$ 283,849	\$ 281,212	\$ 470,012	\$ 468,220
Due after one year through five years	59,486	58,640	140,222	139,540
Due after five years through ten years	—	—	—	—
Due after ten years	3,322	3,322	3,478	3,478
Total marketable securities	<u>\$ 346,657</u>	<u>\$ 343,174</u>	<u>\$ 613,712</u>	<u>\$ 611,238</u>

Expected maturities could differ from contractual maturities because the security issuers may have the right to prepay obligations without prepayment penalties.

Unrealized losses from fixed-income securities are primarily attributable to changes in interest rates. The Company does not believe any unrealized losses represent impairments based on its evaluation of the available evidence.

## 5. Derivative Instruments

The Company has transactions and balances denominated in currencies other than the functional currency of the transacting entity. Most of these transactions carry foreign exchange risk in Germany, the United Kingdom and China. The Company enters into foreign exchange contracts to reduce its exposure to currency fluctuations. Net gains and losses related to foreign exchange contracts are recorded as a component of "Other income" in the Condensed Consolidated Statements of Operations and are as follows for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 (in thousands):

	Three Months Ended		Three Months Ended		Six Months Ended	
	December 31,		March 31,		March 31,	
	2023	2022	2024	2023	2024	2023
Realized losses on derivatives not designated as hedging instruments	\$ (1,239)	\$ (1,580)	\$ (548)	\$ (533)	\$ (1,787)	\$ (2,112)

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The notional amounts of the Company's derivative instruments as of December 31, 2023 March 31, 2024 and September 30, 2023 were as follows (in thousands):

	Hedge Designation	December 31, September 30,		Hedge Designation	March 31, September 30,	
		2023	2023		2024	2023
Cross-currency swap	Net Investment Hedge	\$ 436,360	\$ 436,360	Net Investment Hedge	\$ 75,978	\$ 436,360
Foreign exchange contracts	Undesignated	65,703	184,800	Undesignated	73,415	184,800

The fair values of the foreign exchange contracts are recorded in the Condensed Consolidated Balance Sheets as "Prepaid expenses and other current assets" and "Accrued expenses and other current liabilities". Foreign exchange contract assets and liabilities are measured and reported at fair value based on observable market inputs and classified within Level 2 of the fair value hierarchy described further in Note 2, *Summary of Significant Accounting Policies* in the notes to the audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of the 2023 Annual Report on Form 10-K and in Note 12, *Fair Value Measurements* below due to a lack of an active market for these contracts.

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### **Hedging Activities**

On February 1, 2022, the Company entered into a cross-currency swap agreement to hedge the variability of exchange rate impacts between the U. S. dollar and the Euro. Under the terms of the cross-currency swap agreement, the Company notionally exchanged \$1.0 billion for €915.0 million at a weighted average interest rate of 1.20%. The designated notional amount was \$960.0 million, and the actual interest rate was 1.28%. The 1.28% rate was in the range of the market value for February 1, 2022 and was the true interest rate on the notional amount. The Company designated the cross-currency swap as a hedge of net investments against one of its Euro denominated subsidiaries requiring an exchange of the notional amounts at maturity. At the maturity of the cross currency-swap on February 1, 2023, the Company delivered a notional amount of €852.0 million and received a notional amount of \$960.0 million at a Euro to U.S. dollar exchange rate of 1.13, which included a gain of \$29.3 million.

On February 1, 2023, the Company entered into a cross-currency swap agreement to hedge the variability of exchange rate impacts between the U.S. dollar and the Euro. Under the terms of the cross-currency swap agreement, the Company notionally exchanged \$436.0 million for €400.0 million at a weighted average interest rate of 1.66%. The Company designated the cross-currency swap as a hedge of net investments against one of its Euro denominated subsidiaries, which requires an exchange of the notional amounts at maturity on February 1, 2024. At the maturity of the cross currency-swap on February 1, 2024, the Company delivered a notional amount of €400 million and received a notional amount of \$436.0 million at a Euro to U.S. dollar exchange rate of 1.09, which included a gain of \$1.4 million.

On February 1, 2024, the Company entered into another cross-currency swap agreement to hedge the variability of exchange rate impacts between the U.S. dollar and the Euro. Under the terms of the cross-currency swap agreement, the Company notionally exchanged \$76.0 million for €70.0 million at a weighted average interest rate of 1.44%. The Company designated the cross-currency swap as a hedge of net investments against one of its Euro denominated subsidiaries, which requires an exchange of the notional amounts at maturity on February 3, 2025.

The cross-currency swap is recorded as a component of "Accrued expenses and other current liabilities" as of December 31, 2023 and was swaps were recorded as a derivative asset as of March 31, 2024 and September 30, 2023 in the Condensed Consolidated Balance Sheets.

The cross-currency swap is marked to market at each reporting period, representing the fair value of the cross-currency swap, any changes in fair value are recognized as a component of "Accumulated other comprehensive loss" in the Condensed Consolidated Balance Sheets. The cross-currency swap is classified within Level 2 of the fair value hierarchy, described in Note 2, *Summary of Significant Accounting Policies* in the notes to the audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of the 2023 Annual Report on Form 10-K and in Note 12, *Fair Value Measurements* below.

Interest earned on the cross-currency swap is recorded within "Interest income, net" in the Condensed Consolidated Statements of Operations. For the three months ended December 31, 2023, March 31, 2024 and 2022, 2023, the Company recorded interest income of \$1.8 million, \$1.3 million and \$2.2 million, respectively, on these instruments. For the six months ended March 31, 2024 and 2023, the Company recorded interest income of \$3.1 million and \$5.3 million, respectively, on these instruments.

### **6. Goodwill and Intangible Assets**

The Company conducts an impairment assessment annually, or more frequently if impairment indicators are present. Changes to the Company's operating segments effective October 1, 2023 resulted in a change to the Company's reporting units, which are aligned to the Company's operating and reportable segments (as further described in Note 15, *Segment and Geographic Information*) below).

As a result of this segment realignment, the Company allocated goodwill to the reporting units existing under the new organizational structure on a relative fair value basis as of the first quarter of fiscal year 2024, October 1, 2023. The Company estimated the fair values of the affected businesses based upon the present value of their anticipated future cash flows. The Company's determination of fair value involved judgment and the use of significant estimates and assumptions, as described in the notes to the audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of the 2023 Annual Report on Form 10-K and in the "Critical Accounting

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Policies and Estimates" included in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the 2023 Annual Report on Form 10-K.

In conjunction with the goodwill allocation described above, the Company tested its reporting units for potential impairment immediately before and after the segment realignment and concluded that the estimated fair value of each reporting unit exceeded its respective carrying value. As of October 1, 2023, the fair value of the B Medical Systems reporting unit exceeded its carrying value by approximately 5 percent.

During the second quarter of fiscal year 2024, as part of the Company's routine long-term planning process, the Company assessed several events and circumstances that could affect the significant inputs used to determine the fair value of its reporting units, including updates to forecasted cash flows, the impact of the Company's planned transformation initiatives and the overall change in the economic climate since its last impairment assessment in October 2023. The Company concluded it was more likely than not the fair value of the Company's B Medical Systems segment was less than its carrying amount resulting from the reduction in the Company's anticipated revenue growth rates for the current and subsequent years as compared to prior projections. As a result, the Company completed a quantitative goodwill impairment test for its reporting units in accordance with ASC 350, *Intangibles – Goodwill* ("ASC 350") as of March 31, 2024.

For the quantitative goodwill impairment analyses performed, the Company compared the estimated fair values of each of its reporting units to their respective carrying amounts. The estimated fair values of each of the reporting units were derived using the income approach, specifically the Discounted Cash Flow ("DCF") method. The DCF models used in the analysis reflected the Company's assumptions regarding revenue growth rates, projected gross profit margins, risk-adjusted discount rates, terminal period growth rates, economic and market trends, and other expectations about the anticipated operating results of its reporting units. As part of the goodwill impairment test, the Company also considered its market capitalization and guideline public companies in assessing the reasonableness of the combined fair values estimated for its reporting units. Goodwill impairment is measured as the excess of a reporting unit's carrying amount over its estimated fair value, not to exceed the carrying amount of goodwill for that reporting unit.

The results of the Company's quantitative goodwill impairment analyses as of March 31, 2024 indicated an impairment of goodwill within its B Medical Systems reporting unit resulting in a non-cash impairment charge of \$111.3 million recorded within "Impairment of goodwill and intangible assets" in its Condensed Consolidated Statements of Operations during the three months ended March 31, 2024. The Company concluded that there was no impairment to goodwill for the SMS and Multiomics reporting units as of March 31, 2024 or April 1, 2024 (the date of the Company's annual goodwill test).

In the event the financial performance of any of the reporting units does not meet management's expectations in the future, the Company experiences a prolonged macroeconomic or market downturn, or there are other negative revisions to key assumptions used

in the Discounted Cash Flow ("DCF") DCF method used to value the reporting units, the Company may be required to perform additional impairment analyses with respect to such reporting unit units and could be required to recognize an additional impairment charge. charges.

The following table sets forth the changes in the carrying amount of goodwill by reportable segment since October 1, 2023 (in thousands). The Company has presented the October 1, 2023 balances to be consistent with the current segment structure.

	Sample Management				Sample Management			
	Solutions	Multimics	Systems	Total	Solutions	Multimics	Systems	Total
Balance - October 1, 2023	\$ 478,601	\$ 196,760	\$ 108,978	\$ 784,339	\$ 478,601	\$ 196,760	\$ 108,978	\$ 784,339
Impairment					—	—	(111,317)	(111,317)
Currency translation adjustments	10,925	—	4,902	15,827	5,779	—	2,339	8,118
Balance - December 31, 2023	\$ 489,526	\$ 196,760	\$ 113,880	\$ 800,166				
Balance - March 31, 2024					\$ 484,380	\$ 196,760	\$ —	\$ 681,140
Accumulated goodwill impairments, March 31, 2024					\$ —	\$ —	\$ (111,317)	\$ (111,317)

The components of the Company's identifiable intangible assets as of December 31, 2023 and September 30, 2023 are as follows (in thousands):

	December 31, 2023			September 30, 2023		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Patents	\$ 1,226	\$ 1,180	\$ 46	\$ 1,226	\$ 1,175	\$ 51
Completed technology	222,259	62,712	159,547	215,430	56,021	159,409
Trademarks and trade names	6,902	1,900	5,002	6,630	1,445	5,185
Non-competition agreements	681	588	93	681	568	113
Customer relationships	295,879	170,338	125,541	290,800	161,257	129,543
Other intangibles	907	907	—	869	869	—
Total	\$ 527,854	\$ 237,625	\$ 290,229	\$ 515,636	\$ 221,335	\$ 294,301

Amortization expense for intangible assets was \$12.5 million and \$11.5 million, respectively, for the three months ended December 31, 2023 and 2022.

Estimated future amortization expense for the intangible assets for the remainder of fiscal year 2024 and the subsequent five fiscal years is as follows (in thousands):

Remainder of fiscal year 2024	\$	38,369
2025		49,645
2026		46,244
2027		37,977
2028		31,446
2029		25,590

## 7. Restructuring

### Cost Reduction Initiatives

In the second and third quarters of fiscal year 2023, the Company announced cost reduction initiatives to position itself to meet the needs of its customers and accelerate growth for the business. The majority of the restructuring expenses for the three months ended December 31, 2023 and 2022 are severance and related costs.

The Company's restructuring reserve activity is summarized as follows (in thousands):

	Three Months Ended December 31,	
	2023	2022
Balance at beginning of period	\$ 1,011	\$ 462
Provisions	1,120	1,461
Payments	(1,181)	(321)
Balance at end of period	\$ 950	\$ 1,602

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As of March 31, 2024, prior to performing the quantitative goodwill impairment analyses, the Company performed a recoverability test of B Medical Systems long-lived assets in accordance with ASC 360-10-15, *Impairment or Disposal of Long-Lived Assets*. The Company concluded no impairment of the B Medical Systems long-lived asset group existed as of March 31, 2024. The Company's assessment was based on its estimates and assumptions, similar to those described above related to goodwill, a number of which are based on external factors and the exercise of management judgment.

The components of the Company's identifiable intangible assets as of March 31, 2024 and September 30, 2023 are as follows (in thousands):

	March 31, 2024			September 30, 2023		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Patents	\$ 1,226	\$ 1,185	\$ 41	\$ 1,226	\$ 1,175	\$ 51
Completed technology	225,235	74,969	150,266	215,430	56,021	159,409
Trademarks and trade names	6,763	2,250	4,513	6,630	1,445	5,185
Non-competition agreements	—	—	—	681	568	113



Customer relationships	285,116	172,310	112,806	290,800	161,257	129,543
Other intangibles	887	887	—	869	869	—
Total	<u>\$ 519,227</u>	<u>\$ 251,601</u>	<u>\$ 267,626</u>	<u>\$ 515,636</u>	<u>\$ 221,335</u>	<u>\$ 294,301</u>

Amortization expense for intangible assets was \$13.0 million and \$12.4 million, respectively, for the three months ended March 31, 2024 and 2023. Amortization expense for intangible assets was \$25.5 million and \$24.0 million, respectively, for the six months ended March 31, 2024 and 2023.

During the second quarter of fiscal year 2024, the Company discontinued its sample sourcing product offering (a product line within the SMS segment). As a result, the Company recorded a \$4.7 million impairment of intangible assets related to the sample sourcing business which is included in "Impairment of goodwill and intangible assets" in the Company's Condensed Consolidated Statements of Operations in the three months ended March 31, 2024.

Estimated future amortization expense for the intangible assets for the remainder of fiscal year 2024 and the subsequent five fiscal years is as follows (in thousands):

Remainder of fiscal year 2024	\$ 25,632
2025	48,883
2026	44,424
2027	36,368
2028	30,051
2029	24,386

## 7. Restructuring

### 2024 Restructuring Plan

In the second quarter of fiscal year 2024, the Company launched initiatives designed to optimize resources for future growth and improve efficiency across its organization. The focus of the initiatives is to improve the Company's profitability, which includes facilities consolidation, portfolio optimization, and organization structure simplification. The Company expects to complete the activities included in these initiatives by the end of fiscal year 2026. As of May 9, 2024, the date of issuance of the financial statements for the quarterly period ended March 31, 2024, the Company has not identified restructuring actions related to these initiatives that will result in additional material charges. The Company expects to identify additional actions related to these initiatives in future periods which will be recorded when specified criteria are met, such as communication of benefit arrangements or when the costs have been incurred.

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The majority of the restructuring expenses associated with the initiatives described above for the three months ended March 31, 2024 are severance and related costs, operating lease related right-of-use ("ROU") asset abandonment, and fixed assets and other asset write-offs. Of the total restructuring expenses in the three months ended March 31, 2024, \$4.6 million is related to B Medical Systems segment; \$1.6 million is related to SMS segment; \$1.1 million is the Company's headquarters operating lease related ROU asset abandonment and corporate related severance costs.

### 2023 Cost Savings Plans

In the second and third quarters of fiscal year 2023, the Company announced cost savings plans designed to position the Company to meet the needs of its customers and accelerate growth of the business.

The restructuring expenses associated with the 2023 cost savings plans for the three and six months ended March 31, 2023 are severance and related costs.

The following table sets forth restructuring charges recognized for the three and six months ended March 31, 2024 and 2023 (in thousands):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Severance and related costs	\$ 2,111	\$ 1,499	\$ 3,231	\$ 2,961
Property, plant and equipment and other asset write-offs	3,663	—	3,663	—
ROU asset abandonment	901	—	901	—
Other	669	—	669	—
Total restructuring charges	\$ 7,344	\$ 1,499	\$ 8,464	\$ 2,961

The following table sets forth the activity in the severance and related costs accruals for the six months ended March 31, 2024 and 2023 (in thousands):

	Six Months Ended March 31,	
	2024	2023
Balance at beginning of period	\$ 1,011	\$ 462
Provisions	3,231	2,961
Payments	(1,760)	(2,139)
Balance at end of period	\$ 2,482	\$ 1,284

## 8. Supplementary Balance Sheet Information

### Inventories

The following is a summary of inventories at December 31, 2023 March 31, 2024 and September 30, 2023 (in thousands):

	December 31,	September 30,	March 31,	September 30,
	2023	2023	2024	2023
Raw materials and purchased parts	\$ 57,984	\$ 59,861	\$ 57,101	\$ 59,861
Work-in-process	12,460	11,400	10,908	11,400
Finished goods	56,740	56,937	54,342	56,937
Total inventories	\$ 127,184	\$ 128,198	\$ 122,351	\$ 128,198

Reserves related to write downs of inventory to net realizable value were \$5.1 million \$4.7 million and \$5.0 million, respectively, at December 31, 2023 March 31, 2024 and September 30, 2023.

### Warranty and Retrofit Costs

The following is a summary of product and warranty retrofit activity for the **three** ~~six~~ months ended **December 31, 2023** **March 31, 2024** and **2022** ~~2023~~ (in thousands):

	Three Months Ended December 31,			Six Months Ended March 31,	
	2023	2022		2024	2023
Balance at beginning of period	\$ 10,223	\$ 2,890	Balance at beginning of period	\$ 10,223	\$ 2,890
Adjustment for acquisitions	—	2,303	Adjustment for acquisitions	—	2,303
Accruals for warranties during the period	692	307	Accruals for warranties during the period	645	1,529
Costs incurred during the period	(868)	(321)	Costs incurred during the period	(1,123)	(1,342)
Balance at end of period	<u>\$ 10,047</u>	<u>\$ 5,179</u>	Balance at end of period	<u>\$ 9,745</u>	<u>\$ 5,380</u>

### 9. Stockholders' Equity

On November 4, 2022, the Company's Board of Directors approved an authorization to repurchase up to \$1.5 billion of shares of the Company's common stock from time to time through open market purchases or through privately negotiated transactions (including under an accelerated share repurchase ("ASR") agreement), or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, subject to market and business conditions, legal requirements, and other factors. The repurchase authorization can be discontinued at any time.

As of October 1, 2023, \$661.5 million of the share repurchase authorization remained. On November 13, 2023, the Company announced its intention to repurchase shares using all the remaining capacity available under the repurchase authorization during fiscal year 2024. All shares of common stock repurchased by the Company under the current authorization have been retired, accounted for as a reduction to stockholders' equity in the Condensed Consolidated Balance Sheets and treated as a repurchase of common stock for purposes of calculating earnings per share as of the applicable settlement dates.

During the three months ended December 31, 2023, the Company repurchased 2.3 million shares of common stock for \$112.9 million (excluding fees, commissions, and excise tax). The Company accrued \$1.0 million for excise tax related to the share repurchases, which is considered an additional cost of the share repurchases and a reduction to stockholders' equity in the Condensed Consolidated Balance Sheets.

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### 9. Stockholders' Equity

#### Share Repurchases

During the three months ended March 31, 2024, the Company repurchased 1.2 million shares of common stock for \$73.9 million (excluding fees, commissions, and excise tax) pursuant to the 2022 share repurchase authorization. During the six months ended March 31, 2024, the Company repurchased 3.5 million shares of common stock for \$186.8 million (excluding fees, commissions, and excise

tax) pursuant to the 2022 share repurchase authorization. As of March 31, 2024, the Company accrued \$1.7 million for excise tax related to share repurchases, which is considered an additional cost of the share repurchases and a reduction to stockholders' equity in the Condensed Consolidated Balance Sheets.

#### Accumulated Other Comprehensive Income (Loss)

The following is a summary of the components of accumulated other comprehensive income (loss), net of tax for the **three** six months ended **December 31, 2023** **March 31, 2024** and **2022** **2023** (in thousands):

		Unrealized Gains (Losses) on Available-					Unrealized Gains (Losses) on Available-					Pension Liability Adjustments	Total
		Currency Translation Adjustments	for-Sale Securities Net of tax	Gains (Losses) on Derivative asset Net of tax	Pension Liability Adjustments	Total	Currency Translation Adjustments	for-Sale Securities Net of tax	Gains (Losses) on Derivative asset Net of tax	Pension Liability Adjustments	Total		
Balance at													
September 30,	2022	\$ (165,694)	\$ (10,909)	\$ 93,020	\$ (333)	\$ (83,916)	\$ (165,694)	\$ (10,909)	\$ 93,020	\$ (333)	\$ (83,916)		
Other comprehensive income (loss) before reclassifications		77,414	1,555	(57,127)	—	21,842	111,264	4,042	(70,260)	—	45,046		
Balance at	December 31, 2022	\$ (88,280)	\$ (9,354)	\$ 35,893	\$ (333)	\$ (62,074)							
Balance at	March 31, 2023	\$ (54,430)	\$ (6,867)	\$ 22,760	\$ (333)	\$ (38,870)							

		Unrealized Gains (Losses) on Available-					Unrealized Gains (Losses) on Available-					Pension Liability Adjustments	Total
		Currency Translation Adjustments	for-Sale Securities Net of tax	Gains (Losses) on Derivative asset Net of tax	Pension Liability Adjustments	Total	Currency Translation Adjustments	for-Sale Securities Net of tax	Gains (Losses) on Derivative asset Net of tax	Pension Liability Adjustments	Total		
Balance at													
September 30,	2023	\$ (88,448)	\$ (5,135)	\$ 31,487	\$ (330)	\$ (62,426)	\$ (88,448)	\$ (5,135)	\$ 31,487	\$ (330)	\$ (62,426)		
Other comprehensive income (loss) before reclassifications		46,494	2,524	(13,368)	(35)	35,615	25,725	3,276	(8,288)	(61)	20,652		
Amounts reclassified from accumulated other comprehensive income (loss)		—	—	—	27	27	—	—	—	46	46		
Balance at	December 31, 2023	\$ (41,954)	\$ (2,611)	\$ 18,119	\$ (338)	\$ (26,784)							

Balance at March 31, 2024	\$ (62,723)	\$ (1,859)	\$ 23,199	\$ (345)	\$(41.
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Unrealized gains (losses) on available-for-sale marketable securities are reclassified from "Accumulated other comprehensive income (loss)" into results of operations at the time of the securities' sale, as described in Note 2, *Summary of Significant Accounting Policies* in the notes to the audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of the 2023 Annual Report on Form 10-K. Amounts reclassified from "Accumulated other comprehensive income (loss)" related to pension liability adjustments represent amortization of actuarial gains and losses.

## 10. Revenue from Contracts with Customers

### *Disaggregated Revenue*

The Company disaggregates revenue from contracts with customers in a manner that depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following is revenue by significant business line for the three and six months ended **December 31, 2023** **March 31, 2024** and **2022 2023** (in thousands):

Significant Business Line	Three months ended December 31,		Three months ended March 31,		Six months ended March 31,	
	2023		2024		2024	
	2023	2022	2024	2023	2024	2023
Multiomics	\$ 62,720	\$ 61,089	\$ 62,218	\$ 62,236	\$124,938	\$123,326
Core Products <sup>(1)</sup>	48,886	47,839	44,844	43,738	93,730	91,576
Sample & Repository Services	30,119	27,616				
Sample Repository Solutions			29,293	27,305	59,412	54,921
B Medical Systems	12,592	41,822	22,779	15,122	35,371	56,944
Total revenue	\$ 154,317	\$ 178,366	\$159,134	\$148,401	\$313,451	\$326,767

(1) Core Products are Automated Stores, Cryogenic Systems, Automated Sample Tube, and Consumables and Instruments.

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## Contract Balances

**Accounts Receivable, Net.** Accounts receivable represent rights to consideration in exchange for products or services that have been transferred by the Company, when payment is unconditional and only the passage of time is required before payment is due. The Company maintains an allowance for expected credit losses representing its best estimate of probable credit losses related to its existing accounts receivable. The Company determines the allowance for expected credit losses based on a number of factors, including an evaluation of customer credit worthiness, the age of the outstanding receivables, economic trends, historical experience, and other information through the payment periods.

**Contract Assets.** Contract assets represent rights to consideration in exchange for products or services that have been transferred by the Company and payment is conditional on something other than the passage of time. These amounts typically relate to contracts where the right to invoice the customer is not present until completion of the contract or the achievement of specified milestones and the value of the products or services transferred exceed this constraint. Contract assets are classified as current as they are expected to convert to cash within one year. Contract asset balances which are included within "Prepaid expenses and other current assets" in the Company's Condensed Consolidated Balance Sheet, were \$32.3 million \$33.3 million and \$24.2 million at December 31, 2023 March 31, 2024 and September 30, 2023, respectively.

**Contract Liabilities.** Contract liabilities represent the Company's obligation to transfer products or services to a customer for which consideration has been received, or for which an amount of consideration is due from the customer. Contract assets and liabilities are reported on a net basis at the contract level, depending on the contract's position at the end of each reporting period. Contract liabilities are included within "Deferred revenue" in the Condensed Consolidated Balance Sheet. Contract liabilities were \$34.8 million \$38.3 million and \$34.6 million at December 31, 2023 March 31, 2024 and September 30, 2023, respectively. The Company recognized revenues of \$22.0 \$20.1 million and \$11.1 \$22.4 million in the three six months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, that were included in the contract liability balance at the beginning of each period.

**Remaining Performance Obligations.** Remaining performance obligations represent the transaction price of unsatisfied or partially satisfied performance obligations within contracts with an original expected contract term that is greater than one year and for which fulfillment of the contract has started as of the end of the reporting period. The

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aggregate amount of transaction consideration allocated to remaining performance obligations as of December 31, 2023 March 31, 2024 was \$70.5 million \$122.1 million. The following table summarizes when the Company expects to recognize the remaining performance obligations as revenue; the Company will recognize revenue associated with these performance obligations as transfer of control occurs (in thousands):

	As of December 31, 2023			As of March 31, 2024		
	Less than 1 Year	Greater than 1 Year	Total	Less than 1 Year	Greater than 1 Year	Total
Remaining performance obligations	\$ 50,101	\$ 20,354	\$ 70,455	\$ 94,719	\$ 27,379	\$122,098

## 11. Stock-Based Compensation

In accordance with the 2020 Equity Incentive Plan, the Company may issue to eligible employees options to purchase shares of the Company's common stock, restricted stock units and other equity incentives, which vest upon the satisfaction of a performance condition

and/or a service condition. In addition, the Company issues common stock to participating employees pursuant to an employee stock purchase plan, and may issue common stock awards and deferred restricted stock units to members of its board of directors in accordance with its board of director compensation program.

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**2020 Equity Incentive Plan**

The following table reflects the total stock-based compensation expense recorded during the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 (in thousands):

	Three Months Ended December 31,		Three Months Ended March 31,		Six Months Ended March 31,	
	2023	2022	2024	2023	2024	2023
Restricted stock units	\$ 2,850	\$ 1,759	\$ 5,284	\$ 3,634	\$ 8,134	\$ 5,393
Employee stock purchase plan	352	346	318	356	670	703
Total stock-based compensation expense	\$ 3,202	\$ 2,105	\$ 5,602	\$ 3,990	\$ 8,804	\$ 6,096

**Restricted Stock Unit Activity**

The following table summarizes restricted stock unit activity for the three six months ended December 31, 2023 March 31, 2024:

	Shares	Weighted Average Grant-Date Fair Value	Shares	Weighted Average Grant-Date Fair Value
Outstanding as of September 30, 2023	718,954	\$ 67.40	718,954	\$ 67.40
Granted	587,848	\$ 55.33	608,706	\$ 55.69
Vested	(144,394)	\$ 69.23	(174,868)	\$ 68.95
Forfeited	(226,395)	\$ 62.53	(298,806)	\$ 63.75
Outstanding as of December 31, 2023	936,013	\$ 60.71		
Outstanding as of March 31, 2024			853,986	\$ 60.01

The fair value of restricted stock units vested during the three and six months ended December 31, 2023 March 31, 2024 was \$2.0 million and 2022 \$9.8 million, respectively. The fair value of restricted stock units vested during the three and six months ended March 31, 2023 was \$7.8 million \$2.6 million and \$7.0 million \$9.6 million, respectively.

As of December 31, 2023 March 31, 2024, the future unrecognized stock-based compensation expense related to restricted stock units expected to vest is \$31.6 million \$27.2 million and is expected to be recognized over an estimated weighted average amortization period of 2.1 1.9 years.

Restricted stock units granted with performance goals may also have a required service period following the achievement of all or a portion of the performance goals. The following table reflects restricted stock units granted during the three six months ended December 31, 2023 March 31, 2024 and 2022 2023:

	Three Months Ended December 31,	
	2023	2022
Time-based restricted stock units	199,316	225,139
Performance-based restricted stock units	388,532	260,741
Total units	587,848	485,880

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	Six Months Ended March 31,	
	2024	2023
Time-based restricted stock units	220,174	356,410
Performance-based restricted stock units	388,532	215,701
Total units	608,706	572,111

#### ***Time-Based Restricted Stock Unit Grants***

Restricted stock units granted with a required service period typically have three-year vesting schedules in which one-third of awards vest at each annual anniversary of grant date, subject to the award holders meeting service requirements.

#### ***Performance-Based Restricted Stock Unit Grants***

Performance-based restricted stock units are earned based on the achievement of performance criteria established by the Human Resources and Compensation Committee and approved by the Board of Directors. The criteria for performance-based awards are weighted and have threshold, target, and maximum performance goals.

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Performance-based restricted stock unit awards granted allow participants to earn 100% of restricted stock units if the Company's performance meets or exceeds its target goal for each applicable financial metric, and up to a maximum of 200% if the Company's performance for such metrics meets or exceeds the maximum or stretch goal. Performance below the minimum threshold for each financial metric results in award forfeiture. Performance goals are measured over a three-year period for each year's restricted stock unit awards and at the end of the period to determine the number of restricted stock units earned, if any, by recipients who continue to meet the service requirement. Upon the third anniversary of each year's restricted stock unit awards' grant date, the Company's Board of Directors approves the number of restricted stock units earned for participants who continue to meet the service requirements on the **vest vesting** date.

In October 2023, the Company's Board of Directors approved an amendment to the performance goals associated with the previously issued performance-based restricted stock units for all impacted employees, excluding members of the executive team. The



performance goals, as amended, are more reflective of the current macro-economic environment and consideration toward employee retention in the competitive life sciences industry. Before the amendment, the original performance goals were not expected to be satisfied. Subsequent to the amendment, vesting became probable based on the forecasted achievement of the amended performance goals. The amendment of these restricted stock units is treated as a modification with the total compensation cost of \$5.5 million recognized over the service period through November 2025. The Company recorded expense of \$0.2 million and \$0.7 million for the three and six months ended December 31, 2023 and March 31, 2024, respectively, related to the modified awards.

## 12. Fair Value Measurements

See Note 2, *Summary of Significant Accounting Policies* in the notes to the audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of the 2023 Annual Report on Form 10-K for information on the fair value hierarchy and the level of inputs used by the Company in determining fair value.

The following tables summarize assets and liabilities measured and recorded at fair value on a recurring basis in the Condensed Consolidated Balance Sheets as of December 31, 2023 and September 30, 2023 (in thousands):

Description	As of December 31, 2023			
	Total Fair Value	Level 1	Level 2	Level 3
<b>Assets:</b>				
Cash equivalents	\$ 557,641	\$ 557,641	\$ —	\$ —
Available-for-sale securities	343,174	61,797	281,377	—
Foreign exchange contracts	77	—	77	—
Total assets	\$ 900,892	\$ 619,438	\$ 281,454	\$ —
<b>Liabilities:</b>				
Net investment hedge	\$ 4,993	\$ —	\$ 4,993	\$ —
Foreign exchange contracts	350	—	350	—
Total liabilities	\$ 5,343	\$ —	\$ 5,343	\$ —

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### Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize assets and liabilities measured and recorded at fair value on a recurring basis in the Condensed Consolidated Balance Sheets as of March 31, 2024 and September 30, 2023 (in thousands):

Description	As of March 31, 2024			
	Total Fair Value	Level 1	Level 2	Level 3
<b>Assets:</b>				
Cash equivalents	\$ 195,397	\$ 180,755	\$ 14,642	\$ —
Available-for-sale securities	611,238	225,926	385,312	—
Foreign exchange contracts	217	—	217	—

Net investment hedge	350	—	350	—
Total assets	\$ 807,202	\$ 406,681	\$ 400,521	\$ —
Liabilities:				
Foreign exchange contracts	141	—	141	—
Total liabilities	\$ 141	\$ —	\$ 141	\$ —

Description	As of September 30, 2023			
	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	\$ 525,952	\$ 525,952	\$ —	\$ —
Available-for-sale securities	450,211	85,949	364,262	—
Foreign exchange contracts	44	—	44	—
Net investment hedge	13,036	—	13,036	—
Total assets	\$ 989,243	\$ 611,901	\$ 377,342	\$ —
Liabilities:				
Foreign exchange contracts	\$ 421	\$ —	\$ 421	\$ —
Total liabilities	\$ 421	\$ —	\$ 421	\$ —

### Cash Equivalents

Cash equivalents consist of money market funds and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. The Company considers all highly liquid interest-earning investments with a maturity of three months or less at the date of purchase to be cash equivalents. Cash equivalents primarily consist of money market funds and U.S. government backed securities with a maturity of three months or less. They are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. The fair values of these investments approximate their carrying values. Investments classified as Level 2 consist of debt securities that are valued using matrix pricing benchmarking because they are not actively traded and bank certificates of deposit with a maturity of three months or less. Matrix pricing is a mathematical technique used to value securities by relying on the securities' relationship to other benchmark quoted prices.

### Available-For-Sale Securities

Available-for-sale securities primarily consist of highly rated corporate debt securities, and U.S. government backed securities, which are classified as Level 1. Investments classified as Level 2 consist of debt securities that are valued using matrix pricing and benchmarking because they are not actively traded, and bank certificates of deposit. Matrix pricing is a mathematical technique used to value securities by relying on the securities' relationship to other benchmark quoted prices.

### Foreign Exchange Contracts & Net Investment Hedge

The Company's foreign exchange contract assets and liabilities, and its net investment hedge assets are measured and reported at fair value using the market method valuation technique. The inputs to this technique utilize current foreign currency exchange forward market rates published by third-party leading financial news and data providers. These are observable data that represent the rates that the financial institution uses for contracts entered into at that date; however, they are not based on actual transactions, so they are classified as Level 2.

### Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

During the three months ended December 31, 2023, in addition to assets and 2022, the Company did not record any material liabilities that are recorded at fair value measurements for on a recurring basis, impairment indicators may subject goodwill and long-lived assets or liabilities to fair value measurement on a nonrecurring basis. As described in Note 6, *Goodwill and Intangible Assets*, as of March 31, 2024, the Company estimated the fair value of its reporting units using a DCF model. Because the inputs to the valuation model are largely unobservable and reflect the Company's own assumptions, goodwill and long-lived assets are classified as Level 3.

### 13. Income Taxes

The Company recorded an income tax benefit of \$0.2 million, \$0.3 million and \$0.5 million during the three and six months ended December 31, 2023, March 31, 2024, respectively. The tax benefit for the three months ended December 31, 2023, was primarily driven by the pre-tax loss from operations offset by \$1.7 million of charge related to a valuation allowance recorded against deferred tax assets in a foreign subsidiary during the period, three months ended March 31, 2024. The pre-tax loss benefit was further offset by a \$0.5 million of stock compensation shortfall expense for tax deductions that were lower than the associated book compensation expense during the six months ended March 31, 2024, and a \$0.7 million expense of expenses related to a valuation allowance on beginning of year U.S. state deferred tax assets. Additionally, the tax benefit for the three months ended December 31, 2023, was reduced by \$2.6 million, \$5.7 million and \$8.3 million during the three and six months ended March 31, 2024, respectively, due to a partial valuation allowance recorded against the current year U.S. federal and state deferred tax assets.

The Company's tax rate on the loss from operations was lower than statutory rates because the Company was not providing a full tax benefit on U.S. losses due to a partial valuation allowance being recorded against U.S. federal and state deferred tax assets during the current year.

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The Company recorded an income tax benefit of \$4.6 million, \$3.3 million and \$7.9 million, respectively, during the three and six months ended December 31, 2022, March 31, 2023, respectively. The tax benefit for the three months ended December 31, 2022, March 31, 2023, was primarily driven by a the pre-tax loss from continuing operations during the period. The tax benefit for the six months ended March 31, 2023, was primarily driven by the pre-tax loss from operations and a \$1.3 million, \$1.4 million deferred tax benefit resulting from the extension of a tax incentive in China. The effective tax rates for the three and six months ended March 31, 2023, were substantially higher than statutory rates. The effective rates were driven higher than the statutory rates by the discrete tax benefit in China noted above and the fair value adjustment of the contingent consideration related to the B Medical acquisition. The contingent consideration generated \$17.1 million of pre-tax income that was not subject to income taxes. Therefore, the tax benefit was being driven by a tax loss that was significantly higher than the book loss for these periods. The effective tax rate during the six months ended March 31, 2023, without these discrete events was slightly higher than average statutory tax rates due to the jurisdictional mix of income with losses being generated in higher tax jurisdictions and income being generated in lower jurisdictions.

The Company evaluates the realizability of its deferred tax assets by tax-paying component and assesses the need for a valuation allowance on an annual and a quarterly basis. The Company evaluates the profitability of each tax-paying component on a historical cumulative basis and a forward-looking basis in the course of performing this analysis.

The Company has generated U.S. pre-tax losses in recent years but has been in an overall deferred tax liability position where future taxable temporary differences were considered sufficient to offset future deductible temporary differences. During fiscal year 2024, the Company expects to generate a U.S. loss during fiscal year 2024 which will result in a partial valuation allowance against U.S. federal and state deferred tax assets. In addition to the U.S. federal and state partial valuation allowance being recorded against

deferred tax assets through the estimated annual effective tax rate, the Company has also recorded \$0.7 million of valuation allowances against U.S. state deferred tax assets which related to beginning of year.

The Company also maintains a valuation allowance against net deferred tax assets on certain foreign tax-paying components.

During the three months ended March 31, 2024, the Company repatriated approximately \$455.0 million in cash from its German subsidiary. The Company has recorded net deferred tax assets benefits in the amount of \$0.9 million \$3.2 million related to its outside basis difference in a German subsidiary as the

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[Table of December 31, 2023 as it is apparent that the outside basis difference will reverse within fiscal year 2024. Contents](#)

repatriation. The benefit includes \$2.9 million included \$5.2 million related to deductible U.S. foreign exchange losses on the repatriation measured at the foreign exchange rate as on the date of the balance sheet date. repatriation. This benefit is was offset by \$2.0 million of state income taxes, net of federal benefit. benefit that was recorded during fiscal year 2023. During the first quarter of fiscal year 2024, three months ended March 31, 2024, we reversed the \$2.9 million deferred tax asset decreased \$5.2 million due to changes in foreign exchange rates. As a result, rates up to the repatriation date. The impact was recorded against other comprehensive income.

The Company has not provided deferred income taxes on the outside basis difference of any other foreign subsidiary and maintains its general assertion of indefinite reinvestment regarding those subsidiaries and the remaining earnings of its German subsidiary as of December 31, 2023 March 31, 2024.

The Company maintains liabilities for unrecognized tax benefits. These liabilities involve judgment and estimation, and they are monitored benefits based on the best information available. its estimates and assumptions. The Company recognizes interest related to unrecognized tax benefits as a component of the income tax provision or benefit. The Company recognized minimal interest expense related to its unrecognized tax benefits during the three and six months ended December 31, 2023 March 31, 2024.

The Company is subject to U.S. federal, state, local and foreign income taxes in various jurisdictions. The amount of income taxes paid is subject to the Company's interpretation of applicable tax laws in the jurisdictions in which it files.

In the normal course of business, the Company is subject to income tax audits in various global jurisdictions in which it operates. The years subject to examination vary for the United States and international jurisdictions, with the earliest tax year being 2017, 2018. Based on the outcome of these examinations or the expiration of statutes of limitations for specific jurisdictions, it is reasonably possible that the related unrecognized tax benefits could change from those recorded in the Condensed Consolidated Balance Sheets. The Company currently anticipates that it is reasonably possible that the unrecognized tax benefits and accrued interest on those benefits will not be reduced in the next twelve months due to the statute of limitations expirations. These unrecognized tax benefits would impact the effective tax rate if recognized.

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#### 14. Net Loss per Share

The calculations of basic and diluted net loss per share and basic and diluted weighted average shares outstanding are as follows for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 (in thousands, except per share data):

	Three Months Ended December 31,		Three Months Ended March 31,		Six Months Ended March 31,	
	2023	2022	2024	2023	2024	2023
Loss from continuing operations			\$ (136,880)	\$ (1,991)	\$ (152,604)	\$ (13,226)
Loss from discontinued operations, net of tax			—	(2,936)	—	(2,936)
Net loss	(15,724)	(11,235)	(136,880)	(4,927)	(152,604)	(16,162)
Weighted average common shares outstanding used in computing basic loss per share	56,709	72,543	55,440	69,111	56,078	70,858
Weighted average common shares outstanding used in computing diluted loss per share	56,709	72,543	55,440	69,111	56,078	70,858
Basic net loss per share:						
Loss from continuing operations			\$ (2.47)	\$ (0.03)	\$ (2.72)	\$ (0.19)
Loss from discontinued operations, net of tax			—	(0.04)	—	(0.04)
Basic net loss per share	\$ (0.28)	\$ (0.15)	\$ (2.47)	\$ (0.07)	\$ (2.72)	\$ (0.23)
Diluted net loss per share:						
Loss from continuing operations			\$ (2.47)	\$ (0.03)	\$ (2.72)	\$ (0.19)
Loss from discontinued operations, net of tax			—	(0.04)	—	(0.04)
Diluted net loss per share	\$ (0.28)	\$ (0.15)	\$ (2.47)	\$ (0.07)	\$ (2.72)	\$ (0.23)

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As a result of incurring a net loss from continuing operations for the three and six months ended December 31, 2023 March 31, 2024 and 2022, 2023, outstanding restricted stock units and shares issued by the Company under the employee stock purchase plan were excluded from the computation of diluted loss per share as their effect would be antidilutive to earnings per share for continuing operations based on the treasury stock method.

## 15. Segment and Geographic Information

Operating segments are defined as components of an enterprise that engage in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker ("CODM") in deciding how to allocate resources and to assess performance. The Company's Chief Executive Officer is the Company's chief operating decision maker, CODM.

As previously announced, effective Effective October 1, 2023, the Company realigned its organizational structure to three principal business segments to enhance its commercial strategy for accelerating growth and to enable additional profitability initiatives. These segments align with changes in how the Company's chief operating decision maker CODM manages the business, allocates resources, and assesses performance. The Company's operating and reportable segments consist of the following:

- **Sample Management Solutions (“SMS”).** Sample Management Solutions SMS operates as a single business unit offering end-to-end sample management products and services, including: Sample & Repository Services Solutions and Core Products (Automated Stores, Cryogenic Systems, Automated Sample Tube, and Consumables and Instruments).
- **Multimomics.** The Multimomics business resources operate under a single business unit that provides genomic and other sample analysis services, including gene sequencing and gene synthesis.
- **B Medical Systems.** B Medical Systems business resources operate as a single business unit focused on the manufacturing and distribution of temperature-controlled storage and transportation solutions in international markets to governments, health institutions, and non-government organizations.

The segment realignment had no impact on the Company's consolidated financial position, results of operations, or cash flows. All segment information is reflective of this new structure, and prior period information has been recast to conform to our current period presentation.

Management considers adjusted operating income, loss, which excludes charges related to amortization of intangible assets, purchase accounting impact on inventory, transformation costs, restructuring charges, goodwill and intangible impairment, merger and acquisition costs and costs related to share repurchase, governance-related matters, and other unallocated corporate expenses, as the primary performance metric when evaluating the segments' operations.

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The following is the summary of the financial information for the Company's reportable segments for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 (in thousands):

	Three Months Ended December 31,		Three Months Ended March 31,		Six Months Ended March 31,	
	2023	2022	2024	2023	2024	2023
<b>Revenue:</b>						
Sample Management Solutions	\$ 79,005	\$ 75,455	\$ 74,137	\$ 71,043	\$ 153,142	\$ 146,498
Multimomics	62,720	61,089	62,218	62,236	124,938	123,325
B Medical Systems	12,592	41,822	22,779	15,122	35,371	56,944
Total revenue	\$ 154,317	\$ 178,366	\$ 159,134	\$ 148,401	\$ 313,451	\$ 326,767
<b>Adjusted operating (loss) income:</b>						
<b>Adjusted operating loss:</b>						
Sample Management Solutions	\$ (856)	\$ (2,998)	\$ (1,567)	\$ (6,076)	\$ (2,423)	\$ (9,074)
Multimomics	(3,451)	(3,265)	(2,966)	(3,810)	(6,417)	(7,075)
B Medical Systems	(4,409)	6,303	(1,153)	(3,367)	(5,562)	2,936
Segment adjusted operating (loss) income	(8,716)	40				
Segment adjusted operating loss			(5,686)	(13,254)	(14,402)	(13,213)
Amortization of completed technology	5,627	4,168	6,373	4,901	12,000	9,070
Purchase accounting impact on inventory	—	2,869	—	2,912	—	5,781
Amortization of intangible assets other than completed technology	6,862	7,372	6,654	7,509	13,516	14,882
Transformation costs <sup>(1)</sup>			4,446	10	4,487	(55)
Restructuring charges	1,120	1,461	7,344	1,499	8,464	2,961
Merger and acquisition costs and costs related to share repurchase <sup>(1)</sup>	4,321	11,838				

Impairment of goodwill and intangible assets			115,975	—	115,975	—
Contingent consideration - fair value adjustments			—	(17,145)	—	(17,145)
Merger and acquisition costs and costs related to share repurchase <sup>(2)</sup>			426	19	4,747	11,857
Other unallocated corporate expenses	31	17	51	18	41	98
Total operating loss	(26,677)	(27,685)	(146,955)	(12,977)	(173,632)	(40,662)
Interest income, net	10,081	10,665	9,565	10,394	19,646	21,059
Other, net	682	1,145				
Other income (expense), net			250	(2,668)	932	(1,523)
Loss before income taxes	\$ (15,914)	\$ (15,875)	\$ (137,140)	\$ (5,251)	\$ (153,054)	\$ (21,126)
(1) Includes expenses related to governance-related matters.						

(1) Transformation costs represent non-recurring expenses for strategic projects with anticipated long-term benefits to the Company focused on cost reduction and productivity improvement that do not meet the definition of restructuring charges. These costs are directed at simplifying, standardizing, streamlining, and optimizing the Company's operations, processes and systems to permanently alter the Company's operations for the long term. For a project to be considered transformational, successful completion of the project must be expected to bring long-term material benefits to the organization and involve significant changes to process and/or underlying technology. Transformation costs in the period result from actions taken as part of the Company's 2024 transformation plan, and primarily relate to one time asset write downs associated with changes in technology, one time inventory write downs relating to restructuring actions taken in the period, and third-party consulting costs associated with process & systems re-design.

(2) Includes expenses related to governance-related matters.

The Company has corrected the segment adjusted operating (loss) income for the three-month three and six months ended March 31, 2023 period ended December 31, 2022 as certain corporate expenses that are not part of the Company's CODM's review of operating segment performance were improperly included in the previously disclosed segment adjusted operating (loss) income. The previously disclosed amount of total segment adjusted operating (loss) income for the reportable segments was understated by \$8.5 million \$8.0 million and \$16.5 million, respectively, for the three and six months ended March 31, 2023. The total net loss before income taxes remained unchanged, unchanged in each period.

The following is the summary of the asset information for the Company's reportable segments for the three months ended December 31, 2023 as of March 31, 2024 and 2022 September 30, 2023 (in thousands):

Assets:			March	
	December 31, 2023	September 30, 2023	31, 2024	September 30, 2023
Sample Management Solutions	\$ 874,037	\$ 675,708	\$ 845,641	\$ 675,708
Multionomics	490,898	534,437	462,684	534,437
B Medical Systems	376,613	511,640	248,880	511,640
Total assets	\$ 1,741,548	\$ 1,721,785	\$ 1,557,205	\$ 1,721,785

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The following is a reconciliation of the segment assets to the corresponding amounts presented in the Condensed Consolidated Balance Sheets as of December 31, 2023 March 31, 2024 and September 30, 2023 (in thousands):

December 31,	September 30,	March 31,	September 30,
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	2023	2023	2024	2023
Segment assets	\$ 1,741,548	\$ 1,721,785	\$1,557,205	\$ 1,721,785
Cash and cash equivalents, restricted cash, and marketable securities	1,051,395	1,134,256		
Cash and cash equivalents, restricted cash and marketable securities			975,358	1,134,256
Deferred tax assets	1,341	571	925	571
Other assets	30,030	29,108	30,009	29,108
Total assets	\$ 2,824,314	\$ 2,885,720	\$2,563,497	\$ 2,885,720

Revenue from external customers is attributed to geographic areas based on locations in which the product is shipped. Net revenue by geographic area for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 are as follows (in thousands):

	Three Months Ended December 31,		Three Months Ended March 31, Six Months Ended March 31,			
	2023	2022	2024	2023	2024	2023
<b>Geographic Location:</b>						
United States	\$ 90,592	\$ 87,717	\$ 88,398	\$ 86,572	\$ 178,990	\$ 174,321
Africa	7,511	17,210	18,942	8,627	26,453	25,837
China	14,898	13,408	13,646	11,979	28,544	25,387
United Kingdom	5,699	5,413	5,641	5,789	11,340	11,202
Rest of Europe	24,832	39,422	23,850	21,432	48,682	60,854
Asia Pacific/Other	10,785	15,196	8,657	14,002	19,442	29,166
Total revenue	\$ 154,317	\$ 178,366	\$ 159,134	\$ 148,401	\$ 313,451	\$ 326,767

The Company had one individual customer that accounted for 10% or more of its consolidated revenue for the three months ended March 31, 2024 and none that accounted for 10% or more of its consolidated revenue for the three months ended March 31, 2023. This individual customer is a distributor shipping to end users in 14 countries. The Company had no individual customer that accounted for 10% or more of its consolidated revenue or accounts receivable for the three six months ended December 31, 2023. The Company had March 31, 2024 and one individual customer that accounted for 10% or more of its consolidated revenue and accounts receivable for the three six months ended December 31, 2022 March 31, 2023. This individual customer is a distributor shipping to end users in 17 countries. This customer There were no customers that accounted for 20% and 12% more than 10% of revenue and the Company's accounts receivable respectively, during and balance as of the three months ended December 31, 2022 March 31, 2024 and September 30, 2023.

## 16. Commitments and Contingencies

### Contingencies

The Company is subject to various legal proceedings, both asserted and unasserted, that arise in the ordinary course of business. The Company cannot predict the ultimate outcome of such legal proceedings or, in certain instances, provide reasonable ranges of potential losses.

The Company may also have certain indemnification obligations pursuant to claims made under the definitive agreement it entered into with Edwards Vacuum LLC (a member of the Atlas Copco Group) ("Edwards") in connection with the Company's sale of its semiconductor cryogenics business in the fourth quarter of fiscal year 2018. In the third quarter of fiscal year 2020, Edwards asserted claims for indemnification under the definitive agreement relating to alleged breaches of representations and warranties relating to customer warranty claims and inventory (the "2020 Claim"). In addition, in January 2023, Edwards filed a lawsuit against the Company in the Supreme Court of the State of New York in the County of New York seeking indemnification from the Company under such definitive agreement for \$1.0 million and other related damages, including interest and attorney's fees, arising from a third-party claim that was included as part of their initial claims (the "2023 Claim").



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In April 2023, the Company responded to and filed a counterclaim against Edwards for the 2023 Claim alleging breach of the definitive agreements by Edwards and seeking a declaratory judgment. During the third quarter of fiscal year 2023, the Company and Edwards entered into a settlement agreement related to the 2023 Claim to avoid the costs

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and uncertainties of potential litigation. Under the settlement agreement, the Company paid Edwards \$0.8 million from one of the indemnification escrows established at closing of the sale in return for the release of the 2023 Claim and the release to the Company of any residual funds in this escrow.

The Company accrued a liability of \$2.5 million for the 2020 Claim and 2023 Claim of which \$0.8 million was paid during the third quarter of fiscal year 2023. The 2020 Claim remains outstanding and \$1.7 million remains in the balance of the accrued liability as of **December 31, 2023** **March 31, 2024**.

The Company cannot determine the probability of any losses or outcome of the 2020 Claim including the amount of any indemnifiable losses, if any, resulting from these claims. However, the Company does not believe that this claim will have a material adverse effect on its consolidated financial position or results of operations. If the resolution of the 2020 Claim results in indemnifiable losses in excess of the applicable indemnification deductibles established under the definitive agreement, Edwards would be required to seek recovery under the representation and warranty insurance Edwards obtained in connection with the closing of the sale of the semiconductor cryogenics business. Management believes that any indemnifiable losses in excess of the applicable deductibles established in the definitive agreement would be covered by such insurance. For indemnifiable claims other than those arising from breaches of representations and warranties and for indemnifiable claims arising from breaches of representations and warranties exceeding the maximum coverage of the representations and warranties insurance policy, Edwards could seek recovery of such indemnifiable losses, if any, directly from the Company. In the event of unexpected subsequent developments and given the inherent unpredictability of these matters, there can be no assurance that the Company's assessment of any claim will reflect the ultimate outcome, and an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's consolidated financial position or results of operations in particular quarterly or annual periods.

#### **Tariff Matter**

With the assistance of a third-party consultant, during the first quarter of fiscal year 2021, the Company initiated a review of the value of transactions it used for intercompany imports into the United States from its GENEWIZ business. As a result of this review and a new interpretation surrounding the valuation method used to calculate the estimated transaction value, the Company revised its estimate of the tariffs owed and paid \$5.9 million to the U.S. customs authorities during fiscal year 2022, related to November 2021 and prior periods. The U.S. customs authorities are in process of reviewing the Company's calculation of tariffs for these periods to determine if any further tariffs are owed by the Company. The Company **is currently in process of revising** **has revised** its tariff calculation methodology to align with the new interpretation provided to it by U.S. customs authorities. The estimated amount owed to the U.S. customs authorities under this revised methodology **for periods after November 2021** is **immaterial \$3.2 million** and has been accrued in the Condensed Consolidated Balance Sheets.

## Purchase Commitments

As of December 31, 2023 March 31, 2024, the Company had non-cancellable commitments of \$78.1 million \$52.0 million, comprised of purchase orders for inventory of \$58.2 million \$47.9 million and information technology related commitments of \$19.9 million \$4.1 million.

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## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and related notes contained in our Annual Report on Form 10-K for the year ended September 30, 2023 (the "2023 Annual Report on Form 10-K"). In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below and in the forward-looking statements. Factors that could cause or contribute to these differences include, without limitation, those discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") as well as those described in the 2023 Annual Report on Form 10-K and this Quarterly Report on Form 10-Q under "Information Related to Forward-Looking Statements" and Part II, Item 1A "Risk Factors". All dollar amounts in the below MD&A are presented in U.S. dollars, unless otherwise noted or the context otherwise provides.

Our MD&A is organized as follows:

- **Overview.** This section provides a general description of our business and operating segments as well as a brief discussion and overall analysis of our business and financial performance, including key developments affecting us during the three and six months ended December 31, 2023 March 31, 2024 and 2022, 2023.
- **Critical Accounting Policies and Estimates.** This section discusses accounting policies and estimates that require us to exercise subjective or complex judgments in their application. We believe these accounting policies and estimates are important to understanding the assumptions and judgments incorporated in our reported financial results.
- **Results of Operations.** This section provides an analysis of our financial results for the three and six months ended December 31, 2023 March 31, 2024 compared to the three and six months ended December 31, 2022 March 31, 2023.
- **Liquidity and Capital Resources.** This section provides an analysis of our liquidity and changes in cash flows as well as a discussion of contractual commitments.

## OVERVIEW

We are a leading global provider of biological and chemical compound sample exploration and management solutions for the life sciences industry. We entered the life sciences market in 2011, leveraging our in-house precision automation and cryogenics capabilities that we were then applying in the semiconductor manufacturing market. This led us to develop solutions for automated ultra-cold storage. Since then, we have expanded our life sciences offerings through internal investments and through a series of acquisitions. We now support our customers from research and clinical development to commercialization with our sample management, automated storage, and genomic services expertise to help our customers bring impactful therapies to market faster. We understand the importance of sample integrity and offer a broad portfolio of products and services supporting customers at every stage of the life cycle of samples including procurement and sourcing, automated storage systems, genomic services and a multitude of sample consumables, informatics

and data software, along with sample repository solutions. Our expertise, global footprint and leadership positions enable us to be a trusted global partner to pharmaceutical, biotechnology and life sciences research institutions. In total, we employ approximately 3,500 3,400 full-time employees, part-time employees and contingent workers worldwide as of December 31, 2023 March 31, 2024 and have sales in approximately 150 countries. We are headquartered in Burlington, Massachusetts and have operations in North America, Asia, and Europe.

Our portfolio includes product and service offerings developed by us internally, as well as acquired through acquisitions, designed to provide comprehensive capabilities to our customers' customers, addressing their needs in sample exploration and management, automated storage, multiomics, and cold chain solutions. We continue to develop new product and service offerings and enhance existing and acquired offerings through the expertise of our research and development resources. We believe our acquisition, investment and integration approach has allowed us to accelerate internal development and significantly accelerate time to market for our life sciences solutions.

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## Segments

As previously announced, effective October 1, 2023, we realigned our organizational structure to three principal business segments: Sample Management Solutions ("SMS"), Multiomics, and B Medical Systems. The segment realignment had no impact on our consolidated financial position, results of operations, or cash flows. All segment information presented is reflective of this new structure and prior period information has been recast to conform to our current period presentation.

Within our Sample Management Solutions segment, we operate as a single business unit offering end-to-end sample management products and services, including: Sample Repository Solutions and Core Products (Automated Stores, Cryogenic Systems, Automated Sample Tube, and Consumables and Instruments). This portfolio provides customers with a high level of sample quality, security, availability, intelligence and integrity throughout the lifecycle of samples, providing customers with complete end-to-end "cold-chain of custody" capabilities. We also offer expert-level consultation services to our clients throughout their experimental design and implementation processes.

Within our Multiomics segment, our genomics services business advances research and development activities by providing gene sequencing, synthesis, editing and related services. We offer a comprehensive, global portfolio that we believe has both broad appeal in the life sciences industry and enables customers to select the best solution for their research and development challenges. This portfolio also offers unique solutions for key markets such as cell and gene therapy, antibody development and biomarker discovery by addressing genomic complexity and throughput challenges.

Within our B Medical Systems segment, we provide temperature-controlled storage and transportation solutions that complement our cold chain capabilities, adding differentiated solutions for reliable and traceable transport of temperature-sensitive specimens worldwide. We offer end-to-end cold chain of custody capabilities for vaccines, blood components, and laboratory specimens through our portfolio of cold chain transport solutions, plasma freezers, contact shock freezers, ultra-low freezers, and real-time sample monitoring and location tracking solutions.

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## Business and Financial Performance

### Basis of Presentation

Our condensed consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP").

### Financial Performance

Our performance for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 are as follows:

In thousands	Three Months Ended December 31,		Three Months Ended March 31, Six Months Ended March 31,			
	2023	2022	2024	2023	2024	2023
Revenue	\$ 154,317	\$ 178,366	\$ 159,134	\$ 148,401	\$ 313,451	\$ 326,767
Cost of revenue	92,805	104,501	95,749	95,165	188,554	199,666
Gross profit	61,512	73,865	63,385	53,236	124,897	127,101
Operating expenses						
Research and development	8,493	7,536	8,707	8,520	17,200	16,056
Selling, general and administrative	78,576	92,552	78,314	73,339	156,890	165,891
Impairment of goodwill and intangible assets			115,975	—	115,975	—
Contingent consideration - fair value adjustments			—	(17,145)	—	(17,145)
Restructuring charges	1,120	1,461	7,344	1,499	8,464	2,961
Total operating expenses	88,189	101,549	210,340	66,213	298,529	167,763
Operating loss	(26,677)	(27,685)	(146,955)	(12,977)	(173,632)	(40,662)
Other income						
Interest income, net	10,081	10,665	9,565	10,394	19,646	21,059
Other, net	682	1,145				
Other income (expense), net			250	(2,668)	932	(1,523)
Loss before income taxes	(15,914)	(15,875)	(137,140)	(5,251)	(153,054)	(21,126)
Income tax benefit	(190)	(4,640)	(260)	(3,260)	(450)	(7,900)
Loss from continuing operations			(136,880)	(1,991)	(152,604)	(13,226)
Loss from discontinued operations, net of tax			—	(2,936)	—	(2,936)
Net loss	\$ (15,724)	\$ (11,235)	\$ (136,880)	\$ (4,927)	\$ (152,604)	\$ (16,162)

### Three months ended December 31, 2023 March 31, 2024 compared to three months ended December March 31, 2022 2023

Revenue decreased 13% increased 7% for the three months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year, driven by a 70% 51% increase in revenue in the B Medical Systems segment and a 4% increase in revenue in the Sample Management Solutions segment. Gross margin was 40% for the three months ended March 31, 2024 compared to 36% for the corresponding period in the prior fiscal year, driven by margin expansion in all three business segments and higher revenue in the B Medical Systems and Sample Management Solutions segments. Operating expenses increased \$144.1 million during the three months ended March 31, 2024 compared to the corresponding period in the prior fiscal year, primarily due to an \$111.3 million non-cash goodwill impairment charge within the B Medical Systems segment, a \$4.7 million of intangible asset impairment charge associated with the discontinuation of our sample sourcing product offering within our Sample Management Solutions business, and increased restructuring charges resulting from initiatives launched in the second quarter of fiscal year 2024. Additionally, we recognized a benefit of \$17.1 million of fair value contingent consideration adjustments related to the B Medical Systems segment in the three months ended March 31, 2023 which did not reoccur in fiscal year 2024. We generated a net loss of \$136.9 million for the three months ended March 31, 2024 compared to a net loss of \$4.9 million for the three months ended March 31, 2023, primarily driven by the impairment of goodwill and intangible assets.

### Six months ended March 31, 2024 compared to six months ended March 31, 2023

Revenue decreased by 4% for the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year, driven by a 38% decrease in revenue in the B Medical Systems segment due to the timing of orders,

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partially offset by an 8% combined increase 5% and 1% increases in revenue in the Multiomics and Sample Management Solutions segments, and Multiomics segments, respectively. Gross margin was 40% for the three six months ended December 31, 2023 March 31, 2024 compared to 41% 39% for the corresponding period in the prior fiscal year, driven by margin expansion in the Sample Management Solutions and Multiomics segments, partially offset by margin pressure from decreased revenue in the B Medical Systems segment. Operating expenses increased \$130.8 million during the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year, primarily due to product mix the non-cash impairment of goodwill and intangible assets and increased restructuring charges recognized in our B Medical Systems segment. Operating expenses decreased \$13.4 million during the three six months ended December 31, 2023 compared to the corresponding period in the prior fiscal year, driven March 31, 2024, partially offset by a \$14.0 million decrease in decreased selling, general and administrative expenses, primarily due to decreased bad debt expenses and commissions expenses, as well as decreased expenses expenses. Additionally, we recognized a benefit of \$17.1 million of fair value contingent consideration adjustments related to the accelerated share repurchase agreement and governance-related costs. The savings from our cost reduction initiatives that commenced B Medical Systems segment in the six months ended March 31, 2023 which did not reoccur in fiscal year 2023 also contributed to the decrease in operating expenses, 2024. We generated a net loss of \$15.7 million \$152.6 million for the three six months ended December 31, 2023 March 31, 2024 compared to a net loss of \$11.2 million \$16.2 million for the three six months ended December 31, 2022 March 31, 2023, primarily driven by a reduction in income tax benefit. The decrease in the income tax benefit for the three months ended December 31, 2023 compared to the corresponding period in the prior fiscal year, is due to tax reserves recorded against the current year deferred tax impairment of goodwill and intangible assets.

#### CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the interim condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates based on historical experience and consider various other assumptions that are believed to be reasonable under the circumstances. We evaluate current and anticipated worldwide economic conditions, both in general and specifically in relation to the life sciences industry, that serve as a basis for making judgments about the carrying values of assets and liabilities that are not readily determinable based on

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information from other sources. Actual results may differ from these estimates under different assumptions or conditions that could have a material impact on our financial condition and results of operations.

The critical accounting estimates that we believe affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements presented in this Quarterly Report on Form 10-Q are described in the Critical Accounting Policies Estimates included in the section titled "Management's Discussion and Analysis of Financial Condition and Results of

Operations" in Part II, Item 7 of the 2023 Annual Report on Form 10-K. There have been no material changes to our critical accounting policies or estimates from those set forth in our Annual Report on Form 10-K.

## RESULTS OF OPERATIONS

Please refer to the commentary provided below for further discussion and analysis of the factors contributing to our results from operations for the three and six months ended December 31, 2023 March 31, 2024 compared to the three and six months ended December 31, 2022 March 31, 2023.

### Non-GAAP Financial Measures

Non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP and should not be relied upon to the exclusion of GAAP financial measures. Management adjusts the GAAP results for the impact of amortization of intangible assets, restructuring charges, purchase price accounting adjustments to inventory, charges related to merger and acquisitions and share repurchases, goodwill and rebranding intangible asset impairment charges, and non-recurring costs related to the Company's business transformation costs initiatives to provide investors better perspective on the results of operations which the Company believes is more comparable to the similar analysis provided by its peers. Management also excludes special charges and gains, such as impairment losses, gains and losses from the sale of assets, certain tax benefits and charges, as well as other gains and charges that are not representative of the normal operations of the business. Management strongly encourages investors to review our financial statements and publicly filed reports in their entirety and not rely on any single measure. A reconciliation of non-GAAP measures to the most nearly comparable GAAP measures is included under "Operating Income (Loss) Loss" and "Gross Margin" below.

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### Revenue

Our revenue performance for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 is as follows:

	Three Months Ended December 31,			Three Months Ended March 31,			Six Months Ended March 31,		
	2023	2022	% Change	2024	2023	% Change	2024	2023	% Change
<i>In thousands, except percentages</i>									
Sample Management Solutions	\$ 79,005	\$ 75,455	5 %	\$ 74,137	\$ 71,043	4.4 %	\$ 153,142	\$ 146,498	4.5 %
Multiomics	62,720	61,089	3 %	62,218	62,236	(0.0) %	124,938	123,325	1.3 %
B Medical Systems	12,592	41,822	(70) %	22,779	15,122	50.6 %	35,371	56,944	(37.9) %
Total revenue	\$ 154,317	\$ 178,366	(13) %	\$ 159,134	\$ 148,401	7.2 %	\$ 313,451	\$ 326,767	(4.1) %

Three months ended December 31, 2023 March 31, 2024 compared to three months ended December 31, 2022 March 31, 2023

Revenue for the three months ended December 31, 2023 March 31, 2024 increased 7% compared to the corresponding prior fiscal year period, driven by a 51% increase in our B Medical Systems segment and a 4% increase in our Sample Management Solutions segment, while revenue in our Multiomics segment remained flat.

Our B Medical Systems segment revenue for the three months ended March 31, 2024 increased 51% compared to the corresponding prior fiscal year period, primarily due to the timing of orders for cold chain equipment.

Our Sample Management Solutions segment revenue for the three months ended March 31, 2024 increased 4% compared to the corresponding prior fiscal year period driven by revenue growth in the large-automated Store Systems and Sample Repository Solutions businesses.

Our Multiomics segment revenue for the three months ended March 31, 2024 remained flat compared to the corresponding prior fiscal year period with consistent revenue in the Next Generation Sequencing business and revenue growth in the Gene Synthesis business, offset by a decline in Sanger sequencing services.

Revenue generated outside the United States was \$70.7 million, or 44% of total revenue, for the three months ended March 31, 2024 compared to \$61.8 million, or 42% of total revenue, for the corresponding period in the prior fiscal year.

#### **Six months ended March 31, 2024 compared to six months ended March 31, 2023**

Revenue for the six months ended March 31, 2024 decreased 13% 4% compared to the corresponding period in the prior fiscal year, driven by a 70% 38% decrease in revenue in our B Medical Systems segment, partially offset by a 5% increase in revenue in our Sample Management Solutions segment and a 3% 1% increase in revenue in our Multiomics segment.

Our B Medical Systems segment revenue for the three six months ended December 31, 2023 March 31, 2024 decreased 70% 38% compared to the corresponding prior fiscal year period, primarily due to the timing of orders for cold chain equipment.

Our Sample Management Solutions segment revenue for the three six months ended December 31, 2023 March 31, 2024 increased 5% compared to the corresponding prior fiscal year period driven by broad based revenue growth across major business lines, led by large automated stores in the large-automated Store Systems and sample repository solutions. Sample Repository Solutions businesses.

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Our Multiomics segment revenue for the three six months ended December 31, 2023 March 31, 2024 increased 3% 1% compared to the corresponding prior fiscal year period primarily driven by revenue growth in Gene Synthesis and Next-Generation Sequencing services, partially offset by a decline in Sanger sequencing services.

Revenue generated outside the United States was \$63.7 million \$134.5 million, or 41% 43% of total revenue, for the three six months ended December 31, 2023 March 31, 2024 compared to \$90.6 million \$152.5 million, or 51% 47% of total revenue, for the corresponding period in the prior fiscal year.

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#### **Operating Income (Loss) Loss**

Our operating income (loss) loss performance for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 is as follows: follows (in thousands, except percentages):

Three Months Ended December 31,	Three Months Ended March 31,
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	Sample Management Solutions		Multiomics		B Medical Systems		Sample Management Solutions		Multiomics		B Medical Systems	
In thousands, except percentages	2023	2022	2023	2022	2023	2022						
							2024	2023	2024	2023	2024	2023
Revenue:	\$ 79,005	\$ 75,455	\$ 62,720	\$ 61,089	\$ 12,592	\$ 41,822	\$ 74,137	\$ 71,043	\$ 62,218	\$ 62,236	\$ 22,779	\$ 15,122
Operating loss:												
Operating loss	\$ (1,723)	\$ (3,476)	\$ (4,489)	\$ (4,481)	\$ (8,181)	\$ (454)	\$ (3,005)	\$ (7,221)	\$ (4,006)	\$ (5,037)	\$ (5,810)	\$ (9,021)
Amortization of completed technology	816	429	1,039	1,215	3,772	2,523	1,027	933	1,040	1,226	4,306	2,742
Purchase accounting impact on inventory	—	—	—	—	—	2,869	—	—	—	—	—	2,912
Amortization of other intangibles	51	48	—	—	—	1,365	52	212	—	—	—	—
Other adjustment	—	1	(1)	1	—	—						
Total adjusted operating income (loss)	\$ (856)	\$ (2,998)	\$ (3,451)	\$ (3,265)	\$ (4,409)	\$ 6,303						
Transformation costs <sup>(1)</sup>							359	—	—	—	351	—
Total adjusted operating loss							\$ (1,567)	\$ (6,076)	\$ (2,966)	\$ (3,810)	\$ (1,153)	\$ (3,367)
Operating margin	(2.2)%	(4.6)%	(7.2)%	(7.3)%	(65.0)%	(1.1)%	(4.1)%	(10.2)%	(6.4)%	(8.1)%	(25.5)%	(59.7)%
Adjusted operating margin	(1.1)%	(4.0)%	(5.5)%	(5.3)%	(35.0)%	15.1 %	(2.1)%	(8.6)%	(4.8)%	(6.1)%	(5.1)%	(22.3)%
	Three Months Ended December 31,						Three Months Ended March 31,					
	Segment		Corporate		Azenta Total		Segment		Corporate		Azenta Total	
In thousands, except percentages	2023	2022	2023	2022	2023	2022						
							2024	2023	2024	2023	2024	2023
Revenue:	\$ 154,317	\$ 178,366	\$ —	\$ —	\$154,317	\$178,366	\$ 159,134	\$ 148,401	\$ —	\$ —	\$ 159,134	\$148,401
Operating loss:												
Operating loss	\$ (14,393)	\$ (8,411)	\$ (12,284)	\$ (19,274)	\$ (26,677)	\$ (27,685)	\$ (12,821)	\$ (21,279)	\$ (134,134)	\$ 8,302	\$ (146,955)	\$ (12,977)
Amortization of completed technology	5,627	4,167	—	—	5,627	4,168	6,373	4,901	—	—	6,373	4,901
Purchase accounting impact on inventory	—	2,869	—	—	—	2,869	—	2,912	—	—	—	2,912
Amortization of other intangibles	51	1,413	6,811	5,959	6,862	7,372	52	212	6,602	7,297	6,654	7,509
Rebranding and transformation costs	—	—	41	(65)	41	(65)						
Transformation costs <sup>(1)</sup>							710	—	3,736	10	4,446	10
Restructuring charges	—	—	1,120	1,462	1,120	1,462	—	—	7,344	1,499	7,344	1,499
Merger and acquisition costs and costs related to share repurchase <sup>(1)</sup>	—	—	4,321	11,838	4,321	11,838						
Other adjustment	(1)	2	—	—	(1)	—						
Total adjusted operating income (loss)	\$ (8,716)	\$ 40	\$ 9	\$ (80)	\$ (8,707)	\$ (40)						
Impairment of goodwill and intangible assets							—	—	115,975	—	115,975	—
Contingent consideration - fair value adjustments							—	—	—	(17,145)	—	(17,145)
Merger and acquisition costs and costs related to share repurchase <sup>(2)</sup>							—	—	426	19	426	19
Total adjusted operating loss	\$ (5,686)	\$ (13,254)	\$ (51)	\$ (18)	\$ (5,737)	\$ (13,272)						
Operating margin	(9.3)%	(4.7)%			(17.3)%	(15.5)%	(8.1)%	(14.3)%			(92.3)%	(8.7)%
Adjusted operating margin	(5.6)%	0.0 %			(5.6)%	(0.0)%	(3.6)%	(8.9)%			(3.6)%	(8.9)%



(1) Includes expenses related to governance-related matters.

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	Six Months Ended March 31,					
	Sample Management Solutions		Multimics		B Medical Systems	
	2024	2023	2024	2023	2024	2023
<b>Revenue:</b>	\$ 153,142	\$ 146,498	\$ 124,938	\$ 123,325	\$ 35,371	\$ 56,944
<b>Operating loss:</b>						
Operating loss	\$ (4,728)	\$ (10,697)	\$ (8,495)	\$ (9,518)	\$ (13,991)	\$ (9,475)
Amortization of completed technology	1,843	1,362	2,079	2,441	8,078	5,265
Purchase accounting impact on inventory	—	—	—	—	—	5,781
Amortization of other intangibles	103	260	—	—	—	1,365
Transformation costs <sup>(1)</sup>	359	—	—	—	351	—
Other adjustment	—	—	(1)	—	—	—
<b>Total adjusted operating loss</b>	<b>\$ (2,423)</b>	<b>\$ (9,074)</b>	<b>\$ (6,417)</b>	<b>\$ (7,075)</b>	<b>\$ (5,562)</b>	<b>\$ 2,936</b>
<i>Operating margin</i>	<i>(3.1)%</i>	<i>(7.3)%</i>	<i>(6.8)%</i>	<i>(7.7)%</i>	<i>(39.6)%</i>	<i>(16.6)%</i>
<i>Adjusted operating margin</i>	<i>(1.6)%</i>	<i>(6.2)%</i>	<i>(5.1)%</i>	<i>(5.7)%</i>	<i>(15.7)%</i>	<i>5.2 %</i>

	Six Months Ended March 31,					
	Segment		Corporate		Azenta Total	
	2024	2023	2024	2023	2024	2023
<b>Revenue:</b>	\$ 313,451	\$ 326,767	\$ —	\$ —	\$ 313,451	\$ 326,767
<b>Operating loss:</b>						
Operating loss	\$ (27,214)	\$ (29,690)	\$ (146,418)	\$ (10,973)	\$ (173,632)	\$ (40,662)
Amortization of completed technology	12,000	9,070	—	—	12,000	9,070
Purchase accounting impact on inventory	—	5,781	—	—	—	5,781
Amortization of other intangibles	103	1,624	13,413	13,257	13,516	14,882
Transformation costs <sup>(1)</sup>	710	—	3,777	(55)	4,487	(55)
Restructuring charges	—	—	8,464	2,960	8,464	2,961
Impairment of goodwill and intangible assets	—	—	115,975	—	115,975	—
Contingent consideration - fair value adjustments	—	—	—	(17,145)	—	(17,145)
Merger and acquisition costs and costs related to share repurchase <sup>(2)</sup>	—	—	4,747	11,857	4,747	11,857

Other adjustment	(1)	—	—	—	(1)	—
Total adjusted operating loss	\$ (14,402)	\$ (13,213)	\$ (42)	\$ (99)	\$ (14,444)	\$ (13,312)
Operating margin	(8.7)%	(9.1)%			(55.4)%	(12.4)%
Adjusted operating margin	(4.6)%	(4.0)%			(4.6)%	(4.1)%

- (1) Transformation costs represent non-recurring expenses for strategic projects with anticipated long-term benefits to the Company focused on cost reduction and productivity improvement that do not meet the definition of restructuring charges. These costs are directed at simplifying, standardizing, streamlining, and optimizing the Company's operations, processes and systems to permanently alter the Company's operations for the long term. For a project to be considered transformational, successful completion of the project must be expected to bring long-term material benefits to the organization and involve significant changes to process and/or underlying technology. Transformation costs in the period result from actions taken as part of the Company's 2024 transformation plan, and primarily relate to one time asset write downs associated with changes in technology, one time inventory write downs relating to restructuring actions taken in the period, and third-party consulting costs associated with process & systems re-design.
- (2) Includes expenses related to governance-related matters.

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**Three months ended December 31, 2023 March 31, 2024 compared to three months ended December 31, 2022 March 31, 2023**

Operating loss for the Sample Management Solutions segment was \$1.7 million \$3.0 million for the three months ended December 31, 2023 March 31, 2024 compared to an operating loss of \$3.5 million \$7.2 million in the corresponding period in the prior fiscal year. The Sample Management Solutions segment operating margin was (2.2) (4.1)%, an increase of 240 610 basis points for the three months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year. The decrease in operating loss and increase in operating margin were primarily driven by higher revenue, growth across the segment's major business lines supported by operating leverage and lower selling, general, and administrative expenses, partially offset by higher research and development expenses, cost reduction initiatives. Adjusted operating loss was \$0.9 million \$1.6 million for the three months ended December 31, 2023 March 31, 2024 compared to adjusted operating loss of \$3.0 million \$6.1 million in the corresponding period in the prior fiscal year. Adjusted operating margin was (1.1) (2.1)%, an increase of 290 650 basis points for the three months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year. Adjusted operating loss and margin exclude the impact of amortization of intangible assets of \$0.9 million and \$0.5 million \$1.1 million for the three months ended December 31, 2023 March 31, 2024 and 2022, respectively. Please refer to Note 15, Segment 2023 and Geographic Information in transformation costs of \$0.4 million for the notes to the unaudited condensed consolidated financial statements included in the section titled "Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10 Q, three months ended March 31, 2024.

Operating loss for the Multiomics segment was \$4.5 million \$4.0 million for each of the three months ended December 31, 2023 and 2022, March 31, 2024 compared to an operating loss of \$5.0 million in the corresponding period in the prior fiscal year. The Multiomics segment operating margin was (7.2) (6.4)%, an increase of 10 170 basis points for the three months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year. The decrease in operating loss and increase in operating margin were primarily driven by higher gross profit and lower operating expenses due to cost reduction initiatives. Adjusted operating loss was \$3.5 million \$3.0 million for the three months ended December 31, 2023 March 31, 2024 compared to adjusted operating loss of \$3.3 million \$3.8 million in the corresponding period of the prior fiscal year. Adjusted operating margin was (5.5) (4.8)%, a decrease an increase of 20 130 basis points for the three months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year. Adjusted operating loss and margin exclude the impact of amortization related to completed technology of \$1.0 million and \$1.2 million for the three months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Please refer to

Note 15, Segment and Geographic Information in the notes to the unaudited condensed consolidated financial statements included in the section titled "Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10 Q.

Operating loss for the B Medical Systems segment was \$8.2 million \$5.8 million for the three months ended December 31, 2023 March 31, 2024 compared to an operating loss of \$0.5 million \$9.0 million in the corresponding period in the prior fiscal year. The B Medical Systems segment operating margin was (65.0) (25.5)%, a decrease an increase of 63.9 34.2 percentage points for the three months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year. The decrease is in operating loss and increase in operating margin were primarily driven by declines due to higher volume of cold chain sales in revenue and gross margin, the product mix, partially offset by lower selling, general, and administrative higher operating expenses largely associated with lower due to increased commissions related to lower sales in the fiscal year 2024 period, on cold chain sales. Adjusted operating loss was \$4.4 million \$1.2 million for the three months ended December 31, 2023 March 31, 2024 compared to adjusted operating income loss of \$6.3 million \$3.4 million in the corresponding period in the prior fiscal year. Adjusted operating margin was (35.0) (5.1)%, a decrease an increase of 50.1 17.2 percentage points for the three months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year. Adjusted operating loss and margin exclude the impact of amortization related to completed technology of \$3.8 million \$4.3 million and \$2.5 million \$2.7 million for the three months ended December 31, 2023 March 31, 2024 and 2022, respectively. Adjusted operating loss and margin 2023, respectively, transformation costs of \$0.4 million for the three months ended December 31, 2022 also exclude March 31, 2024 and purchase accounting impact on inventory of \$2.9 million for the three months ended March 31, 2023.

#### Six months ended March 31, 2024 compared to six months ended March 31, 2023

Operating loss for the Sample Management Solutions segment was \$4.7 million for the six months ended March 31, 2024 compared to an operating loss of \$10.7 million in the corresponding period in the prior fiscal year. The Sample Management Solutions segment operating margin was (3.1)%, an increase of 420 basis points for the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year. The decrease in operating loss and increase in operating margin were primarily driven by higher revenue, supported by operating leverage and cost reduction initiatives. Adjusted operating loss was \$2.4 million for the six months ended March 31, 2024 compared to adjusted operating loss of \$9.1 million in the corresponding period in the prior fiscal year. Adjusted operating margin was (1.6)%, an increase of 460 basis points for the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year. Adjusted operating loss and margin exclude the impact of amortization of other intangibles intangible assets of \$1.4 million \$1.9 million and \$1.6 million for the six months ended March 31, 2024 and 2023, respectively, and transformation costs of \$0.4 million for the six months ended March 31, 2024. Please refer

Operating loss for the Multiomics segment was \$8.5 million for the six months ended March 31, 2024 compared to Note 15, Segment and Geographic Information an operating loss of \$9.5 million in the notes to the unaudited condensed consolidated financial statements included corresponding period in the section titled "Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10 Q. prior fiscal year. The Multiomics segment operating

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margin was (6.8)%, an increase of 90 basis points for the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year. The decrease in operating loss and increase in operating margin were primarily driven by higher revenue, supported by operating leverage and cost reduction initiatives. Adjusted operating loss was \$6.4 million for the six months ended March 31, 2024 compared to adjusted operating loss of \$7.1 million in the corresponding period in the prior fiscal year. Adjusted operating margin was (5.1)%, an increase of 60 basis points for the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year. Adjusted operating loss and margin exclude the impact of amortization related to completed technology of \$2.1 million and \$2.4 million for the six months ended March 31, 2024 and 2023, respectively.

Operating loss for the B Medical Systems segment was \$14.0 million for the six months ended March 31, 2024 compared to an operating loss of \$9.5 million in the corresponding period in the prior fiscal year. The B Medical Systems segment operating margin was (39.6)%, a decrease of 23.0 percentage points for the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year. The increase in operating loss and decrease in operating margin were primarily due to lower volume of cold chain sales in the product mix, partially offset by lower operating expenses due to decreased commissions on cold chain sales. Adjusted operating loss was \$5.6 million for the six months ended March 31, 2024 compared to adjusted operating income of \$2.9 million in the corresponding period in the prior fiscal year. Adjusted operating margin was (15.7)%, a decrease of 20.9 percentage points for the six months ended March 31, 2024 compared to the corresponding period in the prior fiscal year. Adjusted operating loss and margin exclude the impact of amortization of intangible assets of \$8.1 million and \$6.6 million for the six months ended March 31, 2024 and 2023, respectively, transformation costs of \$0.4 million for the six months ended March 31, 2024 and purchase accounting impact on inventory of \$5.8 million for the six months ended March 31, 2023.

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### Gross Margin

Our gross margin performance for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 is as follows: follows (in thousands, except percentages):

Three Months Ended December 31,								
In thousands, except percentages	Sample Management Solutions		Multiomics		B Medical Systems		Azenta Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	\$ 79,005	\$ 75,455	\$ 62,720	\$ 61,089	\$ 12,592	\$ 41,822	\$ 154,317	\$ 178,366
Gross profit	\$ 33,272	\$ 32,035	\$ 28,471	\$ 27,716	\$ (231)	\$ 14,114	\$ 61,512	\$ 73,865
<u>Adjustments:</u>								
Amortization of completed technology	816	429	1,039	1,215	3,772	2,523	5,627	4,167
Purchase accounting impact on inventory	—	—	—	—	—	2,869	—	2,869
Adjusted gross profit	\$ 34,088	\$ 32,465	\$ 29,510	\$ 28,931	\$ 3,541	\$ 19,506	\$ 67,139	\$ 80,902
Gross margin	42.1 %	42.5 %	45.4 %	45.4 %	(1.8)%	33.7 %	39.9 %	41.4 %
Adjusted gross margin	43.1 %	43.0 %	47.1 %	47.4 %	28.1 %	46.6 %	43.5 %	45.4 %

Three Months Ended March 31,								
	Sample Management Solutions		Multiomics		B Medical Systems		Azenta Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	\$ 74,137	\$ 71,043	\$ 62,218	\$ 62,236	\$ 22,779	\$ 15,122	\$ 159,134	\$ 148,401
Gross profit	\$ 32,943	\$ 27,544	\$ 27,721	\$ 27,003	\$ 2,721	\$ (1,311)	\$ 63,385	\$ 53,236
<u>Adjustments:</u>								

Amortization of completed technology	1,027	933	1,040	1,226	4,306	2,742	6,373	4,901
Purchase accounting impact on inventory	—	—	—	—	—	2,912	—	2,912
Transformation costs <sup>(1)</sup>	359	—	—	—	351	—	710	—
Adjusted gross profit	\$ 34,329	\$ 28,477	\$ 28,761	\$ 28,229	\$ 7,378	\$ 4,343	\$ 70,468	\$ 61,049
Gross margin	44.4 %	38.8 %	44.6 %	43.4 %	11.9 %	(8.7) %	39.8 %	35.9 %
Adjusted gross margin	46.3 %	40.1 %	46.2 %	45.4 %	32.4 %	28.7 %	44.3 %	41.1 %

Six Months Ended March 31,								
	Sample Management Solutions		Multiomics		B Medical Systems		Azena Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	\$ 153,142	\$ 146,498	\$ 124,938	\$ 123,325	\$ 35,371	\$ 56,944	\$ 313,451	\$ 326,767
Gross profit	\$ 66,215	\$ 59,579	\$ 56,192	\$ 54,719	\$ 2,490	\$ 12,803	\$ 124,897	\$ 127,101
Adjustments:								
Amortization of completed technology	1,843	1,362	2,079	2,441	8,078	5,265	12,000	9,070
Purchase accounting impact on inventory	—	—	—	—	—	5,781	—	5,781
Transformation costs <sup>(1)</sup>	359	—	—	—	351	—	710	—
Adjusted gross profit	\$ 68,417	\$ 60,942	\$ 58,271	\$ 57,160	\$ 10,919	\$ 23,849	\$ 137,607	\$ 141,951
Gross margin	43.2 %	40.7 %	45.0 %	44.4 %	7.0 %	22.5 %	39.8 %	38.9 %
Adjusted gross margin	44.7 %	41.6 %	46.6 %	46.3 %	30.9 %	41.9 %	43.9 %	43.4 %

<sup>(1)</sup> Transformation costs represent non-recurring expenses for strategic projects with anticipated long-term benefits to the Company focused on cost reduction and productivity improvement that do not meet the definition of restructuring charges. These costs are directed at simplifying, standardizing, streamlining, and optimizing the Company's operations, processes and systems to permanently alter the Company's operations for the long term. For a project to be considered transformational, successful completion of the project must be expected to bring long-term material benefits to the organization and involve significant changes to process and/or underlying technology. Transformation costs in the period result from actions taken as part of the Company's 2024 transformation plan, and primarily relate to one time asset write downs associated with changes in technology, one time inventory write downs relating to restructuring actions taken in the period, and third-party consulting costs associated with process & systems re-design.

**Three months ended December 31, 2023 March 31, 2024 compared to three months ended December 31, 2022 March 31, 2023**

The Sample Management Solutions segment gross margin was 42.1% 44.4% for the three months ended December 31, 2023 March 31, 2024, a decrease an increase of 40 560 basis points compared to the corresponding period in the prior fiscal year. Adjusted gross margin was 43.1% 46.3% for the three months ended December 31, 2023 March 31, 2024, an increase of 10 620 basis points compared to the corresponding period in the prior fiscal year, driven by higher gross margin for both the Core Products and Sample Repository Solutions businesses. Adjusted gross margin excludes the impact of amortization related to completed technology of \$1.0 million and \$0.9 million for the three months ended March 31, 2024 and 2023, respectively, and transformation costs of \$0.4 million for the three months ended March 31, 2024.

The Multiomics segment gross margin was 44.6% for the three months ended March 31, 2024, an increase of 120 basis points compared to the corresponding period in the prior fiscal year. Adjusted gross margin was 46.2% for the three months ended March 31, 2024, an increase of 80 basis points compared to the corresponding period in the prior fiscal year, driven by higher gross margin for the Core Products Gene Synthesis business, partially offset by lower gross margin for the Sample Repository Solutions business. Adjusted gross margin excludes the impact of amortization related to completed technology of \$0.8 million and \$0.4 million for the three months ended December 31, 2023 and 2022, respectively.

The Multiomics segment gross margin was 45.4% for both the three months ended December 31, 2023 and 2022. Adjusted gross margin was 47.1% for the three months ended December 31, 2023, a decrease of 30 basis points compared to the corresponding period in the prior fiscal year, primarily driven by pricing headwinds partially offset by labor productivity and direct material savings. Sanger sequencing services. Adjusted gross margin excludes the impact of amortization related to completed technology of \$1.0 million and \$1.2 million for the three months ended December 31, 2023 March 31, 2024 and 2022 2023, respectively.

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The B Medical Systems segment gross margin was (1.8)% 11.9% for the three months ended December 31, 2023 March 31, 2024, a decrease an increase of 35.5 20.6 percentage points compared to the corresponding period in the prior fiscal year. Adjusted gross margin was 28.1% 32.4% for the three months ended December 31, 2023 March 31, 2024, an increase of 370 percentage points compared to the corresponding period in the prior fiscal year, driven by higher volume of cold chain sales in the product mix. Adjusted gross margin excludes the impact of amortization related to completed technology of \$4.3 million and \$2.7 million for the three months ended March 31, 2024 and 2023, respectively, transformation costs of \$0.4 million for the three months ended March 31, 2024 and purchase accounting impact on inventory of \$2.9 million for the three months ended March 31, 2023.

#### Six months ended March 31, 2024 compared to six months ended March 31, 2023

The Sample Management Solutions segment gross margin was 43.2% for the six months ended March 31, 2024, an increase of 250 basis points compared to the corresponding period in the prior fiscal year. Adjusted gross margin was 44.7% for the six months ended March 31, 2024, an increase of 310 basis points compared to the corresponding period in the prior fiscal year, driven by higher gross margin for both the Core Products and Sample Repository Solutions businesses. Adjusted gross margin excludes the impact of amortization related to completed technology of \$1.8 million and \$1.4 million for the six months ended March 31, 2024 and 2023, respectively, and transformation costs of \$0.4 million for the six months ended March 31, 2024.

The Multiomics segment gross margin was 45.0% for the six months ended March 31, 2024, an increase of 60 basis points compared to the corresponding period in the prior fiscal year. Adjusted gross margin was 46.6% for the six months ended March 31, 2024, an increase of 30 basis points compared to the corresponding period in the prior fiscal year, driven by higher gross margin for the Gene Synthesis business, partially offset by lower gross margin for Sanger sequencing services. Adjusted gross margin excludes the impact of amortization related to completed technology of \$2.1 million and \$2.4 million for the six months ended March 31, 2024 and 2023, respectively.

The B Medical Systems segment gross margin was 7.0% for the six months ended March 31, 2024, a decrease of 18.5 15.5 percentage points compared to the corresponding period in the prior fiscal year. Adjusted gross margin was 30.9% for the six months ended March 31, 2024, a decrease of 11.0 percentage points compared to the corresponding period in the prior fiscal year, primarily due to order delays and lower volume of cold chain sales in the product mix. Adjusted gross margin excludes the impact of amortization related to completed technology of \$3.8 million \$8.1 million and \$2.5 million \$5.3 million for the three six months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively, transformation costs of \$0.4 million for the six months ended March 31, 2024 and purchase accounting impact on inventory of \$2.9 million \$5.8 million for the three six months ended December 31, 2022 March 31, 2023.

#### Research and Development Expenses

Our research and development expenses for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 are as follows:

	Three Months Ended December 31,				Three Months Ended March 31,				Six Months Ended March 31,			
	2023		2022		2024		2023		2024		2023	
	In		In		In		In		In		In	
	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue
Sample Management Solutions	\$ 4,387	5.6 %	\$ 3,486	4.6 %	\$ 4,609	6.2 %	\$ 4,776	6.7 %	\$ 8,996	5.9 %	\$ 8,262	5.6 %
Multiomics	2,926	4.7 %	3,053	5.0 %	3,125	5.0 %	2,971	4.8 %	6,051	4.8 %	6,024	4.9 %
B Medical Systems	1,180	9.4 %	997	2.4 %	973	4.3 %	773	5.1 %	2,153	6.1 %	1,770	3.1 %
Total research and development expense	\$ 8,493	5.5 %	\$ 7,536	4.2 %	\$ 8,707	5.5 %	\$ 8,520	5.7 %	\$17,200	5.5 %	\$16,056	4.9 %

Total research and development expenses increased \$0.2 million and \$1.1 million, respectively, for the three and six months ended March 31, 2024 compared to the corresponding periods in the prior fiscal year, primarily due to increased product development expenses at the Sample Management Solutions segment.

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Research and development expenses for the three months ended December 31, 2023 increased \$1.0 million compared to the three months ended December 31, 2022, primarily driven by increased product development expenses at the Sample Management Solutions segment.

### Selling, General and Administrative Expenses

Our selling, general and administrative expenses for the three and six months ended December 31, 2023 March 31, 2024 and 2022 2023 are as follows:

	Three Months Ended December 31,				Three Months Ended March 31,				Six Months Ended March 31,			
	2023		2022		2024		2023		2024		2023	
	In		In		In		In		In		In	
	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue	thousands	% of Revenue
Sample Management Solutions	\$ 30,609	38.7 %	\$ 32,016	42.4 %	\$31,340	42.3 %	\$29,987	42.2 %	\$ 61,949	40.5 %	\$ 62,003	42.3 %
Multionics	30,034	47.9 %	29,136	47.7 %	28,601	46.0 %	29,069	46.7 %	58,635	46.9 %	58,205	47.2 %
B Medical Systems	6,769	53.8 %	13,572	32.5 %	7,558	33.2 %	6,938	45.9 %	14,327	40.5 %	20,510	36.0 %
Corporate	11,164	7.2 %	17,828	10.0 %	10,815	6.8 %	7,345	4.9 %	21,979	7.0 %	25,173	7.7 %
Total selling, general and administrative expense	\$ 78,576	50.9 %	\$ 92,552	51.9 %	\$78,314	49.2 %	\$73,339	49.4 %	\$156,890	50.1 %	\$165,891	50.8 %

Total selling, general and administrative expenses decreased \$14.0 million increased \$5.0 million for the three months ended December 31, 2023 March 31, 2024 compared to the three corresponding period in the prior fiscal year, driven by an increase in corporate expenses related to compensation, benefits and insurance, partially offset by decreased governance-related costs.

Total selling, general and administrative expenses decreased \$9.0 million for the six months ended December 31, 2022, primarily due March 31, 2024 compared to the corresponding period in the prior fiscal year, driven by savings from cost reduction initiatives, decreased bad debt governance-related costs, and non-recurring expenses and commissions expenses, as well as decreased expenses related to for the accelerated share repurchase and governance-related costs. The savings from our cost reduction initiatives that commenced arrangement in fiscal year 2023 also contributed to the decrease for the three six months ended December 31, 2023 March 31, 2023.

### Restructuring Charges

Restructuring charges were \$1.1 million \$7.3 million and \$8.5 million, respectively, for the three and six months ended December 31, 2023 March 31, 2024, a decrease an increase of \$0.3 million \$5.8 million and \$5.5 million, respectively, compared to the three and six months ended December 31, 2022. The majority March 31, 2023 driven by initiatives launched in the second quarter of the restructuring expenses for the three months ended December 31, 2023 and 2022 are severance and related costs resulting from cost reduction initiatives that commenced in fiscal year 2023. 2024. See Note 7, Restructuring in the notes to the unaudited condensed consolidated

financial statements included in the section titled "Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

## Non-Operating Income

*Interest income, net* – We recorded interest income of \$10.1 million \$9.6 million and \$19.6 million, respectively, for the three and six months ended December 31, 2023 March 31, 2024 compared to \$10.7 million \$10.4 million and \$21.1 million, respectively, recorded for the three and six months ended December 31, 2022 March 31, 2023. The decrease in interest income is due to less investment decreased investments in marketable securities during the three six months ended December 31, 2023 March 31, 2024 compared to the corresponding period in the prior fiscal year. Please refer to Note 4, *Marketable Securities* and Note 5, *Derivative Instruments* in the notes to the unaudited condensed consolidated financial statements included in the section titled "Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q.

*Other, net* – We recorded other income of \$0.7 million \$0.3 million and \$0.9 million, respectively, for the three and six months ended December 31, 2023 March 31, 2024 compared to other income loss of \$1.1 million \$2.7 million and \$1.5 million, respectively, for the three and six months ended December 31, 2022 March 31, 2023, which primarily due relates to the foreign exchange gains and losses resulting from foreign currency denominated transactions and the revaluation of foreign currency denominated assets and liabilities.

## Income Tax Benefit

We recorded an income tax benefit of \$0.2 0.3 million and \$0.5 million, respectively, during the three and six months ended December 31, 2023, which March 31, 2024. The tax benefit was primarily driven by the pre-tax loss from operations. operations offset by \$1.7 million of charge related to a valuation allowance recorded against deferred tax assets in a foreign subsidiary during the three months ended March 31, 2024. The pre-tax loss benefit is was further offset by a \$0.5 million of stock compensation shortfall expense for tax deductions that are were lower than the associated book compensation expense during the six months ended March 31, 2024 and a \$0.7 million expense related to a valuation allowance on beginning of year U.S. state deferred tax assets. Additionally, the tax benefit for the three months ended December 31, 2023 was reduced by \$2.6 million of tax reserves recorded against the current year deferred tax assets.

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assets. Additionally, the benefit was reduced by \$5.7 million and \$8.3 million due to a partial valuation allowance against the current year U. S. federal and state deferred tax assets during the three and six months ended March 31, 2024, respectively.

We recorded an income tax benefit of \$4.6 million \$3.3 million and \$7.9 million, respectively, during the three and six months ended March 31, 2023. The tax benefit for the three months ended December 31, 2022. The benefit March 31, 2023 was primarily driven by the pre-tax loss from operating during the period. The tax benefit for the six months ended March 31, 2023 was primarily driven by the pre-tax loss from the operations and a \$1.3 million \$1.4 million deferred tax benefit resulting from the extension of a tax incentive in China. The effective tax rates for the three and six months ended March 31, 2023 were substantially higher than statutory rates. The effective rates were driven higher than the statutory rates by the discrete tax benefit in China and the fair value adjustment of the contingent consideration related to the B Medical acquisition. The contingent consideration generated \$17.1 million of pre-tax income that was not subject to income taxes, therefore, the tax benefit was being driven by a tax loss that was significantly higher than the book loss for these periods.

## LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2023 March 31, 2024, we had cash and cash equivalents of \$702.9 million \$353.5 million and stockholders' equity of \$2.4 billion \$2.2 billion. We believe that our current cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements for at least one year from the date of this Quarterly Report on Form 10-Q and for the foreseeable future. future thereafter. The current global economic environment makes it difficult for us to predict longer-term liquidity requirements



with sufficient certainty. We may be unable to obtain any required additional financing that may be required on terms favorable to us, if at all. If adequate funds are not available to us on acceptable terms or otherwise, we may be unable to successfully develop or enhance products and services, respond to competitive pressures, or take advantage of acquisition opportunities, any of which could have a material adverse effect on our business, financial condition and operating results.

## Cash Flows and Liquidity

The discussion of our cash flows and liquidity that follows is stated on a total company consolidated basis and excludes the impact of discontinued operations.

Our cash and cash equivalents, restricted cash and marketable securities as of December 31, 2023 March 31, 2024 and September 30, 2023 were as follows:

In thousands	December 31, 2023	September 30, 2023	March 31, 2024	September 30, 2023
Cash and cash equivalents	\$ 702,923	\$ 678,910	\$ 353,491	\$ 678,910
Restricted cash	5,298	5,135	10,629	5,135
Short-term marketable securities	281,212	338,873	468,220	338,873
Long-term marketable securities	61,962	111,338	143,018	111,338
	<u>\$ 1,051,395</u>	<u>\$ 1,134,256</u>	<u>\$ 975,358</u>	<u>\$ 1,134,256</u>

As of December 31, 2023 March 31, 2024, we had \$593.7 million \$129.7 million of cash, cash equivalents and restricted cash held outside of the United States. If these funds are needed for U.S. operations, we would need to repatriate these funds. As a result of changes in Based on current U.S. tax legislation, laws, any repatriation in the future would likely not result in U.S. federal income tax. Our marketable securities are generally readily convertible to cash without a material adverse impact.

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Our cash flows for the three six months ended December 31, 2023 March 31, 2024 and 2022 2023 were as follows:

In thousands	Three Months Ended December 31,		Six Months Ended March 31,	
	2023	2022	2024	2023
Net cash provided by (used in) operating activities	\$ 26,431	\$ (27,020)	\$ 34,787	\$ (39,170)
Net cash provided by investing activities	98,397	56,356		
Net cash provided by (used in) investing activities			(172,213)	114,530
Net cash used in financing activities	(113,153)	(504,720)	(187,220)	(505,136)
Effects of exchange rate changes on cash and cash equivalents	12,501	49,941	4,721	60,355
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 24,176</u>	<u>\$ (425,443)</u>		
Net decrease in cash, cash equivalents and restricted cash			<u>\$ (319,925)</u>	<u>\$ (369,421)</u>

Cash inflows from operating activities for the three six months ended December 31, 2023 March 31, 2024 were \$26.4 million \$34.8 million, primarily due to improved accounts receivable collections and inventory management and increased customer prepayments. decreased selling, general and administrative expenses as a result of our cost savings plans and transformation initiatives. Investing inflows outflows of \$98.4 million \$172.2 million include \$110.3 million \$345.4 million of purchases of marketable securities, offset by \$190.5 million for sales and maturities of marketable securities, offset by \$11.9 million for purchases of property plant and equipment securities. Financing activities for the three six months ended December 31, 2023 March 31, 2024 include \$113.0 million \$186.8 million of outflows related to our share repurchase program described below.

As of **December 31, 2023** **March 31, 2024**, we had no outstanding debt on our balance sheet.

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## Capital Resources

### Share Repurchase Program

On November 4, 2022, our Board of Directors **terminated the existing share repurchase authorization and approved a new** **an** authorization to repurchase up to \$1.5 billion of our common stock (the "2022 Repurchase Authorization"). Repurchases under the 2022 Repurchase Authorization may be made in the open market or through privately negotiated transactions (including under an accelerated share repurchase ("ASR") agreement), or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 of the Exchange Act, subject to market and business conditions, legal requirements, and other factors. We are not obligated to acquire any specific amount of common stock under the 2022 Repurchase Authorization, and share repurchases may commence or be suspended at any time at management's discretion.

**On November 13, 2023** **As of March 31, 2024**, we **announced our intention to repurchase shares using all the remaining capacity available under the 2022 Repurchase Authorization during fiscal year 2024, subject to market and business conditions, legal requirements, and other factors.**

**As of December 31, 2023**, we **had** **have** repurchased **19.7 million** **20.9 million** shares of common stock for **\$951.4 million** **\$1.025 billion** (excluding fees, commissions, and excise tax) under the 2022 Repurchase Authorization and **\$548.6 million** **\$475 million** of the 2022 Repurchase Authorization remained. All shares of common stock repurchased by the Company under the 2022 Repurchase Authorization have been retired, accounted for as a reduction to stockholders' equity in the Condensed Consolidated Balance Sheets and treated as a repurchase of common stock for purposes of calculating earnings per share as of the applicable settlement dates.

**See Note 9, Stockholders' Equity** in the notes to the unaudited condensed consolidated financial statements included in the section titled "Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information about the 2022 Repurchase Authorization.

### Contractual Obligations and Requirements

At **December 31, 2023** **March 31, 2024**, we had non-cancellable commitments of **\$78.1 million** **\$52.0 million**, comprised primarily of purchase orders for inventory of **\$58.2 million** **\$47.9 million**, and information technology related commitments of **\$19.9 million** **\$4.1 million**.

### Off-Balance Sheet Arrangements

As of **December 31, 2023** **March 31, 2024**, we had no obligations, assets or liabilities which would be considered off-balance sheet arrangements.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of market risks, including changes in interest rates affecting the return on our cash and cash equivalents, restricted cash and short-term and long-term investments and fluctuations in foreign currency exchange rates.

### Interest Rate Exposure

Our cash and cash equivalents and restricted cash consist principally of money market securities which are short-term in nature. At **December 31, 2023** **March 31, 2024**, our aggregate short-term and long-term investments were **\$343.2 million** **\$611.2 million**, consisting mostly of highly rated corporate debt securities and U.S. government backed securities. At **December 31, 2023** **March 31, 2024**, the unrealized loss position on marketable securities was **\$3.5 million** **\$2.5 million** which is included in "Accumulated other comprehensive loss" in the Condensed Consolidated Balance Sheets. A hypothetical 100 basis point change in interest rates would result in a **\$2.7 million** **\$4.8 million** and **\$6.6 million** change in interest income earned during the **three six** months ended **December 31, 2023** **March 31, 2024** and **2023**, respectively.

### Currency Rate Exposure

We have transactions and balances denominated in currencies other than the functional currency of the transacting entity. Most of these transactions carrying foreign exchange risk are in Germany, the United Kingdom, and China. Sales in currencies other than the U.S. dollar were approximately **27%** **26%** and 24% of our total sales, respectively, during the **three six** months ended **December 31, 2023** **March 31, 2024** and **2022** **2023**. These sales were made primarily by our foreign subsidiaries, which have cost structures that substantially align with the currency of sale.

In the normal course of our business, we have liquid assets denominated in non-functional currencies which include cash, short-term advances between our legal entities and accounts receivable which are subject to foreign currency exposure. Such balances were **\$69.2 million** **\$74.1 million** and **\$157.8 million**, respectively, at **December 31, 2023** **March 31, 2024** and September 30, 2023, and primarily relate to the Euro, British Pound, and the Chinese Yuan. We mitigate the impact of potential currency translation losses on these short-term intercompany advances by the timely settlement of each transaction, generally within 30 days. We also utilize forward contracts to mitigate our exposures to currency movement. We incurred foreign currency losses of **\$0.6 million** **\$0.9 million** and gains of **\$0.9 million** **\$0.8 million** during the **three six** months ended **December 31, 2023** **March 31, 2024** and **2022** **2023**, respectively, which related to the currency fluctuation on these balances between the time the transaction occurred and the ultimate settlement of the transaction. A hypothetical 10% change in foreign exchange rates as of **December 31, 2023** **March 31, 2024** would result in an approximate change of **\$0.3 million** **\$0.1 million** in our net **income loss** during the **three six** months ended **December 31, 2023** **March 31, 2024**.

### Item 4. Controls and Procedures

*Evaluation of Disclosure Controls and Procedures.* As of **December 31, 2023** **March 31, 2024**, pursuant to Rule 13a-15 under the Exchange Act, we performed an evaluation of the effectiveness of our disclosure controls and procedures. Based on this evaluation, management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures are operating and effective as of **December 31, 2023** **March 31, 2024**.

*Change in Internal Controls.* There were no changes in our internal control over financial reporting that occurred during the quarter ended **December 31, 2023** **March 31, 2024** that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

We are subject to various legal proceedings, both asserted and unasserted, that arise in the ordinary course of business. We cannot predict the ultimate outcome of such legal proceedings or in certain instances provide reasonable ranges of potential losses. However, as of the date of this Quarterly Report on Form 10-Q, we believe that none of these claims will have a material adverse effect on our consolidated financial condition or results of operations. In the event of unexpected subsequent developments and given the inherent unpredictability of these legal proceedings, there can be no assurance that our assessment of any claim will reflect the ultimate outcome and an adverse outcome in certain matters could, from time to time, have a material adverse effect on our consolidated financial condition or results of operations in particular quarterly or annual periods.

### Item 1A. Risk Factors

You should carefully review and consider the information regarding certain factors that could materially affect our business, consolidated financial condition or results of operations set forth under the section titled, titled "Risk Factors" in Part I, Item 1A of the 2023 Annual Report on Form 10-K. There have been no material changes from the risk factors disclosed in the 2023 Annual Report on Form 10-K. 10-K, other than the additions to the risk factor set forth below. We may disclose changes to risk factors or additional factors from time to time in our future filings with the SEC.

#### **Changes in key personnel could impair our ability to execute our business strategy.**

The continuing service of our executive officers and essential engineering, scientific and management personnel, together with our ability to attract and retain such personnel, is an important factor in our continuing ability to execute our strategy. On May 8, 2024, Dr. Stephen Schwartz, our President and Chief Executive Officer informed us of his intention to retire from these positions after more than 14 years of service. Dr. Schwartz will continue to serve as our President and Chief Executive Officer until such time a new successor is appointed, after which we intend to retain Dr. Schwartz as an advisor, ensuring a smooth transition. There is substantial competition to attract such employees and the loss of any such key employees, including Dr. Schwartz during this transition period, could have a material adverse effect on our business and operating results and the announcement of Dr. Schwartz' retirement may increase stockholder activism focused on our company. The same could be true if we were to experience a high turnover rate among engineering and scientific personnel and we were unable to replace them. Our ability to attract and retain employees may be negatively impacted by employees' reactions to our policies related working remotely, particularly in the United States. Any failure to attract, recruit, train, retain, motivate and integrate qualified personnel, in particular a new successor Chief Executive Officer, could materially harm our strategic plan, operating results and growth prospects.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following provides information about repurchases of our common stock during the three months ended December 31, 2023 March 31, 2024:

Period of Repurchase	Average Price					Total Number				
	Repurchase authorization	# (1)	(\$ (1)	# (1)	(\$ (1)	Repurchase authorization	# (1)	(\$ (1)	# (1)	(\$ (1)
October 1 - 31, 2023	Open market repurchase	1,461,943	\$ 49.91	18,916,954	\$ 589					
November 1 - 30, 2023	Open market repurchase	796,917	\$ 50.14	19,713,871	\$ 549					
December 1 - 31, 2023	Open market repurchase	-	-	19,713,871	\$ 549					
January 1 - 31, 2024						Open market repurchase	-	-	19,713,871	\$ 549
February 1 - 29, 2024						Open market repurchase	470,257	\$ 64.58	20,184,128	\$ 518
March 1 - 31, 2024						Open market repurchase	707,167	\$ 61.50	20,891,295	\$ 475
Total		2,258,860	\$ 49.99				1,177,424	\$ 62.73		

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- (1) See [Note 9, Stockholders' Equity](#) in the notes to the unaudited condensed consolidated financial statements included in the section titled "Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Share Repurchase Program" in Part I, Item 2 of this Quarterly Report on Form 10-Q for additional information regarding repurchases of our common stock.

## Item 5. Other Information

### Rule 10b5-1 Trading Arrangements

During the three months ended [December 31, 2023](#) [March 31, 2024](#), the following directors and officers (as defined in Rule 16a-1(f) of the Exchange Act) of the Company took the following actions regarding trading arrangements with respect to our securities:

On [December 7, 2023](#) [March 8, 2024](#), [Jason W. Joseph](#), [Stephen S. Schwartz](#), our [Senior Vice President General Counsel](#) and [Secretary, CEO](#), adopted a Rule 10b5-1 trading arrangement (as defined in Item 408(a) of Regulation S-K) for the period commencing [three months ninety-one days](#) from such date and ending on [August 30, 2024](#) [June 6, 2025](#) for the sale of up to [30,000](#) [89,344](#) shares of common stock of the Company.

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## Item 6. Exhibits

The following exhibits are included herein:

Exhibit No.	Description
10.1*	<a href="#">Transition Letter Agreement dated December 4, 2023 between the Company and Lindon G. Robertson.</a>
10.2* 10.01*	<a href="#">Separation Agreement dated January 2, 2024 between the Company and David C. Gray, Gray (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q filed on February 8, 2024).</a>
10.02*	<a href="#">Transition Agreement, dated May 8, 2024, between Azenta, Inc. and Stephen S. Schwartz (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on May 9, 2024).</a>
31.01	<a href="#">Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.02	<a href="#">Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32	<a href="#">Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101	The following material from the Company's Quarterly Report on Form 10-Q, for the quarter ended <b>December 31, 2023</b> <b>March 31, 2024</b> , formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the unaudited Condensed Consolidated Balance Sheets; (ii) the unaudited Condensed Consolidated Statements of Operations; (iii) the unaudited Condensed Consolidated Statements of Comprehensive <b>Income</b> ; <b>Income (Loss)</b> ; (iv) the unaudited Condensed Consolidated Statements of Cash Flows; (v) the unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity; and (vi) the Notes to the unaudited Condensed Consolidated Financial Statements. The instance document does not appear in the Interactive Data File because XBRL tags are embedded in the iXBRL document.
104	Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101).

\*Management contract, compensatory plan or agreement.

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AZENTA, INC.

Date: February 8, 2024 May 9, 2024

/s/ Herman Cueto

Herman Cueto

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: February 8, 2024 May 9, 2024

/s/ Violetta A. Hughes

Violetta A. Hughes

Vice President and Chief Accounting Officer

(Principal Accounting Officer)

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Exhibit 10.1



December 4, 2023

**VIA EMAIL**

Lindon G. Robertson

Re: Transition Letter Agreement

Dear Lindon:

This Transition Letter Agreement confirms our recent discussions regarding your retirement plans from Azenta Life Sciences ("Azenta"). We have agreed that your last date of employment will be on February 16, 2024. Effective immediately and until that date, your role will be modified to Advisor to the CEO. In this role you will continue to report directly to me and provide transitional support as requested. In recognition of your multiple contributions, together with your final payment you will receive the pro-rated performance bonus (PBVC) at target for service from October 1, 2023, to February 16, 2024. I appreciate all your hard work and ensuring smooth transition in the next couple of months.

Please sign this Transition Letter Agreement document as confirmation of your agreement with the conditions outlined above and return to Olga Pirogova by December 8, 2023.

Sincerely,

/s/ Steve Schwartz

Steve Schwartz

President and Chief Executive Officer

Azenta Life Sciences

Accepted and Agreed to:

/s/ Lindon G. Robertson

Lindon G. Robertson

Date: December 12, 2023

Exhibit 10.2



**THIS IS AN IMPORTANT LEGAL DOCUMENT. PLEASE CONFER WITH A LAWYER OR OTHER TRUSTED ADVISOR BEFORE SIGNING THIS DOCUMENT.**

December 11, 2023

**VIA EMAIL DELIVERY**

**David C. Gray**

Re: Severance Agreement and Release

Dear Dave:

This letter summarizes the terms of your separation from employment with Azenta, Inc. (the "Company"). The purpose of this Agreement is to establish an amicable arrangement for ending your employment relationship, to release the Company from all legally waivable claims and to permit you to receive severance pay.

**By signing this Agreement, you will be giving up valuable legal rights. For this reason, it is very important that you carefully review and understand the Agreement before signing it. The deadline for accepting this Agreement is Friday, January 5, 2024, and should not be signed before December 31, 2023. If you do not sign and return this document between December 31, 2023 and January 5, 2024, this offer of severance pay will expire. The Company encourages you to take advantage of this period of time by consulting with a lawyer, or other trusted advisor, before signing the document.**

**1. Employment Status and Final Payments:**

(a) Termination Date: Your termination from employment with the Company will be effective as of December 31, 2023 (the "Termination Date"). As of the Termination Date, your salary will cease, and any entitlement you have or might have under a Company-provided benefit plan, program, contract or practice will terminate, except as required by federal or state law.

(b) You hereby acknowledge that you have been paid all earned wages and for all accrued but unused vacation time as of the Termination Date.


(c) The Termination Date shall be the date of the "qualifying event" under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). If you are enrolled in the Company's medical plans, you will be provided a benefits packet containing information on your COBRA rights and how to elect to convert to a direct pay plan under COBRA.

(d) You hereby acknowledge (i) receipt of all compensation and benefits due through the Termination Date as a result of services performed for the Company with the receipt of a final paycheck except as provided in this Agreement; (ii) having reported to the Company any and all work-related injuries incurred during employment; (iii) the Company properly provided any leave of absence because of your or a family member's health condition and you have not been subjected to any improper treatment, conduct or actions due to a



request for or taking such leave; (iv) you have had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of the Company or any other Company Releasees.

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**2. Consideration:** In exchange for, and in consideration of, your full execution of this Agreement, and after the expiration of the Revocation Period set out in Section 10 below, the Company agrees as follows:

(a) **Severance Pay:** The Company will pay you a severance payment of two hundred thousand dollars (\$200,000.00), which is the equivalent of six (6) months of your current base salary. This severance amount will be paid to you in biweekly installments in accordance with the Company's standard payroll cycles. The first installment will be paid to you commencing on the next payroll cycle after the expiration of the Revocation Period as set forth in Section 10, or such earlier date as may be determined in Company's sole discretion. You agree that you will exercise reasonable efforts to seek, obtain and accept comparable employment. If you have not secured new employment within six months from the Termination Date, you will be eligible for additional severance of up to two hundred thousand dollars (\$200,000.00), which is the equivalent of six (6) months of your current base salary. This additional severance amount will be paid to you in biweekly installments in accordance with the Company's standard payroll cycles until the earlier of (i) the date you obtain new employment, or (ii) Company's fulfillment of the additional severance of two hundred thousand dollars (\$200,000.00). You agree to notify the Company if you accept new employment, which is understood to mean full-time, salaried third-party employment and excludes independent hourly consulting and board compensation.

(b) **COBRA Premiums:** If you elect in a timely manner to continue medical and dental insurance coverage after the Termination Date in accordance with the provisions of COBRA, and you timely remit the employee portion of premiums for such coverage, then the Company will maintain such coverage in effect until the end of the period during which you are receiving payments under paragraph 2(a) above (the "Severance Period"). During the Severance Period the employee portion of your premiums for such coverage will be at the same rates for current active employees and consistent with your elections. The Severance Period runs concurrently with the COBRA period. Thereafter, you may continue receiving group health, dental and flexible spending account coverage at your own expense as provided by COBRA law for the remainder of the COBRA period. Eligibility to continue this coverage ends upon the termination of any period allowed by law. If you fail to make timely payment of your portion of the premiums it will result in termination of coverage. You agree to notify the Company promptly when you are covered by another plan. If you are a "highly compensated individual" (as defined in Section 105(h) of the Internal Revenue Code of 1986, as amended), the Company-paid portion of the group health and dental coverage, as determined by reference to the total COBRA premium, will be reported to the IRS as taxable income. Please note that if the Company, in its sole discretion, subsequently determines that all or some of its payment of the COBRA premiums are discriminatory under the Internal Revenue Code, any remaining COBRA payments shall instead be paid to you as additional severance pay over the same period that the subsidy would have been provided.

(c) **Payments:** The payments set forth in this Section 2 shall be subject to all applicable federal, state and/or local withholding and/or payroll taxes.

(d) **Section 409A Requirements:** Notwithstanding anything to the contrary in this Agreement, the following provisions shall apply to any payments and benefits otherwise payable to or provided to you under this Agreement:

(i) For purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"), (1) each "payment" (as defined by Section 409A) made under this Agreement shall be considered a "separate payment," and (2) payments shall be deemed exempt from the definition of deferred compensation under Section 409A to the fullest extent possible under (a) the "short-term deferral" exemption of Treasury Regulation § 1.409A-1(b)(4), and (b) (with respect to amounts paid as separation pay no later than the second calendar year following the calendar year containing your "separation from service" (as defined for purposes of Section 409A)) the

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"two years/two-times" separation pay exemption of Treasury Regulation § 1.409A-1(b)(9)(iii), which are hereby incorporated by reference.

- (ii) If you are a "specified employee" as defined in Section 409A (and as applied according to procedures of the Company) as of your separation from service, to the extent any payment under this Agreement constitutes deferred compensation (after taking into account any applicable exemptions from Section 409A), and to the extent required by Section 409A, no payments due under this Agreement may be made until the earlier of: (1) the first day of the seventh month following your separation from service, or (2) your date of death; provided, however, that any payments delayed during this six-month period shall be paid in the aggregate in a lump sum, without interest, on the first day of the seventh month following your separation from service.
- (iii) If this Agreement fails to meet the requirements of Section 409A, the Company shall not have any liability for any tax, penalty or interest imposed on you by Section 409A, and you shall have no recourse against the Company for payment of any such tax, penalty or interest imposed by Section 409A.

**3. Release: This section of the Agreement is a release of legal claims. Please carefully review this section with your attorney, or other trusted advisor, and do not sign this document unless you understand what this section says.**

(a) In exchange for the amounts described in Section 2, which are in addition to anything of value to which you are entitled to receive, you and your representatives, agents, estate, heirs, successors and assigns, absolutely and unconditionally release, discharge, indemnify and hold harmless the "Company Releasees" from any and all legally waivable claims that you have against the Company Releasees. Other than as permitted in Section 3(e) and (f) below, this means that by signing this Agreement, you are agreeing to forever waive, release and discharge the Company Releasees from any type of claim arising from conduct that occurred any time in the past and up to and through the date you sign this document. Company Releasees is defined to include the Company and/or any of its parents, subsidiaries or affiliates, predecessors, successors or assigns, and its and their respective current and/or former directors, shareholders/stockholders, officers, employees, attorneys and/or agents, all both individually and in their official capacities.

(b) This release includes, but is not limited to, any waivable claims you have against the Company Releasees based on conduct that occurred any time in the past and up to and through the date you sign this Agreement that arises from any federal, state or local law, regulation, code or constitution dealing with either employment, employment benefits or employment discrimination. By way of example, this release includes the release of claims against the Company Releasees under the laws or regulations concerning discrimination on the basis of race, color, creed, religion, age, sex, sex harassment, sexual orientation, gender identity, national origin, ancestry, genetic carrier status, handicap or disability, veteran status, any military service or application for military service, or any other category protected under federal, state or local law. This release also includes any claim you may have against the Company Releasees for breach of contract, whether oral or written, express or implied; any tort claims (such as claims for wrongful discharge, tortious interference with advantageous relations, misrepresentation and defamation); any claims for equity or employee benefits of any other kind; or any other legally waivable statutory and/or common law claims.

(c) For avoidance of doubt, by signing this Agreement you are agreeing not to bring any waivable claims against the Company Releasees (other than as permitted in Section 3(e) and (f) below) under the following nonexclusive list of discrimination and employment statutes: Title VII of the Civil Rights Act of 1964 (Title VII), the Age Discrimination in Employment Act ("ADEA"), the Americans



With Disabilities Act (“ADA”), the ADA Amendments Act, the Equal Pay Act (“EPA”), the Lilly Ledbetter Fair Pay Act, the Family and Medical Leave Act (“FMLA”), the Worker Adjustment and Retraining Notification Act (“WARN”), the Genetic Information Non-Discrimination Act (“GINA”), the Employee Retirement Income Security Act (“ERISA”), the Massachusetts Fair Employment Practices Law (M.G.L. ch. 151B), the Massachusetts Equal Rights Act, the Massachusetts Equal Pay Act, The Massachusetts Earned Sick Leave law, the Massachusetts Pregnant Workers Fairness Act, the Massachusetts Privacy Statute, the Massachusetts Civil Rights Act, the Massachusetts Domestic Violence Leave Act, the Massachusetts Consumer Protection Act, the Massachusetts Labor and Industries Act, the anti-retaliation provisions of the Massachusetts Paid Family and Medical Leave Act, M.G.L. c. 175M, s. 9, and the Massachusetts Independent Contractor Statute, all as amended, as well as any other federal, state and local statutes, regulations, codes or ordinances that apply to you.

(d) You release the Company Releasees from any and all wage and hour related claims to the maximum extent permitted by state law. This release of legal claims includes the Massachusetts Payment of Wages Act (M.G.L. ch. 149 §§148 and 150), the Massachusetts Overtime regulations (M.G.L. ch.151 §§ 1A and 1B), the Meal Break regulations (M.G.L. ch.149 §§ 100 and 101), and the Earned Sick Time Law (M.G.L. ch. 149, § 148C), and any other state wage and hour related claims arising out of or in any way connected with your employment with the Company, including any claims for unpaid or delayed payment of wages, overtime, bonuses, commissions, incentive payments or severance, missed or interrupted meal periods, as well as interest, attorneys’ fees, costs, expenses, liquidated damages, treble damages or damages of any kind relating to a wage and hour claim, to the maximum extent permitted by law.

(e) Nothing in this Section 3 or elsewhere in this Agreement (including but not limited to the accord & satisfaction, confidentiality, non-disparagement, and return of property provisions) (i) prevents you from filing a claim under the workers compensation, paid family and medical leave, or unemployment compensation statutes; (ii) limits or affects your right to challenge the validity of this Agreement under the ADEA or the Older Worker Benefits Protection Act; (iii) prevents you from filing a charge or complaint with or from participating in an investigation or proceeding conducted by the EEOC, the National Labor Relations Board, the Securities and Exchange Commission, or any other federal, state or local agency charged with the enforcement of any laws, including providing documents or other information to such agencies; (iv) limits or affects your right to disclose or discuss sexual harassment or sexual assault disputes; or (v) prevents you from exercising your rights under Section 7 of the NLRA to engage in protected, concerted activity with other employees; although, by signing this Agreement you are waiving your right to recover any individual relief (including any backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by you or on your behalf by any third party, except for any right you may have to receive an award from a government agency.

(f) For avoidance of doubt, and to ensure clarity, while you acknowledge not having raised a claim of sexual harassment or abuse with the Company, or asserted such a claim outside the Company, nothing in this Agreement waives your right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of the Company, or on the part of the agents or employees of the Company, whether because you are cooperating in an investigation or other legal proceeding on your own initiative or whether you have been required or requested to attend such an investigation or proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature.

(g) For avoidance of doubt, nothing in this Agreement waives any rights or coverages you may have due to your role as an officer or named executive officer under the Company’s Director & Officer liability policies, or as described in indemnification agreements or bylaws of the Company.



4. **Accord and Satisfaction:** The amounts described in Sections 1 and 2 shall be complete and unconditional payment, accord and/or satisfaction with respect to all obligations and liabilities of the Company Releasees to you, including, without limitation, all claims for back wages, salary, vacation pay, draws, incentive pay, bonuses, stock and stock options, commissions, severance pay, reimbursement of expenses, any and all other forms of compensation or benefits, attorney's fees, or other costs or sums.

5. **Waiver of Rights and Claims Under the Age Discrimination in Employment Act of 1967:**

Since you are 40 years of age or older, you are being informed that you have or may have specific rights and/or claims under the Age Discrimination in Employment Act of 1967 ("ADEA") and you agree that:

(a) in consideration for the amounts described in Section 2 of this Agreement, which you are not otherwise entitled to receive, you specifically and voluntarily waive such rights and/or claims under the ADEA you might have against the Company Releasees to the extent such rights and/or claims arose on or prior to the date this Agreement was executed;

(b) you understand that rights or claims under the ADEA which may arise after the date this Agreement is executed are not waived by you;

(c) you have carefully read and fully understand all of the provisions of this Agreement, and you knowingly and voluntarily agree to all of the terms set forth in this Agreement; and

(d) in entering into this Agreement you are not relying on any representation, promise or inducement made by the Company Releasees or their attorneys with the exception of those promises described in this document.

6. **Period for Review and Consideration of Agreement:**

(a) You acknowledge that you have twenty-one (21) days to review this Agreement and consider its terms before signing it.

(b) The 21-day review period will not be affected or extended by any revisions, whether material or immaterial, that might be made to this Agreement.

7. **Company Files, Documents and Other Property:** Other than as permitted in Section 3(e) and 3(f), you represent that you have returned to the Company all Company property and materials, including but not limited to, (if applicable) personal computers, laptops, fax machines, scanners, copiers, cellular phones, Company credit cards and telephone charge cards, Company keys and passes, intangible information stored on hard drives or thumb drives, software passwords or codes, security passwords or codes, tangible copies of trade secrets and confidential information, names and addresses of Company customers, and any and all other information or property previously or currently held or used by you that is or was related to your employment with the Company ("Company Property"). You agree that in the event that you discover any other Company Property in your possession after the Termination Date of this Agreement you will immediately return such materials to the Company.

8. **Future Conduct:**

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(a) **The Non-Competition Agreement dated November 7, 2016 and Employee Confidentiality Agreement and the Employee Non-Solicitation and Proprietary Information Agreement:** By signing this Agreement you are acknowledging your post-employment obligations as set out in the Non-Competition Agreement dated November 7, 2016 and the Employee Non-Solicitation and

Proprietary Information Agreement you signed as a condition of being hired, and you are agreeing to comply, and representing you will comply, with those obligations.

(b) **Confidentiality of this Agreement:** Other than as permitted in Section 3(e) and 3(f) above, you agree that you shall not disclose, divulge or publish, directly or indirectly, any information regarding the amount of the severance and benefits agreed to in this Agreement to any person or organization other than (i) your immediate family, (ii) your accountants or attorneys when such disclosure is necessary for the accountants or attorneys to render professional services, (iii) to the taxing authorities, (iv) the unemployment compensation agency; or (v) when otherwise compelled by law.

## 9. **Representations and Governing Law:**

(a) This Agreement sets forth the complete and sole agreement between the parties and supersedes any and all other agreements or understandings, whether oral or written, between you and the Company, except for the Agreements noted in paragraph 8(a), which shall remain in full force and effect in accordance with their terms. This Agreement may not be changed, amended, modified, altered or rescinded except upon the express written consent of both the Company and you.

(b) If any provision of this Agreement, or part thereof, is held invalid, void or voidable as against public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions and parts thereof of this Agreement are declared to be severable. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise in writing by the waiving party. The language of all parts of this Agreement shall in all cases be construed according to its fair meaning and not strictly for or against either of the parties.

(c) This Agreement and any claims arising out of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and shall in all respects be interpreted, enforced and governed under the internal and domestic laws of Massachusetts, without giving effect to the principles of conflicts of laws of such state. Any claims or legal actions by one party against the other may be commenced and maintained in state or federal court located in Massachusetts, and you hereby submit to the jurisdiction and venue of any such court.

(d) This Agreement does not constitute and shall not be construed as an admission by the Company that it has violated any law, interfered with any rights, breached any obligation or otherwise engaged in any improper or illegal conduct with respect to you, and the Company expressly denies that it has engaged in any such conduct.

(e) You may not assign any of your rights or delegate any of your duties under this Agreement. The rights and obligations of the Company shall inure to the benefit of the Company's successors and assigns.

(f) This Agreement may be signed by the Parties in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same instrument. Each counterpart may be delivered by facsimile transmission or e-mail (as a .pdf, .tif or similar un-editable attachment), which transmission shall be deemed delivery of an originally executed counterpart hereof. The Parties also agree that an electronic signature shall have the same effect as the use of a signature affixed by hand.

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10. **Effective Date:** If this letter correctly states the agreement and understanding we have reached, please indicate your acceptance by countersigning the enclosed copy and returning it to me between December 31, 2023 and January 5, 2024. You may revoke this Agreement for a period of seven (7) days after signing it. In order to revoke the Agreement, you must submit a written notice of revocation to Olga Pirogova located at 200 Summit Dr., Burlington, MA 01803 and Olga.Pirogova@azenta.com. This written notice may be sent by

mail, overnight mail, email or hand-delivery but must be received no later than 11:59 pm on the seventh day. The Agreement will not become effective or enforceable, and no payments will be made, until the expiration of the revocation period without you exercising your right of revocation ("Effective Date").

Very truly yours,

**AZENTA, INC.**

By: /s/ Olga Pirogova

**Olga Pirogova**

**SVP and Chief Human Resources Officer.**

**I REPRESENT THAT I HAVE READ THE FOREGOING AGREEMENT, THAT I FULLY UNDERSTAND THE TERMS AND CONDITIONS OF SUCH AGREEMENT AND THAT I AM KNOWINGLY AND VOLUNTARILY EXECUTING THE SAME. IN ENTERING INTO THIS AGREEMENT, I DO NOT RELY ON ANY REPRESENTATION, PROMISE OR INDUCEMENT MADE BY THE COMPANY OR ITS REPRESENTATIVES WITH THE EXCEPTION OF THE CONSIDERATION DESCRIBED IN THIS DOCUMENT.**

Accepted and Agreed to:

/s/ David C. Gray

**David C Gray**

Date: January 2, 2024

Exhibit 31.01

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Stephen S. Schwartz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Azenta, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ STEPHEN S. SCHWARTZ

Stephen S. Schwartz

Chief Executive Officer

Date: February 8, 2024 May 9, 2024

Exhibit 31.02

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Herman Cueto, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Azenta, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ HERMAN CUETO

Herman Cueto

Executive Vice President and Chief Financial Officer

Date: February 8, 2024 May 9, 2024

Exhibit 32

**CERTIFICATION**

**Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Azenta, Inc., a Delaware corporation (the "Company"), does hereby certify, to the best of such officer's knowledge and belief, that:

(1) The Quarterly Report on Form 10-Q for the quarter ended December 31, 2023 March 31, 2024 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 8, 2024 May 9, 2024

/s/ STEPHEN S. SCHWARTZ

Stephen S. Schwartz

Director and Chief Executive Officer

(Principal Executive Officer)

Dated: February 8, 2024 May 9, 2024

/s/ HERMAN CUETO

Herman Cueto

Executive Vice President and

Chief Financial Officer

(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Azenta, Inc. and will be retained by Azenta, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.



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