

REFINITIV

## DELTA REPORT

### 10-Q

TECH - BIO-TECHNE CORP

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 1130

CHANGES	149
DELETIONS	541
ADDITIONS	440

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

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FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31**, **September 30**, 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 **0-17272**

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**BIO-TECHNE CORPORATION**

(Exact name of registrant as specified in its charter)

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Minnesota

(State or other jurisdiction of  
incorporation or organization)

**41-1427402**

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

614 McKinley Place N.E.

Minneapolis, MN 55413

(612) 379-8854

(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code)

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

**Title of each class**

Common Stock, \$0.01 par value

**Trading Symbol(s)**

TECH

**Name of each exchange on which registered**

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, 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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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.  Yes  No

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

At **May 1, 2024** **October 31, 2024**, **157,584,637** **158,891,800** shares of the Company's Common Stock (par value \$0.01) were outstanding.

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**

**AND COMPREHENSIVE INCOME**

*Bio-Techne Corporation and Subsidiaries*

(in thousands, except per share data)

(unaudited)

	Quarter Ended		Nine Months Ended		Quarter Ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	September 30, 2024	September 30, 2023
Net sales	\$ 303,428	\$ 294,146	\$ 852,961	\$ 835,382	\$ 289,458	\$ 276,935
Cost of sales	98,829	91,984	286,584	270,265	106,441	91,744
Gross margin	204,599	202,162	566,377	565,117	183,017	185,191
Operating expenses:						
Selling, general and administrative	111,840	99,238	332,839	291,624	119,161	105,331
Research and development	25,761	22,713	72,675	69,074	23,869	23,998
Total operating expenses	137,601	121,951	405,514	360,698	143,030	129,329
Operating income	66,998	80,211	160,863	204,419	39,987	55,862
Other income (expense)	(5,914)	(15)	(16,835)	45,924	184	(6,304)
Earnings before income taxes	61,084	80,196	144,028	250,343	40,171	49,558
Income taxes	12,025	9,978	16,511	40,385	6,571	(1,435)
Net earnings, including noncontrolling interest	49,059	70,218	127,517	209,958		
Net earnings attributable to noncontrolling interest	—	—	—	179		
Net earnings attributable to Bio-Techne	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,779		
Net earnings					\$ 33,600	\$ 50,993
Other comprehensive income (loss):						
Foreign currency translation income (loss)	(11,981)	3,282	(5,558)	(805)	21,256	(11,602)
Foreign currency translation reclassified to earnings with Eminence deconsolidation	—	—	—	—	119	
Unrealized gains (losses) on derivative instruments - cash flow hedges, net of tax amounts disclosed in Note 8	335	(1,708)	(3,685)	2,302	(3,027)	(350)
Other comprehensive income (loss)	(11,646)	1,574	(9,243)	1,616	18,229	(11,952)
Other comprehensive income (loss) attributable to noncontrolling interest	—	—	—	(33)		
Other comprehensive income (loss) attributable to Bio-Techne	(11,646)	1,574	(9,243)	1,649		
Comprehensive income attributable to Bio-Techne	\$ 37,413	\$ 71,792	\$ 118,274	\$ 211,428		
Comprehensive income					\$ 51,829	\$ 39,041
Earnings per share attributable to Bio-Techne:						
Earnings per share:						
Basic	\$ 0.31	\$ 0.45	\$ 0.81	\$ 1.34	\$ 0.21	\$ 0.32
Diluted	\$ 0.31	\$ 0.43	\$ 0.79	\$ 1.30	\$ 0.21	\$ 0.31
Weighted average common shares outstanding:						
Basic	157,309	157,311	157,655	157,071	158,531	158,130
Diluted	160,496	161,615	160,817	161,768	161,115	161,940

See Notes to Condensed Consolidated Financial Statements.

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**CONDENSED CONSOLIDATED BALANCE SHEETS**

*Bio-Techne Corporation and Subsidiaries  
(in thousands, except share and per share data)*

	March 31,		September 30,	
	2024 (unaudited)	June 30, 2023	2024 (unaudited)	June 30, 2024
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 139,915	\$ 180,571	\$ 187,540	\$ 151,791
Short-term available-for-sale investments	5,397	23,739	—	1,072
Accounts receivable, less allowance for doubtful accounts of \$3,293 and \$4,738, respectively	227,887	218,468		
Accounts receivable, less allowance for doubtful accounts of \$4,904 and \$4,386, respectively			223,688	241,394
Inventories	179,496	171,638	185,041	179,731
Current assets held-for-sale	26,669	—	9,459	9,773
Other current assets	31,286	27,066	42,839	33,658
Total current assets	610,650	621,482	648,567	617,419
Property and equipment, net	243,728	226,200	253,939	251,154
Right-of-use assets	97,258	98,326	89,221	91,285
Goodwill	970,966	872,737	982,585	972,663
Intangible assets, net	526,428	534,645	486,004	507,081
Other assets	272,140	285,302	275,701	264,265
Total assets	\$ 2,721,170	\$ 2,638,692	\$ 2,736,017	\$ 2,703,867
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current liabilities:				
Trade accounts payable	\$ 28,895	\$ 25,679	\$ 31,559	\$ 37,968
Salaries, wages and related accruals	44,313	36,747	41,977	49,818
Accrued expenses	17,806	14,880	21,088	24,886
Contract liabilities	30,108	23,069	26,614	27,930
Income taxes payable	12,082	12,022	3,136	3,706
Operating lease liabilities - current	12,978	11,199	13,485	12,920
Contingent consideration payable	—	3,500		
Current liabilities held-for-sale	689	—		
Other current liabilities	2,949	1,413	4,269	2,151
Total current liabilities	149,820	128,509	142,128	159,379
Deferred income taxes	63,666	88,982	50,017	55,863
Long-term debt obligations	389,000	350,000	300,000	319,000
Operating lease liabilities	92,752	93,766	85,433	87,618
Other long-term liabilities	11,557	10,919	19,789	13,157
<b>Bio-Techne's Shareholders' equity:</b>				
Undesignated capital stock, no par; authorized 5,000,000 shares; none issued or outstanding	—	—	—	—
Common stock, par value \$.01 per share; authorized 400,000,000; issued and outstanding 157,554,366 and 157,641,914 respectively	1,576	1,576		
Common stock, par value \$.01 per share; authorized 400,000,000; issued and outstanding 158,878,127 and 158,216,258 respectively			1,589	1,582

Additional paid-in capital	790,418	721,543	855,973	820,337
Retained earnings	1,297,688	1,309,461	1,341,175	1,325,247
Accumulated other comprehensive loss	(75,307)	(66,064)	(60,087)	(78,316)
Total Bio-Techne's shareholders' equity	<u>2,014,375</u>	<u>1,966,516</u>	<u>2,138,650</u>	<u>2,068,850</u>
Total liabilities and shareholders' equity	<u>\$ 2,721,170</u>	<u>\$ 2,638,692</u>	<u>\$ 2,736,017</u>	<u>\$ 2,703,867</u>

See Notes to Condensed Consolidated Financial Statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

*Bio-Techne Corporation and Subsidiaries*

*(in thousands)*

*(unaudited)*

	Nine Months Ended		Quarter Ended	
	March 31,		2024	2023
	2024	2023		
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net earnings, including noncontrolling interest	\$ 127,517	\$ 209,958		
Net earnings			\$ 33,600	\$ 50,993
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	83,654	80,315	28,137	28,540
Costs recognized on sale of acquired inventory	550	400	188	181
Deferred income taxes	(29,896)	(22,651)	(5,340)	(11,591)
Stock-based compensation expense	30,979	41,315	10,184	10,093
Fair value adjustment to contingent consideration payable	(3,500)	(10,350)	—	(1,750)
Gain on sale of CCXI investment	—	(37,176)		
Fair value adjustment on available-for-sale investments	(283)	(1,153)	—	(283)
(Gain) loss on equity method investment	6,042	—		
Gain on sale of Eminence	—	(11,682)		
(Gain) Loss on equity method investment			(374)	2,382
Asset impairment restructuring			6,039	—
Leases, net	1,832	1,434	445	613
Impairment of assets held-for-sale	6,038	—		
Other operating activity	422	296	747	182
Change in operating assets and operating liabilities, net of acquisition:				
Trade accounts and other receivables, net	(2,611)	(20,775)	21,563	15,599
Inventories	(9,599)	(28,816)	(2,805)	(5,216)
Prepaid expenses	(1,983)	(5,557)	(3,158)	(2,572)
Trade accounts payable, accrued expenses, contract liabilities, and other	7,160	(5,647)	(10,911)	(2,695)
Salaries, wages and related accruals	7,163	(22,759)	(8,246)	(2,157)
Income taxes payable	0	3,848	(6,180)	(22,936)
Net cash provided by (used in) operating activities	<u>223,485</u>	<u>171,000</u>	<u>63,889</u>	<u>59,383</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sale of available-for-sale investments	23,759	29,161	1,085	23,759
Purchases of available-for-sale investments	(5,526)	(20,500)		
Proceeds from sale of CCXI investment	—	73,219		

Additions to property and equipment	(44,897)	(27,413)	(9,172)	(13,592)
Acquisitions, net of cash acquired	(169,707)	(101,184)	—	(166,426)
Distributions from (Investments in) Wilson Wolf	2,149	(232,000)	1,403	2,149
Proceeds from sale of Eminence	—	17,824	—	—
Investment in Spear Bio			(15,000)	—
Net cash provided by (used in) investing activities	(194,222)	(260,893)	(21,684)	(154,110)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Cash dividends	(37,792)	(37,688)	(12,688)	(12,654)
Proceeds from stock option exercises	38,001	21,399	25,101	14,394
Re-purchases of common stock	(80,042)	(19,562)	—	—
Borrowings under line-of-credit agreement	225,000	619,661	—	160,000
Repayments of long-term debt	(186,000)	(505,661)	(19,000)	(70,000)
Taxes paid on RSUs and net share settlements	(21,470)	(28,854)	(4,984)	(20,228)
Other financing activity	—	(2,457)	—	—
Net cash provided by (used in) financing activities	(62,303)	46,838	(11,571)	71,512
Effect of exchange rate changes on cash and cash equivalents	(7,616)	(2,230)	5,115	(8,693)
Net change in cash and cash equivalents	(40,656)	(45,285)	35,749	(31,908)
Cash and cash equivalents at beginning of period	180,571	172,567	151,791	180,571
Cash and cash equivalents at end of period	\$ 139,915	\$ 127,282	\$ 187,540	\$ 148,663
<b>Supplemental disclosure of cash flow information:</b>				
Cash paid for income taxes	\$ 44,846	\$ 62,583	\$ 16,490	\$ 32,797
Cash paid for interest	\$ 12,393	\$ 5,773	\$ 5,205	\$ 4,506

See Notes to Condensed Consolidated Financial Statements.

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### **NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*Bio-Techne Corporation and Subsidiaries*  
(unaudited)

#### **Note 1. Basis of Presentation and Summary of Significant Accounting Policies:**

The interim consolidated financial statements of Bio-Techne Corporation and subsidiaries, (the Company) presented here have been prepared by the Company and are unaudited. They have been prepared in accordance with accounting principles generally accepted in the United States of America and with instructions to Form 10-Q and Article 10 of Regulation S-X. They reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. These interim unaudited **Condensed Consolidated Financial Statements** should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto for the fiscal year ended **June 30, 2023** **June 30, 2024**, included in the Company's Annual Report on Form 10-K for fiscal **2023** **2024**. A summary of significant accounting policies followed by the Company is detailed in the Company's Annual Report on Form 10-K for fiscal **2023** **2024**. The Company follows these policies in preparation of the interim unaudited **Condensed Consolidated Financial Statements**.

During the quarter ended **March 31, 2024** **September 30, 2024**, the Company operated under two operating segments, Protein Sciences and Diagnostics and **Genomics**. **Spatial Biology** (formerly Diagnostics and Genomics). The name change is intended to better reflect the focus and scope of our offerings. The

manner in which we operate our business and review discrete financial information did not change. Segment information presented herein reflects the updated name of the operating segment. The operating segments the Company operated under were consistent with the Company's operating segments disclosed in the Company's Annual Report on Form 10-K for fiscal 2023, 2024.

**Partially-owned consolidated subsidiary Investments:** On September 1, 2022, in July 2024, the Company completed paid \$15 million to enter into an investment in Spear Bio. This investment is accounted for under the sale of its equity shares of Changzhou Eminence Biotechnology Co., Ltd. (Eminence) for approximately \$17.8 million to a third party. Eminence was considered a variable-interest entity that was fully consolidated in our financial statements. Prior to the sale, Eminence had revenue of \$2.0 million for the first fiscal quarter of 2023 within our Protein Sciences segment. As a result cost-method as we own less than 20% of the sale outstanding stock and we concluded that we do not have significant influence. Under the cost-method, the fair value is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the business, investment. No such events or changes in circumstances were identified in the Company recorded a gain period ended September 30, 2024. The Company's total investment of \$11.7 million \$15 million is included within the Other income (expense) line in assets on the Condensed Consolidated Statement of Earnings, Balance Sheet.

**Investments:**

In December 2021, the Company paid \$25 million to enter into a two-part forward contract which requires the Company to make an initial ownership investment followed by purchase of full equity interest in Wilson Wolf Corporation (Wilson Wolf) if certain annual revenue or annual earnings before interest, taxes, depreciation, and amortization (EBITDA) thresholds are met. Wilson Wolf is a leading manufacturer of cell culture devices, including the G-Rex product line. The first part of the forward contract is triggered upon Wilson Wolf achieving approximately \$92 million in annual revenue or \$55 million in EBITDA at any point prior to December 31, 2027. During the quarter ended March 31, 2023, the Company determined that Wilson Wolf had met the EBITDA target. On March 31, 2023, the Company paid an additional \$232 million to acquire 19.9% of Wilson Wolf.

Since the first part of the forward contract has been triggered, the second part of the forward contract will automatically trigger, and requires the Company to acquire the remaining equity interest in Wilson Wolf on December 31, 2027 based on a revenue multiple of approximately 4.4 times trailing twelve month revenue. The second part of the contract would be accelerated in advance of December 31, 2027, if Wilson Wolf meets its second milestone of approximately \$226 million in annual revenue or \$136 million in annual EBITDA. If the second milestone is achieved, the forward contract requires the Company to pay approximately \$1 billion plus potential consideration for revenue in excess of the revenue milestone.

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The investment in Wilson Wolf is accounted for as an equity method investment under ASC 323. The Company initially records its equity method investments at the amount of the Company's investment and adjusts each period for the Company's share of the investee's income or loss and dividends paid. Distributions from the equity method investee are accounted for using the cumulative earnings approach on the Consolidated Statement of Cash Flows. There was \$1.7 million and \$6.0 million of loss for For the quarter and nine months ended March 31, 2024 September 30, 2024, respectively, there was \$0.3 million of gain recorded on the Company's Consolidated Statement of Earnings and Comprehensive Income related to the investment. There was not material income or loss during the quarter and nine months ended March 31, 2023. The Company's total investment of \$248 million \$241 million is included within Other long-term assets on the Consolidated Balance Sheet as Sheet.

[Table of March 31, 2024. There was \\$256 million included within Other long-term assets on the Consolidated Balance Sheet as of June 30, 2023. Contents](#)

**Restructuring actions:** Restructuring actions generally include significant actions involving employee-related severance charges, contract termination costs, and impairments and disposals of assets associated with such actions. Employee-related severance charges are based upon distributed employment policies and substantive severance plans. These charges are reflected in the quarter when the actions are probable and the amounts are estimable, which typically is when

management approves the associated actions. Asset-related Asset impairment and other disposal charges include impairment right of right-of-use use assets, leasehold improvements, and other asset write-downs associated with combining operations and disposal of assets assets. Other charges include consulting fees and other exit costs. Other expenses for changes to supporting IT systems that are enabling the Company to complete the restructuring activities.

**Fiscal Year 2025 Restructuring Actions:**

In the first quarter of fiscal 2025, the Company announced enterprise-wide restructuring focused on recovering operating margins and optimizing our manufacturing footprint. The Company is expecting to incur costs also includes related to these actions through fiscal 2026, which will be recorded when specified criteria are met. The restructuring and restructuring-related charges for periods presented were recorded in the Consolidated Statements of Earnings as follows (in thousands):

	Quarter Ended September 30, 2024
Cost of sales	\$ 4,898
Selling, general and administrative <sup>(1)</sup>	5,371
<b>Total</b>	<b>\$ 10,269</b>

(1) Restructuring actions impacting research and development are not material to separately disclose and have been included within Selling, general and administrative costs.

Restructuring and restructuring-related costs by segment are as follows (in thousands):

	Three months ended September 30, 2024		
	Employee severance	Asset-related and other	Total
	\$	\$	\$
Protein Sciences	\$ 2,274	\$ 7,417	\$ 9,691
Diagnostics and Spatial Biology	444	—	444
Corporate	134	—	134
<b>Total</b>	<b>\$ 2,852</b>	<b>\$ 7,417</b>	<b>\$ 10,269</b>

The following table summarizes the changes in the Company's accrued restructuring balance, which are incremental is included within Other current liabilities in the accompanying balance sheet. Other amounts reported as restructuring and restructuring-related costs incurred directly supporting business transformation initiatives tied in the accompanying statements of income have been summarized in the notes to the restructuring action table (in thousands):

	Employee severance <sup>(1)</sup>	Asset impairment and other <sup>(2)</sup>	Total
	\$	\$	\$
Expense incurred in the first quarter of 2025	\$ 2,852	\$ 7,417	\$ 10,269
Cash payments	(189)	—	(189)
Non-cash adjustments	—	(7,417)	(7,417)
<b>Accrued restructuring actions balance as of September 30, 2024</b>	<b>\$ 2,663</b>	<b>\$ —</b>	<b>\$ 2,663</b>

(1) Relates to impacted employees' final paycheck, separation payments, outplacement services, legal fees, and retention packages related to the closure or relocation of certain manufacturing sites.

(2) Primarily relates to impairment of intangibles and inventory as a result of the closure and relocation of certain manufacturing sites.

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**Fiscal Year 2024 Restructuring Actions:**

In the second quarter of fiscal 2024, the Company announced enterprise-wide restructuring focused on recovering operating margins, optimizing our distribution footprint, and enhancing our organization efficiency. These actions impacted approximately 4% of our global workforce. These actions continued through the first quarter of fiscal 2025 as we incurred charges relating to our business held-for-sale and consulting fees related to optimizing efficiency. The Company is expecting to incur costs related to these actions through the first half second quarter of fiscal 2025, which will be recorded when specified criteria are met.

As part of these actions, certain assets and liabilities associated with a disposal group in our Protein Sciences segment were classified as held-for-sale as of December 31, 2023, including \$1.4 million of goodwill allocated to the disposal group on a relative fair value basis. As a result of an impairment test performed over the disposal group in the second quarter of fiscal 2024, a cumulative impairment charge of \$6.0 million \$22.0 million which includes the allocated goodwill, was recorded in the Selling, general and administrative line in the Condensed Consolidated Statements of Earnings for the nine months year ended March 31, 2024 June 30, 2024. There were no impairment charges related to the disposal group during the first quarter of fiscal 2025. As of March 31, 2024 September 30, 2024, the assets remaining within the disposal group primarily include inventory of \$11.2 million, and property and equipment of \$5.6 million \$9.5 million, intangibles which is net of \$14.3 million, and current liabilities of \$0.7 million, expected selling costs. These assets are actively marketed, and we believe their sale will be completed within 12 months of the held-for-sale classification date. The held-for-sale assets and liabilities are recorded in Current assets held-for-sale and Current liabilities held-for-sale in our Condensed Consolidated Balance Sheet as of March 31, 2024 September 30, 2024 and June 30, 2024.

The restructuring and restructuring-related charges, including the impairment of assets held-for-sale, for periods presented were recorded in the Condensed Consolidated Statements of Earnings as follows (in thousands):

	Quarter Ended		Nine Months Ended		Quarter Ended
	March 31,		March 31,		September 30,
	2024		2024		2024
Cost of sales		\$ 647		\$ 1,821	\$ —
Selling, general and administrative <sup>(1)</sup>		903		11,153	753
<b>Total</b>	<b>\$ 1,550</b>		<b>\$ 12,974</b>		<b>\$ 753</b>

(1) Restructuring actions impacting research and development are not material to separately disclose and have been included within Selling, general and administrative costs.

Restructuring and restructuring-related costs by segment are as follows (in thousands):

	Three months ended September 30, 2024		
	Employee severance		Asset-related and other
			Total
Protein Sciences	\$ 14	\$ 40	\$ 54
Diagnostics and Spatial Biology	—	—	—
Corporate	(3)	702	699
<b>Total</b>	<b>\$ 11</b>	<b>\$ 742</b>	<b>\$ 753</b>

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Restructuring and restructuring-related costs by segment are as follows (in thousands):

	Three months ended March 31, 2024			
	Employee severance		Asset-related and other	Impairment of assets held-for-sale
				Total
Protein Sciences	\$ 28	\$ 914	\$ —	\$ 942
Diagnostics and Genomics	265	90	—	355
Corporate	117	136	—	253
<b>Total</b>	<b>\$ 410</b>	<b>\$ 1,140</b>	<b>\$ —</b>	<b>\$ 1,550</b>

Nine months ended March 31, 2024				
	Employee severance	Asset-related and other	Impairment of assets held-for-sale	Total
Protein Sciences	\$ 2,978	\$ 1,386	\$ 6,038	\$ 10,402
Diagnostics and Genomics	1,004	90	—	1,094
Corporate	1,310	168	—	1,478
<b>Total</b>	<b>\$ 5,292</b>	<b>\$ 1,644</b>	<b>\$ 6,038</b>	<b>\$ 12,974</b>

The following table summarizes the changes in the Company's accrued restructuring balance, which is included within Other current liabilities in the accompanying balance sheet. Other amounts reported as restructuring and restructuring-related costs in the accompanying statements of income have been summarized in the notes to the table (in thousands):

	Employee severance(1)	Asset-related and other(2)	Impairment of assets held-for-sale	Total	Employee severance(1)	Asset-related and other(2)	Impairment of assets held-for-sale
Expense incurred in the second quarter of 2024	\$ 4,882	\$ 504	\$ 6,038	\$ 11,424	4,882	504	6,038
Cash payments	(1,257)	(177)	—	(1,434)			
Non-cash adjustments	—	(191)	(6,038)	(6,229)			
Accrued restructuring actions balance as of December 31, 2023	\$ 3,625	\$ 136	—	\$ 3,761			
Incremental expense incurred in the third quarter of 2024	133	1,140	—	1,273	133	1,140	
Incremental expense incurred in the fourth quarter of 2024					409	4,737	15,915
Cash payments	(2,806)	(433)	—	(3,239)	(4,882)	(2,800)	
Non-cash adjustments	—	(843)	—	(843)	—	(3,391)	(21,915)
Adjustments(3)	277	—	—	277	219	—	
Accrued restructuring actions balance as of March 31, 2024	\$ 1,229	—	—	\$ 1,229			
Accrued restructuring actions balance as of June 30, 2024					\$ 761	\$ 190	
Incremental expense incurred in the first quarter of 2025					—	753	
Cash payments					(412)	(775)	
Accrued restructuring actions balance as of September 30, 2024					\$ 349	\$ 169	

(1)Relates to impacted employees' final paycheck, separation payments, outplacement services, legal fees, and retention packages related to the closure or sale of certain distribution and manufacturing sites.

(2)Primarily relates to impairment of right-of-use assets, lease termination fees, consulting fees, and expenses for changes to supporting IT systems that are enabling the Company to complete the restructuring initiatives.

(3)Relates to the refinement of the accrual recorded in the second quarter of fiscal 2024.

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### [Fiscal Year 2023 Restructuring Actions:](#)

#### [QT Holdings Corporation \(Quad\)](#)

In August 2022, the Company informed employees of our decision to close our QT Holdings Corporation (Quad) facility as part of a realignment of activities within our Reagent Solutions division. The closure of the site was completed in the fourth quarter of fiscal 2023. As a result of the restructuring activities, a pre-tax charge of \$2.2 million was recorded within our Protein Sciences segment. The related restructuring charges for the year ended June 30, 2023 were recorded in the income statement as follows (in thousands):

	Employee severance	Asset impairment and other	Total
Selling, general and administrative	\$ 1,328	\$ 842	\$ 2,170
Expense incurred in the first quarter of 2023	\$ 1,328	\$ 842	\$ 2,170
Cash payments	(1,233)	(772)	(2,005)
Adjustments	(95)	(70)	(165)
Accrued restructuring actions balances as of June 30, 2023	\$ —	\$ —	\$ —

**Protein Sciences Realignment**

In December 2022, the Company informed employees it would undertake certain actions to strategically reallocate operations resources to high growth areas of the business. Additional actions were taken in June 2023 primarily related to the sales organization. The actions impacted a limited number of employees and **are expected to be** completed in the fourth quarter of fiscal 2024. As a result of the realignment, a pre-tax charge of \$1.7 million related to employee severance was recorded in the Selling, general and administrative line of operating income within our Protein Sciences segment during the year ended June 30, 2023. Adjustments in fiscal year 2024 relate to the refinement of employee severance payouts. Additional pre-tax charges for the **nine months** year ended **March 31, 2024** **June 30, 2024** were **approximately \$0.22 million**. There were **no additional charges in the quarter ended March 31, 2024** **\$0.2 million**. Restructuring actions, including cash and non-cash impacts, are as follows (in thousands):

	Employee severance
Expense incurred in fiscal year 2023	\$ 1,677
Fiscal year 2023 cash payments	(762)
Fiscal year 2023 adjustments	(18)
Accrued restructuring actions balances as of June 30, 2023	\$ 897
Fiscal year 2024 cash payments	(1,006)
Fiscal year 2024 adjustments <sup>(1)</sup>	221
Accrued restructuring actions balances as of March 31, 2024 <sup>(2)</sup>	\$ 112

	Employee severance
Accrued restructuring actions balance as of June 30, 2023	\$ 897
Fiscal year 2024 cash payments	(1,118)
First quarter fiscal year 2024 adjustments <sup>(1)</sup>	89
Second quarter fiscal year 2024 adjustments <sup>(1)</sup>	132
Accrued restructuring actions balance as of June 30, 2024	\$ —

<sup>(1)</sup> Fiscal year 2024 adjustments relate to the refinement of the accrual recorded in fiscal year 2023.

<sup>(2)</sup>

**Legal Matters:** The **remaining balance** Company and its affiliates are involved in a number of legal actions from time to time involving product liability, employment, intellectual property and commercial disputes, shareholder related matters, environmental proceedings, tax disputes, and governmental proceedings and investigations. With respect to governmental proceedings and investigations, like other companies in our industry, the Company is subject to extensive regulation by national, state, and local governmental agencies in the United States and in other jurisdictions in which the Company and its affiliates operate. The Company's standard practice is to cooperate with regulators and investigators in responding to inquiries. The outcomes of legal actions are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, the enforcement agencies or private claimants seek damages, as well as other remedies (including injunctions barring the sale of **March 31, 2024** relates products that are the subject of the proceeding), that could require significant expenditures, result in lost revenues, or limit the Company's ability to employee severance that is paid out over a one-year period.

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The Company records a liability in the consolidated financial statements on an undiscounted basis for loss contingencies related to legal actions when a loss is known or considered probable and the amount may be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible but not known or probable, and may be reasonably estimated, the estimated loss or range of loss is disclosed. When determining the estimated loss or range of loss, significant judgment is required. Estimates of probable losses resulting from litigation and governmental proceedings involving the Company are inherently difficult to predict, particularly when the matters are in early procedural stages with incomplete scientific facts or legal discovery, involve unsubstantiated or indeterminate claims for damages, potentially involve penalties, fines or punitive damages, or could result in a change in business practice. The Company classifies certain specified litigation charges and gains related to significant legal matters as certain litigation charges in the consolidated statements of income.

In August 2024, 804,162 shares of outstanding vested stock options related to former employees expired which have now been excluded from the Company's dilutive EPS calculation for the period ended September 30, 2024. The expiration date of these options is currently under dispute. The total net pre-tax value of these options on the expiration date was approximately \$33 million. As of September 30, the matter is under review and the Company is unable to estimate any future exposure related to this matter at this time.

During the first quarter of fiscal 2025, the Company recognized \$0.3 million of certain litigation charges. There was no comparable activity in the first quarter of fiscal 2024. As of each of the balance sheet dates presented, there was no accrued litigation. The ultimate cost to the Company with respect to accrued litigation could be materially different than the amount of the current estimates and accruals and could have a material adverse impact on the Company's consolidated earnings, financial position, and/or cash flows. The Company includes accrued litigation in Other current liabilities and Other liabilities on the consolidated balance sheets. While it is not possible to predict the outcome for most of the legal matters discussed below, the Company believes it is possible that the costs associated with these matters could have a material adverse impact on the Company's consolidated earnings, financial position, and/or cash flows.

### **Recently Adopted Accounting Pronouncements**

There were no accounting pronouncements adopted in the quarter ended **March 31, 2024** **September 30, 2024**. Refer to the Form 10-K for accounting pronouncements adopted prior to **June 30, 2023** **June 30, 2024**.

### **Relevant New Standards Issued Not Yet Adopted**

In November 2023, the FASB issued ASU 2023-07, *Improvements to Reportable Segment Disclosures (Topic 280)*, which requires incremental disclosures on reportable segments, primarily through enhanced disclosures on significant segment expenses. The Company will adopt this guidance beginning in the fourth quarter of fiscal year 2025 for our annual report and for interim periods starting in fiscal year 2026. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures (Topic 740)*, which requires incremental annual disclosures on income taxes, including rate reconciliations, income taxes paid, and other disclosures. The Company will adopt this guidance beginning in the fourth quarter of fiscal year 2026 for our annual report. We are currently evaluating the potential effect that the updated standard will have on our financial statement disclosures.

Other than the items noted above, there have been no new accounting pronouncements not yet effective or adopted in the current year that we believe have a significant impact, or potential significant impact, on our unaudited **condensed consolidated financial statements**. **Condensed Consolidated Financial Statements**.

### **Note 2. Revenue Recognition:**

Consumables revenues consist of specialized proteins, immunoassays, antibodies, reagents, blood chemistry and blood gas quality controls, and hematology instrument controls that are typically single-use products recognized at a point in time following the transfer of control of such products to the customer, which generally occurs upon shipment. Instruments revenues typically consist of longer-lived assets that, for the substantial majority of sales, are recognized at a point in time in a manner similar to consumables. Service revenues consist of extended warranty contracts, post contract support, and custom development projects that are recognized over time as either the customers receive and consume the benefits of such services simultaneously or the underlying asset being

developed has no alternative use for the Company at contract inception and the Company has an enforceable right to payment for the portion of the performance completed. Service revenues also include laboratory services recognized at point in time.

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We recognize royalty revenues in the period the sales occur using third party evidence. The Company elected the "right to invoice" practical expedient based on the Company's right to invoice a customer at an amount that approximates the value to the customer and the performance completed to date.

The Company elected the exemption to not disclose the unfulfilled performance obligations for contracts with an original length of one year or less and the exemption to exclude future performance obligations that are accounted under the sales-based or usage-based royalty guidance. The Company's unfulfilled performance obligations for contracts with an original length greater than one year were not material as of **March 31, 2024** **September 30, 2024**.

Contracts with customers that contain instruments may include multiple performance obligations. For these contracts, the Company allocates the contract's transaction price to each performance obligation on a relative standalone selling price basis. Allocation of the transaction price is determined at the contracts' inception.

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Payment terms for shipments to end-users are generally net 30 days. Payment terms for distributor shipments may range from 30 to 90 days. Service arrangements commonly call for payments in advance of performing the work (e.g. extended warranty and service contracts), upon completion of the service (e.g. custom development manufacturing) or a mix of both.

Contract assets include revenues recognized in advance of billings. Contract assets are included within Other current assets in the accompanying balance sheet as the amount of time expected to lapse until the Company's right to consideration becomes unconditional is less than one year. We elected the practical expedient allowing us to expense contract costs that would otherwise be capitalized and amortized over a period of less than one year. Contract assets as of **March 31, 2024** **September 30, 2024** are not material.

Contract liabilities include billings in excess of revenues recognized, such as those resulting from customer advances and deposits and unearned revenue on warranty contracts. Contract liabilities as of **March 31, 2024** **September 30, 2024** and **June 30, 2023** **June 30, 2024** were approximately **\$32.0** **\$29.2** million and **\$24.6** **\$30.2** million, respectively. Contract liabilities as of **June 30, 2023** **June 30, 2024** subsequently recognized as revenue during the quarter and nine month period ended **March 31, 2024** **September 30, 2024** were approximately **\$3.2** million and **\$19.5** million, respectively. **\$11.8** million. Contract liabilities as of **June 30, 2023** subsequently recognized as revenue during the quarter ended **September 30, 2023** were approximately **\$11.8** million. Contract liabilities in excess of one year are included in Other long-term liabilities on the **Consolidated Balance Sheet** **consolidated balance sheet**.

Any claims for credit or return of goods must be made within 10 days of receipt. Revenues are reduced to reflect estimated credits and returns. Although the amounts recorded for these revenue deductions are dependent on estimates and assumptions, historically our adjustments to actual results have not been material.

Taxes collected from customers relating to product sales and remitted to governmental authorities are excluded from revenue. Amounts billed to customers for shipping and handling are included in revenue, while the related shipping and handling costs are reflected in cost of products. We elected the practical expedient that allows us to account for shipping and handling activities that occur after the customer has obtained control of a good as a fulfillment cost, and we accrue costs of shipping and handling when the related revenue is recognized.

The following tables present our disaggregated revenue for the periods presented.

Revenue by type is as follows (in thousands):

	Quarter Ended		Nine Months Ended		Quarter Ended	
	March 31,		March 31,		September 30,	
	2024	2023	2024	2023	2024	2023
Consumables	\$ 246,732	\$ 240,659	\$ 682,405	\$ 674,419	\$ 230,845	\$ 224,547
Instruments	26,493	25,449	81,178	84,208	26,206	24,860
Services	25,501	23,312	71,084	60,609	27,357	21,454
Total product and services revenue, net	\$ 298,726	\$ 289,420	\$ 834,667	\$ 819,236	\$ 284,408	\$ 270,861
Royalty revenues	4,702	4,726	18,294	16,146	5,050	6,074
Total revenues, net	<u>\$ 303,428</u>	<u>\$ 294,146</u>	<u>\$ 852,961</u>	<u>\$ 835,382</u>	<u>\$ 289,458</u>	<u>\$ 276,935</u>

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Revenue by geography is as follows (in thousands):

	Quarter Ended		Nine Months Ended		Quarter Ended	
	March 31,		March 31,		September 30,	
	2024	2023	2024	2023	2024	2023
United States	\$ 173,315	\$ 163,197	\$ 480,213	\$ 467,633	\$ 165,015	\$ 159,105
EMEA, excluding United Kingdom	60,533	59,702	177,866	160,246	59,063	54,798
United Kingdom	15,122	13,811	38,249	36,385	13,944	12,449
APAC, excluding Greater China	18,253	20,159	54,645	55,592	18,122	17,351
Greater China	25,598	26,256	75,542	88,103	24,321	25,485
Rest of World	10,607	11,021	26,446	27,423	8,993	7,747
Net sales	<u>\$ 303,428</u>	<u>\$ 294,146</u>	<u>\$ 852,961</u>	<u>\$ 835,382</u>	<u>\$ 289,458</u>	<u>\$ 276,935</u>

#### **Note 3. Selected Balance Sheet Data:**

##### *Inventories:*

Inventories consist of (in thousands):

	March 31,		June 30,		September 30,		June 30,	
	2024	2023	2023	2024	2024	2024	2024	2024
Raw materials	\$ 80,524	\$ 84,551	\$ 81,786	\$ 79,377				
Finished goods <sup>(1)</sup>	104,376	92,474	108,811	106,072				
Inventories, net	<u>\$ 184,900</u>	<u>\$ 177,025</u>	<u>\$ 190,597</u>	<u>\$ 185,449</u>				

<sup>(1)</sup> Finished goods inventory of \$5,404 \$5,556 and \$5,387 \$5,718 is included within Other long-term assets Assets in the respective March 31, 2024 September 30, 2024 and June 30, 2023 June 30, 2024, Consolidated Balance Sheet. The inventory is included in long-term assets Sheets, respectively, as it is forecasted to be sold after the 12 months subsequent to the consolidated balance sheet date.

##### *Property and Equipment:*

Property and equipment consist of (in thousands):

	March 31, 2024	June 30, 2023	September 30, 2024	June 30, 2024
Land	\$ 8,159	\$ 9,100	\$ 8,161	\$ 8,150
Buildings and improvements	243,567	245,302	250,206	243,863
Machinery and equipment	209,252	190,019	228,648	215,948
Construction in progress	34,649	15,491	32,186	39,749
Property and equipment, cost	495,627	459,912	519,201	507,710
Accumulated depreciation and amortization	(251,899)	(233,712)	(265,262)	(256,556)
Property and equipment, net	\$ 243,728	\$ 226,200	\$ 253,939	\$ 251,154

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*Intangible Assets:*

Intangible assets consist of (in thousands):

	March 31, 2024	June 30, 2023	September 30, 2024	June 30, 2024
Developed technology	\$ 652,788	\$ 616,311	\$ 680,747	\$ 675,674
Trade names	151,631	146,945		
Tradenames			152,341	151,561
Customer relationships	211,354	213,878	212,011	211,276
Patents	4,149	3,815	4,552	4,343
Other intangibles	11,872	11,566	7,176	12,006
Definite-lived intangible assets	1,031,794	992,515	1,056,827	1,054,860
Accumulated amortization	(528,066)	(480,570)	(570,823)	(547,779)
Definite-lived intangibles assets, net	503,728	511,945		
In process research and development	22,700	22,700		
Total intangible assets, net	\$ 526,428	\$ 534,645	\$ 486,004	\$ 507,081

Changes to the carrying amount of net intangible assets for the period ended **March 31, 2024** **September 30, 2024** consist of (in thousands):

Beginning balance	\$ 534,645
Acquisitions	66,400
Other additions	619
Held-for-sale intangibles <sup>(1)</sup>	(14,323)
Amortization expense	(60,056)
Currency translation	(857)
Ending balance	<u>\$ 526,428</u>

(1) Refer to Note 1 for further detail on held-for-sale intangibles.

	September 30, 2024
Beginning balance	\$ 507,081
Other additions	112
Amortization expense	(20,040)
Restructuring impairment	(5,474)
Currency translation	<u>4,325</u>

Ending balance	\$ <u>486,004</u>
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The estimated future amortization expense for intangible assets as of **March 31, 2024** **September 30, 2024** is as follows (in thousands):

Remainder 2024	\$ 19,525	
2025	75,156	
Remainder 2025	\$ 59,111	
2026	71,191	72,743
2027	61,027	62,540
2028	57,380	58,821
2029		46,200
Thereafter	219,449	186,589
<b>Total</b>	<b>\$ 503,728</b>	<b>\$486,004</b>

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*Goodwill:*

Changes to the carrying amount of goodwill for the period ended **March 31, 2024** **September 30, 2024** consist of (in thousands):

	Diagnostics and		
	Protein Sciences	Genomics	Total
June 30, 2023	\$ 427,027	\$ 445,710	\$ 872,737
Acquisitions	—	102,546	102,546
Held-for-sale goodwill <sup>(1)</sup>	(1,400)	—	(1,400)
Currency translation	(1,526)	(1,391)	(2,917)
<b>March 31, 2024</b>	<b>\$ 424,101</b>	<b>\$ 546,865</b>	<b>\$ 970,966</b>

<sup>(1)</sup>Refer to Note 1 for further detail on goodwill reclassified to current assets held-for-sale.

	Diagnostics and		
	Protein Sciences	Spatial Biology	Total
June 30, 2024	\$ 423,449	\$ 549,214	\$ 972,663
Currency translation	3,042	6,880	9,922
<b>September 30, 2024</b>	<b>\$ 426,491</b>	<b>\$ 556,094</b>	<b>\$ 982,585</b>

We evaluate the carrying value of goodwill in the fourth quarter of each fiscal year and between annual evaluations if events occur or circumstances change that would indicate a possible impairment. The Company performed a qualitative goodwill impairment assessment for all of its reporting units during the fourth quarter of fiscal **2023** **2024**. No indicators of impairment were identified as part of our assessment.

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*Other Assets:* **assets:**

Other assets consist of (in thousands):

	September 30,	June 30,
	2024	2024
Equity method investment in Wilson Wolf	\$ 241,308	\$ 242,337
Derivative instruments	6,669	9,813
Long-term inventory	5,556	5,718
Investment in Spear Bio	15,000	—
Other	7,168	6,397
Other assets	<u>\$ 275,701</u>	<u>\$ 264,265</u>

	March 31,	June 30,
	2024	2023
Equity method investment in Wilson Wolf	\$ 247,984	\$ 255,857
Derivative instruments	12,028	16,857
Long-term inventory	5,404	5,387
Other	6,724	7,201
Other assets	<u>\$ 272,140</u>	<u>\$ 285,302</u>

**Note 4. Acquisitions:**

We periodically complete business combinations that align with our business strategy. Acquisitions are accounted for using the acquisition method of accounting, which requires, among other things, that assets acquired and liabilities assumed be recognized at fair value as of the acquisition date and that the results of operations of each acquired business be included in our **Consolidated Statements** **consolidated statements** of **Earnings** and **Comprehensive Income** **comprehensive income** from their respective dates of acquisitions. Acquisition costs are recorded in **Selling**, **Selling**, general and administrative expenses as incurred.

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[Table](#) [There were no acquisitions in the first quarter of](#) [Contents](#) [fiscal 2025.](#)

Fiscal year 2024 Acquisitions

*Lunaphore Technologies SA.*

On July 7, 2023, the Company acquired all of the ownership interests of Lunaphore Technologies SA ("Lunaphore") for \$169.7 million, in a cash-free, debt-free acquisition. Lunaphore is a leading developer of fully automated spatial biology solutions. The Lunaphore acquisition adds spatial biology instruments to Bio-Techne's portfolio to accelerate our leadership position in translational and clinical research markets. The transaction was accounted for in accordance with ASC 805, *Business Combinations*. The goodwill recorded as a result of the acquisition represents the strategic benefits of growing the Company's product portfolio and the expected revenue growth from increased market penetration. The goodwill is not deductible for income tax purposes. The business became part of the Diagnostics and **Genomics** **Spatial Biology** operating segment in the first quarter of fiscal year **2024**.

The allocation of purchase **price** consideration related to Lunaphore is considered preliminary with provisional amounts primarily related to **intangible assets**, **certain tax-related amounts**, and **goodwill**. **was completed in the fourth quarter of fiscal 2024**. The Company expects to finalize the allocation of purchase price within the one-year measurement-period following the acquisition. Net sales of this business included in Bio-Techne's **consolidated results of operations** for the quarter and nine month period ended March 31, 2024 were \$4.4 million.

and \$9.9 million, respectively. Operating loss of this business included in Bio-Techne's consolidated results of operations for the quarter and nine month period ended March 31, 2024 was \$6.8 million and \$21.0 million, respectively.

The preliminary estimated fair values of the assets acquired and liabilities assumed as of March 31, 2024 June 30, 2024 are as follows (in thousands):

	Preliminary allocation at March 31, 2024
Current assets	\$ 12,155
Equipment and other long-term assets	1,470
Intangible assets:	
Developed technologies	60,300
Tradenames	4,900
Customer relationships	1,200
Goodwill	102,546
Total assets acquired	182,571
Liabilities	7,096
Deferred income taxes, net	5,768
Net assets acquired	<u><u>\$ 169,707</u></u>
Cash paid	169,707
Net assets acquired	<u><u>\$ 169,707</u></u>

	Final allocation at June 30, 2024
Current assets	\$ 12,155
Equipment and other long-term assets	1,470
Intangible assets:	
Developed technologies	60,300
Tradenames	4,900
Customer relationships	1,200
Goodwill	104,650
Total assets acquired	184,675
Liabilities	7,096
Deferred income taxes, net	7,872
Net assets acquired	<u><u>\$ 169,707</u></u>
Cash paid	169,707

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Tangible assets and liabilities acquired were recorded at fair value on the date of close based on management's preliminary assessment. The purchase price allocated to developed technology and customer relationships was based on management's preliminary forecasted cash inflows and outflows and using a multiperiod excess earnings method to calculate the fair value of assets purchased. The purchase price allocated to trade names was based on management's preliminary forecasted cash inflows and outflows and using a relief from royalty method. The amount recorded for developed technology is being amortized with the expense reflected in cost of goods sold in the Condensed Consolidated Statement of Earnings and Comprehensive Income. The amortization period for developed technology is estimated to be 14 years. Amortization expense related to customer relationships is reflected in selling, general and administrative

expenses in the Condensed Consolidated Statement of Earnings and Comprehensive Income. The amortization period for customer relationships is estimated to be 8 years. The amount recorded for trade names is being amortized with the expense reflected in selling, general and administrative expenses in the Condensed Consolidated Statement of Earnings and Comprehensive Income. The amortization period for trade names ranges from 4 years to 8 years. The net deferred income tax liability represents the net amount of the estimated future impact of adjustments for costs to be recognized as intangible asset amortization, which is not deductible for income tax purposes, offset by the deferred tax asset for the preliminary calculation of acquired net operating losses.

**Note 5. Fair Value Measurements:**

The Company's financial instruments include cash and cash equivalents, available-for-sale available for sale investments, derivative instruments, accounts receivable, accounts payable, contingent consideration obligations, and long-term debt.

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. This standard also establishes a hierarchy for inputs used in measuring fair value. This standard maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs market participants would use in valuing the asset or liability based on market data obtained from independent sources. Unobservable inputs are inputs that reflect our assumptions about the factors market participants would use in valuing the asset or liability based upon the best information available in the circumstances.

The categorization of financial assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy is broken down into three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable for the asset or liability and their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 may also include certain investment securities for which there is limited market activity or a decrease in the observability of market pricing for the investments, such that the determination of fair value requires significant judgment or estimation.

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The following tables provide information by level for financial assets and liabilities that are measured at fair value on a recurring basis (in thousands):

Assets	Balance Sheet	Location	Total carrying value as of			Fair Value Measurements Using			Balance Sheet	Total carrying value as of			Fair Value Measurements Using		
			March 31, 2024			Inputs Considered as				September 30, 2024			Inputs Considered as		
				Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Short-term															
Certificates of deposit(1)	available-for-sale investments		\$ 5,397	\$ 5,397	\$ —	\$ —									
Derivatives designated as hedging instruments - cash flow hedges															
Derivatives designated as hedging instruments - cash flow hedges	Other assets		12,028	—	12,028	—									
Other															

Total assets	\$ 17,425	\$ 5,397	\$ 12,028	\$ —	\$ 6,919	\$ —	\$ 6,919	\$ —	
Liabilities									
Derivatives designated as hedging instruments - cash flow hedges					Other long-term liabilities	\$ 269	\$ —	\$ 269	\$ —
Derivatives designated as hedging instruments - net investment hedge					Other long-term liabilities	\$ 8,041	\$ —	\$ 8,041	\$ —
Total liabilities	\$ 680	\$ —	\$ 680	\$ —		\$ 8,310	\$ —	\$ 8,310	\$ —

Assets	Total carrying value as of			Fair Value Measurements Using			Total carrying value as of			Fair Value Measurements Using			
	Balance Sheet Location	Inputs Considered as			Balance Sheet Location	Inputs Considered as			Balance Sheet Location	Inputs Considered as			
		June 30, 2023	Level 1	Level 2	Level 3	June 30, 2024	Level 1	Level 2	Level 3	June 30, 2024	Level 1	Level 2	Level 3
Short-term available-for-sale investments													
Exchange traded securities(2)		\$ 23,739	\$ 23,739	\$ —	\$ —								
Derivative instruments - cash flow hedges													
Other assets		16,857	—	16,857	—								
Certificates of deposit(1)													
Derivatives designated as hedging instruments - cash flow hedges													
Derivatives designated as hedging instruments - cash flow hedges													
Total assets		\$ 40,596	\$ 23,739	\$ 16,857	\$ —								
Short-term available-for-sale investments													
Other current assets													
Other assets													
Contingent consideration payable		\$ 3,500	\$ —	\$ —	\$ 3,500								
Derivatives designated as hedging instruments - net investment hedge													
Total liabilities		\$ 3,500	\$ —	\$ —	\$ 3,500								
Other long-term liabilities													

(1) The certificates of deposit have contractual maturity dates within one year.

(2) During the quarter ended September 30 2023, the Company sold all of its outstanding shares of its exchange traded investment grade bond funds that it held at June 30, 2023. The cost basis and fair value of the Company's exchange traded investment grade bond funds were \$25.0 million and \$23.7 million at June 30, 2023, respectively.

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*Fair value measurements of available-for-sale securities*

Our available-for-sale securities are measured at fair value using quoted market prices in active markets for identical assets and are therefore classified as Level 1 assets.

*Fair value measurements of derivative instruments*

The Company utilizes forward starting swaps designated as a cash flow hedge on forecasted debt. The forward starting swaps reduce the variability of cash flow payments for the Company by converting the variable interest rate on the Company's forecasted variable

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interest long-term debt to that of a fixed interest rate. Accordingly, as part of the forward starting swaps, the Company exchanges, at specified intervals, the difference between floating and fixed interest amounts based on a notional principal amount. The Company also uses a cross-currency swap contract to manage its exposure to foreign currency risk associated with the Company's net investment in its Swiss subsidiary.

The following table presents the contractual amounts of the Company's outstanding instruments (in millions):

Instruments	Designation	March 31,		June 30,		Designation	September 30, June 30,		
		2024	2023	2023	2024		2024	2024	2024
Forward starting swaps <sup>(1)</sup>	Cash flow hedge	\$ 300	\$ 300	\$ 300	\$ 300	Cash flow hedge	\$ 300	\$ 300	\$ 300
Cross-currency swap <sup>(2)</sup>	Net investment hedge	150	—	—	—	Net investment hedge	140	140	150

(1) In May 2021, the Company entered into a forward starting swap designated as a cash flow hedge on forecasted debt based on \$200 million of notional principal. The effective date of the swap was November 2022 with the full swap maturing in November 2025. In March 2023, the Company entered into a forward starting swap designated as a cash flow hedge on forecasted debt based on \$100 million of notional principal. The effective date of the swap was April 2023 with the full swap maturing in April 2025. In August 2024, the Company entered into a new forward starting swap designated as a cash flow hedge on forecasted debt based on \$100 million of notional principal that will go into effect in April 2025 to replace a swap that matures in April 2025. The effective date of the new swap is April 2025 with the full swap maturing in April 2026.

(2) In July 2023, the Company entered into a pay-fixed rate, receive-fixed rate cross-currency swap contract with a total notional amount of \$150 million that was designated as a hedge to lock in the Swiss franc (CHF) rate for a portion of the Company's CHF net investment in its Lunaphore subsidiary in Switzerland. The objective of the hedge is to protect the net investment in the Company's CHF-denominated operations against changes in the spot exchange rates, on a pre-tax basis. The hedging instrument has four three remaining interim settlement dates, which will reduce the notional on the hedging instrument by \$10 million at each interim date, and will reduce the notional to \$110 million at maturity.

The pretax amount of the gains and losses on our hedging instruments and the classification of those gains and losses within our Consolidated Financial Statements consolidated financial statements for the three and nine months ended March 31, 2024 September 30, 2024 and September 30, 2023 were as

follows (in thousands):

	(Gain) Loss Recognized in Accumulated Other Comprehensive Loss						(Gain) Loss Recognized in Accumulated Other Comprehensive Loss			
	Quarter Ended		Nine Months Ended		Quarter Ended					
	March 31,		March 31,		September 30,					
	2024	2023	2024	2023	2024	2023				
Cash flow hedges										
Forward starting swaps	\$ 1,626	\$ 3,105	\$ 9,582	\$ (431)	\$ 5,010	\$ (1,587)				
Net investment hedges										
Cross-currency swap	(4,914)	—	2,329	—	5,165	(1,366)				
Total	\$ (3,288)	\$ 3,105	\$ 11,911	\$ (431)	\$ 10,175	\$ (2,953)				

  

	(Gain) Loss Reclassified into Income						Location of (Gain) Loss in Income Statement			
	Quarter Ended		Nine Months Ended		Quarter Ended					
	September 30,		March 31,		September 30,					
	2024	2023	2024	2023	2024	2023				
Cash flow hedges										
Forward starting swaps	\$ (2,599)	\$ (2,539)					Interest expense			
Net investment hedges										
Cross-currency swap	(782)	(698)					Interest expense			
Total	\$ (3,381)	\$ (3,237)								

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	(Gain) Loss Reclassified into Income						Location of (Gain) Loss in Income Statement			
	Quarter Ended		Nine Months Ended		Quarter Ended					
	March 31,		March 31,		September 30,					
	2024	2023	2024	2023	2024	2023				
Cash flow hedges										
Forward starting swaps	\$ (2,570)	\$ (1,826)	\$ (7,729)	\$ (2,445)			Interest expense			
Net investment hedges										
Cross-currency swap	(837)	—	(2,372)	—			Interest expense			
Total	\$ (3,407)	\$ (1,826)	\$ (10,101)	\$ (2,445)						

Gains or losses related to the net investment hedges are classified as foreign currency translation adjustments in the schedule of changes in Accumulated Other Comprehensive Income ("AOCI") in Note 8, as these items are attributable to the Company's hedges of its net investment in foreign operations. Gains or losses related to the cash flow hedges are classified as Unrealized gains (losses) on cash flow hedges in the schedule of changes in AOCI in Note 8.

#### *Fair value measurements of contingent consideration*

The Company does not have outstanding contingent consideration as of March 31, 2024 as the Asuragen and Namocell acquisitions did not meet their respective revenue milestones as of December 31, 2023.

The Asuragen contingent agreement required the Company to make contingent consideration payments of up to \$105.0 million if certain revenue thresholds were achieved by December 31, 2023. The opening balance sheet fair value of the liabilities was \$18.3 million, which was determined using a Monte Carlo

simulation-based model discounted to present value. Assumptions used in these calculations are units sold, expected revenue, expected expenses, discount rate, and various probability factors. The contingent consideration related to Asuragen was \$2.0 million as of June 30, 2023.

The Namocell contingent agreement required the Company to make contingent consideration payments of up to \$25.0 million if certain revenue thresholds were achieved by December 31, 2023. The opening balance sheet fair value of the liabilities was \$10.6 million, which was determined using a Monte Carlo simulation-based model discounted to present value. Assumptions used in these calculations are units sold, expected revenue, expected expenses, discount rate, and various probability factors. The contingent consideration related to Namocell was \$1.5 million as of June 30, 2023.

This liability is considered to be a Level 3 financial liability that is re-measured each reporting period. The change in fair value of contingent consideration for these acquisitions is included in selling, general and administrative expense.

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The following table presents a reconciliation of the liability measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (in thousands):

	Quarter Ended Nine Months Ended	
	March 31, 2024	March 31, 2024
Fair value at the beginning of period	\$ —	\$ 3,500
Change in fair value of contingent consideration	—	(3,500)
Payments	—	—
Fair value at the end of period	\$ —	\$ —

The use of different assumptions, applying different judgment to matters that inherently are subjective and changes in future market conditions could result in different estimates of fair value of our securities or contingent consideration, currently and in the future. If market conditions deteriorate, we may incur impairment charges for securities in our investment portfolio.

**Fair value measurements of other financial instruments** – The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate fair value.

Cash and cash equivalents, certificates of deposit, accounts receivable, and accounts payable – The carrying amounts reported in the **Consolidated Balance Sheets** **consolidated balance sheets** approximate fair value because of the short-term nature of these items.

Long-term debt – The carrying amounts reported in the **Consolidated Balance Sheets** **consolidated balance sheets** for the amount drawn on our line-of-credit facility and long-term debt approximates fair value because our interest rate is variable and reflects current market rates.

#### **Note 6. Debt and Other Financing Arrangements:**

On August 31, 2022, the Company entered into a revolving line-of-credit and term loan **governed** by a Credit Agreement (the Credit Agreement). The Credit Agreement provides for a revolving credit facility of \$1 billion, which can be increased by an additional \$400 million subject to certain conditions. Borrowings under the Credit Agreement may be used for working capital and expenditures of the Company and its subsidiaries, including financing permitted acquisitions. Borrowings under the Credit Agreement bear interest at a variable rate. The current outstanding debt is based on the one-month Secured Overnight Financing Rate (SOFR) plus an applicable margin. The applicable margin is determined from the total leverage ratio of the Company and updated on a quarterly basis. The annualized fee for any unused portion of the credit facility is currently **12.5** **10** basis points.

The Credit Agreement matures on **August 1, 2027** **August 31, 2027** and contains customary restrictive and financial covenants and customary events of default. As of **March 31, 2024** **September 30, 2024**, the outstanding balance under the Credit Agreement was **\$389.0**.

million. \$300 million.

**Note 7. Leases:**

As a lessee, the Company leases offices, labs, and manufacturing facilities, as well as vehicles, copiers, and other equipment. The Company recognizes operating lease expense on a straight-line basis over the lease term. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The discount rate used to calculate present value is Bio-Techne's incremental borrowing rate or, if available, the rate implicit in the lease. Bio-Techne determines the incremental borrowing rate for each lease based primarily on its lease term and the economic environment of the applicable country or region. During the ~~nine~~ three months ended ~~March 31, 2024~~ September 30, 2024, the Company recognized ~~\$3.8~~ \$1.3 million in variable lease expense and ~~\$13.7~~ \$4.4 million relating to fixed lease expense in the Condensed Consolidated Statements of Earnings and Comprehensive Income.

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The following table summarizes the balance sheet classification of the Company's operating leases and amounts of right-of-use assets and lease liabilities and the weighted average remaining lease term and weighted average discount rate for the Company's operating leases (in asset and liability amounts are in thousands):

	Balance Sheet Classification	As of	
		March 31, 2024	September 30, 2024
<b>Operating leases:</b>			
Operating lease right-of-use assets	Right-of-use asset	\$ 97,258	\$ 89,221
Current operating lease liabilities	Operating lease liabilities - current	\$ 12,978	Operating lease liabilities - current \$ 13,485
Noncurrent operating lease liabilities	Operating lease liabilities	92,752	Operating lease liabilities 85,433
Total operating lease liabilities		\$ 105,730	\$ 98,918
Weighted average remaining lease term (in years):		8.66	8.30
Weighted average discount rate (%):		4.20	4.24

The following table summarizes the cash paid for amounts included in the measurement of operating lease liabilities and right-of-use assets obtained in exchange for new operating lease liabilities for the ~~nine~~ three months ended ~~March 31, 2024~~ (in thousands):

		Nine months ended	
		March 31, 2024	Quarter ended September 30, 2024
Cash amounts paid on operating lease liabilities		\$ 12,352	\$ 3,885
Right-of-use assets obtained in exchange for lease liabilities		\$ 10,255	\$ 799

The following table summarizes the fair value of the lease liability by payment date for the Company's operating leases by fiscal year (in thousands):

		March 31, 2024	
		Operating Leases	September 30, 2024
Remainder 2024		\$ 4,160	
2025			16,532

Remainder 2025		\$ 12,668
2026	16,646	16,647
2027	13,780	13,767
2028	13,673	13,593
2029		13,125
Thereafter	62,951	48,790
Total	\$ 127,742	\$ 118,590
Less: Amounts representing interest	22,012	19,672
<b>Total lease obligations</b>	<b>\$ 105,730</b>	<b>\$ 98,918</b>

Certain leases include one or more options to renew, with terms that extend the lease term up to five years. Bio-Techne includes the option to renew the lease as part of the **right-of-use** lease asset and liability when it is reasonably certain the Company will exercise the option. In addition, certain leases contain fair value purchase and termination options with an associated penalty. In general, Bio-Techne is not reasonably certain to exercise such options.

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#### **Note 8. Supplemental Equity and Accumulated Other Comprehensive Income (Loss):**

##### *Supplemental Equity*

The Company has declared cash dividends per share of \$0.08 and \$0.24 in the three and nine months ended **March 31, 2024** **September 30, 2024** and **2023**, respectively.

**2023.**

##### *Consolidated Changes in Equity (amounts in thousands):*

	Bio-Techne Shareholders					Bio-Techne Shareholders				
	Additional		Accumulated			Additional		Accumulated		
	Common Stock	Paid-in Capital	Retained Earnings	Comprehensive Income(Loss)	Total	Common Stock	Paid-in Capital	Retained Earnings	Comprehensive Income(Loss)	Total
<b>Balances at</b>										
<b>June 30, 2023</b>	<b>157,642</b>	<b>\$ 1,576</b>	<b>\$ 721,543</b>	<b>\$ 1,309,461</b>	<b>\$ (66,064)</b>	<b>\$ 1,966,516</b>				
<b>Balances at</b>										
<b>June 30, 2024</b>						<b>158,216</b>	<b>\$ 1,582</b>	<b>\$ 820,337</b>	<b>\$ 1,325,247</b>	<b>\$ (78,316)</b>
Net earnings			50,993		50,993				33,600	33,600
Other comprehensive income (loss)				(11,952)	(11,952)				18,229	18,229
Common stock issued for exercise of options	633	6	12,877	(15,460)	(2,577)	577	6	23,224	(2,338)	20,892
Common stock issued for restricted stock awards	47	1	0	(4,768)	(4,767)	50	1	1	(2,646)	(2,644)
Cash dividends				(12,654)	(12,654)				(12,688)	(12,688)

Stock-based compensation expense		9,981	9,981		10,146		10,146
Common stock issued to employee stock purchase plan	33 1	2,093	2,094	35 0	2,227		2,227
Employee stock purchase plan expense		112	112		38		38
<b>Balances at September 30, 2023</b>		<b>158,355 \$1,584 \$746,606 \$1,327,572 \$ (78,016) \$1,997,746</b>					
Net earnings		27,465	27,465				
Other comprehensive income (loss)			14,355		14,355		
Share repurchases	(1,397) (14)		(80,028)		(80,042)		
Common stock issued for exercise of options	157 1	4,914 (1,074)		3,841			
Common stock issued for restricted stock awards	27 0	0		0			
Cash dividends		(12,559)		(12,559)			
Stock-based compensation expense		12,413		12,413			
Employee stock purchase plan expense		340		340			
<b>Balances at December 31, 2023</b>		<b>157,142 \$1,571 \$764,273 \$1,261,376 \$ (63,661) \$1,963,559</b>					
Net earnings		49,059	49,059				
Other comprehensive income (loss)			(11,646)		(11,646)		
Common stock issued for exercise of options	372 4	15,761		15,765			
Common stock issued for restricted stock awards	4 0	0 (168)		(168)			
Cash dividends		(12,579)		(12,579)			
Stock-based compensation expense		8,053		8,053			

Common stock						
issued to						
employee						
stock purchase						
plan	36	1	2,251		2,252	
Employee stock						
purchase plan						
expense		80		80		
<b>Balances at</b>						
<b>March 31, 2024</b>	<b>157,554</b>	<b>\$1,576</b>	<b>\$790,418</b>	<b>\$1,297,688</b>	<b>\$ (75,307)</b>	<b>\$2,014,375</b>
<b>Balances at</b>						
<b>September 30,</b>						
<b>2024</b>	<b>158,878</b>	<b>\$1,589</b>	<b>\$855,973</b>	<b>\$1,341,175</b>	<b>\$ (60,087)</b>	<b>\$2,138,650</b>

	Bio-Techne Shareholders					
			Additional		Accumulated	
	Common Stock		Paid-in	Retained	Other	Comprehensive
	Shares	Amount	Capital	Earnings	Income(Loss)	Total
<b>Balances at June 30, 2023</b>	<b>157,642</b>	<b>\$ 1,576</b>	<b>\$ 721,543</b>	<b>\$ 1,309,461</b>	<b>\$ (66,064)</b>	<b>\$ 1,966,516</b>
Net earnings				50,993		50,993
Other comprehensive income (loss)					(11,952)	(11,952)
Common stock issued for exercise of options	633	6	12,877	(15,460)		(2,577)
Common stock issued for restricted stock awards	47	1	0	(4,768)		(4,767)
Cash dividends				(12,654)		(12,654)
Stock-based compensation expense			9,981			9,981
Common stock issued to employee stock purchase						
plan	33	1	2,093			2,094
Employee stock purchase plan expense			112			112
<b>Balances at September 30, 2023</b>	<b>158,355</b>	<b>\$ 1,584</b>	<b>\$ 746,606</b>	<b>\$ 1,327,572</b>	<b>\$ (78,016)</b>	<b>\$ 1,997,746</b>

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	Bio-Techne Shareholders					
			Additional		Accumulated	
	Common Stock		Paid-in	Retained	Comprehensive	Noncontrolling
	Shares	Amount	Capital	Earnings	Income(Loss)	Interest
<b>Balances at June 30, 2022</b>	<b>156,644</b>	<b>\$ 1,566</b>	<b>\$ 652,467</b>	<b>\$ 1,122,937</b>	<b>\$ (75,200)</b>	<b>\$ (759)</b>
Net earnings				89,555		179
Other comprehensive income (loss)					(16,762)	(16,762)
Reclassification of cumulative translation						
adjustment for Eminence to non-operating						
income					152	(33)
Elimination of noncontrolling equity interest						
from sale of Eminence						613
Share repurchases	(222)	(2)	(19,560)			(19,562)

Common stock issued for exercise of options	425	5	9,418	(11,428)				(2,005)
Common stock issued for restricted stock awards	45	0	0	(6,427)				(6,427)
Cash dividends				(12,545)				(12,545)
Stock-based compensation expense			14,364					14,364
Common stock issued to employee stock purchase plan	36	0	2,517					2,517
Employee stock purchase plan expense			97					97
<b>Balances at September 30, 2022</b>	<b>156,928</b>	<b>\$ 1,569</b>	<b>\$ 678,863</b>	<b>\$ 1,162,532</b>	<b>\$ (91,810)</b>	<b>\$ —</b>	<b>\$ 1,751,154</b>	
Net earnings				50,005				50,005
Other comprehensive income (loss)					16,685			16,685
Common stock issued for exercise of options	155	1	5,074					5,075
Common stock issued for restricted stock awards	11	1	1					2
Cash dividends				(12,561)				(12,561)
Stock-based compensation expense			16,413					16,413
Employee stock purchase plan expense			333					333
<b>Balances at December 31, 2022</b>	<b>157,094</b>	<b>\$ 1,571</b>	<b>\$ 700,684</b>	<b>\$ 1,199,976</b>	<b>\$ (75,125)</b>	<b>\$ —</b>	<b>\$ 1,827,106</b>	
Net earnings				70,218				70,218
Other comprehensive income (loss)					1,574			1,574
Share repurchases								—
Common stock issued for exercise of options	201	2	1,871	(10,733)				(8,860)
Common stock issued for restricted stock awards	6	0	0	(267)				(267)
Cash dividends				(12,582)				(12,582)
Stock-based compensation expense			9,995					9,995
Common stock issued to employee stock purchase plan	38	0	2,389					2,389
Employee stock purchase plan expense			113					113
<b>Balances at March 31, 2023</b>	<b>157,339</b>	<b>\$ 1,573</b>	<b>\$ 715,052</b>	<b>\$ 1,246,612</b>	<b>\$ (73,551)</b>	<b>\$ —</b>	<b>\$ 1,889,686</b>	

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#### *Accumulated Other Comprehensive Income*

The components of other comprehensive income (loss) consist of changes in foreign currency translation adjustments and changes in net unrealized gains (losses) on derivative instruments designated as cash flow hedges. The Company reclassified a \$2.6 million and a \$1.4 million gain, net accumulated balances related to each component of taxes, from accumulated other comprehensive income (loss) to earnings during the three months ended March 31, 2024 and 2023, respectively. The Company reclassified a \$7.7 million and a \$1.7 million gain, net of taxes, from accumulated other comprehensive income (loss) to earnings during the nine months ended March 31, 2024 and 2023, respectively.

Changes in Accumulated Other Comprehensive Income (Loss) attributable to Bio-Techne by component are summarized as follows (in thousands):

Three months ended March 31, 2024 (in thousands):	Unrealized

Three months ended September 30, 2024 (in thousands):		Unrealized					
		Gains	Foreign	Gains	Foreign		
		(Losses) on	Currency	(Losses) on	Currency		
		Derivative	Translation	Derivative	Translation		
		Instruments	Adjustments	Total	Instruments	Adjustments	Total
Balance as of December 31, 2023, net of tax:	\$ 8,842	\$ (72,503)	\$ (63,661)				
Balance as of June 30, 2024, net of tax				\$ 8,102	\$ (86,418)	\$ (78,316)	
Other comprehensive income (loss), before tax:							
Amounts before reclassifications	(1,626)	(12,620)	(14,246)	(5,010)	20,659	15,649	
Amounts reclassified out	2,570	837	3,407	2,599	782	3,381	
Total other comprehensive income (loss), before tax	944	(11,783)	(10,839)	(2,411)	21,441	19,030	
Tax (expense)/benefit	(609)	(198)	(807)	(616)	(185)	(801)	
Total other comprehensive income (loss), net of tax	335	(11,981)	(11,646)	(3,027)	21,256	18,229	
Balance as of March 31, 2024, net of tax	\$ 9,177	\$ (84,484)	\$ (75,307)				
Balance as of September 30, 2024, net of tax				\$ 5,075	\$ (65,162)	\$ (60,087)	

Three months ended March 31, 2023 (in thousands):		Unrealized					
		Gains	Foreign	Gains	Foreign		
		(Losses) on	Currency	(Losses) on	Currency		
		Derivative	Translation	Derivative	Translation		
		Instruments	Adjustments	Total	Instruments	Adjustments	Total
Balance as of December 31, 2022, attributable to Bio-Techne, net of tax:	\$ 12,079	\$ (87,204)	\$ (75,125)				
Balance as of June 30, 2023 net of tax:				\$ 12,862	\$ (78,926)	\$ (66,064)	
Other comprehensive income (loss), before tax:							
Amounts before reclassifications, attributable to Bio-Techne	(3,105)	3,282	177				
Amounts before reclassifications				1,587	(11,069)	(9,482)	
Amounts reclassified out	1,826	—	1,826	(2,539)	(698)	(3,237)	
Total other comprehensive income (loss), before tax	(1,279)	3,282	2,003	(952)	(11,767)	(12,719)	
Tax (expense)/benefit	(429)	—	(429)	(602)	(165)	(767)	
Total other comprehensive income (loss), net of tax	(1,708)	3,282	1,574	(350)	(11,602)	(11,952)	
Balance as of March 31, 2023, net of tax	\$ 10,371	\$ (83,922)	\$ (73,551)				
Balance as of September 30, 2023, net of tax				\$ 12,512	\$ (90,528)	\$ (78,016)	

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Nine months ended March 31, 2024 (in thousands):		Unrealized					
		Gains	Foreign	Gains	Foreign		
		(Losses) on	Currency	(Losses) on	Currency		
		Derivative	Translation	Derivative	Translation		
		Instruments	Adjustments	Total	Instruments	Adjustments	Total

	<i>Instruments</i>	<i>Adjustments</i>	<i>Total</i>
	\$ 12,862	\$ (78,926)	\$ (66,064)
Balance as of June 30, 2023, net of tax:			
Other comprehensive income (loss), before tax:			
Amounts before reclassifications	(9,582)	(7,368)	(16,950)
Amounts reclassified out	7,729	2,372	10,101
Total other comprehensive income (loss), before tax	(1,853)	(4,996)	(6,849)
Tax (expense)/benefit	(1,832)	(562)	(2,394)
Total other comprehensive income (loss), net of tax	(3,685)	(5,558)	(9,243)
Balance as of March 31, 2024, net of tax <sup>(1)</sup>	\$ 9,177	\$ (84,484)	\$ (75,307)

Nine months ended March 31, 2023 (in thousands):	<i>Unrealized</i>		
	<i>Gains</i>	<i>Foreign</i>	
	<i>(Losses) on</i>	<i>Currency</i>	
	<i>Derivative</i>	<i>Translation</i>	
	<i>Instruments</i>	<i>Adjustments</i>	<i>Total</i>
Balance as of June 30, 2022, attributable to Bio-Techne, net of tax:	\$ 8,069	\$ (83,269)	\$ (75,200)
Other comprehensive income (loss), before tax:			
Amounts before reclassifications, attributable to Bio-Techne	431	(805)	(374)
Amounts reclassified out	2,445	152	2,597
Total other comprehensive income (loss), before tax	2,876	(653)	2,223
Tax (expense)/benefit	(574)	—	(574)
Total other comprehensive income (loss), net of tax	2,302	(653)	1,649
Balance as of March 31, 2023, net of tax <sup>(1)</sup>	\$ 10,371	\$ (83,922)	\$ (73,551)

<sup>(1)</sup>The Company had a net deferred tax liability for its cash flow hedge hedges of \$2.9 million \$1.6 million and \$3.2 million for the nine months ended March 31, 2024 \$4.1 million as of September 30, 2024 and 2023, respectively, September 30, 2023, respectively.

Income taxes are not provided for foreign translation relating to permanent investments in international subsidiaries, but tax effects within foreign currency translation adjustments do include impacts from the net investment hedge.

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### Note 9. Earnings Per Share:

The following table reflects the calculation of basic and diluted earnings per share (in thousands, except per share amounts):

	Quarter Ended		Nine Months Ended		Quarter Ended	
	March 31,		March 31,		September 30,	
	2024	2023	2024	2023	2024	2023
<b>Earnings per share – basic:</b>						
Net earnings, including noncontrolling interest	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,958		
Less net earnings (loss) attributable to noncontrolling interest	—	—	—	179		
Net earnings attributable to Bio-Techne	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,779		
Net earnings					\$ 33,600	\$ 50,993
Income allocated to participating securities	(5)	(16)	(24)	(52)	(6)	(8)
Income available to common shareholders	\$ 49,054	\$ 70,202	\$ 127,493	\$ 209,727	\$ 33,594	\$ 50,985
Weighted-average shares outstanding – basic	157,309	157,311	157,655	157,071	158,531	158,130
Earnings per share – basic	\$ 0.31	\$ 0.45	\$ 0.81	\$ 1.34	\$ 0.21	\$ 0.32
<b>Earnings per share – diluted:</b>						
Net earnings, including noncontrolling interest	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,958		

Less net earnings (loss) attributable to noncontrolling interest	—	—	—	179	
Net earnings attributable to Bio-Techne	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,779	
Net earnings					\$ 33,600 \$ 50,993
Income allocated to participating securities	(5)	(16)	(24)	(52)	(6) (8)
Income available to common shareholders	\$ 49,054	\$ 70,202	\$ 127,493	\$ 209,727	\$ 33,594 \$ 50,985
Weighted-average shares outstanding – basic	157,309	157,311	157,655	157,071	158,531 158,130
Dilutive effect of stock options and restricted stock units	3,187	4,304	3,162	4,697	2,584 3,810
Weighted-average common shares outstanding – diluted	160,496	161,615	160,817	161,768	161,115 161,940
Earnings per share – diluted	\$ 0.31	\$ 0.43	\$ 0.79	\$ 1.30	\$ 0.21 \$ 0.31

The dilutive effect of stock options and restricted stock units in the above table excludes all options for which the aggregate exercise proceeds exceeded the average market price for the period. The number of potentially dilutive option shares excluded from the calculation was **4.04.1** million and **4.54.1** million for the quarter ended March 31, 2024 and 2023, respectively and 4.0 million and 4.5 million for the nine months ended March 31, 2024 September 30, 2024 and 2023, respectively.

**Note 10. Share-based Compensation:**

During the **nine months** quarter ended **March 31, 2024** September 30, 2024 and 2023, the Company granted **1.0 million** 0.8 million and **2.3 million** 0.8 million stock options at weighted average grant prices of **\$80.07** \$74.85 and **\$93.96** \$84.34 and weighted average fair values of **\$27.47** \$25.32 and **\$29.58** \$28.58, respectively. During the **nine months** quarter ended **March 31, 2024** September 30, 2024 and 2023, the Company granted **353,656** 468,866 and **90,352** 268,961 restricted stock units at a weighted average fair value of **\$78.41** \$74.92 and **\$93.84**, \$84.44, respectively. During the **nine months** quarter ended **March 31, 2024** September 30, 2024 and 2023, the Company granted 27,196 and 10,816 shares of did not grant restricted common stock shares at a weighted average fair value of \$56.98 and \$73.94, shares.

Stock options for **1,590,362** 648,293 and **1,271,338** 1,027,777 shares of common stock with total intrinsic values of **\$73.1 million** \$23.5 million and **\$74.1 million** \$54.3 million were exercised during the **nine months** quarter ended **March 31, 2024** September 30, 2024 and 2023, respectively.

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Stock-based compensation expense, inclusive of payroll taxes, of **\$8.1** \$10.3 million and **\$10.2** \$11.1 million was included in selling, general and administrative expenses for the quarter ended **March 31, 2024** and 2023, respectively. Stock-based compensation expenses, inclusive of payroll taxes, of **\$31.7** million and **\$41.5** million was included in selling, general, and administrative expenses for the nine months ended **March 31, 2024** September 30, 2024 and 2023 respectively. Additionally, the Company recognized **\$0.1** million and **\$0.6** \$0.3 million of stock-based compensation costs in cost of goods sold in during the quarter and nine months ended March 31, 2024, respectively, September 30, 2024 compared to **\$0.2** million and **\$0.8** million in cost of goods sold in the comparative prior year periods period. As of **March 31, 2024** September 30, 2024, there was **\$41.2** \$72.5 million of unrecognized compensation cost related to non-vested stock options, non-vested restricted stock units and non-vested restricted stock. The weighted average period over which the compensation cost is expected to be recognized is 2.2 years.

In fiscal 2015, the Company established the Bio-Techne Corporation 2014 Employee Stock Purchase Plan (ESPP), which was approved by the Company's shareholders on October 30, 2014, and which is designed to comply with IRS provisions governing employee stock purchase plans. 800,000 shares were allocated to the ESPP. The Company recorded expense

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[Table of \\$0.1 million for the quarter ended March 31, 2024 and \\$0.1 million for the quarter ended March 31, 2023. The Company recorded expense of \\$0.5 million and \\$0.5 million for the nine months ended March 31, 2024 and 2023, respectively.](#) [Contents](#)

**Note 11. Other Income / (Expense):**

The components of other income (expense) in the accompanying Statement of Earnings and Comprehensive Income are as follows (in thousands):

	Quarter Ended		Nine Months Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Interest expense	\$ (4,005)	\$ (1,367)	\$ (13,227)	\$ (7,513)
Interest income	712	974	2,418	2,375
Gain (loss) on investment <sup>(1)</sup>	—	314	283	50,009
Gain (loss) on equity method investment	(1,747)	—	(5,950)	—
Other non-operating income (expense), net	(874)	64	(359)	1,053
Total other income (expense)	\$ (5,914)	\$ (15)	\$ (16,835)	\$ 45,924

(1) Primarily due to a \$0.3 million gain on the sale of our exchange traded investment grade bond funds during the nine months ended March 31, 2024 compared to a \$37.2 million gain on the sale of our ChemoCentryx investment and a \$11.7 million gain on the sale of Eminence in the nine months ended March 31, 2023.

	Quarter Ended	
	September 30,	
	2024	2023
Interest expense	\$ (2,176)	\$ (4,893)
Interest income	926	890
Gain (loss) on investment <sup>(1)</sup>	—	283
Gain (loss) on equity method investment	374	(2,290)
Other non-operating income (expense), net	1,060	(294)
Total other income (expense)	\$ 184	\$ (6,304)

(1) Primarily due to a \$0.3 million gain on the sale of our exchange traded investment grade bond funds during the quarter ended September 30, 2023.

**Note 12. Income Taxes:**

The Company's effective income tax rate for the **third** first quarter of fiscal 2025 and 2024 was 16.4% and 2023 was 19.7% and 12.4% (2.9%), respectively, of consolidated earnings before income taxes, inclusive of discrete items, and 11.5% and 16.1% for the first nine months of fiscal 2024 and 2023, respectively. The change in the Company's tax rate for the quarter and nine months ended **March 31, 2024** September 30, 2024 compared to the quarter and nine months ended **March 31, 2023** September 30, 2023 was driven by a mix of net income and timing of discrete tax items.

The Company recognized total net benefits related to discrete tax items of \$1.8 million and \$16.6 million \$3.0 million during the quarter and nine months ended **March 31, 2024** September 30, 2024, respectively, compared to total net benefits of \$5.7 million and \$8.9 million \$13.6 million during the quarter and nine months ended March 31, 2023, respectively. Share-based compensation excess tax benefit contributed \$1.9 million and \$13.6 million \$3.3 million in the quarter and nine months ended **March 31, 2024** September 30, 2024, respectively, compared to \$0.4 million and \$9.5 \$10.4 million in the quarter and nine months, ended **March 31, 2023**, respectively. During the quarter and nine months ended March 31, 2024, the Company had total other immaterial discrete tax expense of \$0.1 million and an other immaterial discrete tax benefit of \$3.0 million, respectively. During the quarter and nine months ended March 31, 2023, the Company had discrete tax benefit of \$0.6 million and discrete tax expense of \$5.1 million, respectively, related to taxes associated with a planned distribution from our China entity. September 30, 2023. The Company recognized total other immaterial net discrete tax benefits expense of \$4.7 million and \$4.5 million \$0.3 million in the quarter and nine months ended **March 31, 2023** September 30, 2024, respectively, compared to \$3.2 million of other immaterial net discrete tax benefit in the quarter ended September 30, 2023.

**Note 13. Segment Information:**

The Company's management evaluates segment operating performance based on operating income before certain charges to cost of sales and selling, general and administrative expenses, principally associated with the impact of partially-owned consolidated subsidiaries as well as acquisition accounting related to inventory, amortization of acquisition-related intangible assets and other acquisition-related expenses. The Protein Sciences and Diagnostics and **Genomics** **Spatial Biology** segments both include consumables, instruments, services, and royalty revenue.

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The following is financial information relating to the Company's reportable segments (in thousands):

	Quarter Ended		Nine Months Ended		Quarter Ended	
	March 31,		March 31,		September 30,	
	2024	2023	2024	2023	2024	2023
<b>Net sales:</b>						
Protein Sciences	\$ 214,589	\$ 218,903	\$ 616,914	\$ 622,739	\$ 204,535	\$ 204,655
Diagnostics and Genomics	87,511	75,669	235,715	213,577		
Diagnostics and Spatial Biology					83,192	72,797
Other revenue <sup>(1)</sup>	2,093	—	2,093	—	2,303	—
Intersegment	(765)	(426)	(1,761)	(934)	(572)	(517)
Consolidated net sales	\$ 303,428	\$ 294,146	\$ 852,961	\$ 835,382	\$ 289,458	\$ 276,935
<b>Operating income:</b>						
Protein Sciences	\$ 94,829	\$ 98,756	\$ 262,777	\$ 274,035	\$ 80,541	\$ 88,361
Diagnostics and Genomics	8,104	11,464	13,189	28,399		
Diagnostics and Spatial Biology					4,277	527
Segment operating income	\$ 102,933	\$ 110,220	\$ 275,966	\$ 302,434	\$ 84,818	\$ 88,888
Costs recognized on sale of acquired inventory	(186)	—	(550)	(400)	(188)	(181)
Amortization of intangibles	(19,287)	(19,286)	(58,908)	(57,694)	(19,741)	(19,851)
Impact of partially-owned consolidated subsidiaries <sup>(2)</sup>	—	—	—	647		
Acquisition related expenses and other	(3,286)	1,333	(2,173)	9,343	(1,513)	588
Impairment of assets held-for-sale	—	—	(6,038)	—		
Certain litigation charges					(292)	—
Stock based compensation, inclusive of employer taxes	(8,358)	(10,543)	(32,810)	(42,879)	(10,637)	(11,494)
Restructuring and restructuring-related costs	(1,550)	—	(7,157)	(2,950)	(11,022)	(89)
Corporate general, selling, and administrative expenses	(3,346)	(1,513)	(7,545)	(4,082)	(1,586)	(1,999)
Impact of business held-for-sale <sup>(1)</sup>	78	—	78	—	148	—
Consolidated operating income	\$ 66,998	\$ 80,211	\$ 160,863	\$ 204,419	\$ 39,987	\$ 55,862

<sup>(1)</sup>Includes the quarterly results of a business that has met the held-for-sale criteria since December 31, 2023.

<sup>(2)</sup>Includes the quarterly results of the partially-owned consolidated subsidiary prior to the sale of this partially-owned consolidated subsidiary to a third party in the first fiscal quarter of 2023.

**Note 14. Subsequent Events:**

None.

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**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS**

The following management discussion and analysis ("MD&A") provides information that we believe is useful in understanding our operating results, cash flows and financial condition. We provide quantitative information about the material sales drivers including the effect of acquisitions and changes in foreign currency at the corporate and segment level. We also provide quantitative information about discrete tax items and other significant factors we believe are useful for understanding our results. The MD&A should be read in conjunction with both the unaudited condensed consolidated financial information and related notes included in this Form 10-Q, and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended **June 30, 2023** **June 30, 2024**. This discussion contains various "Non-GAAP Financial Measures" and also contains various "Forward-Looking Statements" within the meaning of the Private Securities Litigation Reform Act of 1995. We refer readers to the statements entitled "Non-GAAP Financial Measures" and "Forward-Looking Information and Cautionary Statements" located at the end of Item 2 of this report.

**OVERVIEW**

Bio-Techne and its subsidiaries, collectively doing business as Bio-Techne Corporation (Bio-Techne, we, our, us or the Company) develop, manufacture and sell biotechnology reagents, instruments and services for the research and clinical diagnostic markets worldwide. **We use** **With** our deep product portfolio and application expertise, **to develop and we sell** integral components of scientific investigations into biological processes and molecular diagnostics, revealing the nature, diagnosis, etiology and progression of specific diseases. Our products aid in drug discovery efforts and provide the means for accurate clinical tests and diagnoses.

**We are committed to providing the life sciences community with innovative, high-quality scientific tools that allow our customers to make extraordinary discoveries and treat and diagnose diseases. We intend to build on Bio-Techne's past accomplishments, high product quality reputation and sound financial position by executing strategies that position us to serve as the standard for biological content in the research market, and to leverage that leadership position to enter the diagnostics and other adjacent markets. The Company's key business strategies** strategic pillars for long-term growth and profitability **continue are grow and leverage the core, capitalize on high potential markets, market expansion through innovation and acquisition, deliver best-in-class customer experience, and develop people through a transformative culture.**

During the quarter ended September 30, 2024, the Company operated under two operating segments, Protein Sciences and Diagnostics and Spatial Biology (formerly Diagnostics and Genomics). The name change is intended to be geographic expansion, core product innovation, acquisitions better reflect the focus and talent retention and development. As a Company, we are integrating consideration of greenhouse gas emissions and other environmental variables into our key business strategies. The Company also strives to innovate and improve all aspects of Bio-Techne's operations, including reducing the environmental impacts scope of our manufacturing operations. As described offerings. The manner in which we operate our Corporate Sustainability report, business and review discrete financial information did not change. Segment information presented herein reflects the updated name of the operating segment. The operating segments the Company is currently focused on establishing a baseline for emissions so that we can develop appropriate emission reduction targets, as well as reducing our environmental footprint through changes in packaging and shipping materials.

Consistent operated under were consistent with the prior year, we have operated with two Company's operating segments – our Protein Sciences segment and our Diagnostics and Genomics segment – during disclosed in the third quarter of Company's Annual Report on Form 10-K for fiscal 2024.

Our Protein Sciences segment is a leading developer and manufacturer of high-quality purified proteins and reagent solutions, most notably cytokines and growth factors, antibodies, immunoassays, biologically active small molecule compounds, tissue culture reagents and T-Cell activation technologies. This segment also includes protein analysis solutions that offer researchers efficient and streamlined options for automated western blot and multiplexed ELISA workflow. Our Diagnostics and **Genomics Spatial Biology** segment develops and provides spatial biology products, including advanced tissue-based in-situ hybridization assays (ISH) and instrumentation for research and clinical use. This segment also develops and manufactures diagnostic products, including FDA-regulated controls, calibrators, blood gas and clinical chemistry controls and other reagents for OEM and clinical customers, as well as a portfolio of clinical molecular diagnostic oncology assays, including the ExoDx®Prostate (IntelliScore) test (EPI) for prostate cancer diagnosis. **This segment also manufactures and sells advanced tissue-based in-situ hybridization assays (ISH) for research and clinical use.**

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## RECENT ACQUISITIONS

A key component of the Company's strategy is to augment internal growth at existing businesses with complementary acquisitions. On July 7, 2023, The Company did not make any acquisitions during the Company completed the acquisition first quarter of Lunaphore Technologies SA (Lunaphore) for \$169.7 million in a cash-free, debt-free acquisition. The Lunaphore acquisition adds spatial biology instruments to Bio-Techne's portfolio to accelerate our leadership position in translational and clinical research markets. Refer to Note 4 for additional disclosure regarding the Company's recent acquisitions, fiscal 2025.

## RESULTS OF OPERATIONS

### *Operational Update*

Consolidated net sales increased 3% and 2% for the quarter and nine months ended March 31, 2024, respectively, September 30, 2024 compared to the same prior year periods. Organic revenue growth for the quarter ended March 31, 2024 increased 2% September 30, 2024 was 4% compared to the prior year, with acquisitions contributing 1% impact. Foreign currency exchange and a business held-for-sale did not have a material impact. Organic revenue for the nine months ended March 31, 2024 remained flat compared to the same prior year period with acquisitions and foreign currency exchange each having a favorable impact of impacting sales by approximately 1%. A business held-for-sale did not have a material impact.

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Consolidated net earnings attributable to Bio-Techne decreased to \$49.1 million for the quarter ended March 31, 2024 September 30, 2024 as compared to \$70.2 million for \$51.0 million in the quarter ended March 31, 2023. The decrease in net earnings attributable to Bio-Techne is primarily due to the acquisition of Lunaphore, CEO transition and restructuring charges, and unfavorable volume within Protein Sciences. Consolidated net earnings attributable to Bio-Techne decreased to \$127.5 million for the nine months ended March 31, 2024 as compared to \$209.8 million for the nine months ended March 31, 2023. Prior same prior year net earnings attributable to Bio-Techne was favorably impacted by a non-recurring gain of \$37.2 million on the sale of our ChemoCentryx investment and a non-recurring gain of \$11.7 million on the sale of our Eminence investment. period.

### *Net Sales*

Consolidated net sales for the quarter ended March 31, 2024 increased 3% at \$303.4 September 30, 2024 were \$289.5 million, an increase of 5% compared to the same prior year period. Consolidated net sales for the nine months ended March 31, 2024 were \$853.0 million, an increase of 2% from the same prior year period. Organic revenue growth for the quarter ended March 31, 2024 increased 2% September 30, 2024 was 4% compared to the prior year, with acquisitions contributing 1%. Foreign currency exchange and a business held-for-sale did not have a material impact. Organic revenue for the nine months ended March 31, 2024 remained flat compared to the prior year same period with acquisitions and foreign currency exchange each having a favorable impact of impacting sales by approximately 1%. A business held-for-sale did not have a material impact. Organic revenue growth for the quarter and nine months ended March 31, 2024 September 30, 2024 was primarily driven by higher sales broad based performance of our Diagnostics and Spatial Biology portfolio as well as strong growth in our GMP reagent offerings within the Diagnostics & Genomics segment, partially offset by lower sales from customers in China and Europe within the our Protein Sciences segment.

### *Gross Margins*

Consolidated gross margins for the quarter and nine months ended March 31, 2024 were 67.4% and 66.4% respectively, September 30, 2024 was 63.2% compared to 68.7% and 67.6% for the same prior year periods. Under purchase accounting, inventory is valued at fair value less expected selling and marketing costs, resulting in reduced margins in future periods as the inventory is sold. Excluding the impact of costs recognized upon the sale of acquired inventory, amortization of intangibles, stock compensation expense, restructuring and restructuring-related expenses, impact of partially-owned consolidated subsidiaries, costs, and the impact of a business held-for-sale, adjusted gross margins for the quarter and nine months ended March 31, 2024 were 71.9% and 71.0%, respectively September 30, 2024 was 69.5% compared to 72.6% and 71.8% for the quarter and nine months ended March 31, 2023, respectively. Both September 30, 2023. Fluctuations in consolidated gross margins and non-GAAP adjusted gross margin, as a percentage of

sales, have primarily resulted from changes in product mix. We expect that, in the future, gross margins for the quarter and nine months ended March 31, 2024 were/will continue to be impacted by unfavorable volume and the acquisition mix of Lunaphore, our portfolio growing at different rates as well as future acquisitions.

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A reconciliation of the reported consolidated gross margin percentages, adjusted for acquired inventory sold, intangible amortization, stock compensation expense, restructuring and restructuring-related charges, the impact of partially-owned consolidated subsidiaries, and the impact of a business held-for-sale included in cost of sales, is as follows: follows (in thousands):

	Quarter Ended		Nine Months Ended		QUARTER	
	March 31,		March 31,		ENDED	
	2024	2023	2024	2023	9/30/2024	9/30/2023
Total consolidated net sales					\$289,458	\$276,935
Business held-for-sale <sup>1)</sup>					2,303	—
Revenue from recurring operations					\$287,155	\$276,935
Consolidated gross margin percentage	67.4 %	68.7 %	66.4 %	67.6 %		
Gross margin - GAAP					\$183,017	\$185,191
Gross margin percentage - GAAP					63.2 %	66.9 %
Identified adjustments:						
Costs recognized upon sale of acquired inventory	0.1 %	— %	0.1 %	0.0 %	\$ 188	\$ 181
Amortization of intangibles	3.8 %	3.8 %	4.1 %	4.1 %	11,779	11,866
Stock compensation expense	0.0 %	0.1 %	0.1 %	0.1 %		
Restructuring and restructuring-related expense	0.2 %	— %	0.2 %	— %		
Impact of partially-owned consolidated subsidiaries <sup>(1)</sup>	— %	— %	— %	0.0 %		
Impact of business held-for-sale <sup>(2)</sup>	0.4 %	— %	0.1 %	— %		
Non-GAAP adjusted gross margin percentage	71.9 %	72.6 %	71.0 %	71.8 %		
Stock-based compensation, inclusive of employer taxes					272	214
Restructuring and restructuring-related costs					4,898	—
Impact of business held-for-sale <sup>1)</sup>					(558)	—
Adjusted gross margin					\$199,596	\$197,452
Adjusted gross margin percentage <sup>(2)</sup>					69.5 %	71.3 %

<sup>(1)</sup> <sup>(1)</sup> Includes the quarterly results of a business that has met the partially-owned consolidated subsidiary prior to the sale held-for-sale criteria since December 31, 2023.

<sup>(2)</sup> <sup>(2)</sup> Adjusted gross margin percentage excludes both \$2,303 of this partially-owned consolidated subsidiary to a third party in the first fiscal quarter revenue and \$558 of 2023.

<sup>(2)</sup> Includes the quarterly results of gross margin for a business that has met the held-for-sale criteria since December 31, 2023.

**Selling, General and Administrative Expenses**

Selling, general and administrative expenses increased 13% to \$111.8 million and increased 14% to \$332.8 million \$119.2 million for the quarter and nine months ended March 31, 2024, respectively, September 30, 2024 from the same prior year periods. The increase in expense for the quarter and nine months ended March 31, 2024 was primarily due to the Lunaphore acquisition, CEO transition costs, restructuring and restructuring-related charges. The nine months ended March 31, 2024 was also impacted by an impairment

[Table of assets held-for-sale](#) [Contents](#)

**Research and Development Expenses**

Research and development expenses increased 13% decreased 1% to \$25.8 million and increased 5% to \$72.7 million \$23.9 million for the quarter and nine months ended March 31, 2024, respectively, September 30, 2024 from the same prior year periods. period. The increase decrease in expense was due to the acquisition of Lunaphore and timing of strategic growth investments. cost management initiatives.

**Segment Results**

*Protein Sciences*

	Quarter Ended		Nine Months Ended		Quarter Ended	
	March 31,		March 31,		September 30,	
	2024	2023	2024	2023	2024	2023
Net sales (in thousands)	\$ 214,589	\$ 218,903	\$ 616,914	\$ 622,739	\$ 204,535	\$ 204,655
Operating margin percentage	44.2 %	45.1 %	42.6 %	44.1 %	39.4 %	43.2 %

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Protein Sciences' net sales for the quarter and nine months ended March 31, 2024 were \$214.6 September 30, 2024 was \$204.5 million, and \$616.9 million, respectively, with results decreasing 2% and 1%, respectively, which remained flat compared to the same respective prior year periods. period. As of December 31, 2023, a business within the Protein Sciences Segment segment met the criteria as held-for-sale; this held-for-sale business has been excluded from the segment's third quarter fiscal 2025 operating results. The exclusion of current period first quarter fiscal 2025 sales related to this held-for-sale business held-for-sale reduced sales by 1%. Organic revenue for the segment declined 1% and foreign currency exchange did not have a material impact for the quarter ended March 31, 2024. Organic growth for the segment declined was 1% for the nine months ended March 31, 2024. The held-for-sale business and, with foreign currency exchange did not have a material having an immaterial impact. Segment revenue was impacted by lower sales from customers in China and Europe.

The operating margin was 44.2% and 42.6% 39.4% for the quarter and nine months ended March 31, 2024, respectively, September 30, 2024 compared to 45.1% and 44.1% 43.2% in both the comparative prior year periods. period. The segment's operating margin was unfavorably impacted by unfavorable volume leverage product mix and product mix, re-instatement of incentive compensation accruals.

*Diagnostics and Genomics Spatial Biology (formerly Diagnostics and Genomics)*

	Quarter Ended		Nine Months Ended		Quarter Ended	
	March 31,		March 31,		September 30,	
	2024	2023	2024	2023	2024	2023
Net sales (in thousands)	\$ 87,511	\$ 75,669	\$ 235,715	\$ 213,577	\$ 83,192	\$ 72,797
Operating margin percentage	9.3 %	15.2 %	5.6 %	13.3 %	5.1 %	0.7 %

Diagnostics and Genomics' Spatial Biology's net sales for the quarter and nine months ended March 31, 2024 were \$87.5 million and \$235.7 million September 30, 2024 was \$83.2 million, respectively, with increased net sales reported growth of 16% and 10% 14% compared to the same respective prior year periods. period. Organic revenue growth was 14% for the segment for the first quarter ended March 31, 2024

was 10% from the prior year, of fiscal 2025, with acquisitions contributing 6% and foreign currency exchange not having a material an immaterial impact. Organic growth for the nine months ended March 31, 2024 was 5% compared to the prior year, with acquisitions contributing 5% and foreign currency exchange not having a material impact. Segment results were driven by Spatial Biology and Molecular Diagnostics products, as well as the Lunaphore acquisition.

The operating margin for the segment was 9.3% and 5.6% 5.1% for the quarter and nine months ended March 31, 2024, respectively, September 30, 2024 compared to 15.2% and 13.3% 0.7% in both the comparative prior year periods. period. The segment's operating margin was unfavorably favorably impacted due to the acquisition volume leverage and productivity initiatives, partially offset by reinstatement of Lunaphore, incentive compensation accruals.

#### Income Taxes

Income taxes were at an effective rate of 19.7% and 11.5% 16.4% of consolidated earnings for the quarter and nine month period ended March 31, 2024 September 30, 2024, respectively, compared to 12.4% and 16.1% (2.9)% for the same respective prior year periods. period. The change in the Company's tax rate for the quarter and nine months ended March 31, 2024 September 30, 2024 was driven by the composition and amount a mix of net income across periods and the impact timing of discrete tax benefits of \$1.8 million and \$16.6 million, respectively, compared to prior year discrete tax benefits of \$5.7 million and \$8.9 million as further discussed in Note 12. items.

The forecasted tax rate as of the third first fiscal quarter of 2024 2025 before discrete items is 23.0% 23.6% compared to the prior year forecasted tax rate before discrete items of 20.6% 24.5%. Excluding the impact of discrete items, the Company expects the consolidated income tax rate for the remainder of fiscal 2024 2025 to range from 23% to 27%.

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##### Net Earnings

Non-GAAP adjusted consolidated net earnings are as follows (in thousands):

	Quarter Ended		Nine Months Ended		QUARTER ENDED	
	March 31,		March 31,		9/30/2024	9/30/2023
	2024	2023	2024	2023		
Net earnings before taxes - GAAP	\$ 61,084	\$ 80,196	\$ 144,028	\$ 250,343	\$ 40,171	\$ 49,558
Identified adjustments attributable to Bio-Techne:						
Identified adjustments:						
Costs recognized upon sale of acquired inventory	186	—	550	400	188	181
Amortization of intangibles	19,287	19,286	58,908	57,694	19,741	19,851
Amortization of Wilson Wolf intangible assets and acquired inventory	4,208	—	12,623	—	2,490	4,208
Acquisition related expenses and other	3,432	(1,187)	2,609	(8,670)	1,674	(442)
Gain on sale of partially-owned consolidated subsidiaries	—	—	—	(11,682)		
Stock based compensation, inclusive of employer taxes	8,358	10,543	32,810	42,879		
Certain litigation charges					292	—
Stock-based compensation, inclusive of employer taxes					10,637	11,494
Restructuring and restructuring-related costs	1,550	—	7,157	2,950	11,022	89
Investment (gain) loss and other non-operating	—	(314)	(283)	(38,328)	—	(283)
Impairment of assets held-for-sale	—	—	6,038	—		
Impact of partially-owned subsidiaries(1)	—	—	—	(420)		

Impact of business held-for-sale(2)	(78)	—	(78)	—	(148)	—
Impact of business held-for-sale(1)						
Net earnings before taxes - Adjusted	\$ 98,027	\$ 108,524	\$ 264,362	\$ 295,166	\$ 86,067	\$ 84,656
Non-GAAP tax rate	22.0 %	21.0 %	22.0 %	21.0 %	21.5 %	22.0 %
Non-GAAP tax expense	\$ 21,602	\$ 22,790	\$ 58,181	\$ 61,985	\$ 18,536	\$ 18,615
Non-GAAP adjusted net earnings attributable to Bio-Techne(1)	\$ 76,425	\$ 85,734	\$ 206,181	\$ 233,181		
Non-GAAP adjusted net earnings					\$ 67,531	\$ 66,041
Earnings per share - diluted - Adjusted	\$ 0.48	\$ 0.53	\$ 1.28	\$ 1.44	\$ 0.42	\$ 0.41

(1) Includes Since December 31, 2023, the quarterly results of Company has a business that has met the partially-owned consolidated subsidiary prior to the sale of this partially-owned consolidated subsidiary to a third party. held-for-sale criteria.

Depending on the nature of discrete tax items, our reported tax rate may not be consistent on a period-to-period basis. The Company independently calculates a non-GAAP adjusted tax rate considering the impact of discrete items and jurisdictional mix of the identified non-GAAP adjustments. The following table summarizes the reported GAAP tax rate and the effective non-GAAP adjusted tax rate for the quarter ended September 30, 2024 and nine months ended March 31, 2024 and March 31, 2023 September 30, 2023.

	Quarter Ended		Nine Months Ended		QUARTER ENDED	
	March 31,		March 31,		9/30/2024	9/30/2023
	2024	2023	2024	2023		
GAAP effective tax rate	19.7 %	12.4 %	11.5 %	16.1 %	16.4 %	(2.9)%
Discrete items	2.9	7.1	11.5	3.5	7.2	27.4
Impact of non-taxable net gain	—	—	—	1.0		
Annual forecast update	0.4	1.1	—	—		
Long-term GAAP tax rate	23.0 %	20.6 %	23.0 %	20.6 %	23.6 %	24.5 %
Rate impact items						
Stock based compensation	(2.0)	(1.5)	(2.2)	(2.0)	(2.8)%	(2.7)%
Other	1.0	1.9	1.2	2.4	0.7	0.2
Total rate impact items	(1.0)%	0.4 %	(1.0)%	0.4 %	(2.1)%	(2.5)%
Non-GAAP adjusted tax rate	22.0 %	21.0 %	22.0 %	21.0 %	21.5 %	22.0 %

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The difference between the reported GAAP tax rate and non-GAAP tax rate applied to the identified non-GAAP adjustments for the quarter ended March 31, 2024 September 30, 2024 is primarily a result of discrete tax items, including the tax benefit of stock option exercises.

#### **LIQUIDITY AND CAPITAL RESOURCES**

Cash and cash equivalents and available-for-sale investments were \$145.3 million \$187.5 million as of March 31, 2024 September 30, 2024, compared to \$204.3 million \$152.9 million as of June 30, 2023 June 30, 2024. Included in the available-for-sale-investments as March 31, 2024 is \$5.4 million of short-term June 30, 2024 were certificates of deposit. Included in the available-for-sale investments as deposit that have maturity dates within one year of June 30, 2023 was the fair value of the Company's investment in exchange traded investment grade bond funds of \$23.7 million \$1.1 million. During the first fiscal quarter of 2024, 2025, the certificates of deposit reached maturity. The Company sold its investment in exchange traded investment grade bond funds. had no available-for-sale investments as of September 30, 2024.

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The Company has a line-of-credit governed by a Credit Agreement dated August 31, 2022 that will mature on August 1, 2027. This Credit Agreement amended and restated the Company's previous credit agreement that was entered into on August 1, 2018 and would have matured on August 1, 2023 August 31, 2027. As of March 31, 2024 September 30, 2024, there is \$611 million \$700 million available on the line-of-credit. See Note 6 to the Condensed Consolidated Financial Statements for a description of the Credit Agreement Agreement.

During fiscal year 2022, the Company paid \$25 million to enter into a two-part forward contract which requires the Company to purchase the full equity interest in Wilson Wolf if certain annual revenue or EBITDA thresholds are met. During the third fiscal quarter of year 2023, Wilson Wolf met the required threshold for EBITDA target and the Company paid an additional \$232 million to acquire 19.9% of Wilson Wolf. Since the first part of the forward contract, A payment contract has been triggered, the second part of \$232 million was made during the third fiscal quarter forward contract will automatically trigger, which requires the Company to acquire the remaining 80.1% of Wilson Wolf on December 31, 2027. The Company is currently forecasting second part of the contract would be accelerated in advance of December 31, 2027 if Wilson Wolf meets certain financial milestones. As of September 30, 2024, the second milestones have not been met. The second option payment of approximately \$1 billion plus potential contingent consideration is forecasted to occur between fiscal 2026 and fiscal 2028.

Management of the Company expects to be able to meet its cash and working capital requirements for operations, facility expansion, capital additions, and cash dividends for the foreseeable future, and at least the next 12 months, through currently available cash, cash generated from operations, and remaining credit available on its existing revolving line of credit.

#### **Cash Flows From Operating Activities**

The Company generated cash of \$223.5 \$63.9 million from operating activities in the nine months ended March 31, 2024 first quarter of fiscal 2025 compared to \$171.0 million \$59.4 million in the nine months ended March 31, 2023 first quarter of fiscal 2024. The increase from the prior year was primarily due to favorable changes in the timing of cash payments on certain operating assets and liabilities.

#### **Cash Flows From Investing Activities**

We continue to make investments in our business, including capital expenditures.

Capital expenditures for fixed assets for the nine months ended March 31, 2024 first quarter of fiscal 2025 and March 31, 2023 2024 were \$44.9 \$9.2 million and \$27.4 million, \$13.6 million, respectively. Capital expenditures for the remainder of fiscal 2024 2025 are expected to be approximately \$16 million \$32 million. Capital expenditures are expected to be financed through currently available funds and cash generated from operating activities. Expected additions in fiscal 2024 2025 are related to increasing capacity to meet expected sales growth across the Company.

During the first fiscal quarter of 2024, 2025, the Company acquired Lunaphore Technologies SA for \$169.7 million, compared to the acquisition of Namocell, Inc for \$101.2 million, net of cash acquired, invested \$15.0 million into Spear Bio. There was no comparable activity in the comparative prior year period.

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During the nine months ended March 31, 2023, the Company sold its remaining shares in Eminence, its partially-owned consolidated subsidiary, for \$17.8 million. There were no comparable transactions in the nine months ended March 31, 2024, 2024.

During the first fiscal quarter of 2025, certificates of deposit reached maturity for \$1.1 million. In the first quarter of 2024, the Company sold its exchange traded investment grade bond funds for \$23.8 million.

In The Company received tax distributions of \$1.4 million and \$2.1 million from its equity method investee during the first fiscal quarter of 2023, the Company sold its remaining shares in its investment in CCXI for \$73.2 million. The Company also sold certificates of deposit for

\$29.2 million during the nine months ended March 31, 2023.

During the nine months ended March 31, 2024 2025 and March 31, 2023, purchase of available-for-sale investments was \$5.5 million and \$20.5 million, 2024, respectively.

During the first fiscal quarter of 2024, the Company received a \$2.1 million tax distribution from Wilson Wolf, its equity method investee, paid \$166.4 million to acquire Lunaphore. In the comparative prior period, the Company made its first option second fiscal quarter of 2024, an additional payment of \$232 million \$3.3 million was paid to the Lunaphore shareholders upon the finalization of the net working capital, which resulted in a total purchase 19.9% ownership price of \$169.7 million during fiscal 2024. There was no comparable activity in Wilson Wolf, the first fiscal quarter of 2025.

#### **Cash Flows From Financing Activities**

During the nine months ended March 31, 2024 first quarter of fiscal 2025 and March 31, 2023, 2024, the Company paid cash dividends of \$37.8 million \$12.7 million and \$37.7 million \$12.7 million, respectively, to all common shareholders. On May 1, 2024 October 30, 2024, the Company announced the payment of a \$0.08 per share cash dividend, or approximately \$12.6 \$12.7 million, will be payable May 24, 2024, November 22, 2024 to all common shareholders of record on May 13, 2024 November 11, 2024.

Cash of \$38.0 \$25.1 million and \$21.4 million \$14.4 million was received during the nine months ended March 31, 2024 first quarter of fiscal 2025 and March 31, 2023, 2024, respectively, from the exercise of stock options.

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During the nine months ended March 31, 2024 first quarter of fiscal 2025 and March 31, 2023, 2024, the Company made repayments of \$186.0 \$19.0 million and \$505.7 million \$70.0 million, respectively, on its long-term debt balance. The Company drew \$225.0 million and \$619.7 million \$160.0 million under its revolving line-of-credit facility during the nine months ended March 31, 2024 and March 31, 2023, respectively.

first quarter of fiscal 2024. There were \$80.0 million was no comparable activity in the first quarter of share repurchases during the nine months ended March 31, 2024 included as a cash outflow within financing activities. During the nine months ended March 31, 2023, the Company repurchased \$19.6 million in share repurchases included as a cash outflow within financing activities.

During the nine months ended March 31, 2024 first quarter of fiscal 2025 and March 31, 2023, 2024, the Company paid \$21.5 received \$5.0 million and \$28.9 million \$20.2 million related to taxes paid on restricted stock, restricted stock units and stock options exercised through a net share settlements settlement classified as financing activities.

The decrease in other financing activity during the nine months ended March 31, 2024 compared to the nine months ended March 31, 2023 is primarily related to fees for the amended Credit Agreement that occurred in the first quarter of fiscal 2023. There were no such payments during the nine months ended March 31, 2024.

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#### **CRITICAL ACCOUNTING POLICIES**

The Company's significant accounting policies are discussed in the [Company's Annual Report on Form 10-K for fiscal 2023](#) 2024 and are incorporated herein by reference. The application of certain of these policies requires judgments and estimates that can affect the results of operations and financial position of the Company. Judgments and estimates are used for, but not limited to, valuation of available-for-sale investments, inventory valuation and allowances, valuation of intangible assets and goodwill and valuation of investments in unconsolidated

entities. There have been no significant changes in estimates in the quarter or nine months ended **March 31, 2024** **September 30, 2024** that would require disclosure nor have there been any changes to the Company's policies.

#### NON-GAAP FINANCIAL MEASURES

This Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operation" in Item 2, contains financial measures that have not been calculated in accordance with accounting principles generally accepted in the U.S. (GAAP). These non-GAAP measures include:

- Organic revenue
- Adjusted gross margin
- Adjusted operating margin
- Adjusted net earnings and diluted earnings per share
- Adjusted effective tax rate

We provide these measures as additional information regarding our operating results. We use these non-GAAP measures internally to evaluate our performance and in making financial and operational decisions, including with respect to incentive compensation. We believe that our presentation of these measures provides investors with greater transparency with respect to our results of operations and that these measures are useful for period-to-period comparison of results.

Our non-GAAP financial measure of organic revenue represents revenue growth excluding revenue from acquisitions within the preceding 12 months, the impact of foreign currency, the impact of businesses held-for-sale, as well as the impact of partially-owned consolidated subsidiaries. Excluding these measures provides more useful period-to-period comparison of revenue results as it excludes the impact of foreign currency exchange rates, which can vary significantly from period to period, and revenue from acquisitions that would not be included in the comparable prior period. Revenues from businesses held-for-sale are excluded from our organic revenue calculation starting on the date they become held-for-sale as those revenues will not be comparative in future periods. Revenues from partially-owned subsidiaries consolidated in our financial statements are also excluded from our organic revenue calculation, as those revenues are not fully attributable to the Company. There was no revenue from partially-owned consolidated subsidiaries **for the quarter ended March 31, 2024** **due to the sale of Changzhou Eminence Biotechnology Co., Ltd. (Eminence) in the first quarter of fiscal 2023. Revenue from partially-owned consolidated subsidiaries was \$2.0 million for the nine months ended March 31, 2023, year 2024 or fiscal year 2025.**

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Our non-GAAP financial measures for adjusted gross margin, adjusted operating margin, and adjusted net earnings, in total and on a per share basis, exclude stock-based compensation, which is inclusive of the employer portion of payroll taxes on those stock awards, the costs recognized upon the sale of acquired inventory, amortization of acquisition intangibles, restructuring and restructuring-related costs **and other non-recurring items including non-recurring costs, goodwill and long-lived asset impairments, and gains.** Stock-based compensation is excluded from non-GAAP adjusted net earnings because of the nature of this charge, specifically the varying available valuation methodologies, subjection assumptions, variety of award types, and unpredictability of amount and timing of employer related tax obligations. The Company excludes amortization of purchased intangible assets, purchase accounting adjustments, including costs recognized upon the sale of acquired inventory, and **acquisition-related expenses inclusive of the changes in fair value contingent consideration, and other non-recurring items including gains or losses on legal settlements, goodwill and long-lived asset impairment charges, and one-time assessments from this measure because they occur as a result of specific events, and are not reflective of our internal investments, the costs of developing, producing, supporting and selling our products, and the other ongoing costs to support our operating structure.** Costs related to restructuring and restructuring-related activities, including reducing overhead and consolidating facilities, are excluded because we believe they are not indicative of our normal operating

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costs. Additionally, these amounts can vary significantly from period to period based on current activity. The Company also excludes revenue and expense attributable to partially-owned consolidated subsidiaries as well as revenue and expense attributable to businesses held-for-sale in the calculation of our non-GAAP financial measures.

The Company's non-GAAP adjusted operating margin and adjusted net earnings, in total and on a per share basis, also excludes acquisition related expenses inclusive of the changes in fair value of contingent consideration, and other non-recurring items including certain costs related to the transition to a new CEO, goodwill and long-lived asset impairments, and gains. We also exclude certain litigation charges which are facts and circumstances specific including costs to resolve litigation and legal settlement (gains and losses). In some cases, these costs may be a result of litigation matters at acquired companies that were not probable, inestimable, or unresolved at the time of acquisition.

The Company's non-GAAP adjusted net earnings, in total and on a per share basis, also excludes gain and losses from investments, as they are not part of our day-to-day operating decisions (excluding our equity method investment in Wilson Wolf as it is certain to be acquired in the future), and certain adjustments to income tax expense, and other non-recurring items including certain costs related to the transition to a new CEO, expense. Additionally, gains and losses from investments that are either isolated or cannot be expected to occur again with any predictability are excluded. The Company independently calculates a non-GAAP adjusted tax rate to be applied to the identified non-GAAP adjustments considering the impact of discrete items on these adjustments and the jurisdictional mix of the adjustments. In addition, the tax impact of other discrete and non-recurring charges which impact our reported GAAP tax rate are adjusted from net earnings. We believe these tax items can significantly affect the period-over-period assessment of operating results and not necessarily reflect costs and/or income associated with historical trends and future results.

The Company periodically reassesses the components of our non-GAAP adjustments for changes in how we evaluate our performance, changes in how we make financial and operational decisions, and considers the use of these measures by our competitors and peers to ensure the adjustments are still relevant and meaningful.

Readers are encouraged to review the reconciliations of the adjusted financial measures used in management's discussion and analysis of the financial condition of the Company to their most directly comparable GAAP financial measures provided within the Company's consolidated financial statements.

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**FORWARD LOOKING INFORMATION AND CAUTIONARY STATEMENTS**

This quarterly report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those regarding the Company's expectations as to the effect of changes to accounting policies, the amount of capital expenditures for the remainder of the fiscal year, the source of funding for capital expenditure requirements, the sufficiency of currently available funds for meeting the Company's needs, the impact of fluctuations in foreign currency exchange rates, and expectations regarding gross margin fluctuations, increasing research and development expenses, increasing selling, general and administrative expenses and income tax rates. These statements involve risks and uncertainties that may affect the actual results of operations. The following important factors, among others, have affected and, in the future, could affect the Company's actual results: integration of newly acquired businesses, the introduction and acceptance of new products, general national and international economic, political, regulatory, and other conditions, increased competition, the reliance on internal manufacturing and related operations, supply chain challenges, the impact of currency exchange rate fluctuations, the recruitment and retention of qualified personnel, the impact of governmental regulation, maintenance of intellectual property rights, credit risk and fluctuation in the market value of the Company's investment portfolio, and unseen delays and expenses related to facility construction and improvements. For additional information concerning such factors, see the Company's Annual Report on Form 10-K for fiscal 2023 as filed with the Securities and Exchange Commission and Part II. Item 1A below.

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[Table of Contents](#)**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency exchange rates. For the quarter ended March 31, 2024, approximately 32% of consolidated net sales were made in foreign currencies, including 14% in euros, 4% in British pound sterling, 6% in Chinese yuan, 3% in Canadian dollars, and the remaining 5% in other currencies. The Company is exposed to market risk mainly from foreign exchange rate fluctuations of the euro, British pound sterling, the Chinese yuan, changes in interest rates and the Canadian dollar, as compared to the U.S. dollar as the financial position and operating results of the Company's foreign operations are translated into U.S. dollars for consolidation. Month-end average currency exchange rates between the British pound sterling, euro, Chinese yuan, Canadian dollar, and Swiss franc which have not been weighted for actual sales volume changed materially from its exposure discussed in the applicable months in Company's Annual Report on Form 10-K for the periods, to the U.S. dollar were as follows: year ended June 30, 2024.

	Quarter Ended				Nine Months Ended			
	March 31,				March 31,			
	2024	2023			2024	2023		
Euro	\$ 1.08	\$ 1.08			\$ 1.08	\$ 1.04		
British pound sterling	1.27	1.23			1.26	1.19		
Chinese yuan	0.14	0.15			0.14	0.14		
Canadian dollar	0.74	0.74			0.74	0.75		
Swiss franc	1.14	1.08			1.14	1.05		

The Company's exposure to foreign exchange rate fluctuations also arises from trade receivables, trade payables and intercompany payables denominated in one currency in the financial statements, but receivable or payable in another currency. The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from March 31, 2024 levels against the euro, British pound sterling, Chinese yuan and Canadian dollar are as follows (in thousands):

Decrease in translation of earnings of foreign subsidiaries (annualized)	\$ 3,894
Decrease in translation of net assets of foreign subsidiaries	60,565
Additional transaction losses	4,527

[Table of Contents](#)**ITEM 4. CONTROLS AND PROCEDURES****(a) Evaluation of disclosure controls and procedures.**

The Company maintains disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). The Company's management has evaluated, with the participation of its Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered in this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of **March 31, 2024** **September 30, 2024**, our disclosure controls and procedures were effective.

**(b) Changes in internal controls over financial reporting.**

There were no changes in the Company's internal control over financial reporting during the **third** **first** quarter of fiscal **2024** **2025** that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**PART II. OTHER INFORMATION**

## ITEM 1. LEGAL PROCEEDINGS

As of **May 6, 2024** **November 5, 2024**, the Company is not a party to any legal proceedings that, individually or in the aggregate, are reasonably expected to have a material adverse effect on the Company's business, results of operations, financial condition or cash flows.

## ITEM 1A. RISK FACTORS

During the quarter and nine months ended **March 31, 2024** **September 30, 2024**, there have been no material changes from the risk factors found in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended **June 30, 2023** **June 30, 2024**.

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## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The Company's repurchase plan approved by the Board on February 2, 2022, granted management the discretion to mitigate the dilutive effect of stock option exercises. The plan authorizes the Company to purchase up to \$400 million in stock. **The table below sets forth certain information regarding No shares have been repurchased under the share repurchase plan in fiscal 2025. As of September 30, 2024, the Company had \$180.7 million available to repurchase under our purchases of common stock in open market transactions during fiscal year 2024.** existing plan.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of	Maximum Dollar Amount of Shares that May Yet Be Purchased Under the Plans or Programs
			Publicly Announced Plans or Programs	
July 1 - July 31, 2023	—	\$ —	—	\$ 260,780,968
August 1 - August 31, 2023	—	—	—	260,780,968
September 1 - September 30, 2023	—	—	—	260,780,968
July 1 - September 30, 2023	—	—	—	
October 1 - 31, 2023	—	—	—	260,780,968
November 1 - 30, 2023	1,397,471	57.28	1,397,471	180,739,094
December 1 - 31, 2023	—	—	—	180,739,094
October 1 - December 31, 2023	1,397,471	57.28	1,397,471	
January 1 - 31, 2024	—	—	—	180,739,094
February 1 - 29, 2024	—	—	—	180,739,094
March 1 - 31, 2024	—	—	—	180,739,094
January 1 - March 31, 2024	—	—	—	
July 1, 2023 - March 31, 2024	1,397,471	57.28	1,397,471	

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of	Maximum Dollar Amount of Shares that May Yet Be Purchased Under the Plans or Programs
			Publicly Announced Plans or Programs	
July 1 - July 31, 2024	—	\$ —	—	\$ 180,739,094
August 1 - August 31, 2024	—	—	—	180,739,094
September 1 - September 30, 2024	—	—	—	180,739,094
July 1 - September 30, 2024	—	—	—	

[Table of Contents](#)**ITEM 3. DEFAULTS UPON DEFAULT ON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

During the three months ended **March 31, 2024** **September 30, 2024**, **no director or officer** certain of our directors and officers of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in item 408(a) of Regulation S-K.

**Kim Kelderman**, President, Chief Executive Officer, and Director the Company, adopted a Rule 10b5-1 trading plan effective September 5, 2024. Mr. Kelderman's trading plan provides for the sale of up to 97,700 shares of common stock between December 5, 2024 and August 6, 2025, which is the expiration date of the plan.

[Table of Contents](#)**ITEM 6. EXHIBITS**

**EXHIBIT INDEX**  
**TO**  
**FORM 10-Q**

**BIO-TECHNE CORPORATION**

Exhibit Number	Description
3.1	<a href="#">Amended and Restated Articles of Incorporation of the Company--incorporated by reference to Exhibit 3.1 of the Company's 8-K dated November 1, 2022*</a>
3.2	<a href="#">Fourth Amended and Restated Bylaws of the Company--incorporated by reference to Exhibit 3.1 of the Company's Form 8-K dated April 27, 2022*</a>

4.1	<a href="#">Description of Capital Stock -- incorporated by reference to Exhibit 4.1 of the Company's Form 10-K dated August 23, 2023 August 22, 2024*</a>
10.1**	<a href="#">Management Incentive Plan--incorporated by reference to Exhibit 10.13 of the Company's Form 10-K for the year ended June 30, 2013*</a>
10.2**	<a href="#">Second Amended and Restated 2010 Equity Incentive Plan--incorporated by reference to Exhibit 10.1 of the Company's Form 8-K dated October 26, 2017*</a>
10.3**	<a href="#">Form of Time Vesting Restricted Stock Award Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.3 of the Company's Form 10-K dated August 25, 2021*</a>
10.4**	<a href="#">Form of Performance Vesting Restricted Stock Award Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.4 of the Company's Form 10-K dated August 25, 2021*</a>
10.5**	<a href="#">Form of Time Vesting Restricted Stock Unit Award Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.5 of the Company's Form 10-K dated August 25, 2021*</a>
10.6**	<a href="#">Form of Performance Vesting Restricted Stock Unit Award Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.6 of the Company's Form 10-K dated August 25, 2021*</a>
10.7**	<a href="#">Form of the Time Vesting Performance Unit Award Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.7 of the Company's Form 10-K dated August 25, 2021*</a>
10.8**	<a href="#">Form of Performance Vesting Performance Unit Award Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.8 of the Company's Form 10-K dated August 25, 2021*</a>
10.9**	<a href="#">Form of Time Vesting Incentive Stock Option Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.9 of the Company's Form 10-K dated August 25, 2021*</a>

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Exhibit Number	Description
10.10**	
Exhibit Number	Description
10.10**	<a href="#">Form of Performance Vesting Incentive Stock Option Agreement for Second Amended and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.10 of the Company's Form 10-K dated August 25, 2021*</a>
10.11**	<a href="#">Form of Employee Non-Qualified Stock Option Agreement -for Second Amended and Restated 2010 Equity Incentive plan- incorporated by reference to Exhibit 10.11 of the Company's Form 10-K dated August 25, 2021*</a>
10.12**	<a href="#">Form of Director Non-Qualified Stock Option Agreement for Second Amendment and Restated 2010 Equity Incentive Plan - incorporated by reference to Exhibit 10.2 of the Company's Form 8-K dated October 26, 2017*</a>
10.13**	<a href="#">Employment Agreement by and between the Company and Charles Kummeth - incorporated by reference to Exhibit 10.11 of the Company's Form 10-K dated September 7, 2017*</a>

10.14\*\* [Form of Employment Agreement by and between the Company and Executive Officers of the Company other than the CEO --incorporated by reference to Exhibit 10.12 of the Company's Form 10-K dated September 7, 2017\\*](#)

10.15\*\* [Form of Amendment No. 1 to Executive Employment Agreement – incorporated by reference to Exhibit 10.15 of the Company's Form 10-Q dated May 11, 2020\\*](#)

10.16 [Amended and Restated Credit Agreement by and among the Company, the Guarantors party thereto, the Lenders party thereto, and BMO Harris Bank N.A., as Administrative Agent, dated August 31, 2022--incorporated by reference to Exhibit 10.1 of the Company's Form 8-K dated September 7, 2022\\*](#)

10.17\*\* [Form of Indemnification Agreement entered into with each director and executive officer of the Company - incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q dated February 8, 2018\\*](#)

10.18\*\* [Bio-Techne 2020 Equity Incentive Plan – incorporated by reference to Exhibit 10.1 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.20 [Form of Director Non-Qualified Stock Option Agreement – incorporated by reference to Exhibit 10.2 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.21\*\* [Form of Employee Non-Qualified Stock Option Agreement \(Global\) – incorporated by reference to Exhibit 10.3 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.22\*\* [Form of Performance Vesting Cash Unit Agreement– incorporated by reference to Exhibit 10.4 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.23\*\* [Form of Performance Vesting Incentive Stock Option Agreement– incorporated by reference to Exhibit 10.5 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.24\*\* [Form of Performance Vesting Restricted Stock Agreement– incorporated by reference to Exhibit 10.6 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.25\*\* [Form of Performance Vesting Restricted Stock Unit Agreement– incorporated by reference to Exhibit 10.7 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.26\*\* [Form of Time Vesting Incentive Stock Option Agreement– incorporated by reference to Exhibit 10.8 of the Company's Form 8-k dated November 3, 2020\\*](#)

10.27\*\* [Form of Time Vesting Cash Unit Agreement– incorporated by reference to Exhibit 10.9 of the Company's Form 8-k dated November 3, 2020\\*](#)

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Exhibit Number	Description
10.28**	<a href="#">Form of Time Vesting Restricted Stock Agreement– incorporated by reference to Exhibit 10.10 of the Company's Form 8-k dated November 3, 2020*</a>

10.29**	<a href="#"><u>Form of Time Vesting Restricted Stock Unit Agreement (Global) – incorporated by reference to Exhibit 10.11 of the Company's Form 8-k dated November 3, 2020*</u></a>
10.30**	<a href="#"><u>Form of Executive Employment Agreement by and between the Company and Kim Kelderman – incorporated by reference to Exhibit 10.1 of the Company's Form 8-K dated October 19, 2023*</u></a>
21	<a href="#"><u>Subsidiaries of the Company – incorporated by reference to Exhibit 21 of the Company's Form 10-K dated August 23, 2023 August 22, 2024*</u></a>
31.1	<a href="#"><u>Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
31.2	<a href="#"><u>Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>
32.1	<a href="#"><u>Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
32.2	<a href="#"><u>Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter and nine months ended <a href="#"><u>March 31, 2024</u></a> <a href="#"><u>September 30, 2024</u></a> , formatted in Inline Extensible Business Reporting Language (iXBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Earnings and Comprehensive Income, (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Incorporated by reference; SEC File No. 000-17272

\*\* Management contract or compensatory plan or arrangement

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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.

BIO-TECHNE  
CORPORATION  
(Company)

Date: **May 6, 2024** November 5, 2024 /s/ Kim Kelderman

Kim Kelderman  
President and Chief Executive  
Officer

Date: **May 6, 2024** November 5, 2024 /s/ James Hippel

James Hippel  
Executive Vice President,  
Chief Financial Officer

**Exhibit 31.1****CERTIFICATION**

I, Kim Kelderman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bio-Techne Corporation;
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 officers 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 Rule 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 officers 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 function):

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.

Date: May 6, 2024 November 5, 2024

/s/ Kim Kelderman  
Kim Kelderman  
President and Chief Executive Officer

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Exhibit 31.2

CERTIFICATION

I, James Hippel, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bio-Techne Corporation;

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 officers 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 Rule 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 officers 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 function):

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.

Date: **May 6, 2024** November 5, 2024

/s/ James Hippel  
James Hippel  
Executive Vice President, Chief Financial Officer

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**Exhibit 32.1**

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bio-Techne Corporation (the "Company") On Form 10-Q for the quarter ended **March 31, 2024** September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kim Kelderman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kim Kelderman  
\_\_\_\_\_  
Kim Kelderman  
President and Chief Executive  
Officer  
**May 6, November 5, 2024**

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**Exhibit 32.2**

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bio-Techne Corporation (the "Company") On Form 10-Q for the quarter ended **March 31, 2024** September 30, 2024 as filed with the

Securities and Exchange Commission on the date hereof (the "Report"), I, James Hippel, **Executive Vice President**, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report 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 the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James Hippel

James Hippel

Executive Vice President, Chief  
Financial Officer

**May 6, November 5, 2024**

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