

REFINITIV

# DELTA REPORT

## 10-Q

TECH - BIO-TECHNE CORP

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

The following comparison report has been automatically generated

TOTAL DELTAS	835
--------------	-----

 CHANGES	361
---	-----

 DELETIONS	236
---	-----

 ADDITIONS	238
--	-----

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

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

For the quarterly period ended December 31, 2023 2024, or

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

For the transition period from to

Commission file number 0-17272

BIO-TECHNE CORPORATION  
(Exact name of registrant as specified in its charter)

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  
(Address of principal executive offices) (Zip Code)

(612) 379-8854  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	TECH	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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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. ☐

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

At February 2, 2024 May 1, 2024, 157,191,685 157,584,637 shares of the Company's Common Stock (par value \$0.01) were outstanding.

[Table of Contents](#)

## TABLE OF CONTENTS

	Page
<a href="#">PART I. FINANCIAL INFORMATION</a>	
<a href="#">Item 1. Condensed Consolidated Financial Statements (Unaudited)</a>	1
<a href="#">Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	25 27
<a href="#">Item 3. Quantitative and Qualitative Disclosures about Market Risk</a>	32 36
<a href="#">Item 4. Controls and Procedures</a>	32 37
<a href="#">PART II: OTHER INFORMATION</a>	
<a href="#">Item 1. Legal Proceedings</a>	33 37
<a href="#">Item 1A. Risk Factors</a>	33 37
<a href="#">Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</a>	33 38
<a href="#">Item 3. Defaults Upon Senior Securities</a>	33 38
<a href="#">Item 4. Mine Safety Disclosures</a>	33 38
<a href="#">Item 5. Other Information</a>	33 38
<a href="#">Item 6. Exhibits</a>	34 39
<a href="#">SIGNATURES</a>	37 42

## 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 December 31,		Six Months Ended December 31,		Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Net sales	\$ 272,598	\$ 271,581	\$ 549,533	\$ 541,236	\$303,428	\$294,146	\$852,961	\$835,382
Cost of sales	96,011	88,221	187,755	178,280	98,829	91,984	286,584	270,265
Gross margin	176,587	183,360	361,778	362,956	204,599	202,162	566,377	565,117
Operating expenses:								
Selling, general and administrative	115,667	93,010	220,998	192,386	111,840	99,238	332,839	291,624
Research and development	22,916	22,459	46,914	46,362	25,761	22,713	72,675	69,074
Total operating expenses	138,583	115,469	267,912	238,748	137,601	121,951	405,514	360,698
Operating income	38,004	67,891	93,866	124,208	66,998	80,211	160,863	204,419
Other income (expense)	(4,617)	(1,462)	(10,921)	45,938	(5,914)	(15)	(16,835)	45,924
Earnings before income taxes	33,387	66,429	82,945	170,146	61,084	80,196	144,028	250,343
Income taxes (benefit)	5,922	16,424	4,486	30,407				
Income taxes					12,025	9,978	16,511	40,385
Net earnings, including noncontrolling interest	27,465	50,005	78,459	139,739	49,059	70,218	127,517	209,958
Net earnings attributable to noncontrolling interest	—	—	—	179	—	—	—	179
Net earnings attributable to Bio-Techne	\$ 27,465	\$ 50,005	\$ 78,459	\$ 139,560	\$ 49,059	\$ 70,218	\$127,517	\$209,779
Other comprehensive income (loss):								
Foreign currency translation income (loss)	18,025	17,370	6,423	(4,087)	(11,981)	3,282	(5,558)	(805)
Foreign currency translation reclassified to earnings with Eminence deconsolidation	—	—	—	119	—	—	—	119
Unrealized gains (losses) on derivative instruments - cash flow hedges, net of tax amounts disclosed in Note 8	(3,670)	(685)	(4,020)	4,010	335	(1,708)	(3,685)	2,302
Other comprehensive income (loss)	14,355	16,685	2,403	42	(11,646)	1,574	(9,243)	1,616
Other comprehensive income (loss) attributable to noncontrolling interest	—	—	—	(33)	—	—	—	(33)
Other comprehensive income (loss) attributable to Bio-Techne	14,355	16,685	2,403	75	(11,646)	1,574	(9,243)	1,649

Comprehensive income attributable to Bio-Techne	\$ 41,820	\$ 66,690	\$ 80,862	\$ 139,635	\$ 37,413	\$ 71,792	\$118,274	\$211,428
Earnings per share attributable to Bio-Techne:								
Basic	\$ 0.17	\$ 0.32	\$ 0.50	\$ 0.89	\$ 0.31	\$ 0.45	\$ 0.81	\$ 1.34
Diluted	\$ 0.17	\$ 0.31	\$ 0.49	\$ 0.86	\$ 0.31	\$ 0.43	\$ 0.79	\$ 1.30
Weighted average common shares outstanding:								
Basic	157,533	157,011	157,826	156,887	157,309	157,311	157,655	157,071
Diluted	160,060	161,750	161,001	161,766	160,496	161,615	160,817	161,768

See Notes to Condensed Consolidated Financial Statements.

[Table of Contents](#)

## CONDENSED CONSOLIDATED BALANCE SHEETS

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

	December 31, 2023 (unaudited)	June 30, 2023	March 31, 2024 (unaudited)	June 30, 2023
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 130,132	\$ 180,571	\$ 139,915	\$ 180,571
Short-term available-for-sale investments	5,520	23,739	5,397	23,739
Accounts receivable, less allowance for doubtful accounts of \$3,502 and \$4,738, respectively	207,451	218,468		
Accounts receivable, less allowance for doubtful accounts of \$3,293 and \$4,738, respectively			227,887	218,468
Inventories	180,839	171,638	179,496	171,638
Current assets held-for-sale	26,647	—	26,669	—
Other current assets	40,051	27,066	31,286	27,066
Total current assets	590,640	621,482	610,650	621,482
Property and equipment, net	234,204	226,200	243,728	226,200
Right-of-use assets	100,863	98,326	97,258	98,326
Goodwill	980,082	872,737	970,966	872,737
Intangible assets, net	550,605	534,645	526,428	534,645
Other assets	274,359	285,302	272,140	285,302
Total assets	\$ 2,730,753	\$ 2,638,692	\$2,721,170	\$2,638,692
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Current liabilities:				
Trade accounts payable	\$ 31,514	\$ 25,679	\$ 28,895	\$ 25,679
Salaries, wages and related accruals	32,995	36,747	44,313	36,747
Accrued expenses	17,159	14,880	17,806	14,880
Contract liabilities	28,427	23,069	30,108	23,069

Income taxes payable	6,646	12,022	12,082	12,022
Operating lease liabilities - current	12,672	11,199	12,978	11,199
Contingent consideration payable	—	3,500	—	3,500
Current liabilities held-for-sale	1,593	—	689	—
Other current liabilities	4,225	1,413	2,949	1,413
Total current liabilities	135,231	128,509	149,820	128,509
Deferred income taxes	71,575	88,982	63,666	88,982
Long-term debt obligations	447,000	350,000	389,000	350,000
Operating lease liabilities	96,027	93,766	92,752	93,766
Other long-term liabilities	17,361	10,919	11,557	10,919
Bio-Techne's Shareholders' equity:				
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 157,142,004 and 157,641,914 respectively	1,571	1,576		
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
Additional paid-in capital	764,273	721,543	790,418	721,543
Retained earnings	1,261,376	1,309,461	1,297,688	1,309,461
Accumulated other comprehensive loss	(63,661)	(66,064)	(75,307)	(66,064)
Total Bio-Techne's shareholders' equity	1,963,559	1,966,516	2,014,375	1,966,516
Total liabilities and shareholders' equity	\$ 2,730,753	\$ 2,638,692	\$2,721,170	\$2,638,692

See Notes to Condensed Consolidated Financial Statements.

[Table of Contents](#)

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

*Bio-Techne Corporation and Subsidiaries*

*(in thousands)*

*(unaudited)*

	Six Months Ended		Nine Months Ended	
	December 31,		March 31,	
	2023	2022	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net earnings, including noncontrolling interest	\$ 78,459	\$ 139,739	\$ 127,517	\$ 209,958
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	56,343	53,344	83,654	80,315
Costs recognized on sale of acquired inventory	364	400	550	400
Deferred income taxes	(22,314)	(6,365)	(29,896)	(22,651)
Stock-based compensation expense	22,846	31,205	30,979	41,315
Fair value adjustment to contingent consideration payable	(3,500)	(8,600)	(3,500)	(10,350)

Gain on sale of CCXI investment	—	(37,176)	—	(37,176)
Fair value adjustment on available-for-sale investments	(283)	(839)	(283)	(1,153)
(Gain) loss on equity method investment	4,295	—	6,042	—
Gain on sale of Eminence	—	(11,682)	—	(11,682)
Leases, net	1,196	640	1,832	1,434
Impairment of assets held-for-sale	6,038	—	6,038	—
Other operating activity	256	112	422	296
Change in operating assets and operating liabilities, net of acquisition:				
Trade accounts and other receivables, net	20,333	11,425	(2,611)	(20,775)
Inventories	(9,577)	(18,362)	(9,599)	(28,816)
Prepaid expenses	(3,149)	(2,005)	(1,983)	(5,557)
Trade accounts payable, accrued expenses, contract liabilities, and other	5,382	(11,541)	7,160	(5,647)
Salaries, wages and related accruals	(4,305)	(33,265)	7,163	(22,759)
Income taxes payable	(9,885)	13,435	0	3,848
Net cash provided by (used in) operating activities	142,499	120,465	223,485	171,000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale of available-for-sale investments	23,759	26,509	23,759	29,161
Purchases of available-for-sale investments	(5,526)	(20,500)	(5,526)	(20,500)
Proceeds from sale of CCXI investment	—	73,219	—	73,219
Additions to property and equipment	(28,456)	(15,665)	(44,897)	(27,413)
Acquisitions, net of cash acquired	(169,707)	(101,184)	(169,707)	(101,184)
Distributions from (Investments in) Wilson Wolf	2,149	—	2,149	(232,000)
Proceeds from sale of Eminence	—	17,824	—	17,824
Net cash provided by (used in) investing activities	(177,781)	(19,797)	(194,222)	(260,893)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Cash dividends	(25,213)	(25,106)	(37,792)	(37,688)
Proceeds from stock option exercises	19,670	16,977	38,001	21,399
Re-purchases of common stock	(80,042)	(19,562)	(80,042)	(19,562)
Borrowings under line-of-credit agreement	225,000	449,661	225,000	619,661
Repayments of long-term debt	(128,000)	(505,661)	(186,000)	(505,661)
Taxes paid on RSUs and net share settlements	(21,302)	(17,853)	(21,470)	(28,854)
Other financing activity	—	(2,457)	—	(2,457)
Net cash provided by (used in) financing activities	(9,887)	(104,001)	(62,303)	46,838
Effect of exchange rate changes on cash and cash equivalents	(5,270)	(4,552)	(7,616)	(2,230)
Net change in cash and cash equivalents	(50,439)	(7,885)	(40,656)	(45,285)
Cash and cash equivalents at beginning of period	180,571	172,567	180,571	172,567
Cash and cash equivalents at end of period	\$ 130,132	\$ 164,682	\$ 139,915	\$ 127,282
Supplemental disclosure of cash flow information:				
Cash paid for income taxes	\$ 37,645	\$ 26,411	\$ 44,846	\$ 62,583
Cash paid for interest	\$ 8,586	\$ 5,619	\$ 12,393	\$ 5,773

See Notes to Condensed Consolidated Financial Statements.

## 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, included in the Company's Annual Report on Form 10-K for fiscal 2023. 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. The Company follows these policies in preparation of the interim unaudited Condensed Consolidated Financial Statements.

During the quarter ended **December 31, 2023** **March 31, 2024**, the Company operated under two operating segments, Protein Sciences and Diagnostics and Genomics. 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.

*Partially-owned consolidated subsidiary:* On September 1, 2022, the Company completed 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 of the sale of the business, the Company recorded a gain of \$11.7 million within the Other income (expense) line in the Condensed Consolidated Statement of Earnings.

*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.



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 \$1.9 million \$1.7 million and \$4.3 million \$6.0 million of loss for the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, 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 \$250 million \$248 million is included within Other long-term assets on the Consolidated Balance Sheet. Sheet as of March 31, 2024. There was \$256 million included within Other long-term assets on the Consolidated Balance Sheet as of June 30, 2023.

*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

4

## Table of Contents

and other charges include impairment of right-of-use assets, leasehold improvements, other asset write-downs associated with combining operations, disposal of assets and other exit costs. Other costs also includes restructuring-related charges, which are incremental costs incurred directly supporting business transformation initiatives tied to the restructuring action.

### 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. The Company is expecting to incur costs related to these actions through the first half 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, an impairment charge of \$6.0 million which includes the allocated goodwill, was recorded in the Selling, general and administrative line in the Condensed Consolidated Statements of Earnings for the three and six nine months ended December 31, 2023 March 31, 2024. As of December 31, 2023 March 31, 2024, the assets remaining within the disposal group primarily include inventory of \$11.3 million \$11.2 million, property and equipment of \$5.6 million, intangibles of \$14.3 million, and current liabilities of \$1.6 million \$0.7 million. These assets are actively marketed and we believe their sale will be completed within 12 months of the next 12 months, 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 Sheet as of December 31, 2023 March 31, 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		Six Months Ended		Quarter Ended		Nine Months Ended	
	December 31,		December 31,		March 31,		March 31,	
	2023		2023		2024		2024	
Cost of sales	\$	1,174	\$	1,174	\$	647	\$	1,821
Selling, general and administrative <sup>(1)</sup>		10,250		10,250		903		11,153
Total	\$	11,424	\$	11,424	\$	1,550	\$	12,974

<sup>(1)</sup> 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):

	Employee severance	Asset-related and other	Impairment of assets held-for-sale	Total
Protein Sciences	\$ 2,950	\$ 472	\$ 6,038	\$ 9,460
Diagnostics and Genomics	739	—	—	739
Corporate	1,193	32	—	1,225
Total	\$ 4,882	\$ 504	\$ 6,038	\$ 11,424

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 <sup>(1)</sup>	Asset-related and other <sup>(2)</sup>	Impairment of assets held-for-sale	Total
Expense incurred in the second quarter of 2024	\$ 4,882	\$ 504	\$ 6,038	\$ 11,424
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

5

[Table of Contents](#)

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
Total	\$ 410	\$ 1,140	\$ —	\$ 1,550

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
Total	\$ 5,292	\$ 1,644	\$ 6,038	\$ 12,974

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	Asset-related	Impairment of
--	----------	---------------	---------------

	severance <sup>(1)</sup>	and other <sup>(2)</sup>	assets held-for-sale	Total
Expense incurred in the second quarter of 2024	\$ 4,882	\$ 504	\$ 6,038	\$ 11,424
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
Cash payments	(2,806)	(433)	—	(3,239)
Non-cash adjustments	—	(843)	—	(843)
Adjustments <sup>(3)</sup>	277	—	—	277
Accrued restructuring actions balance as of March 31, 2024	\$ 1,229	\$ —	—	\$ 1,229

(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.

## [Table of Contents](#)

### *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

	Employee severance	Asset impairment and other	Total
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 quarter and six nine months ended December 31, 2023 March 31, 2024 were approximately \$0.13 million and \$0.22 million,

respectively. There were no additional charges in the quarter ended March 31, 2024. 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	(923)
Fiscal year 2024 adjustments <sup>(1)</sup>	221
Accrued restructuring actions balances as of December 31, 2023 <sup>(2)</sup>	\$ 195

	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

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

(2) The remaining balance as of December 31, 2023 March 31, 2024 relates to employee severance that is paid out over a one-year period.

## [Table of Contents](#)

### **Recently Adopted Accounting Pronouncements**

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

### **6 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 Contents 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.

**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.

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 **December 31, 2023** **March 31, 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.

---

[Table of Contents](#)

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 **December 31, 2023** **March 31, 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 **December 31, 2023** **March 31, 2024** and June 30, 2023 were approximately **\$30.1** **\$32.0** million and \$24.6 million, respectively. Contract liabilities as of June 30, 2023 subsequently recognized as revenue during the quarter and **six nine** month period ended **December 31, 2023** **March 31, 2024** were approximately **\$7.1** **\$3.2** million and **\$18.8 million** **\$19.5 million**, respectively. Contract liabilities in excess of one year are included in Other long-term liabilities on the 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	
	March 31,		March 31,	
	2024	2023	2024	2023
Consumables	\$ 246,732	\$ 240,659	\$ 682,405	\$ 674,419
Instruments	26,493	25,449	81,178	84,208
Services	25,501	23,312	71,084	60,609
Total product and services revenue, net	\$ 298,726	\$ 289,420	\$ 834,667	\$ 819,236
Royalty revenues	4,702	4,726	18,294	16,146
Total revenues, net	\$ 303,428	\$ 294,146	\$ 852,961	\$ 835,382

79

## [Table of Contents](#)

Revenue by geography is as follows (in thousands):

	Quarter Ended		Nine Months Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
United States	\$ 173,315	\$ 163,197	\$ 480,213	\$ 467,633
EMEA, excluding United Kingdom	60,533	59,702	177,866	160,246
United Kingdom	15,122	13,811	38,249	36,385
APAC, excluding Greater China	18,253	20,159	54,645	55,592
Greater China	25,598	26,256	75,542	88,103
Rest of World	10,607	11,021	26,446	27,423
Net sales	\$ 303,428	\$ 294,146	\$ 852,961	\$ 835,382

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

**Inventories:**

Inventories consist of (in thousands):

	March 31, 2024	June 30, 2023
Raw materials	\$ 80,524	\$ 84,551
Finished goods <sup>(1)</sup>	104,376	92,474
Inventories, net	<u>\$ 184,900</u>	<u>\$ 177,025</u>

<sup>(1)</sup> Finished goods inventory of \$5,404 and \$5,387 included within Other long-term assets in the respective March 31, 2024 and June 30, 2023, Consolidated Balance Sheet. The inventory is included in long-term assets 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
Land	\$ 8,159	\$ 9,100
Buildings and improvements	243,567	245,302
Machinery and equipment	209,252	190,019
Construction in progress	34,649	15,491
Property and equipment, cost	495,627	459,912
Accumulated depreciation and amortization	(251,899)	(233,712)
Property and equipment, net	<u>\$ 243,728</u>	<u>\$ 226,200</u>

[Table of Contents](#)

The following tables present our disaggregated revenue **Intangible Assets**:

Intangible assets consist of (in thousands):

	March 31, 2024	June 30, 2023
Developed technology	\$ 652,788	\$ 616,311
Trade names	151,631	146,945
Customer relationships	211,354	213,878
Patents	4,149	3,815
Other intangibles	11,872	11,566
Definite-lived intangible assets	1,031,794	992,515
Accumulated amortization	(528,066)	(480,570)
Definite-lived intangibles assets, net	503,728	511,945
In process research and development	22,700	22,700
Total intangible assets, net	<u>\$ 526,428</u>	<u>\$ 534,645</u>

Changes to the carrying amount of net intangible assets for the **periods presented**, period ended March 31, 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>

<sup>(1)</sup> Refer to Note 1 for further detail on held-for-sale intangibles.

#### Revenue by type

The estimated future amortization expense for intangible assets as of March 31, 2024 is as follows (in thousands):

	Quarter Ended		Six Months Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Consumables	\$ 211,126	\$ 217,330	\$ 435,673	\$ 433,760
Instruments	29,825	32,301	54,685	58,759
Services	24,129	15,852	45,583	37,297
Total product and services revenue, net	\$ 265,080	\$ 265,483	\$ 535,941	\$ 529,816
Royalty revenues	7,518	6,098	13,592	11,420
Total revenues, net	<u>\$ 272,598</u>	<u>\$ 271,581</u>	<u>\$ 549,533</u>	<u>\$ 541,236</u>

Revenue by geography is as follows (in thousands):

	Quarter Ended		Six Months Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
United States	\$ 147,793	\$ 149,005	\$ 306,898	\$ 304,436
EMEA, excluding United Kingdom	62,538	54,523	117,334	100,544
United Kingdom	10,675	10,872	23,126	22,574
APAC, excluding Greater China	19,042	17,968	36,392	35,433
Greater China	24,459	30,326	49,944	61,847
Rest of World	8,091	8,887	15,839	16,402
Net Sales	<u>\$ 272,598</u>	<u>\$ 271,581</u>	<u>\$ 549,533</u>	<u>\$ 541,236</u>

Remainder 2024	\$ 19,525
2025	75,156
2026	71,191
2027	61,027
2028	57,380
Thereafter	219,449
Total	<u>\$ 503,728</u>



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

Inventories consist of (in thousands):

	December 31, 2023	June 30, 2023
Raw materials	\$ 83,247	\$ 84,551
Finished goods <sup>(1)</sup>	102,907	92,474
Inventories, net	<u>\$ 186,154</u>	<u>\$ 177,025</u>

<sup>(1)</sup> Finished goods inventory of \$5,315 and \$5,387 included within Other long-term assets in the respective December 31, 2023 and June 30, 2023, Consolidated Balance Sheet. The inventory is included in long-term assets 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):

	December 31, 2023	June 30, 2023
Land	\$ 8,180	\$ 9,100
Buildings and improvements	243,640	245,302
Machinery and equipment	199,533	190,019
Construction in progress	28,065	15,491
Property and equipment, cost	<u>479,418</u>	<u>459,912</u>
Accumulated depreciation and amortization	<u>(245,214)</u>	<u>(233,712)</u>
Property and equipment, net	<u>\$ 234,204</u>	<u>\$ 226,200</u>

**Intangible Assets:**

Intangible assets consist of (in thousands):

	December 31, 2023	June 30, 2023
Developed technology	\$ 657,192	\$ 616,311
Trade names	152,206	146,945
Customer relationships	211,733	213,878
Patents	4,080	3,815
Other intangibles	11,865	11,566
Definite-lived intangible assets	<u>1,037,076</u>	<u>992,515</u>
Accumulated amortization	<u>(509,171)</u>	<u>(480,570)</u>
Definite-lived intangibles assets, net	<u>527,905</u>	<u>511,945</u>
In process research and development	<u>22,700</u>	<u>22,700</u>
Total intangible assets, net	<u>\$ 550,605</u>	<u>\$ 534,645</u>

[Table of Contents](#)

Changes to the carrying amount of net intangible assets for the period ended December 31, 2023 consist of (in thousands):

Beginning balance	\$534,645
Acquisitions	66,400
Other additions	556
Held-for-sale intangibles <sup>(1)</sup>	(14,323)
Amortization expense	(40,383)
Currency translation	3,710
Ending balance	<u>\$550,605</u>

<sup>(1)</sup> Refer to Note 1 for further detail on held-for-sale intangibles.

The estimated future amortization expense for intangible assets as of December 31, 2023 is as follows (in thousands):

Remainder 2024	\$ 39,332
2025	75,553
2026	71,575
2027	61,394
2028	57,733
Thereafter	222,318
Total	<u>\$ 527,905</u>

*Goodwill:*

Changes to the carrying amount of goodwill for the period ended December 31, 2023 March 31, 2024 consist of (in thousands):

	<i>Protein Sciences</i>	<i>Diagnostics and Genomics</i>	<i>Total</i>
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	318	5,881	6,199
December 31, 2023	<u>\$ 425,945</u>	<u>\$ 554,137</u>	<u>\$ 980,082</u>

	<i>Protein Sciences</i>	<i>Diagnostics and Genomics</i>	<i>Total</i>
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)
March 31, 2024	<u>\$ 424,101</u>	<u>\$ 546,865</u>	<u>\$ 970,966</u>

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

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. No indicators of impairment were identified as part of our assessment.

*Other Assets:*

Other assets consist of (in thousands):

	December 31, 2023	June 30, 2023	March 31, 2024	June 30, 2023
Investment in Wilson Wolf	\$ 249,730	\$ 255,857		
Equity method investment in Wilson Wolf			\$ 247,984	\$ 255,857
Derivative instruments	11,589	16,857	12,028	16,857
Long-term inventory	5,315	5,387	5,404	5,387
Other	7,725	7,201	6,724	7,201
Other assets	\$ 274,359	\$ 285,302	\$ 272,140	\$ 285,302

10

[Table of Contents](#)

**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 of Earnings and Comprehensive Income from their respective dates of acquisitions. Acquisition costs are recorded in selling, general and administrative expenses as incurred.

12

[Table of Contents](#)

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 operating segment in the first quarter of fiscal year 2024.

The allocation of purchase consideration related to Lunaphore is considered preliminary with provisional amounts primarily related to intangible assets, certain tax-related amounts, and goodwill. 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 six nine month period ended December 31, 2023 March 31, 2024 were \$3.4 million \$4.4 million and \$5.5 million \$9.9 million, respectively. Operating loss of this business included in Bio-Techne's consolidated results of operations for the quarter and six nine month period ended December 31, 2023 March 31, 2024 was \$6.9 million \$6.8 million and \$14.2 million \$21.0 million, respectively.

The preliminary estimated fair values of the assets acquired and liabilities assumed as of December March 31, 2023 2024 are as follows (in thousands):

	Preliminary allocation at December 31, 2023		Preliminary allocation at March 31, 2024
Current assets	\$	12,155	\$ 12,155
Equipment and other long-term assets		1,470	1,470
Intangible assets:			
Developed technologies		60,300	60,300
Tradenames		4,900	4,900
Customer relationships		1,200	1,200
Goodwill		102,546	102,546
Total assets acquired		182,571	182,571
Liabilities		7,096	7,096
Deferred income taxes, net		5,768	5,768
Net assets acquired	\$	169,707	\$ 169,707
Cash paid		169,707	169,707
Net assets acquired	\$	169,707	\$ 169,707

11 13

[Table of Contents](#)

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 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.

12 14

[Table of Contents](#)

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

Balance Sheet Location		Total carrying value as of December 31, 2023	Fair Value Measurements Using Inputs Considered as		
			Level 1	Level 2	Level 3
<b>Assets</b>					
Certificates of deposit <sup>(1)</sup>	Short-term available-for-sale investments	\$ 5,520	\$ 5,520	\$ —	\$ —
Derivatives designated as hedging instruments - cash flow hedges	Other assets	11,589	—	11,589	—
Total assets		<u>\$ 17,109</u>	<u>\$ 5,520</u>	<u>\$ 11,589</u>	<u>\$ —</u>
<b>Liabilities</b>					

Derivatives designated as hedging instruments - net investment hedge	Other long-term liabilities	\$ 7,958	\$ —	\$ 7,958	\$ —
Total liabilities		\$ 7,958	\$ —	\$ 7,958	\$ —

		Balance Sheet Location	Total carrying value as of March 31, 2024	Fair Value Measurements Using Inputs Considered as		
				Level 1	Level 2	Level 3
Assets						
		Short-term available-for-sale				
Certificates of deposit <sup>(1)</sup>		investments	\$ 5,397	\$ 5,397	\$ —	\$ —
Derivatives designated as hedging instruments - cash flow hedges		Other assets	12,028	—	12,028	—
Total assets			<u>\$ 17,425</u>	<u>\$ 5,397</u>	<u>\$ 12,028</u>	<u>\$ —</u>
Liabilities						
Derivatives designated as hedging instruments - net investment hedge		Other long-term liabilities	\$ 680	\$ —	\$ 680	\$ —
Total liabilities			<u>\$ 680</u>	<u>\$ —</u>	<u>\$ 680</u>	<u>\$ —</u>

Balance Sheet Location		Total carrying value as of June 30, 2023	Fair Value Measurements Using Inputs Considered as		
			Level 1	Level 2	Level 3
Assets					
Short-term available-for-sale					
Exchange traded securities(2)	investments	\$ 23,739	\$ 23,739	\$ —	\$ —
Derivative instruments - cash flow hedges	Other assets	16,857	—	16,857	—
Total assets		<u>\$ 40,596</u>	<u>\$ 23,739</u>	<u>\$ 16,857</u>	<u>\$ —</u>
Liabilities					
Contingent consideration	Contingent consideration payable	\$ 3,500	\$ —	\$ —	\$ 3,500
Total liabilities		<u>\$ 3,500</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 3,500</u>

<sup>(1)</sup> The certificates of deposit have contractual maturity dates within one year.

<sup>(2)</sup> 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.

#### 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.

[Table of Contents](#)

*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 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	December 31,	June 30,
		2023	2023
Forward starting swaps <sup>(1)</sup>	Cash flow hedge	\$ 300	\$ 300
Cross-currency swap <sup>(2)</sup>	Net investment hedge	150	—

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

(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 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 for the three and six nine months ended December 31, 2023 March 31, 2024 and December 31, 2022 2023 were as follows (in thousands):

	(Gain) Loss Recognized in Accumulated Other Comprehensive Loss				(Gain) Loss Recognized in Accumulated Other Comprehensive Loss			
	Quarter Ended		Six Months Ended		Quarter Ended		Nine Months Ended	
	December 31,		December 31,		March 31,		March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Cash flow hedges								
Forward starting swaps	\$ 5,669	\$ 1,477	\$ 7,956	\$ (3,536)	\$ 1,626	\$ 3,105	\$ 9,582	\$ (431)

Net investment hedges									
Cross-currency swap	7,545	—	7,243	—	(4,914)	—	2,329	—	
Total	\$ 13,214	\$ 1,477	\$ 15,199	\$ (3,536)	\$ (3,288)	\$ 3,105	\$ 11,911	\$ (431)	

14 16

[Table of Contents](#)

		(Gain) Loss Reclassified into Income				Location of (Gain) Loss in Income Statement	(Gain) Loss Reclassified into Income				Location of (Gain) Loss in Income Statement
		Quarter Ended		Six Months Ended			Quarter Ended		Nine Months Ended		
		December 31,		December 31,			March 31,		March 31,		
		2023	2022	2023	2022		2024	2023	2024	2023	
Cash flow hedges											
Forward starting swaps						Interest expense					Interest expense
Net investment hedges											
Cross-currency swap						Interest expense					Interest expense
Total											

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 **December 31, 2023** **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 **continent** **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.

17

[Table of Contents](#)

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):

	<i>Quarter Ended</i> <i>December 31,</i> <i>2023</i>	<i>Six Months Ended</i> <i>December 31,</i> <i>2023</i>	<i>Quarter Ended</i> <i>March 31,</i> <i>2024</i>	<i>Nine Months Ended</i> <i>March 31,</i> <i>2024</i>
Fair value at the beginning of period	\$ 1,750	\$ 3,500	\$ —	\$ 3,500
Change in fair value of contingent consideration	(1,750)	(3,500)	—	(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.

15

[Table of Contents](#)

*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 approximate fair value because of the short-term nature of these items.

Long-term debt – The carrying amounts reported in the 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 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 10 12.5 basis points.

The Credit Agreement matures on August 1, 2027 and contains customary restrictive and financial covenants and customary events of default. As of December 31, 2023 March 31, 2024, the outstanding balance under the Credit Agreement was \$447.0 million \$389.0 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 six nine months ended December 31, 2023 March 31, 2024, the Company recognized \$2.5 \$3.8 million in variable lease expense and \$9.2 \$13.7 million relating to fixed lease expense in the Condensed Consolidated Statements of Earnings and Comprehensive Income.

18

[Table of Contents](#)

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 thousands):

	<i>Balance Sheet Classification</i>	<i>As of December 31, 2023</i>
Operating leases:		
Operating lease right-of-use assets	Right-of-use asset	\$ 100,863
Current operating lease liabilities	Operating lease liabilities - current	\$ 12,672
Noncurrent operating lease liabilities	Operating lease liabilities	96,027
Total operating lease liabilities		<u>\$ 108,699</u>
Weighted average remaining lease term (in years):		8.85
Weighted average discount rate (%):		4.19

16

[Table of Contents](#)

	<i>Balance Sheet Classification</i>	<i>As of March 31, 2024</i>
Operating leases:		
Operating lease right-of-use assets	Right-of-use asset	\$ 97,258

Current operating lease liabilities	Operating lease liabilities - current	\$ 12,978
Noncurrent operating lease liabilities	Operating lease liabilities	92,752
Total operating lease liabilities		<u>\$ 105,730</u>
Weighted average remaining lease term (in years):		8.66
Weighted average discount rate (%):		4.20

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 **six** **nine** months ended **December 31, 2023** **March 31, 2024** (in thousands):

	<i>Six months ended</i> <i>December 31,</i> <i>2023</i>
Cash amounts paid on operating lease liabilities	<u>\$ 8,062</u>
Right-of-use assets obtained in exchange for lease liabilities	\$ 9,588

	<i>Nine months ended</i> <i>March 31,</i> <i>2024</i>
Cash amounts paid on operating lease liabilities	<u>\$ 12,352</u>
Right-of-use assets obtained in exchange for lease liabilities	\$ 10,255

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):

	<b>December 31, 2023</b> <i>Operating Leases</i>	<b>March 31, 2024</b> <i>Operating Leases</i>
Remainder 2024	\$ 8,358	\$ 4,160
2025	16,413	16,532
2026	16,530	16,646
2027	13,766	13,780
2028	13,694	13,673
Thereafter	63,213	62,951
Total	<u>\$ 131,974</u>	<u>\$ 127,742</u>
Less: Amounts representing interest	<u>23,275</u>	<u>22,012</u>
Total lease obligations	<u>\$ 108,699</u>	<u>\$ 105,730</u>

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.

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

The Company has declared cash dividends per share of \$0.08 and \$0.16 \$0.24 in the three and six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

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

	Bio-Techne Shareholders						Bio-Techne Shareholders					
	Additional			Accumulated			Additional			Accumulated		
	Common Stock		Paid-in	Retained	Comprehensive	Total	Common Stock		Paid-in	Retained	Comprehensive	Total
	Shares	Amount	Capital	Earnings	Income(Loss)		Shares	Amount	Capital	Earnings	Income(Loss)	
<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>	<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				50,993		50,993
Other comprehensive income (loss)					(11,952)	(11,952)					(11,952)	(11,952)
Common stock issued for exercise of options	633	6	12,877	(15,460)		(2,577)	633	6	12,877	(15,460)		(2,577)
Common stock issued for restricted stock awards	47	1	0	(4,768)		(4,767)	47	1	0	(4,768)		(4,767)
Cash dividends				(12,654)		(12,654)				(12,654)		(12,654)
Stock-based compensation expense			9,981			9,981			9,981			9,981
Common stock issued to employee stock purchase plan	33	1	2,093			2,094	33	1	2,093			2,094
Employee stock purchase plan expense			112			112			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>	<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>
Net earnings				27,465		27,465				27,465		27,465
Other comprehensive income (loss)					14,355	14,355					14,355	14,355
Share repurchases	(1,397)	(14)		(80,028)		(80,042)	(1,397)	(14)		(80,028)		(80,042)

Common stock issued for exercise of options	157	1	4,914	(1,074)	3,841	157	1	4,914	(1,074)	3,841		
Common stock issued for restricted stock awards	27	0	0		0	27	0	0		0		
Cash dividends				(12,559)	(12,559)				(12,559)	(12,559)		
Stock-based compensation expense			12,413		12,413			12,413		12,413		
Employee stock purchase plan expense			340		340			340		340		
<b>Balances at December 31, 2023</b>	<b>157,142</b>	<b>\$1,571</b>	<b>\$764,273</b>	<b>\$1,261,376</b>	<b>\$ (63,661)</b>	<b>\$1,963,559</b>	<b>157,142</b>	<b>\$1,571</b>	<b>\$764,273</b>	<b>\$1,261,376</b>	<b>\$ (63,661)</b>	<b>\$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			15,761
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			2,251
Employee stock purchase plan expense										80		80
<b>Balances at 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>\$2,014,303</b>	<b>157,554</b>	<b>\$1,576</b>	<b>\$790,418</b>	<b>\$1,297,688</b>	<b>\$ (75,307)</b>	<b>\$2,014,303</b>

	Bio-Techne Shareholders						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other		Noncontrolling
					Comprehensive		
	Shares	Amount	Capital	Earnings	Income(Loss)	Interest	Total
Balances at June 30, 2022	156,644	\$ 1,566	\$ 652,467	\$ 1,122,937	\$ (75,200)	\$ (759)	\$ 1,701,011
Net earnings				89,555		179	89,734
Other comprehensive income (loss)					(16,762)		(16,762)
Reclassification of cumulative translation adjustment for Eminence to non-operating income					152	(33)	119
Elimination of noncontrolling equity interest from sale of Eminence						613	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
Balances at September 30, 2022	156,928	\$ 1,569	\$ 678,863	\$ 1,162,532	\$ (91,810)	\$ —	\$ 1,751,154
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
Balances at December 31, 2022	157,094	\$ 1,571	\$ 700,684	\$ 1,199,976	\$ (75,125)	\$ —	\$ 1,827,106

Bio-Techne Shareholders
-------------------------

	Accumulated							
	Common Stock		Additional	Retained	Other	Noncontrolling		Total
	Shares	Amount	Paid-in Capital	Earnings	Comprehensive Income(Loss)	Interest		
Balances at June 30, 2022	156,644	\$ 1,566	\$ 652,467	\$ 1,122,937	\$ (75,200)	\$ (759)	\$ 1,701,011	
Net earnings				89,555		179	89,734	
Other comprehensive income (loss)					(16,762)		(16,762)	
Reclassification of cumulative translation adjustment for Eminence to non-operating income					152	(33)	119	
Elimination of noncontrolling equity interest from sale of Eminence						613	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	
Balances at September 30, 2022	156,928	\$ 1,569	\$ 678,863	\$ 1,162,532	\$ (91,810)	\$ —	\$ 1,751,154	
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	
Balances at December 31, 2022	157,094	\$ 1,571	\$ 700,684	\$ 1,199,976	\$ (75,125)	\$ —	\$ 1,827,106	
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	
Balances at March 31, 2023	157,339	\$ 1,573	\$ 715,052	\$ 1,246,612	\$ (73,551)	\$ —	\$ 1,889,686	

[Table of Contents](#)

### 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 ~~\$0.8 million~~ **\$1.4 million** gain, net of taxes, from accumulated other comprehensive income (loss) to earnings during the three months ended **December 31, 2023** **March 31, 2024** and **2022, 2023**, respectively. The Company reclassified a ~~\$5.1~~ **\$7.7** million and a ~~\$0.3 million~~ **\$1.7 million** gain, net of taxes, from accumulated other comprehensive income (loss) to earnings during the ~~six~~ **nine** months ended **December 31, 2023** **March 31, 2024** and **2022, 2023**, respectively.

Changes in Accumulated Other Comprehensive Income (Loss) attributable to Bio-Techne by component:

	Unrealized			Unrealized		
	Gains (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total	Gains (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Three months ended December 31, 2023 (in thousands):						
Three months ended March 31, 2024 (in thousands):						
Balance as of September 30, 2023, net of tax:	\$ 12,512	\$ (90,528)	\$ (78,016)			
Balance as of December 31, 2023, net of tax:				\$ 8,842	\$ (72,503)	\$ (63,661)
Other comprehensive income (loss), before tax:						
Amounts before reclassifications	(5,669)	17,387	11,718	(1,626)	(12,620)	(14,246)
Amounts reclassified out	2,620	837	3,457	2,570	837	3,407
Total other comprehensive income (loss), before tax	(3,049)	18,224	15,175	944	(11,783)	(10,839)
Tax (expense)/benefit	(621)	(199)	(820)	(609)	(198)	(807)
Total other comprehensive income (loss), net of tax	(3,670)	18,025	14,355	335	(11,981)	(11,646)
Balance as of December 31, 2023, net of tax	\$ 8,842	\$ (72,503)	\$ (63,661)			
Balance as of March 31, 2024, net of tax				\$ 9,177	\$ (84,484)	\$ (75,307)
Three months ended December 31, 2022 (in thousands):						
Three months ended March 31, 2023 (in thousands):						
	Gains (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total	Gains (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Balance as of September 30, 2022, attributable to Bio-Techne, net of tax:	\$ 12,764	\$ (104,574)	\$ (91,810)			
Balance as of December 31, 2022, attributable to Bio-Techne, net of tax:				\$ 12,079	\$ (87,204)	\$ (75,125)
Other comprehensive income (loss), before tax:						
Amounts before reclassifications, attributable to Bio-Techne	(1,477)	17,370	15,893	(3,105)	3,282	177
Amounts reclassified out	1,036	—	1,036	1,826	—	1,826
Total other comprehensive income (loss), before tax	(441)	17,370	16,929	(1,279)	3,282	2,003
Tax (expense)/benefit	(244)	—	(244)	(429)	—	(429)
Total other comprehensive income (loss), net of tax	(685)	17,370	16,685	(1,708)	3,282	1,574
Balance as of December 31, 2022, net of tax	\$ 12,079	\$ (87,204)	\$ (75,125)			
Balance as of March 31, 2023, net of tax				\$ 10,371	\$ (83,922)	\$ (73,551)



Six months ended December 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, 2023, net of tax:	\$ 12,862	\$ (78,926)	\$ (66,064)
Other comprehensive income (loss), before tax:			
Amounts before reclassifications	(7,956)	5,252	(2,704)
Amounts reclassified out	5,159	1,535	6,694
Total other comprehensive income (loss), before tax	(2,797)	6,787	3,990
Tax (expense)/benefit	(1,223)	(364)	(1,587)
Total other comprehensive income (loss), net of tax	(4,020)	6,423	2,403
Balance as of December 31, 2023, net of tax <sup>(1)</sup>	\$ 8,842	\$ (72,503)	\$ (63,661)

2022

## [Table of Contents](#)

Nine months ended March 31, 2024 (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, 2023, net of tax:	\$ 12,862	\$ (78,926)	\$ (66,064)
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)

Six months ended December 31, 2022 (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	3,536	(4,087)	(551)
Amounts reclassified out	619	152	771
Total other comprehensive income (loss), before tax	4,155	(3,935)	220
Tax (expense)/benefit	(145)	—	(145)
Total other comprehensive income (loss), net of tax	4,010	(3,935)	75
Balance as of December 31, 2022, net of tax <sup>(1)</sup>	\$ 12,079	\$ (87,204)	\$ (75,125)

Nine months ended March 31, 2023 (in thousands):	Unrealized		
	Gains	Foreign	
	(Losses) on	Currency	
	Derivative	Translation	
	Instruments	Adjustments	Total
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)

(1) The Company had a net deferred tax liability for its cash flow hedge of \$2.7 million \$2.9 million and \$3.7 million \$3.2 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 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.

## [Table of Contents](#)

### 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 December 31,		Six Months Ended December 31,		Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Earnings per share – basic:								
Net earnings, including noncontrolling interest	\$ 27,465	\$ 50,005	\$ 78,459	\$ 139,739	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,958
Less net earnings (loss) attributable to noncontrolling interest	—	—	—	179	—	—	—	179
Net earnings attributable to Bio-Techne	\$ 27,465	\$ 50,005	\$ 78,459	\$ 139,560	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,779
Income allocated to participating securities	(3)	(10)	(13)	(35)	(5)	(16)	(24)	(52)
Income available to common shareholders	\$ 27,462	\$ 49,995	\$ 78,446	\$ 139,525	\$ 49,054	\$ 70,202	\$ 127,493	\$ 209,727
Weighted-average shares outstanding – basic	157,533	157,011	157,826	156,887	157,309	157,311	157,655	157,071
Earnings per share – basic	\$ 0.17	\$ 0.32	\$ 0.50	\$ 0.89	\$ 0.31	\$ 0.45	\$ 0.81	\$ 1.34
Earnings per share – diluted:								
Net earnings, including noncontrolling interest	\$ 27,465	\$ 50,005	\$ 78,459	\$ 139,739	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,958
Less net earnings (loss) attributable to noncontrolling interest	—	—	—	179	—	—	—	179
Net earnings attributable to Bio-Techne	\$ 27,465	\$ 50,005	\$ 78,459	\$ 139,560	\$ 49,059	\$ 70,218	\$ 127,517	\$ 209,779
Income allocated to participating securities	(3)	(10)	(13)	(35)	(5)	(16)	(24)	(52)

Income available to common shareholders	\$ 27,462	\$ 49,995	\$ 78,446	\$139,525	\$ 49,054	\$ 70,202	\$127,493	\$209,727
Weighted-average shares outstanding – basic	157,533	157,011	157,826	156,887	157,309	157,311	157,655	157,071
Dilutive effect of stock options and restricted stock units	2,527	4,739	3,175	4,879	3,187	4,304	3,162	4,697
Weighted-average common shares outstanding – diluted	160,060	161,750	161,001	161,766	160,496	161,615	160,817	161,768
Earnings per share – diluted	\$ 0.17	\$ 0.31	\$ 0.49	\$ 0.86	\$ 0.31	\$ 0.43	\$ 0.79	\$ 1.30

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 6.2 4.0 million and 4.6 4.5 million for the quarter ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively and 4.1 million 4.0 million and 4.6 million 4.5 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022 2023 respectively.

21

## [Table of Contents](#)

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

During the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, the Company granted 0.9 million 1.0 million and 2.3 million stock options at weighted average grant prices of \$81.49 \$80.07 and \$94.11 \$93.96 and weighted average fair values of \$27.83 \$27.47 and \$29.62, \$29.58, respectively. During the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, the Company granted 322,950 353,656 and 87,852 90,352 restricted stock units at a weighted average fair value of \$79.26 \$78.41 and \$94.38, \$93.84, respectively. During the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, the Company granted 27,196 and 10,816 shares of restricted common stock shares at a weighted average fair value of \$56.98 and \$73.94.

Stock options for 1,218,443 1,590,362 and 814,807 1,271,338 shares of common stock with total intrinsic values of \$61.6 million \$73.1 million and \$48.5 million \$74.1 million were exercised during the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

24

## [Table of Contents](#)

Stock-based compensation expense, inclusive of payroll taxes, of \$12.4 \$8.1 million and \$16.2 \$10.2 million was included in selling, general and administrative expenses for the quarter ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Stock-based compensation expenses, inclusive of payroll taxes, of \$23.5 million \$31.7 million and \$31.3 \$41.5 million was included in selling, general, and administrative expenses for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively. Additionally, the Company recognized \$0.3 \$0.1 million and \$0.5 \$0.6 million of stock-based compensation costs in cost of goods sold in the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, compared to \$0.3 \$0.2 million and \$0.6 \$0.8 million in cost of goods sold in the comparative prior year periods. As of December 31, 2023 March 31, 2024, there was \$54.7 million \$41.2 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 2.1 2.2 years.

22

[Table of Contents](#)

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 of \$0.3 million \$0.1 million for the quarter ended December 31, 2023 March 31, 2024 and \$0.3 million \$0.1 million for the quarter ended December 31, 2022 March 31, 2023. The Company recorded expense of \$0.5 million and \$0.4 \$0.5 million for the six nine months ended December 31, 2023 March 31, 2024 and 2022, 2023, respectively.

**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 December 31,		Six Months Ended December 31,		Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Interest expense	\$ (4,329)	\$ (2,356)	\$ (9,222)	\$ (6,146)	\$ (4,005)	\$ (1,367)	\$ (13,227)	\$ (7,513)
Interest income	816	968	1,706	1,401	712	974	2,418	2,375
Gain (loss) on investment <sup>(1)</sup>	—	—	283	49,695	—	314	283	50,009
Gain (loss) on equity method investment	(1,914)	—	(4,204)	—	(1,747)	—	(5,950)	—
Other non-operating income (expense), net	810	(74)	516	988	(874)	64	(359)	1,053
Total other income (expense)	\$ (4,617)	\$ (1,462)	\$ (10,921)	\$ 45,938	\$ (5,914)	\$ (15)	\$ (16,835)	\$ 45,924

<sup>(1)</sup>

<sup>(1)</sup>Primarily due to a \$0.3 million gain on the sale of our exchange traded investment grade bond funds during the six months ended December 31, 2023 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 six months ended December 31, 2022 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.

**Note 12. Income Taxes:**

The Company's effective income tax rate for the second third quarter of fiscal 2024 and 2023 was 17.7% 19.7% and 24.7% 12.4%, respectively, of consolidated earnings before income taxes, inclusive of discrete items, and 5.4% 11.5% and 17.9% 16.1% for the first six nine months of fiscal 2024 and 2023, respectively. The change in the Company's tax rate for the quarter and six nine months ended December 31, 2023 March 31, 2024 compared to the quarter and six nine months ended December 31, 2022 March 31, 2023 was driven by discrete tax items.

The Company recognized total net benefits related to discrete tax items of \$2.8 million \$1.8 million and \$16.3 million \$16.6 million during the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, compared to total net expense of \$4.6 million and total net benefits of \$3.2 million \$5.7 million and \$8.9 million during the quarter and six nine months ended December 31, 2022 March 31, 2023, respectively. Share-based compensation excess tax benefit contributed \$1.3 million \$1.9 million and \$11.7 million \$13.6 million in the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, compared to \$0.9 \$0.4 million and \$9.1 \$9.5 million in the quarter and six nine months, ended December 31, 2022 March 31, 2023, respectively. During the quarter and six nine months ended December 31, 2023 March 31, 2024, the Company had total other immaterial discrete tax expense of \$0.1 million and an other immaterial discrete tax benefit of \$1.5 million and \$4.6 million \$3.0 million, respectively. During the quarter and six nine months ended December 31, 2022 March 31, 2023, the Company had discrete tax benefit of \$0.6 million and discrete tax expense of \$5.7 million \$5.1 million, respectively, related to taxes associated with a planned distribution from our China entity. The Company recognized total other immaterial net discrete tax benefits of \$0.2 million \$4.7 million and \$4.5 million in the quarter ended December 31, 2022 and net discrete tax expense of \$0.2 million in the six nine months ended December 31, 2022 March 31, 2023, respectively.

[Table of Contents](#)
**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 segments both include consumables, instruments, services and royalty revenue.

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

	Quarter Ended December 31,		Six Months Ended December 31,		Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Net sales:								
Protein Sciences	\$ 197,670	\$ 203,887	\$ 402,325	\$ 403,836	\$214,589	\$218,903	\$616,914	\$622,739
Diagnostics and Genomics	75,408	68,003	148,204	137,907	87,511	75,669	235,715	213,577
Other revenue <sup>(1)</sup>					2,093	—	2,093	—
Intersegment	(480)	(309)	(996)	(507)	(765)	(426)	(1,761)	(934)
Consolidated net sales	\$ 272,598	\$ 271,581	\$ 549,533	\$ 541,236	\$303,428	\$294,146	\$852,961	\$835,382
Operating income:								
Protein Sciences	\$ 79,586	\$ 89,336	\$ 167,947	\$ 175,278	\$ 94,829	\$ 98,756	\$262,777	\$274,035
Diagnostics and Genomics	4,556	8,296	5,082	16,934	8,104	11,464	13,189	28,399
Segment operating income	\$ 84,142	\$ 97,632	\$ 173,029	\$ 192,212	\$102,933	\$110,220	\$275,966	\$302,434
Costs recognized on sale of acquired inventory	(183)	(100)	(364)	(400)	(186)	—	(550)	(400)
Amortization of intangibles	(19,769)	(19,125)	(39,620)	(38,408)	(19,287)	(19,286)	(58,908)	(57,694)
Impact of partially-owned consolidated subsidiaries <sup>(1)</sup>	—	—	—	647	—	—	—	647
Impact of partially-owned consolidated subsidiaries <sup>(2)</sup>					—	—	—	647
Acquisition related expenses and other	525	8,307	1,114	8,010	(3,286)	1,333	(2,173)	9,343
Impairment of assets held-for-sale	(6,038)	—	(6,038)	—	—	—	(6,038)	—
Stock based compensation, inclusive of employer taxes	(12,958)	(16,878)	(24,453)	(32,336)	(8,358)	(10,543)	(32,810)	(42,879)
Restructuring and restructuring-related costs	(5,518)	(780)	(5,607)	(2,950)	(1,550)	—	(7,157)	(2,950)
Corporate general, selling, and administrative expenses	(2,197)	(1,165)	(4,195)	(2,567)	(3,346)	(1,513)	(7,545)	(4,082)
Impact of business held-for-sale <sup>(1)</sup>					78	—	78	—
Consolidated operating income	\$ 38,004	\$ 67,891	\$ 93,866	\$ 124,208	\$ 66,998	\$ 80,211	\$160,863	\$204,419

<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.

24 26

[Table of Contents](#)

## 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. 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 our deep product portfolio and application expertise to develop and 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.

The Company's key business strategies for long-term growth and profitability continue to be geographic expansion, core product innovation, acquisitions 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 of our manufacturing operations. As described in our Corporate Sustainability report, 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 with the prior year, we have operated with two segments – our Protein Sciences segment and our Diagnostics and Genomics segment – during the **second third** quarter of 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 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.**

---

[Table of Contents](#)

## 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 completed the acquisition 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.

## RESULTS OF OPERATIONS

### Operational Update

Consolidated net sales remained flat increased 3% and increased 2% for the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, compared to the same prior year periods. Organic revenue for the quarter ended December 31, 2023 declined March 31, 2024 increased 2% compared to the prior year with acquisitions and foreign contributing 1% impact. Foreign currency exchange both having and a favorable 1% business held-for-sale did not have a material impact. Organic revenue for the six nine months ended December

---

[Table of Contents](#)

31, 2023 March 31, 2024 remained flat compared to the same prior year period with acquisitions and foreign currency exchange both each having a favorable impact of 1%. A business held-for-sale did not have a material impact.

Consolidated net earnings attributable to Bio-Techne decreased to \$27.5 \$49.1 million for the quarter ended December 31, 2023 March 31, 2024 as compared to \$50.0 million \$70.2 million for the quarter ended December 31, 2022 March 31, 2023. The decrease in net earnings attributable to Bio-Techne is primarily due to an impairment the acquisition of assets held-for-sale, Lunaphore, CEO transition and restructuring charges, the Lunaphore acquisition, and unfavorable volume and product mix within Protein Sciences. Consolidated net earnings attributable to Bio-Techne decreased to \$78.5 million \$127.5 million for the six nine months ended December 31, 2023 March 31, 2024 as compared to \$139.6 million \$209.8 million for the six nine months ended December 31, 2022 March 31, 2023. 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.

### Net Sales

Consolidated net sales for the quarter ended December 31, 2023 remained flat March 31, 2024 increased 3% at \$272.6 \$303.4 million compared to the same prior year period. Consolidated net sales for the six nine months ended December 31, 2023 March 31, 2024 were \$549.5 \$853.0 million, an increase of 2% from the same prior year period. Organic revenue for the quarter ended December 31, 2023 declined March 31, 2024 increased 2% compared to the prior year with acquisitions and foreign contributing 1%. Foreign currency exchange both having favorable impact of 1%, and a business held-for-sale did not have a material impact. Organic revenue for the six nine months ended December 31, 2023 March 31, 2024 remained flat compared to the prior year same period with acquisitions and foreign currency exchange both each having a favorable impact of 1%. A business held-for-sale did not have a material impact. Organic revenue for the quarter and six nine months ended December 31, 2023 March 31, 2024 was primarily driven by higher sales within the Diagnostics & Genomics segment, partially offset by lower sales from biotech customers and from customers in China, China and Europe within the Protein Sciences segment.

### Gross Margins

Consolidated gross margins for the quarter and six nine months ended December 31, 2023 March 31, 2024 were 64.8% 67.4% and 65.8% 66.4% respectively, compared to 67.5% 68.7% and 67.1% 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, amortization of intangibles, restructuring and restructuring-related expenses, and impact of partially-owned consolidated subsidiaries, and the impact of a business held-for-sale, adjusted gross margins for the quarter and six nine months ended December 31, 2023 March 31, 2024 were 69.7% 71.9% and 70.5% 71.0%, respectively compared to 71.7% 72.6% and 71.3% 71.8% for the quarter and six nine months ended December 31, 2022 March 31, 2023, respectively. Both consolidated gross margins and non-GAAP adjusted gross margins for the quarter and six nine months ended December 31, 2023 March 31, 2024 were impacted by unfavorable volume and product mix as well as the acquisition of Lunaphore.

## [Table of Contents](#)

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:

	Quarter Ended December 31,		Six Months Ended December 31,	
	2023	2022	2023	2022
Consolidated gross margin percentage	64.8 %	67.5 %	65.8 %	67.1 %
Identified adjustments:				
Costs recognized upon sale of acquired inventory	0.1 %	0.0 %	0.1 %	0.1 %
Amortization of intangibles	4.3 %	4.1 %	4.3 %	4.1 %
Stock compensation expense	0.1 %	0.1 %	0.1 %	0.1 %
Restructuring and restructuring-related expense	0.4 %	— %	0.2 %	— %
Impact of partially-owned consolidated subsidiaries(1)	— %	— %	— %	(0.1)%
Non-GAAP adjusted gross margin percentage	69.7 %	71.7 %	70.5 %	71.3 %

	Quarter Ended March 31,		Nine Months Ended March 31,	
	2024	2023	2024	2023
Consolidated gross margin percentage	67.4 %	68.7 %	66.4 %	67.6 %
Identified adjustments:				
Costs recognized upon sale of acquired inventory	0.1 %	— %	0.1 %	0.0 %
Amortization of intangibles	3.8 %	3.8 %	4.1 %	4.1 %
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(1)	— %	— %	— %	0.0 %
Impact of business held-for-sale(2)	0.4 %	— %	0.1 %	— %
Non-GAAP adjusted gross margin percentage	71.9 %	72.6 %	71.0 %	71.8 %

(1) 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.

(2) Includes the quarterly results of 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 24% 13% to \$115.7 million \$111.8 million and increased 15% 14% to \$221.0 million \$332.8 million for the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, from the same prior year periods. The increase in expense for the quarter and six

26

## Table of Contents

nine months ended December 31, 2023 March 31, 2024 was primarily due to the Lunaphore acquisition, CEO transition costs, and restructuring-related charges. The nine months ended March 31, 2024 was also impacted by an impairment of assets held-for-sale, restructuring and restructuring-related charges, and the Lunaphore acquisition. held-for-sale.

## Research and Development Expenses

Research and development expenses increased 2% 13% to \$22.9 million \$25.8 million and increased 1% 5% to \$46.9 million \$72.7 million for the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, from the same prior year periods. The increase in expense was due to the acquisition of Lunaphore and timing of strategic growth investments.

## Segment Results

### Protein Sciences

	Quarter Ended		Six Months Ended		Quarter Ended		Nine Months Ended	
	December 31,		December 31,		March 31,		March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Net sales (in thousands)	\$ 197,670	\$ 203,887	\$ 402,325	\$ 403,836	\$214,589	\$218,903	\$616,914	\$622,739
Operating margin percentage	40.3 %	43.8 %	41.7 %	43.6 %	44.2 %	45.1 %	42.6 %	44.1 %

29

## Table of Contents

Protein Sciences' net sales for the quarter and six nine months ended December 31, 2023 March 31, 2024 were \$197.7 \$214.6 million and \$402.3 \$616.9 million, respectively, with results decreasing 3% 2% and remaining flat, 1%, respectively, compared to the same respective prior year periods. As of December 31, 2023, a business within the Protein Sciences Segment met the criteria as held-for-sale; this held-for-sale business has been excluded from the segment's third quarter fiscal operating results. The exclusion of current period sales related to this business held-for-sale reduced sales by 1%. Organic revenue for the segment declined 4% 1% and foreign currency exchange did not have a material impact for the quarter ended December 31, 2023, with foreign currency exchange having a favorable impact of 1% March 31, 2024. Organic growth for the segment declined 1% for the six nine months ended December 31, 2023, with March 31, 2024. The held-for-sale business and foreign currency exchange having did not have a favorable impact of 1%. material impact. Segment revenue was impacted by unfavorable volume. lower sales from customers in China and Europe.

The operating margin was 40.3% 44.2% and 41.7% 42.6% for the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, compared to 43.8% 45.1% and 43.6% 44.1% in both comparative prior year periods. The segment's operating margin was impacted by unfavorable volume leverage and product mix.

#### Diagnostics and Genomics

	Quarter Ended December 31,		Six Months Ended December 31,		Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Net sales (in thousands)	\$ 75,408	\$ 68,003	\$ 148,204	\$ 137,907	\$87,511	\$75,669	\$235,715	\$213,577
Operating margin percentage	6.0 %	12.2 %	3.4 %	12.3 %	9.3 %	15.2 %	5.6 %	13.3 %

Diagnostics and Genomics' net sales for the quarter and six nine months ended December 31, 2023 March 31, 2024 were \$75.4 million \$87.5 million and \$148.2 million \$235.7 million, respectively, with increased net sales of 11% 16% and 7% 10% compared to the same respective prior year periods. Organic growth for the segment for the quarter ended December 31, 2023 March 31, 2024 was 10% from the prior year, with acquisitions contributing 6% and foreign currency exchange not having a material impact. Organic growth for the nine months ended March 31, 2024 was 5% from compared to the prior year, with acquisitions contributing 5% and foreign currency exchange not having a favorable impact of 1%. Organic growth for the six months ended December 31, 2023 was 3% compared to the prior year, with acquisitions contributing 4% and foreign currency exchange having an immaterial 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 6.0% 9.3% and 3.4% 5.6% for the quarter and six nine months ended December 31, 2023 March 31, 2024, respectively, compared to 12.2% 15.2% and 12.3% 13.3% in both comparative prior year periods. The segment's operating margin was unfavorably impacted due to the acquisition of Lunaphore.

#### Income Taxes

Income taxes were at an effective rate of 17.7% 19.7% and 5.4% 11.5% of consolidated earnings for the quarter and six nine month period ended December 31, 2023 March 31, 2024, respectively, compared to 24.7% 12.4% and 17.9% 16.1% for the same respective prior year periods. The change in the Company's tax rate for the quarter and six nine months ended December 31, 2023 March 31, 2024 was driven by the composition and amount of net income across periods and the impact of discrete tax benefits of \$2.8 million \$1.8 million and \$16.3 million \$16.6 million, respectively, compared to prior year discrete tax expense benefits of \$4.6 \$5.7 million and benefit of \$3.2 \$8.9 million as further discussed in Note 12.

27

#### [Table of Contents](#)

The forecasted tax rate as of the second third fiscal quarter of 2024 before discrete items is 23.4% 23.0% compared to the prior year forecasted tax rate before discrete items of 21.2% 20.6%. Excluding the impact of discrete items, the Company expects the consolidated income tax rate for the remainder of fiscal 2024 to range from 23% to 27%.

30

#### [Table of Contents](#)

#### Net Earnings

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

	Quarter Ended		Six Months Ended	
	December 31,		December 31,	
	2023	2022	2023	2022
Net earnings before taxes - GAAP	\$ 33,387	\$ 66,429	\$ 82,945	\$ 170,146
Identified adjustments attributable to Bio-Techne:				
Costs recognized upon sale of acquired inventory	183	100	364	400
Amortization of intangibles	19,769	19,125	39,620	38,408
Amortization of Wilson Wolf intangible assets and acquired inventory	4,208	—	8,416	—
Acquisition related expenses and other	(381)	(8,162)	(822)	(7,484)
Gain on sale of partially-owned consolidated subsidiaries	—	—	—	(11,682)
Stock based compensation, inclusive of employer taxes	12,958	16,878	24,453	32,336
Restructuring and restructuring-related costs	5,518	780	5,607	2,950
Investment (gain) loss and other non-operating	—	74	(283)	(38,013)
Impairment of assets held-for-sale	6,038	—	6,038	—
Impact of partially-owned subsidiaries <sup>(1)</sup>	—	—	—	(420)
Net earnings before taxes - Adjusted	<u>\$ 81,680</u>	<u>\$ 95,224</u>	<u>\$ 166,338</u>	<u>\$ 186,641</u>
Non-GAAP tax rate	22.0 %	21.0 %	22.0 %	21.0 %
Non-GAAP tax expense	<u>\$ 17,964</u>	<u>\$ 19,998</u>	<u>\$ 36,579</u>	<u>\$ 39,195</u>
Non-GAAP adjusted net earnings attributable to Bio-Techne <sup>(1)</sup>	<u>\$ 63,716</u>	<u>\$ 75,226</u>	<u>\$ 129,759</u>	<u>\$ 147,446</u>
Earnings per share - diluted - Adjusted	<u>\$ 0.40</u>	<u>\$ 0.47</u>	<u>\$ 0.81</u>	<u>\$ 0.91</u>

	Quarter Ended		Nine Months Ended	
	March 31,		March 31,	
	2024	2023	2024	2023
Net earnings before taxes - GAAP	\$ 61,084	\$ 80,196	\$ 144,028	\$ 250,343
Identified adjustments attributable to Bio-Techne:				
Costs recognized upon sale of acquired inventory	186	—	550	400
Amortization of intangibles	19,287	19,286	58,908	57,694
Amortization of Wilson Wolf intangible assets and acquired inventory	4,208	—	12,623	—
Acquisition related expenses and other	3,432	(1,187)	2,609	(8,670)
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
Restructuring and restructuring-related costs	1,550	—	7,157	2,950
Investment (gain) loss and other non-operating	—	(314)	(283)	(38,328)
Impairment of assets held-for-sale	—	—	6,038	—
Impact of partially-owned subsidiaries <sup>(1)</sup>	—	—	—	(420)
Impact of business held-for-sale <sup>(2)</sup>	(78)	—	(78)	—
Net earnings before taxes - Adjusted	<u>\$ 98,027</u>	<u>\$ 108,524</u>	<u>\$ 264,362</u>	<u>\$ 295,166</u>
Non-GAAP tax rate	22.0 %	21.0 %	22.0 %	21.0 %
Non-GAAP tax expense	<u>\$ 21,602</u>	<u>\$ 22,790</u>	<u>\$ 58,181</u>	<u>\$ 61,985</u>
Non-GAAP adjusted net earnings attributable to Bio-Techne <sup>(1)</sup>	<u>\$ 76,425</u>	<u>\$ 85,734</u>	<u>\$ 206,181</u>	<u>\$ 233,181</u>
Earnings per share - diluted - Adjusted	<u>\$ 0.48</u>	<u>\$ 0.53</u>	<u>\$ 1.28</u>	<u>\$ 1.44</u>

③Includes the quarterly results of the partially-owned consolidated subsidiary prior to the sale of this partially-owned consolidated subsidiary to a third party.

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 and **six** **nine** months ended **December 31, 2023** **March 31, 2024** and **December 31, 2022** **March 31, 2023**.

	Quarter Ended December 31,		Six Months Ended December 31,		Quarter Ended March 31,		Nine Months Ended March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
GAAP effective tax rate	17.7 %	24.7 %	5.4 %	17.9 %	19.7 %	12.4 %	11.5 %	16.1 %
Discrete items	8.3	(7.0)	18.0	1.9	2.9	7.1	11.5	3.5
Impact of non-taxable net gain	—	(0.2)	—	1.4	—	—	—	1.0
Annual forecast update	(2.6)	3.7	—	—	0.4	1.1	—	—
Long-term GAAP tax rate	23.4 %	21.2 %	23.4 %	21.2 %	23.0 %	20.6 %	23.0 %	20.6 %
Rate impact items								
Stock based compensation	(2.1)	(2.0)	(2.4)	(2.5)	(2.0)	(1.5)	(2.2)	(2.0)
Other	0.7	1.8	1.0	2.3	1.0	1.9	1.2	2.4
Total rate impact items	(1.4)%	(0.2)%	(1.4)%	(0.2)%	(1.0)%	0.4 %	(1.0)%	0.4 %
Non-GAAP adjusted tax rate	22.0 %	21.0 %	22.0 %	21.0 %	22.0 %	21.0 %	22.0 %	21.0 %

28 31

## [Table of Contents](#)

The difference between the reported GAAP tax rate and non-GAAP tax rate applied to the identified non-GAAP adjustments for the quarter ended **December 31, 2023** **March 31, 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 **\$135.7 million** **\$145.3 million** as of **December 31, 2023** **March 31, 2024**, compared to \$204.3 million as of June 30, 2023. Included in the available-for-sale-investments as **December 31, 2023** **March 31, 2024** is **\$5.5 million** **\$5.4 million** of short-term certificates of deposit. Included in the available-for-sale investments as of June 30, 2023 was the fair value of the Company's investment in exchange traded investment grade bond funds of \$23.7 million. During the first fiscal quarter of 2024, the Company sold its investment in exchange traded investment grade bond funds.

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. As of **December 31, 2023** **March 31, 2024**, there is **\$553 million** **\$611 million** available on the line-of-credit. See Note 6 to the Condensed Consolidated Financial Statements for a description of the Credit 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 2023, Wilson Wolf met the required threshold for the first part of the forward contract. A payment of \$232 million was made during the third fiscal quarter of 2023. The Company

is currently forecasting the second option payment of approximately \$1 billion plus potential contingent consideration 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 ~~\$142.5~~ \$223.5 million from operating activities in the ~~six~~ nine months ended ~~December 31, 2023~~ March 31, 2024 compared to ~~\$120.5 million~~ \$171.0 million in the ~~six~~ nine months ended ~~December 31, 2022~~ March 31, 2023. The increase from the prior year was primarily due to favorable timing of 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 ~~six~~ nine months ended ~~December 31, 2023~~ March 31, 2024 and ~~December 31, 2022~~ March 31, 2023 were ~~\$28.5~~ \$44.9 million and ~~\$15.7~~ \$27.4 million, respectively. Capital expenditures for the remainder of fiscal 2024 are expected to be approximately ~~\$26 million~~ \$16 million. Capital expenditures are expected to be financed through currently available funds and cash generated from operating activities. Expected additions in fiscal 2024 are related to increasing capacity to meet expected sales growth across the Company.

During the first fiscal quarter of 2024, 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, in the comparative prior year period. ~~There was a net working capital payment to the Lunaphore shareholders as part~~

32

---

#### [Table of the acquisition of \\$3.3 million during the quarter ended December 31, 2023. Contents](#)

During the ~~six~~ nine months ended ~~December 31, 2022~~ 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 ~~six~~ nine months ended ~~December 31, 2023~~ March 31, 2024.

During the first fiscal quarter of 2024, the Company sold its exchange traded investment grade bond funds for \$23.8 million. In 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 ~~\$26.5 million~~ \$29.2 million during the ~~six~~ nine months ended ~~December 31, 2022~~ March 31, 2023.

During the ~~six~~ nine months ended ~~December 31, 2023~~ March 31, 2024 and ~~December 31, 2022~~ March 31, 2023, purchase of available-for-sale investments was \$5.5 million and \$20.5 million, respectively.

29

---

#### [Table of Contents](#)

During the first fiscal quarter of 2024, the Company received a \$2.1 million tax distribution from Wilson Wolf, its equity method investee. ~~There were no comparable activities in~~ In the comparative ~~period.~~ prior period, the Company made its first option payment of \$232 million to purchase 19.9% ownership in Wilson Wolf.

## Cash Flows From Financing Activities

During the **six nine** months ended **December 31, 2023** **March 31, 2024** and **December 31, 2022** **March 31, 2023**, the Company paid cash dividends of **\$25.2 million** **\$37.8 million** and **\$25.1** **\$37.7** million, respectively, to all common shareholders. On **February 1, 2024** **May 1, 2024**, the Company announced the payment of an \$0.08 per share cash dividend, or approximately \$12.6 million, will be payable **February 26, 2024** **May 24, 2024**, to all common shareholders of record on **February 12, 2024** **May 13, 2024**.

Cash of **\$19.7** **\$38.0** million and **\$17.0 million** **\$21.4 million** was received during the **six nine** months ended **December 31, 2023** **March 31, 2024** and **December 31, 2022** **March 31, 2023**, respectively, from the exercise of stock options.

During the **six nine** months ended **December 31, 2023** **March 31, 2024** and **December 31, 2022** **March 31, 2023**, the Company made repayments of **\$128.0** **\$186.0** million and \$505.7 million, respectively, on its long-term debt balance. The Company drew \$225.0 million and **\$449.7 million** **\$619.7 million** under its revolving line-of-credit facility during the **six nine** months ended **December 31, 2023** **March 31, 2024** and **December 31, 2022** **March 31, 2023**, respectively.

There were \$80.0 million of share repurchases during the **six nine** months ended **December 31, 2023** **March 31, 2024** included as a cash outflow within financing activities. During the **six nine** months ended **December 31, 2022** **March 31, 2023**, the Company repurchased \$19.6 million in share repurchases included as a cash outflow within financing activities.

During the **six nine** months ended **December 31, 2023** **March 31, 2024** and **December 31, 2022** **March 31, 2023**, the Company paid **\$21.3** **\$21.5** million and **\$17.9 million** **\$28.9 million** related to taxes on restricted stock units and stock options exercised through net share settlements classified as financing activities.

The decrease in other financing activity during the **six nine** months ended **December 31, 2023** **March 31, 2024** compared to the **six nine** months ended **December 31, 2022** **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 **six nine** months ended **December 31, 2023** **March 31, 2024**.

---

[Table of Contents](#)

## CRITICAL ACCOUNTING POLICIES

The Company's significant accounting policies are discussed in the [Company's Annual Report on Form 10-K for fiscal 2023](#) 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 **six nine** months ended **December 31, 2023** **March 31, 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

30

---

## [Table of Contents](#)

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 December 31, 2023 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 six nine months ended December 31, 2022 March 31, 2023.

34

---

## [Table of Contents](#)

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, subsection 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. Additionally, these amounts can vary significantly from period to period based on current activity. 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 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 as the revenues and expenses are not fully attributable to the Company 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, 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, expense, and other non-recurring items including certain costs related to the transition to a new CEO. Additionally, gains and losses from other 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.

35

---

[Table of Contents](#)

#### 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

31

---

[Table of Contents](#)

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.

#### 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 **December 31, 2023** **March 31, 2024**, approximately **39%** **32%** of consolidated net sales were made in foreign currencies, including **15%** **14%** in euros, 4% in British pound sterling, 6% in Chinese yuan, 3% in Canadian dollars, and the remaining **11%** **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, 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 exchange rates between the British pound sterling, euro, Chinese yuan, Canadian dollar, and Swiss franc which have not been weighted for actual sales volume in the applicable months in the periods, to the U.S. dollar were as follows:

	Quarter Ended		Six Months Ended		Quarter Ended Nine Months Ended			
	December 31,		December 31,		March 31,		March 31,	
	2023	2022	2023	2022	2024	2023	2024	2023
Euro	\$ 1.09	\$ 1.03	\$ 1.09	\$ 1.02	\$ 1.08	\$ 1.08	\$ 1.08	\$ 1.04
British pound sterling	1.25	1.19	1.26	1.18	1.27	1.23	1.26	1.19
Chinese yuan	0.14	0.14	0.14	0.14	0.14	0.15	0.14	0.14
Canadian dollar	0.74	0.74	0.74	0.75	0.74	0.74	0.74	0.75
Swiss franc	1.15	1.04	1.14	1.04	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 **December 31, 2023** **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)	\$	5,783	\$ 3,894
Decrease in translation of net assets of foreign subsidiaries		87,036	60,565
Additional transaction losses		5,433	4,527

#### 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 **December 31, 2023** **March 31, 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 **second** **third** quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

[Table of Contents](#)

## PART II. OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

As of **February 7, 2024** **May 6, 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 **six nine** months ended **December 31, 2023** **March 31, 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.

[Table of Contents](#)

### 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 our purchases of common stock in open market transactions during **the quarter ended December 31, 2023, fiscal year 2024.**

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total number of shares purchased as part of publicly announced plans or programs	Maximum dollar amount of shares that may yet be purchased under the plans or programs
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

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Amount of Shares that May Yet Be Purchased Under the 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	

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

### ITEM 5. OTHER INFORMATION

During the three months ended **December 31, 2023** **March 31, 2024**, **certain of our directors and officers** **no director or officer** 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 as follows**.

**Charles Kummeth, Former President and Chief Executive Officer**, adopted a Rule 10b5-1 trading plan. Mr. Kummeth's trading plan provides for the sale of 90,000 outright shares to be sold at a limit of \$90 between March 11, 2024 through October 10, 2024, when the plan expires. The plan also provides for the sale of 10,000 outright shares to be sold at a limit of \$92 from March 12, 2024 through October 1, 2024, when the plan expires. **S-K**.

**33 38**

[Table of Contents](#)

### ITEM 6. EXHIBITS

#### EXHIBIT INDEX

TO

FORM 10-Q

#### BIO-TECHNE CORPORATION

Exhibit

Number Description

3.1 [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\\*](#)

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*</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 - 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 - 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 - 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 - 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 - 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 - 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 - incorporated by reference to Exhibit 10.9 of the Company's Form 10-K dated August 25, 2021*</a>

34 39

## [Table of Contents](#)

Exhibit Number	Description
10.10**	<a href="#">Form of Performance Vesting Incentive Stock Option Agreement - 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 - 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="#"><u>Employment Agreement by and between the Company and Charles Kummeth - incorporated by reference to Exhibit 10.11 of the Company's Form-K Form 10-K dated September 7, 2017*</u></a>
10.14**	<a href="#"><u>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*</u></a>
10.15**	<a href="#"><u>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*</u></a>
10.16	<a href="#"><u>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*</u></a>
10.17**	<a href="#"><u>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*</u></a>
10.18**	<a href="#"><u>Bio-Techne 2020 Equity Incentive Plan – incorporated by reference to Exhibit 10.1 of the Company's Form 8-k dated November 3, 2020*</u></a>
10.20	<a href="#"><u>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*</u></a>
10.21**	<a href="#"><u>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*</u></a>
10.22**	<a href="#"><u>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*</u></a>
10.23**	<a href="#"><u>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*</u></a>
10.24**	<a href="#"><u>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*</u></a>
10.25**	<a href="#"><u>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*</u></a>
10.26**	<a href="#"><u>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*</u></a>
10.27**	<a href="#"><u>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*</u></a>

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="#">Form of Time Vesting Restricted Stock Unit Agreement– Agreement (Global) – incorporated by reference to Exhibit 10.11 of the Company's Form 8-k dated November 3, 2020*</a>
10.30**	<a href="#">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*</a>
21	<a href="#">Subsidiaries of the Company – incorporated by reference to Exhibit 21 of the Company's Form 10-K dated August 23, 2023*</a>
31.1	<a href="#">Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2	<a href="#">Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter and <b>six</b> months ended <b>December 31, 2023</b> <b>March 31, 2024</b> , 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

**36 41**

[Table of Contents](#)

## SIGNATURES

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

BIO-TECHNE CORPORATION  
(Company)

Date: **February 7, 2024** **May 6, 2024**

/s/ Kim Kelderman

Kim Kelderman

President and Chief Executive Officer

Date: February 7, 2024 May 6, 2024

/s/ James Hippel

James Hippel

Executive Vice President, Chief Financial Officer

37 42

## 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 reasonable 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: February 7, 2024 May 6, 2024

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

---

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 reasonable 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: February 7, 2024 May 6, 2024

/s/ James Hippel



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 December 31, 2023 March 31, 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  
February 7, May 6, 2024

---

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 December 31, 2023 March 31, 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  
February 7, May 6, 2024

---

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.