

FOR IMMEDIATE RELEASE  
TSX VENTURE: HTL



## HAMILTON THORNE ANNOUNCES RECORD REVENUE AND EBITDA FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2019

*Preliminary Results: Revenues of \$35.3 million for the year and \$10.8 million for the 4<sup>th</sup> quarter;  
Adjusted EBITDA of approximately \$7.1 million for the year and \$2.2 million for the quarter*

**BEVERLY, MA and TORONTO, Ontario – February 19, 2020** – Hamilton Thorne Ltd. (TSX-V:HTL), a leading global provider of precision instruments, consumables, software and services to the Assisted Reproductive Technologies (ART) and developmental biology research markets, today reported preliminary selected unaudited financial results for the fourth quarter and year ended December 31, 2019.

Based on preliminary unaudited results, 2019 revenues increased 21% to a record \$35.3 million with adjusted EBITDA for the year of approximately \$7.1 million (14.6% year over year growth). Fourth quarter sales increased 34% to \$10.8 million, with adjusted EBITDA estimated to increase 27% to approximately \$2.2 million. Organic growth on a constant currency basis was approximately 15% for the year and approximately 20% in the fourth quarter, largely driven by sales increases of equipment and consumables. Gross profit margins were approximately 53.8% for the year and 56.4% for the fourth quarter.

David Wolf, President and Chief Executive Officer of Hamilton Thorne Ltd. commented, “2019 was another significant year for Hamilton Thorne with record sales of \$35.3 million and adjusted EBITDA of approximately \$7.1 million. We continued to invest in sales and support resources in the US and Germany and continued to enhance our operations in order to take better advantage of the cross-selling and marketing synergies between the North American and European-based businesses. We also completed a significant expansion of our product line, geographic coverage and scale when we acquired UK-based Planer Limited in August. We see a significant opportunity to grow revenues from the Planer product line by leveraging our established direct sales channels and expanding the business of other Hamilton Thorne brands through additional direct sales capabilities in the UK.”

Commenting on the quarter, Mr. Wolf added, “With sales of \$10.8 million and adjusted EBITDA of approximately \$2.2 million, this was a record quarter for Hamilton Thorne. We increased our EBITDA margin versus the rest of the year, while continuing to invest in R&D and sales and marketing resources. Sales were positively impacted by the addition of approximately \$1.6 million of revenues from the newly acquired Planer business, significant growth in the Company’s laser and image analysis systems business, increased consumables sales, and continued growth of the sale of third-party equipment in the US. Gross profit for the quarter was up versus the balance of the year at approximately 56.4% due to product mix, and relatively flat compared to the prior year’s fourth quarter.”

The Company ended the year with cash on hand of \$12.5 million, after investing \$6.3 million for the Planer acquisition, versus \$13.6 million at December 31, 2018. The year finished with \$7.5 million available under existing lines of credit to further support its acquisition program.

### OUTLOOK

Mr. Wolf added, “Looking forward into 2020, we expect to see continued growth in our business, driven by substantial growth in our US- and UK-based equipment businesses, augmented by the strong

performance of our services and consumables brands worldwide as well as increased sales of our own branded and third-party products in the UK due to our expanding direct sales capabilities. With a number of relatively large dollar, but somewhat lower margin, workstations and full-lab equipment sales in the pipeline for 2020, we may continue to see some variability in gross profit margins from quarter to quarter. We anticipate profit margins for the year to normalize slightly lower than the levels we saw in 2019, given the expected product mix between our own higher margin products and services, and third-party products, as well as the impact of a full year of the somewhat lower gross profit margin Planer business. We will also continue to make investments in personnel, R&D programs and systems to support our growth, with an eye to balancing top-line growth with sustained EBITDA performance in the mid-term and EBITDA expansion over the longer term. Finally, our acquisition program continues to be an important element in our growth plans and we are well positioned to execute on acquisition opportunities.”

Mr. Wolf continued, “We do add one cautionary note relating to the possible effects of the Covid-19 coronavirus. As of now, management is not aware of any sales losses or unusual delays attributable to the spread of this disease; however, we have seen some expanded lead times in the supply of components that we incorporate into our hardware products. Accordingly, while we do not currently anticipate any significant negative effect of our financial results for the first quarter, it is possible that either supply constraints or changes in demand could adversely affect our business and financial results in this or subsequent quarters.”

The financial information contained in this news release is based on management’s estimates and is subject to adjustment. The Company expects to release its completed audited financial statements for the year ended December 31, 2019 in mid-April 2020.

*All amounts are in US dollars, unless specified otherwise, and results, with the exception of adjusted EBITDA, are expressed in accordance with the International Financial Reporting Standards (“IFRS”).*

**About Hamilton Thorne Ltd. ([www.hamiltonthorne.ltd](http://www.hamiltonthorne.ltd))**

Hamilton Thorne is a leading global provider of precision instruments, consumables, software and services that reduce cost, increase productivity, improve results and enable breakthroughs in Assisted Reproductive Technologies (ART) and developmental biology research markets. Hamilton Thorne markets its products and services under the Hamilton Thorne, Gynemed, Planer, and Embryotech Laboratories brands, through its growing sales force and distributors worldwide. Hamilton Thorne’s customer base consists of fertility clinics, university research centers, animal breeding facilities, pharmaceutical companies, biotechnology companies, and other commercial and academic research establishments.

*Neither the TSX Venture Exchange, nor its regulation services provider (as that term is defined in the policies of the exchange), accepts responsibility for the adequacy or accuracy of this release.*

*The Company has included earnings before interest, income taxes, depreciation, amortization, share-based compensation expense, changes in fair value of derivatives and identified acquisition costs related to completed transactions (“Adjusted EBITDA”) as a non-IFRS measure, which is used by management as a measure of financial performance. See section entitled “Use of Non-IFRS Measures” and “Results of Operations” in the Company’s Management Discussion and Analysis for the periods covered for further information and a reconciliation of Adjusted EBITDA to Net Income.*

*Certain information in this press release may contain forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements unless and until required by securities laws applicable to the Company. Additional information identifying risks and*

*uncertainties is contained in filings by the Company with the Canadian securities regulators, which filings are available at [www.sedar.com](http://www.sedar.com).*

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