

teknova:

FINANCIAL RESULTS
Q3:2024

SLIDE SUPPLEMENT

Nasdaq: TKNO
November 7, 2024



Forward-looking statements and use of non-GAAP financial measures

Statements in this presentation about future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, may constitute “forward-looking statements.” These statements include, but are not limited to, statements relating to Teknova’s anticipated total revenue, including our expectations for 2024 revenue and free cash outflow guidance, expected growth in Lab Essentials and Clinical Solutions, and other statements about Teknova’s business prospects, including about the Company’s profitability, strategy of managing operating expenses, and long-term growth strategy. The words, without limitation, “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these or similar identifying words. These forward-looking statements are based on management’s current expectations and beliefs and are subject to risks and uncertainties, all of which are difficult to predict and many of which are beyond Teknova’s control and could cause actual results to differ materially and adversely from those described in the forward-looking statements. These risks and uncertainties include, but are not limited to, demand for Teknova’s products (including the potential delay to or pausing of customer orders); Teknova’s assessment of fundamental indicators of future demand across its target customer base; Teknova’s cash flows and revenue growth rate; Teknova’s supply chain, sourcing, manufacturing, and warehousing; inventory management; risks related to global economic and marketplace uncertainties, including those related to the conflicts in Ukraine and the Middle East; reliance on a limited number of customers for a high percentage of Teknova’s revenue; potential acquisitions and integration of other companies; and other factors discussed in the “Risk Factors” section of Teknova’s most recent periodic reports filed with the Securities and Exchange Commission (“SEC”), including in Teknova’s Annual Report on Form 10-K for the year ended December 31, 2023, and subsequent Quarterly Reports on Form 10-Q filed with the SEC, all of which you may obtain for free on the SEC’s website at www.sec.gov. Although Teknova believes that the expectations reflected in its forward-looking statements are reasonable, Teknova does not know whether its expectations will prove correct. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, even if subsequently made available by Teknova on its website or otherwise. Teknova does not undertake any obligation to update, amend, or clarify these forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities laws.

Additionally, this presentation contains financial measures that have not been calculated in accordance with U.S. generally accepted accounting principles (GAAP). Teknova uses the following non-GAAP financial measures in assessing the performance of its business and the effectiveness of its business strategies: (a) Adjusted EBITDA and (b) Free Cash Flow. Teknova defines Adjusted EBITDA as net loss adjusted for interest income (expense), net, provision for (benefit from) income taxes, depreciation expense, amortization of intangible assets, and stock-based compensation expense. Adjusted EBITDA reflects further adjustments to eliminate the impact of certain items, including certain non-cash and other items that Teknova does not consider representative of its ongoing operating performance. Teknova defines Free Cash Flow as cash used in operating activities plus purchases of property, plant, and equipment.

Teknova provides Adjusted EBITDA and Free Cash Flow in this presentation because Teknova believes that analysts, investors, and other interested parties frequently use these measures to evaluate companies in Teknova’s industry and that such measures facilitate comparisons on a consistent basis across reporting periods. Teknova also believes such measures are helpful in highlighting trends in Teknova’s operating results because they exclude items that are not indicative of Teknova’s core operating performance. Investors should consider non-GAAP financial measures in addition to, and not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP. The non-GAAP financial measures presented by Teknova may be different from the non-GAAP financial measures used by other companies.

A full reconciliation of these non-GAAP measures to the most comparable GAAP measures is included at the end of this presentation.

Today's Agenda

- **Welcome**
- **Business Highlights and Updates**
Stephen Gunstream, President and Chief Executive Officer
- **Q3:2024 Financial Results and 2024 Outlook**
Matt Lowell, Chief Financial Officer
- **Q&A**

Business Highlights and Updates

STEPHEN GUNSTREAM

President and Chief Executive Officer

Our path to sustainable, above-market growth

ESTABLISH

1996-2016

- Built scientific and operational know-how
- Established high-quality and customer-centric brand reputation



INVEST

2017-2023

- Received ISO 13485:2016 certification
- Secured capital to drive investments and positioned for Adj. EBITDA break-even in the \$50-55M range of annualized revenue
- Built commercial organization and related infrastructure while launching first proprietary product line
- Built state-of-the-art, modular manufacturing facility based on our custom production platform
- Modernized infrastructure for seamless, end-to-end operational efficiency



SCALE

2024+

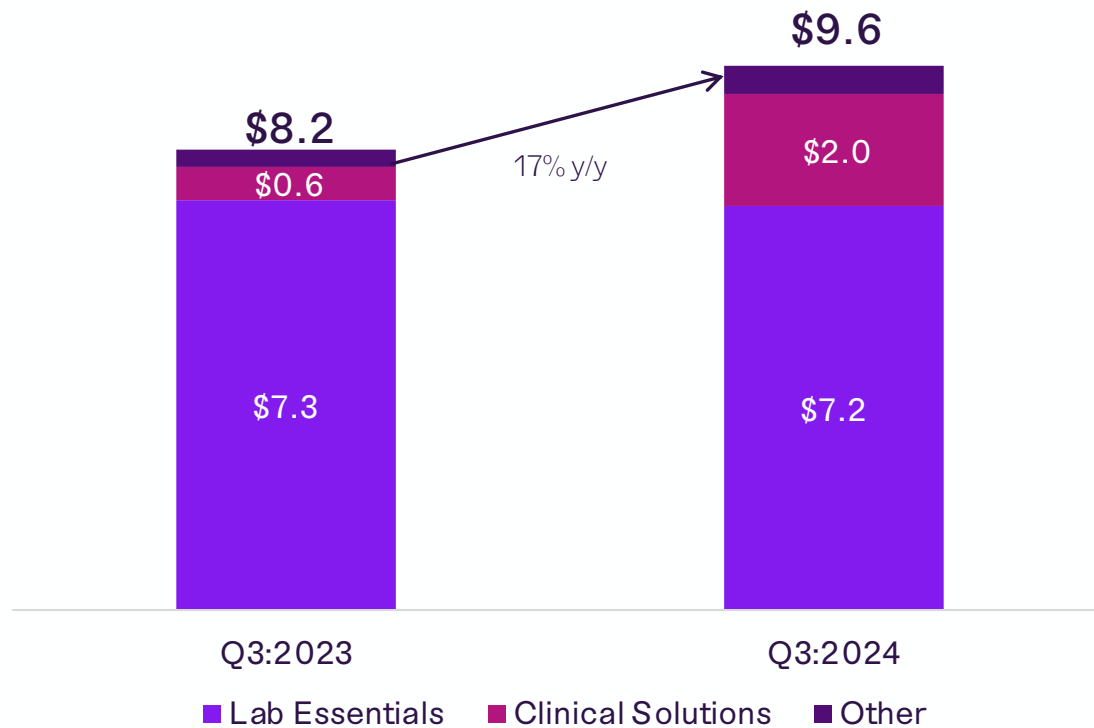
- Sustainable above-market revenue growth
- Become partner of choice for CGT, including new products and solutions
- Attractive margin profile
- Best-in-class platform for custom reagent manufacturing

Q3:2024 Financial Results and 2024 Outlook

MATT LOWELL
Chief Financial Officer

Q3:2024 Revenue Highlights

Revenue by Category (\$M)



KEY HIGHLIGHTS

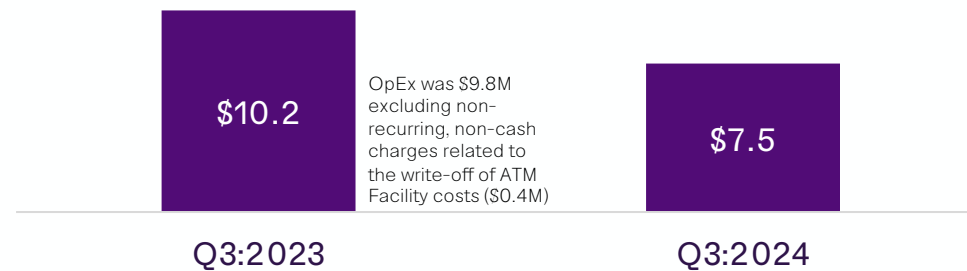
- Total quarterly revenue up 17% compared to the same period in prior year
- Lab Essentials was consistent compared to the same period in prior year
- Clinical Solutions increased 229% from the same period in prior year

Q3:2024 Income Statement Highlights

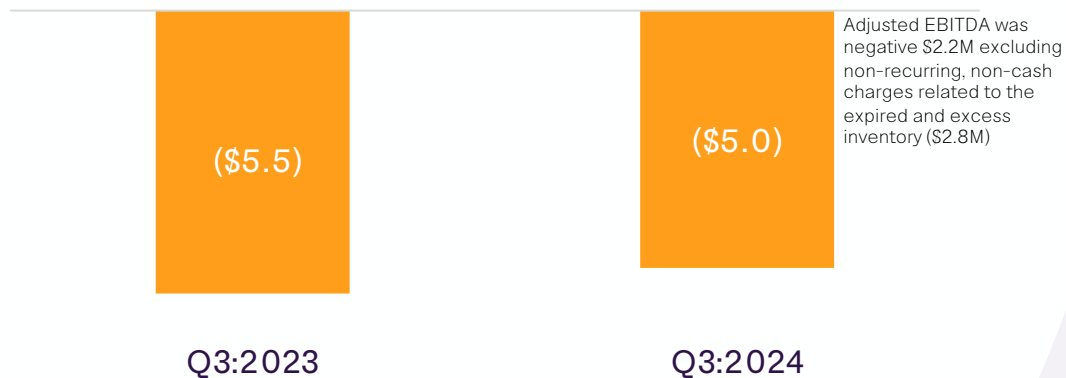
Gross Margin (%)



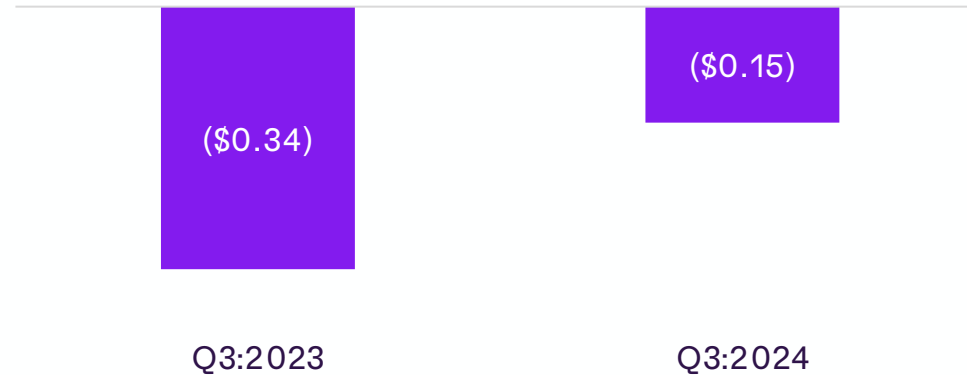
Total OpEx (\$M)



Adjusted EBITDA¹ (\$M)



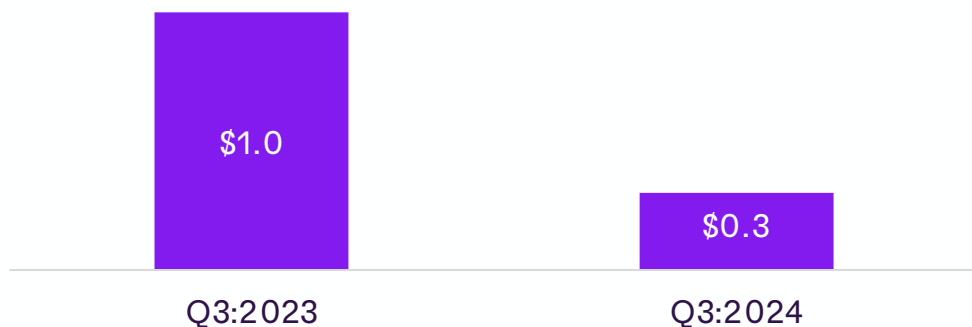
Diluted EPS (\$)



¹Adjusted EBITDA is non-GAAP and adds back stock-based compensation and any qualified non-recurring items to EBITDA

Q3:2024 Cash Flow and Balance Sheet Highlights

Capital Expenditure (\$M)



Free Cash Flow¹ (\$M)

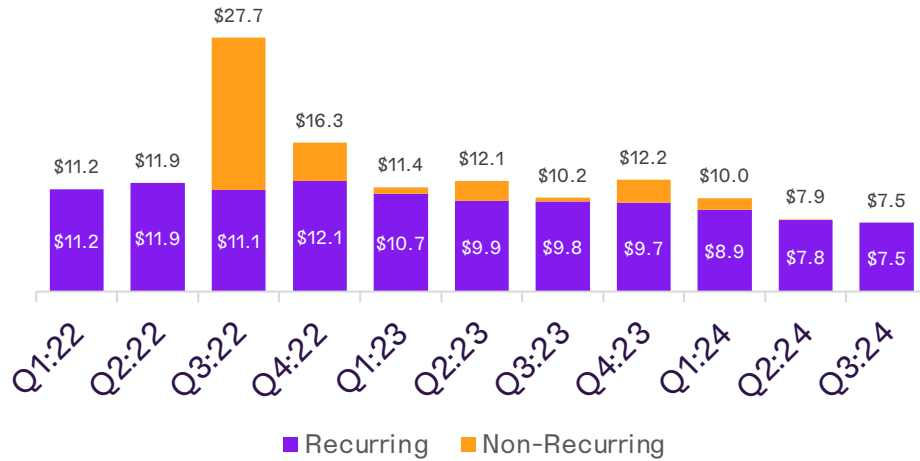


Cash, Cash Equivalents and Short-Term Investment was \$31.7M as of September 30, 2024

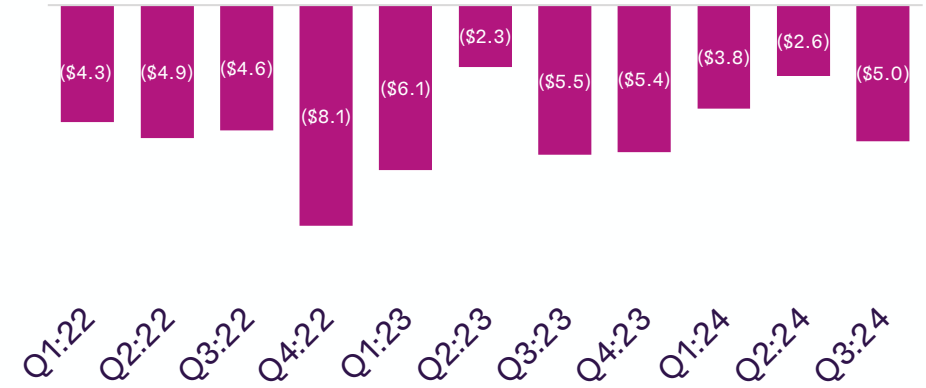
¹Free Cash Flow equals cash used in operating activities plus purchases of property, plant, and equipment

Financial Trends

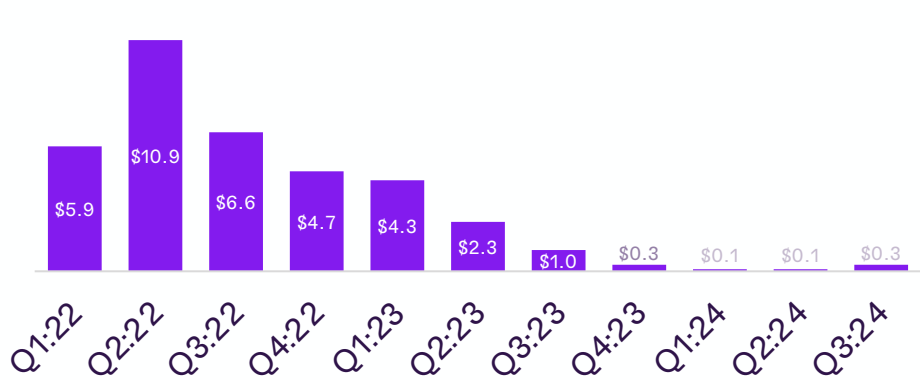
Total OpEx (\$M)



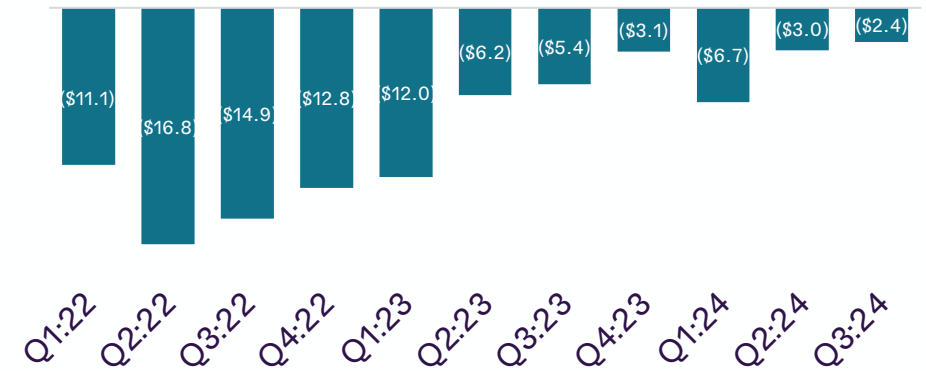
Adjusted EBITDA¹ (\$M)



Capital Expenditure (\$M)



Free Cash Flow² (\$M)



¹Adjusted EBITDA is non-GAAP and adds back stock-based compensation and any qualified non-recurring items to EBITDA

²Free Cash Flow equals cash used in operating activities plus purchases of property, plant, and equipment

2024 Outlook

- Estimate total revenue between \$35–\$38 million, flat y/y at the midpoint
 - Lab Essentials growth of approximately 2% y/y
- Targeting free cash outflow of less than \$16 million for 2024 (was previously less than \$18 million)
- Estimate annualized revenue range of \$50-55 million to achieve Adjusted EBITDA break-even



Closing Comments

STEPHEN GUNSTREAM

President and Chief Executive Officer

Q&A

Supplemental Non-GAAP Reconciliations

Non-GAAP Reconciliations

ALPHA TEKNOVA, INC.
 Reconciliation of Non-GAAP Measures to the Most Comparable GAAP Measures
 (unaudited)
 (in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss – as reported	\$ (7,565)	\$ (10,153)	\$ (21,026)	\$ (26,124)
Add back:				
Interest expense, net	(141)	(791)	(558)	(1,006)
(Benefit from) provision for income taxes	(8)	9	(50)	6
Depreciation expense	1,384	1,335	4,072	3,189
Amortization of intangible assets	287	287	861	860
EBITDA	\$ (5,761)	\$ (7,731)	\$ (15,585)	\$ (21,063)
Other and non-recurring expenses:				
Stock-based compensation expense	760	1,035	2,900	3,115
Severance pay and other termination benefits	—	—	1,287	725
Long-lived assets impairment	—	—	—	2,195
Loss on extinguishment of debt	—	824	—	824
Write-off of at-the-market facility costs	—	395	—	395
Loss contingency	—	—	73	—
Adjusted EBITDA	\$ (5,001)	\$ (5,477)	\$ (11,325)	\$ (13,809)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash used in operating activities	\$ (2,059)	\$ (4,382)	\$ (11,455)	\$ (15,922)
Purchases of property, plant, and equipment	(331)	(972)	(558)	(7,622)
Free Cash Flow	\$ (2,390)	\$ (5,354)	\$ (12,013)	\$ (23,544)

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