



Fiscal Year 2025  
Third-Quarter Results  
April 9, 2025

# Disclaimer

## **Preliminary Results and Forward-Looking Statements**

The Company's reported results in this presentation are preliminary. The Company has not yet completed its quarter-end reporting process, and the Company's independent auditor has not completed its review. Accordingly, final results and other disclosures to be included in our Quarterly Report on Form 10-Q could differ from preliminary results and disclosures in this presentation.

This presentation includes "forward-looking statements" as that term is defined in Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on Neogen's current expectations and are subject to risks and uncertainties, which could cause actual results to differ from those stated or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary from those indicated or anticipated by such forward-looking statements. The inclusion of forward-looking statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ from such forward-looking statements include, among others, the successful implementation of our announced CEO succession plan, the continued integration of the 3M food safety business and the realization of the expected benefits from that acquisition; the relationship with and performance of our transition manufacturing partner; our ability to adequately and timely remediate certain identified material weaknesses in our internal control over financial reporting; competition; recruitment and retention of key employees; impact of weather on agriculture and food production; global business disruption caused by the Russia invasion in Ukraine and related sanctions and the conflict in the Middle East; identification and integration of acquisitions; research and development risks; intellectual property protection; increasing and developing government regulation; and other risks detailed from time to time in the Company's reports on file at the Securities and Exchange Commission, including Neogen's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other documents filed with the Securities and Exchange Commission. The foregoing list of important factors is not exclusive. Any forward-looking statements speak only as of the date of this presentation. Neogen expressly disclaims any obligation to update any forward-looking statements, whether as a result of new information or developments, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

## **Non-GAAP Financial Information**

This presentation includes Core Revenue Growth, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Earnings per Share, Net Debt and Free Cash Flow, which are non-GAAP financial measures. These non-GAAP financial measures are presented for informational purposes only and should not be regarded as a replacement for corresponding GAAP measures. In regards to the forward-looking non-GAAP Adjusted EBITDA included in this presentation, we are not able to reconcile such metrics to the closest corresponding GAAP measures without unreasonable efforts because we are unable to predict the ultimate outcome of certain significant items.

## Q3 FY25 Summary

- End-market environment softened through Q3
  - Food production volumes generally remained down and worsened sequentially, a change in trend
  - Domestic & int'l. distributors less willing to commit to inventory given elevated macro uncertainty
- Solid Food Safety core growth outside of sample collection product line (+7%)
  - Double-digit core growth in Petrifilm for Q3 and YTD
  - Sample collection improved during the quarter with exit production rates meeting our goal
- Animal Safety remains in cyclical trough – slight core revenue decline excluding Genomics
  - Channel inventory levels stable, sales out positive
  - China saw more uncertainty and headwinds than other areas
- Adj. EBITDA margin of 22% sequentially ~ flat on revenue levels slightly below our expectations
- Announced CEO transition – search is underway, with John Adent to facilitate orderly transition

**Making progress while navigating uncertain macro backdrop**

# Priority Actions to Navigate Current Situation

## Portfolio

- Initial portfolio action in late stages, expected to close in Q1 FY26; net proceeds to pay down debt
- Second portfolio action launching, expected to conclude in Q2 FY26; net proceeds to pay down debt and/or repurchase shares
- Actions collectively expected to reduce Animal Safety segment revenue by ~half

## Commercial / Innovation

- Two new North America leaders started in Q3: regional commercial leader and food safety commercial leader
- Return to driving MSD+ growth in our Food Safety end markets globally
- Newly appointed CSO/R&D leader to focus and accelerate new product development

## Operations

- Sample collection production rates exited Q3 at goal – focus on higher production levels to reduce backlog
- Petrifilm manufacturing remains on track for initial test production beginning in H1 FY26
- Implementing additional cost actions to align FY25 exit rate spending with current revenue levels

## Financial

- Executed credit-enhancing term loan refinancing, extending maturity 2.5+ years and reducing borrowing rate 60bps
- In addition to disposition proceeds, focusing on FCF improvement as we work through remaining integration capex
- Focus on bringing net leverage below 3.0x

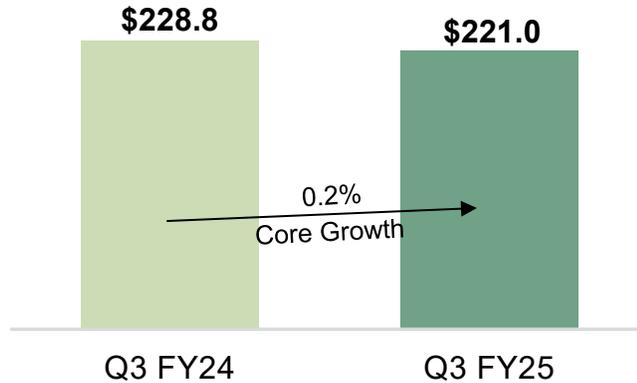
## Talent

- Leadership team evolution continues with actions taken in Q3/Q4 and new CCO expected to join in Q1 FY26
- Enhanced operating team expertise and project governance with new hires in last 6 months

**Focused on controllables as we manage through a transformational period**

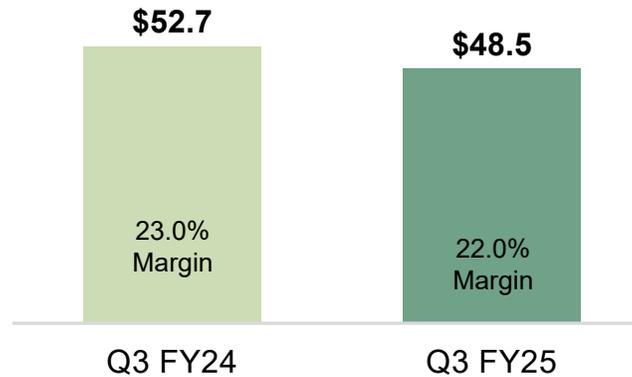
# Financial Highlights

## Revenue (\$M)



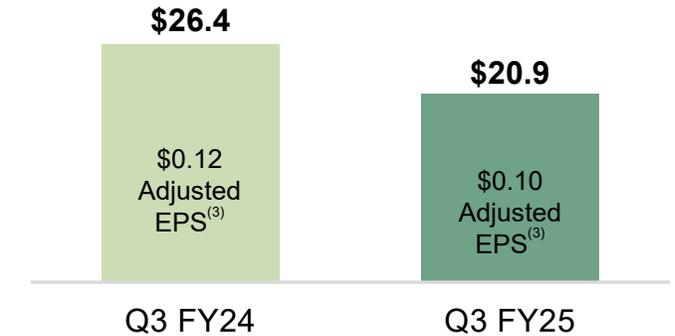
- Core revenue growth<sup>(1)</sup> of 1.5% in Food Safety segment
  - Core growth of 7% outside of sample collection product line
  - Strongest growth in food quality, pathogens & Petrifilm product lines
- Animal Safety segment core revenue decline of 2.6%
  - Growth ex-Genomics down 1.3%
  - Continuing to work through cyclical trough with channel inventories healthy

## Adjusted EBITDA<sup>(2)</sup> (\$M)



- Adjusted EBITDA margin<sup>(2)</sup> similar to Q2 on lower revenue
- Year over year, Adjusted EBITDA affected primarily by the impact of lower revenue
- Lower operating expenses offset by inventory/scrap headwinds in gross margin
- Q2 restructuring actions benefited Q3 operating expenses, additional actions to be implemented in Q4 to reduce FY25 exit rate spending

## Adjusted Net Income (\$M, excl. per share)



- Adjusted Net Income declined due to lower Adjusted EBITDA and higher effective tax rate
  - Higher effective tax rate driven mainly by timing of deductions in Q3 FY '24

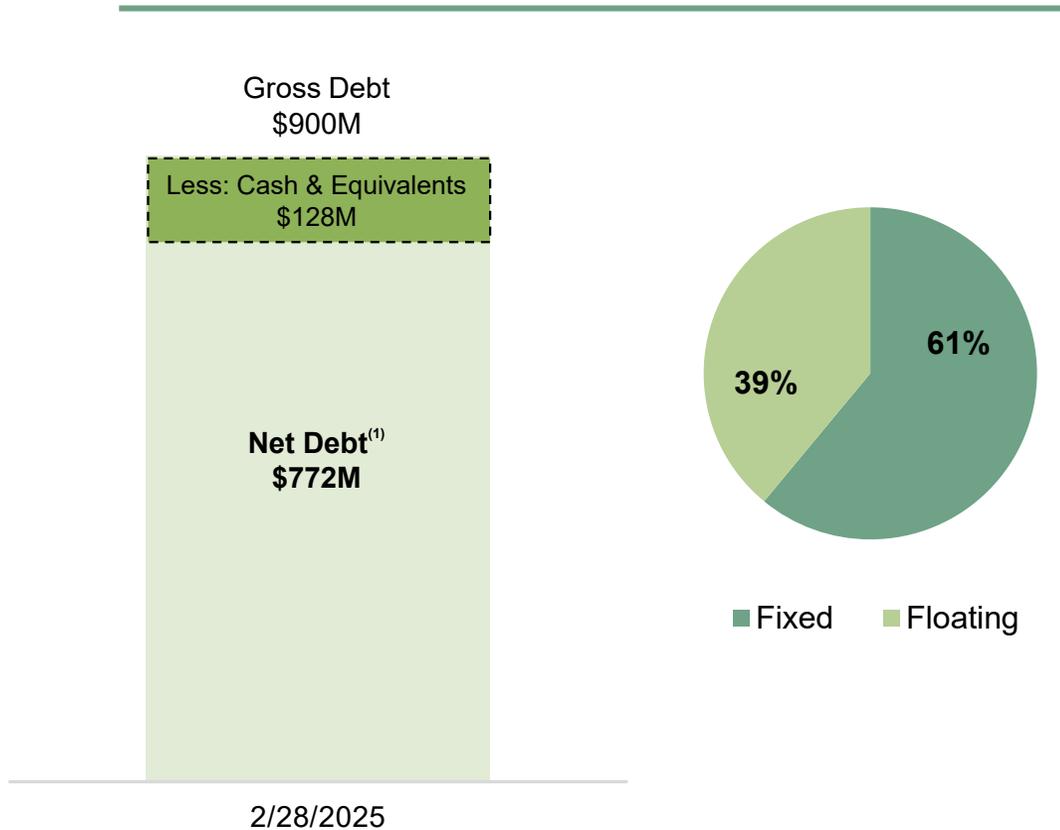
(1) Excludes the impacts of foreign currency, the first 12 months of acquisitions and discontinued product lines.

(2) Non-GAAP financial measure; see reconciliation to Net Income (Loss) at the end of this presentation.

(3) Adjusted Net Income per share.

# Balance Sheet & Capital Allocation

## Debt Profile



- Q3 Free Cash Flow<sup>(2)</sup> improved by \$49M compared to prior year
  - Driven primarily by efficiency in trade working capital, which was a \$10M source of cash
  - Capex reflected pull-forward of certain integration spending related to progress on equipment installation
- Completed refinancing of \$550M Term Loan A
  - New \$450M Term Loan A + \$100M drawn on upsized \$250M revolving facility
  - Annual interest rate savings of 60 bps
  - Maturity extended from Aug 2027 to Apr 2030
- Debt is 61% fixed
- Near-term capital allocation priority remains funding integration-related capex and deleveraging
- Proceeds from disposition activities will be prioritized towards debt repayment

(1) Non-GAAP financial measure; Net Debt is defined as the principal value of our Term Loan Facility and Senior Notes, less Cash & Cash Equivalents.

(2) Non-GAAP financial measure; see reconciliation to Net Cash (Used in) Provided by Operating Activities at the end of this presentation.

# FY25 Outlook

- **Updating full-year outlook**
- **Revenue: ~\$895 million**
  - Reflects softer macro environment in Q3 assumed to extend through Q4, as well as potential impact of tariffs
  - From initial FY25 guidance, revised revenue reflects a meaningfully stronger USD, the intentional attrition of certain Genomics business and greater-than-anticipated sample collection headwinds, as well as a softer market backdrop in H2
- **Adjusted EBITDA: ~\$195 million**
  - Includes negative impact from tariffs based on what has been enacted to date
  - Additional restructuring actions will be implemented to reduce exit rate spending to align to current operating environment
  - Portfolio actions are anticipated to be margin accretive and improve the incremental fall-through rate of revenue growth
- **Capex: ~\$100 million**
  - Includes expected integration capex of ~\$70 million, including some acceleration from FY 26
- **Effective tax rate: 22% – 23%**

# Summary

Taking decisive actions to alleviate current headwinds, manage through macro uncertainty, derisk remaining integration activities, reduce net leverage and continue to strategically pivot the business further towards Food Safety

- Underlying MSD growth in Q3 offset by two primary challenges – Genomics and Sample Collection
  - Sample Collection production rate improved during Q3 – working to extend further in Q4
  - Genomics restructuring actions have been implemented – focusing on higher-quality bovine end market
- New Petrifilm plant on track – focused on project governance and derisking remaining execution
- Portfolio actions progressing to further improve end market mix and accelerate deleveraging
- Completed term loan refinancing, extending maturity, reducing interest and increasing liquidity
- Implementing additional restructuring in Q4 to align exit rate spending with current market environment
- Accelerating enhancements to team and focus on execution to navigate a critical period of our transformation

**Continued progress with integration, portfolio and team to build the future-state Neogen**

**Thank you for  
joining us.**

To view the earnings press release  
and presentation, visit:

[WWW.NEOGEN.COM/INVESTOR-RELATIONS](http://WWW.NEOGEN.COM/INVESTOR-RELATIONS)





# Appendix

# Non-GAAP Reconciliations

## Adjusted EBITDA

	Three months ended February 28/29,		Nine months ended February 28/29,	
	2025	2024	2025	2024
<b>Net loss</b>	<b>\$ (10,957)</b>	<b>\$ (2,022)</b>	<b>\$ (479,848)</b>	<b>\$ (4,006)</b>
Income tax benefit	1,230	(3,800)	(22,060)	(3,900)
Depreciation and amortization	29,373	29,650	89,222	87,853
Interest expense, net	17,038	16,673	52,027	49,508
<b>EBITDA</b>	<b>\$ 36,684</b>	<b>\$ 40,501</b>	<b>\$ (360,659)</b>	<b>\$ 129,455</b>
Share-based compensation	4,160	3,679	12,961	9,829
FX transaction (gain) loss on loan and other revaluation <sup>(1)</sup>	(255)	638	(191)	1,350
Transaction costs <sup>(2)</sup>	518	1,103	1,636	2,360
3M integration costs <sup>(3)</sup>	662	3,807	5,450	8,930
Sample collection transition and ramp up costs <sup>(4)</sup>	2,843	541	4,676	800
Petrifilm duplicate startup costs <sup>(5)</sup>	645	-	794	-
Transformation initiatives and related costs <sup>(6)</sup>	2,438	-	3,265	-
Restructuring <sup>(7)</sup>	168	938	10,106	3,353
Goodwill impairment	-	-	461,390	-
Contingent consideration adjustments	470	(200)	470	250
ERP expense <sup>(8)</sup>	633	1,701	3,184	3,904
Other	(453)	33	526	(21)
<b>Adjusted EBITDA</b>	<b>\$ 48,513</b>	<b>\$ 52,741</b>	<b>\$ 143,608</b>	<b>\$ 160,210</b>

(1) Net foreign currency transaction (gain) loss associated with the revaluation of foreign denominated intercompany loans and certain 3M agreements.

(2) Includes legal, accounting, tax and other related consulting costs associated with corporate transactions and capital structure initiatives.

(3) Includes costs associated with 3M transition agreements and related integration costs.

(4) Includes costs associated with the transitioning of the 3M transition contract manufacturing agreement and ramp up costs associated with our sample collection product line.

(5) Duplicate costs associated with the startup of Petrifilm manufacturing.

(6) Includes consulting and other costs, including severance, associated with transformation initiatives.

(7) Severance, non-cash impairment, and other related exit costs primarily associated with a reduction in our global genomics business and consolidation of certain facilities.

(8) Expenses related to ERP implementation.

# Non-GAAP Reconciliations

## Adjusted Net Income

	Three months ended February 28/29,		Nine months ended February 28/29,	
	2025	2024	2025	2024
<b>Net loss</b>	<b>\$ (10,957)</b>	<b>\$ (2,022)</b>	<b>\$ (479,848)</b>	<b>\$ (4,006)</b>
Amortization of acquisition-related intangibles	23,017	23,266	69,329	69,685
Share-based compensation	4,160	3,679	12,961	9,829
FX transaction (gain) loss on loan and other revaluation <sup>(1)</sup>	(255)	638	(191)	1,350
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Contingent consideration adjustments	470	(200)	470	250
ERP expense <sup>(8)</sup>	633	1,701	3,184	3,904
Other	(453)	33	526	(21)
Estimated tax effect of above adjustments <sup>(8)</sup>	(3,003)	(7,046)	(34,132)	(21,446)
<b>Adjusted Net Income</b>	<b>\$ 20,886</b>	<b>\$ 26,438</b>	<b>\$ 59,616</b>	<b>\$ 74,988</b>
<b>Adjusted Earnings per Share</b>	<b>\$ 0.10</b>	<b>\$ 0.12</b>	<b>\$ 0.27</b>	<b>\$ 0.35</b>

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(8) Expenses related to ERP implementation.

(9) Tax effect of adjustments is calculated using projected effective tax rates for each applicable item.

# Non-GAAP Reconciliations

## Core Growth and Free Cash Flow

	Three Months Ended February 28/29,		Year-Over-Year Growth	% Change From		
	Q3 FY25	Q3 FY24		Foreign Currency	Acquisitions / Divestitures	Core Revenue Growth
Food Safety	152,731	157,754	▼ (3.2%)	▼ (4.4%)	▼ (0.3%)	1.5%
Animal Safety	68,249	71,058	▼ (4.0%)	▼ (0.4%)	▼ (1.0%)	▼ (2.6%)
<b>Total Neogen</b>	<b>\$ 220,980</b>	<b>\$ 228,812</b>	<b>▼ (3.4%)</b>	<b>▼ (3.1%)</b>	<b>▼ (0.5%)</b>	<b>0.2%</b>

Free Cash Flow	Q1 FY25	Q2 FY25	Q3 FY25	Q1 vs Q2 Change	Q2 vs Q3 Change
Net cash (used in) provided by operating activities	\$ (17,914)	\$ 40,253	\$ 19,363	\$ 58,167	\$(20,890)
Purchases of PP&E	(38,433)	(17,157)	(32,869)	(21,276)	15,712
Free cash flow	<b>\$ (56,347)</b>	<b>\$ 23,096</b>	<b>\$ (13,506)</b>		