# 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 March 31, 2022, 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**<br>**(State or other jurisdiction of incorporation or organization)** | **41-1427402**<br>**(I.R.S. Employer Identification No.)** |
| **614 McKinley Place N.E.**<br>**Minneapolis, MN 55413**<br>**(Address of principal executive offices) (Zip Code)** | **(612) 379-8854**<br>**(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 | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

At May 3, 2022, 39,233,511 shares of the Company's Common Stock (par value $0.01) were outstanding.

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## PART I. FINANCIAL INFORMATION

## ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS AND COMPREHENSIVE INCOME

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

| | Quarter Ended March 31, 2022 | Quarter Ended March 31, 2021 | Nine Months Ended March 31, 2022 | Nine Months Ended March 31, 2021 |
|---|---|---|---|---|
| Net sales | $ 290,376 | $ 243,552 | $ 817,371 | $ 672,004 |
| Cost of sales | 88,918 | 75,278 | 261,225 | 215,098 |
| Gross margin | 201,458 | 168,274 | 556,146 | 456,906 |
| Operating expenses: | | | | |
| Selling, general and administrative | 89,269 | 82,596 | 276,137 | 238,310 |
| Research and development | 21,742 | 17,052 | 63,992 | 49,882 |
| Total operating expenses | 111,011 | 99,648 | 340,129 | 288,192 |
| Operating income | 90,447 | 68,626 | 216,017 | 168,714 |
| Other income (expense) | (21,675) | (23,272) | 6,317 | (27,652) |
| Earnings before income taxes | 68,772 | 45,354 | 222,334 | 141,062 |
| Income taxes (benefit) | 8,628 | (48) | 21,150 | 16,121 |
| Net earnings, including noncontrolling interest | 60,144 | 45,402 | 201,184 | 124,941 |
| Net earnings (loss) attributable to noncontrolling interest | (595) | (380) | (9,343) | (509) |
| Net earnings attributable to Bio-Techne | $ 60,739 | $ 45,782 | $ 210,527 | $ 125,450 |
| Other comprehensive income (loss): | | | | |
| Foreign currency translation adjustments | (2,851) | (1,142) | (9,573) | 27,700 |
| Unrealized gains (losses) on derivative instruments - cash flow hedges, net of tax amounts disclosed in Note 8 | 7,179 | 1,288 | 11,745 | 5,490 |
| Other comprehensive income (loss) | 4,328 | 146 | 2,172 | 33,190 |
| Other comprehensive income (loss) attributable to noncontrolling interest | (1) | (69) | 26 | 14 |
| Other comprehensive income (loss) attributable to Bio-Techne | 4,329 | 215 | 2,146 | 33,176 |
| Comprehensive income attributable to Bio-Techne | $ 65,068 | $ 45,997 | $ 212,673 | $ 158,626 |
| Earnings per share attributable to Bio-Techne: | | | | |
| Basic | $ 1.55 | $ 1.18 | $ 5.36 | $ 3.24 |
| Diluted | $ 1.48 | $ 1.12 | $ 5.12 | $ 3.11 |
| Weighted average common shares outstanding: | | | | |
| Basic | 39,272 | 38,856 | 39,225 | 38,693 |
| Diluted | 40,969 | 40,676 | 41,073 | 40,305 |

See Notes to Condensed Consolidated Financial Statements.

**CONDENSED CONSOLIDATED BALANCE SHEETS**

*Bio-Techne Corporation and Subsidiaries*

*(in thousands, except share and per share data)*

| | March 31, 2022 (unaudited) | June 30, 2021 |
|---|---|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | $ 160,821 | $ 199,091 |
| Short-term available-for-sale investments | 70,351 | 32,463 |
| Accounts receivable, less allowance for doubtful accounts of $1,522 and $1,229, respectively | 202,095 | 145,385 |
| Inventories | 128,283 | 116,748 |
| Other current assets | 31,558 | 16,919 |
| Total current assets | 593,108 | 510,606 |
| | | |
| Property and equipment, net | 218,398 | 207,907 |
| Right of use asset | 63,450 | 73,834 |
| Goodwill | 827,618 | 843,067 |
| Intangible assets, net | 551,342 | 615,968 |
| Other assets | 45,976 | 11,575 |
| Total assets | $ 2,299,892 | $ 2,262,957 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Trade accounts payable | $ 30,859 | $ 29,384 |
| Salaries, wages and related accruals | 55,642 | 51,294 |
| Accrued expenses | 19,998 | 15,282 |
| Contract liabilities | 23,107 | 18,995 |
| Income taxes payable | 9,788 | 5,336 |
| Operating lease liabilities - current | 11,864 | 11,602 |
| Contingent consideration payable | — | 4,000 |
| Current portion of long-term debt obligations | 12,500 | 12,500 |
| Other current liabilities | 3,080 | 3,891 |
| Total current liabilities | 166,838 | 152,284 |
| | | |
| Deferred income taxes | 99,301 | 93,125 |
| Long-term debt obligations | 246,514 | 328,827 |
| Long-term contingent consideration payable | 4,800 | 25,400 |
| Operating lease liabilities | 56,348 | 67,625 |
| Other long-term liabilities | 12,769 | 24,462 |
| 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 100,000,000; issued and outstanding 39,263,444 and 38,955,484, respectively | 393 | 390 |
| Additional paid-in capital | 636,321 | 534,411 |
| Retained earnings | 1,132,807 | 1,085,461 |
| Accumulated other comprehensive loss | (55,145) | (57,291) |
| Total Bio-Techne's shareholders' equity | 1,714,376 | 1,562,971 |
| Noncontrolling interest | (1,054) | 8,263 |
| Total shareholders' equity | 1,713,322 | 1,571,234 |
| Total liabilities and shareholders' equity | $ 2,299,892 | $ 2,262,957 |

See Notes to Condensed Consolidated Financial Statements.

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

*Bio-Techne Corporation and Subsidiaries*
*(in thousands)*
*(unaudited)*

| | Nine Months Ended March 31, | |
|---|---|---|
| | *2022* | *2021* |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net earnings, including noncontrolling interest | $ 201,184 | $ 124,941 |
| Adjustments to reconcile net earnings to net cash provided by operating activities: | | |
| Depreciation and amortization | 75,203 | 63,075 |
| Costs recognized on sale of acquired inventory | 1,596 | 91 |
| Deferred income taxes | 7,888 | (6,023) |
| Stock-based compensation expense | 33,777 | 39,174 |
| Contingent consideration payments - operating | (3,300) | (155) |
| Fair value adjustment to contingent consideration payable | (20,600) | 6,188 |
| Fair value adjustment on available for sale investments | (15,569) | 10,234 |
| Asset impairment restructuring | 546 | — |
| Eminence impairment | 18,715 | — |
| Leases, net | (974) | 83 |
| Other operating activity | 549 | (608) |
| Change in operating assets and operating liabilities, net of acquisition: | | |
| Trade accounts and other receivables, net | (60,930) | (32,710) |
| Inventories | (16,034) | (4,115) |
| Prepaid expenses | (3,576) | 414 |
| Trade accounts payable, accrued expenses, contract liabilities, and other | 11,229 | 12,198 |
| Salaries, wages and related accruals | 2,059 | 13,829 |
| Income taxes payable | (9,208) | 3,528 |
| Net cash provided by (used in) operating activities | 222,555 | 230,144 |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from maturities of available-for-sale investments | 26,055 | 66,377 |
| Purchases of available-for-sale investments | (47,998) | (39,684) |
| Additions to property and equipment | (31,338) | (32,985) |
| Acquisitions, net of cash acquired | — | (9,765) |
| Investment in unconsolidated entity | — | (556) |
| Investment of forward purchase contract | (25,000) | — |
| Net cash provided by (used in) investing activities | (78,281) | (16,613) |
| | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Cash dividends | (37,646) | (37,174) |
| Proceeds from stock option exercises | 68,346 | 54,992 |
| Re-purchases of common stock | (102,132) | (43,178) |
| Borrowings under line-of-credit agreement | 90,000 | — |
| Repayments of long-term debt | (172,375) | (141,375) |
| Contingent consideration payments - financing | (700) | — |
| Other financing activity | (22,618) | (13,504) |
| Net cash provided by (used in) financing activities | (177,125) | (180,239) |
| | | |
| Effect of exchange rate changes on cash and cash equivalents | (5,419) | 6,219 |
| Net change in cash and cash equivalents | (38,270) | 39,511 |
| Cash and cash equivalents at beginning of period | 199,091 | 146,625 |
| Cash and cash equivalents at end of period | $ 160,821 | $ 186,136 |
| | | |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for income taxes | $ 22,965 | $ 17,957 |
| Cash paid for interest | $ 8,522 | $ 10,729 |

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, 2021, included in the Company's Annual Report on Form 10-K for fiscal 2021. A summary of significant accounting policies followed by the Company is detailed in the Company's Annual Report on Form 10-K for fiscal 2021. The Company follows these policies in preparation of the interim unaudited condensed consolidated financial statements.

During the nine months ended March 31, 2022, 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 2021.

*Goodwill:* In the second quarter of fiscal 2022, Changzhou Eminence Biotechnology Co., Ltd. (Eminence) notified the Company of its need for additional capital to execute its growth plan. The Company first attempted to find outside equity financing support for the Eminence investment but was unable to do so. The Company then reviewed the additional financing needs required to successfully ramp Eminence’s business, which ultimately did not meet the Company’s return on capital requirements. Therefore, the Company did not provide additional funding to Eminence. As a result of not obtaining additional financing, Eminence notified the Company of its plans to cease operations and liquidate its business.

Given the upcoming liquidation process to dispose of the Eminence assets, the Company identified a triggering event and performed impairment testing during the second quarter of fiscal 2022. The impairment testing resulted in a full impairment of the Eminence goodwill and intangible assets, which resulted in charges of $8.3 million and $8.6 million, respectively, for the nine-months ended March 31, 2022. The Company also recognized inventory and fixed asset impairment charges of $0.9 million and $0.9 million, respectively. The Company recorded the impairment charges within the General and Administrative line in the Consolidated Income Statement. The impairment charges recorded within Net Earnings Attributable to Bio-Techne were reduced by approximately $8 million recorded within Net Earnings Attributable to Noncontrolling Interests. The remaining net tangible assets of Eminence included in our Consolidated Balance Sheet as of March 31, 2022, were approximately $4 million and primarily consisted of fixed assets and related deposits of $3.8 million, inventory of $0.8 million, receivables of $0.7 million, and other current assets of $0.2 million. The Company also had $2.2 million related to current liabilities. The Company holds a financial interest of approximately 57.4% in those tangible assets in the upcoming liquidation process.

*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 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 annual earnings before interest, taxes, depreciation, and amortization (EBITDA) at any point prior to December 31, 2027. Once triggered, the Company is required to make a payment of $231 million in exchange for a 19.9% ownership stake. If Wilson Wolf doesn’t achieve the revenue and EBITDA targets by December 31, 2027, the agreement will expire.

Once the first part of the forward contract is 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. 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 approximate multiple for total expected payments of the second forward contract is 4.4 times the annual revenue of Wilson Wolf. The Company has elected to apply the measurement alternative as detailed under ASC 321-10-35-2 for the Wilson Wolf investment. The Company recorded the $25 million payment as a cost basis investment within Other long-term assets on the Consolidated Balance Sheet.

*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 impairment and disposal charges include right of use assets, leasehold improvements, and other asset write-downs associated with combining operations and disposal of assets.

In September 2021, the Company informed employees of our decision to close our Exosome Diagnostics Germany facility, discontinuing lab and research occurring at the site, as part of a realignment of activities within our Exosome Diagnostics business. The restructuring activities were substantially complete as of the end of the third fiscal quarter, with final remaining payouts expected to occur in the fourth quarter of fiscal 2022. As a result of the restructuring activities, an estimated pre-tax charge of $1.2 million was recorded within our Diagnostics and Genomics segment during the first quarter of fiscal 2022. Additional charges of approximately $0.5 million and $(0.3) million were recorded in the second and third quarters of fiscal 2022, respectively. These additional charges related to the refinement of our estimated close down costs as well as miscellaneous shut-down costs incurred during the quarter. Total restructuring charges for the closure of the Exosome Diagnostics Germany facility for the nine months ended March 31, 2022 were recorded within operating income on the income statement as follows (in thousands):

| | Employee Severance | Asset Impairment and other | Total |
|---|---|---|---|
| Selling, general and administrative | $ 649 | $ 750 | $ 1,399 |

Restructuring actions, including cash and non-cash impacts, are as follows (in thousands):

| | Employee Severance | Asset Impairment and other | Total |
|---|---|---|---|
| Accrued restructuring action balances as of September 30, 2021[(1)] | $ 639 | $ 364 | $ 1,003 |
| Incremental expense incurred in the second quarter of fiscal 2022 | — | 242 | 242 |
| Cash payments | (370) | (242) | (612) |
| Adjustments | 301 | (37) | 264 |
| Accrued restructuring actions balances as of December 31, 2021 | 570 | 327 | 897 |
| Cash payments | (200) | (272) | (472) |
| Adjustments[(2)] | (345) | (28) | (373) |
| Accrued restructuring actions balances as of March 31, 2022 | $ 25 | $ 27 | $ 52 |

[(1)]The expense recorded for the three months ended September 30, 2021 of $1.2 million included $0.2 million related to the non-cash impairment of fixed assets.

[(2)]Adjustments include refinements to our estimated close down costs as well as the impacts from foreign currency exchange.

During the second quarter of fiscal 2022, the Company also incurred a restructuring charge of $0.2 million related to employee severance for the relocation of a US plant. This charge is recorded within Other current liabilities as of March 31, 2022. There were no cash payments or adjustments related to this restructuring during the quarter ended March 31, 2022.

***Recently Adopted Accounting Pronouncements***

There were no accounting pronouncements adopted in the nine months ended March 31, 2022. Refer to the Form 10-K for accounting pronouncements adopted prior to June 30, 2021.

***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. Prior to fiscal 2021, the Company has not recognized revenue upon completion of the performance obligation for laboratory services, but rather upon cash receipt, which was subsequent to the performance obligation being satisfied. The Company accounted for these services based on cash receipts as we did not have significant historical experience collecting payments from Medicare or other insurance providers and considered the variable consideration for such services to be constrained as it would not be probable that a significant amount of revenue would not need to be reversed in future periods for the services provided. Given Medicare coverage for our laboratory services became effective on December 1, 2019, the Company considered it to have sufficient data to estimate variable consideration as of July 1, 2020 for laboratory services that are reimbursed by Medicare. The amount of cash received in fiscal 2021 for laboratory services reimbursed by Medicare that were performed prior to July 1, 2020 was approximately $0.5 million. The Company continues to record revenue based on cash receipts for laboratory services not reimbursed by Medicare, as the variable consideration remains constrained. 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 were not material as of March 31, 2022.

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.

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

Contract assets include revenues recognized in advance of billings. Contract assets are included within other current assets in the accompanying balance sheet as the amount of time expected to lapse until the company's right to consideration becomes unconditional is less than one year. We elected the practical expedient allowing us to expense contract costs that would otherwise be capitalized and amortized over a period of less than one year. Contract assets as of March 31, 2022 are not material.

Contract liabilities include billings in excess of revenues recognized, such as those resulting from customer advances and deposits and unearned revenue on warranty contracts. Contract liabilities as of March 31, 2022 and June 30, 2021 were approximately $25.1 million and $20.0 million, respectively. Contract liabilities as of June 30, 2021 subsequently recognized as revenue during the quarter and nine month period ended March 31, 2022 were approximately $1.9 million and $15.2 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:

| | Quarter Ended March 31, 2022 | Quarter Ended March 31, 2021 | Nine Months Ended March 31, 2022 | Nine Months Ended March 31, 2021 |
|---|---|---|---|---|
| Consumables | $ 239,171 | $ 198,818 | $ 657,568 | $ 542,909 |
| Instruments | 28,899 | 24,748 | 92,121 | 70,849 |
| Services | 17,815 | 14,503 | 51,426 | 45,142 |
| Total product and services revenue, net | $ 285,885 | $ 238,069 | $ 801,115 | $ 658,900 |
| Royalty revenues | 4,491 | 5,483 | 16,256 | 13,104 |
| Total revenues, net | $ 290,376 | $ 243,552 | $ 817,371 | $ 672,004 |

Revenue by geography is as follows:

| | Quarter Ended March 31, 2022 | Quarter Ended March 31, 2021 | Nine Months Ended March 31, 2022 | Nine Months Ended March 31, 2021 |
|---|---|---|---|---|
| United States | $ 163,976 | $ 131,586 | $ 447,045 | $ 359,586 |
| EMEA, excluding United Kingdom | 55,301 | 54,552 | 164,003 | 147,622 |
| United Kingdom | 12,920 | 11,213 | 37,240 | 29,599 |
| APAC, excluding Greater China | 21,100 | 19,002 | 58,204 | 52,744 |
| Greater China | 26,554 | 20,467 | 85,997 | 63,685 |
| Rest of World | 10,525 | 6,732 | 24,882 | 18,768 |
| Net Sales | $ 290,376 | $ 243,552 | $ 817,371 | $ 672,004 |

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

*Inventories:*

Inventories consist of (in thousands):

| | March 31, 2022 | June 30, 2021 |
|---|---|---|
| Raw materials | $ 69,263 | $ 55,096 |
| Finished goods[(1)] | 64,742 | 67,108 |
| Inventories, net | $ 134,005 | $ 122,204 |

[(1)] Finished goods inventory of $5,722 and $5,456 included within other long-term assets in the respective March 31, 2022 and June 30, 2021, 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.

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*Property and Equipment:*

Property and equipment consist of (in thousands):

| | March 31, 2022 | June 30, 2021 |
|---|---|---|
| Land | $ 8,603 | $ 8,612 |
| Buildings and improvements | 225,378 | 190,661 |
| Machinery and equipment | 164,665 | 149,410 |
| Construction in progress | 26,508 | 49,073 |
| Property and equipment, cost | 425,154 | 397,756 |
| Accumulated depreciation and amortization | (206,756) | (189,849) |
| Property and equipment, net | $ 218,398 | $ 207,907 |

*Intangible Assets:*

Intangible assets consist of (in thousands):

| | March 31, 2022 | June 30, 2021 |
|---|---|---|
| Developed technology | $ 543,977 | $ 552,160 |
| Trade names | 147,311 | 147,640 |
| Customer relationships | 228,943 | 232,493 |
| Patents | 3,249 | 2,926 |
| Other intangibles | 6,313 | 6,316 |
| Definite-lived intangible assets | 929,793 | 941,535 |
| Accumulated amortization | (401,151) | (348,267) |
| Definite-lived intangibles assets, net | 528,642 | 593,268 |
| In process research and development | 22,700 | 22,700 |
| Total intangible assets, net | $ 551,342 | $ 615,968 |

Changes to the carrying amount of net intangible assets for the period ended March 31, 2022 consist of (in thousands):

| | |
|---|---|
| Beginning balance | $ 615,968 |
| Acquisitions | — |
| Other additions | 283 |
| Amortization expense | (55,731) |
| Currency translation | (615) |
| Eminence impairment [1] | (8,563) |
| Ending balance | $ 551,342 |

The estimated future amortization expense for intangible assets as of March 31, 2022 is as follows (in thousands):

| | |
|---|---|
| 2022 remainder | $ 18,478 |
| 2023 | 71,725 |
| 2024 | 68,857 |
| 2025 | 65,621 |
| 2026 | 61,876 |
| Thereafter | 242,085 |
| Total | $ 528,642 |

[1] As disclosed in Note 1, the Company recorded an impairment charge of $8.6 million related to Eminence in Q2 of FY'22.

*Goodwill:*

Changes to the carrying amount of goodwill for the period ended March 31, 2022 consist of (in thousands):

| | *Protein Sciences* | *Diagnostics and Genomics* | *Total* |
|---|---|---|---|
| Beginning balance | $ 392,717 | $ 450,350 | $ 843,067 |
| Acquisitions[1] | — | (4,407) | (4,407) |
| Eminence impairment | (8,275) | — | (8,275) |
| Currency translation | (2,588) | (179) | (2,767) |
| Ending balance | $ 381,854 | $ 445,764 | $ 827,618 |

[1]As discussed in Note 4, there was an adjustment to the preliminary allocation of the Asuragen acquisition opening balance sheet during the measurement period.

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 quantitative goodwill impairment assessment for all of its reporting units during the fourth quarter of fiscal 2021. No indicators of impairment were identified as part of our assessment.

During the quarter ended September 30, 2021, the Company combined the management of the Exosome Diagnostics and Asuragen reporting units, both of which are included in the Diagnostics and Genomics operating segment. In conjunction with the combination of the reporting units, a qualitative goodwill impairment assessment was performed. The qualitative assessment identified no indicators of impairment.

As disclosed in Note 1, the Company identified a triggering event and a goodwill impairment charge of $8.3 million in the second quarter of fiscal 2022. No additional triggering events or items beyond the upcoming Eminence liquidation were identified during the quarter ended March 31, 2022. The impairment of the Eminence goodwill is the only impairment of goodwill recorded since the adoption of Financial Accounting Standards Board ("FASB") ASC 350 guidance for goodwill and other intangibles on July 1, 2002.

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

Fiscal year 2021 Acquisitions

*Asuragen, Inc.*

On April 6, 2021, the Company acquired all of the ownership interests of Asuragen, Inc. (Asuragen) for approximately $216 million, net of cash acquired, plus contingent consideration of up to $105.0 million, subject to certain revenue thresholds. The Asuragen acquisition adds a leading portfolio of best in-class molecular diagnostic and research products, including genetic screening, oncology testing kits, molecular controls, a GMP compliant manufacturing facility, and a CLIA-certified laboratory. 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' 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 fourth quarter of fiscal 2021.

Net sales and operating loss of this business included in Bio-Techne's consolidated results of operations for the quarter ended March 31, 2022 were approximately $8.6 million and $0.1 million, respectively. Net sales and operating loss of this business included in Bio-Techne's consolidated results of operations for the nine months ended March 31, 2022 were approximately $25.0 million and $3.7 million, respectively.

The allocation of purchase consideration related to Asuragen was completed in the third quarter of fiscal year 2022. The fair values of the assets acquired and liabilities assumed at acquisition date and the updated final amounts as of March 31, 2022 are as follows (in thousands):

| | *Preliminary allocation at acquisition date* | *Adjustments to fair value* | *Final allocation at March 31, 2022* |
|---|---|---|---|
| Current assets, net of cash | $ 10,422 | $ | $ 10,422 |
| Equipment and other long-term assets | 3,762 | | 3,762 |
| Intangible assets: | | | |
| Developed technology | 107,000 | | 107,000 |
| In-process research and development | 22,700 | | 22,700 |
| Customer relationships | 11,700 | | 11,700 |
| Trade names | 2,000 | | 2,000 |
| Non-competition agreement | 1,000 | | 1,000 |
| Goodwill | 94,970 | (4,407) | 90,563 |
| Total assets acquired | 253,554 | (4,407) | 249,147 |
| | | | |
| Liabilities | 4,003 | 960 | 4,963 |
| Deferred income taxes, net | 15,664 | (5,367) | 10,297 |
| Net assets acquired | $ 233,887 | $ — | $ 233,887 |
| | | | |
| Cash paid, net of cash acquired | 215,587 | | 215,587 |
| Contingent consideration payable | 18,300 | | 18,300 |
| Net assets acquired | $ 233,887 | $ — | $ 233,887 |

As summarized in the table, there were adjustments totaling $4.4 million to goodwill during the measurement period. These adjustments relate to refinements within our deferred tax amounts based on factors existing on the acquisition date.

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, in-process research and development, 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 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 16 years. The amount recorded for trade names and the non-competition agreement 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 and the non-competition agreement is estimated to be 5 years and 3 years, respectively. 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.

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

| | *Total carrying value as of March 31, 2022* | *Fair Value Measurements Using Inputs Considered as* | | |
|---|---|---|---|---|
| | | *Level 1* | *Level 2* | *Level 3* |
| Assets | | | | |
| Exchange traded securities[1] | $ 55,851 | $ 55,851 | $ — | $ — |
| Certificates of deposit[2] | 14,500 | 14,500 | — | — |
| Derivative instruments - cash flow hedges | 9,305 | — | 9,305 | — |
| Total assets | $ 79,656 | $ 70,351 | $ 9,305 | $ — |
| Liabilities | | | | |
| Contingent consideration | $ 4,800 | $ — | $ — | $ 4,800 |
| Derivative instruments - cash flow hedges | 2,046 | — | 2,046 | — |
| Total liabilities | $ 6,846 | $ — | $ 2,046 | $ 4,800 |

| | *Total carrying value as of June 30, 2021* | *Fair Value Measurements Using Inputs Considered as* | | |
|---|---|---|---|---|
| | | *Level 1* | *Level 2* | *Level 3* |
| Assets | | | | |
| Exchange traded securities[1] | $ 19,963 | $ 18,581 | $ 1,382 | $ — |
| Certificates of deposit[2] | 12,500 | 12,500 | — | — |
| Derivative instruments - cash flow hedges | 275 | — | 275 | — |
| Total assets | $ 32,738 | $ 31,081 | $ 1,657 | $ — |
| Liabilities | | | | |
| Contingent consideration | $ 29,400 | $ — | $ — | $ 29,400 |
| Derivative instruments - cash flow hedges | 8,376 | — | 8,376 | — |
| Total liabilities | $ 37,776 | $ — | $ 8,376 | $ 29,400 |

(1) Included in available-for-sale investments on the balance sheet. The cost basis in the Company's investment in ChemoCentryx Inc (CCXI) was $6.6 million at both March 31, 2022 and June 30, 2021. The fair value of the Company’s investment in CCXI was $36.5 million and $20.0 million at March 31, 2022 and June 30, 2021, respectively. The Company exercised the warrant via net share settlement to acquire 66,833 additional shares of CCXI equity shares during the quarter ended March 31, 2022. The warrant was valued at $1.4 million as of June 30, 2021. The Company also purchased exchange traded investment grade bond funds

during the quarter ended March 31, 2022. The cost basis and fair value of these exchange traded investment grade bond funds as of March 31, 2022 was $20.0 million and $19.4 million, respectively.

(2) Included in available-for-sale investments on the balance sheet. The certificates of deposit have contractual maturity dates within one year.

*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. The Company's warrant to purchase additional shares at a specified future price was valued using a Black-Scholes model with observable inputs in active markets and therefore was classified as a Level *2* asset.

*Fair value measurements of derivative instruments*

In October 2018, the Company entered into forward starting swaps designated as cash flow hedges on outstanding 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 long-term debt described in Note 6 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 an initial $380 million of notional principal amount. The notional amount decreased by $100 million in October 2020, $80 million in October 2021 and will further decrease by $200 million in October 2022. In June 2020, the Company de-designated $80 million of the notional amount set to expire in October 2020. The net loss associated with the June 2020 de-designated portion of the derivative instrument was not reclassified into earnings based on the amount of probable variable interest payments to occur within a two-month time period of the forecasted hedged transaction. In December 2020, the Company de-designated an additional $80 million of notional amount set to expire in October 2021. The net loss associated with the December 2020 de-designated portion of the derivative instrument was recorded as a loss in other non-operating income related to variable interest debt payments in certain months on a portion of the de-designated derivative that was not expected to occur. The fair value of the designated derivative instrument is $2 million and is recorded within short-term liabilities on the Consolidated Balance Sheet as of March 31, 2022. The fair value of the designated derivative instrument was $7.6 million as of June 30, 2021 and was recorded within other long-term liabilities on the Consolidated Balance Sheet.

In May 2021, the Company entered into a new forward starting swap designated as a cash flow hedge on forecasted debt. The forward starting swap reduces 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 swap, the Company exchanges, at specified intervals, the difference between floating and fixed interest amounts based on $200 million of notional principal amount. The effective date of the swap is November 2022 with the full swap maturing in November 2025. The fair value of the derivative instrument was $9.3 million and $0.3 million as of March 31, 2022 and June 30, 2021, respectively, which is recorded within other long-term assets on the Consolidated Balance Sheet.

Changes in the fair value of the designated hedged instruments are reported as a component of other comprehensive income and reclassified into interest expense over the corresponding term of the cash flow hedge. The Company reclassified $5.2 million to interest expense and related tax benefits of $1.2 million during the nine months ended March 31, 2022. The Company reclassified $6.7 million to interest expense, $0.5 million to non-operating income for the portion of de-designated variable payments considered probable to not occur, and related tax benefits of $1.7 million during the nine months ended March 31, 2021.The instruments were valued using observable market inputs in active markets and therefore are classified as Level 2 liabilities.

*Fair value measurements of contingent consideration*

The Company has $4.8 million in contingent consideration recorded as of March 31, 2022, which is the fair value of contingent consideration related to the Asuragen acquisition. The Company is required to make contingent consideration payments of up to $105.0 million as part of the acquisition agreement. The contingent agreement is based on achieving certain revenue thresholds. The opening balance sheet fair value of the liabilities for the Asuragen acquisition was $18.3 million, as discussed in Note 4. The fair value amount recorded on the opening balance sheet of the revenue milestone payments 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. As of June 30, 2021, the Company had accrued contingent consideration for the Asuragen, B-Mogen Biotechnologies Inc, and QT Holdings Corporation acquisitions.

During the first quarter of fiscal 2022*,* the Company made a $4.0 million payment on the QT Holdings Corporation contingent consideration agreement relating to certain product development milestones. The cash paid was consistent with the related accrual for QT Holdings Corporation as of June 30, 2021.

The ultimate settlement of contingent consideration liabilities for the Asuragen acquisition could deviate from current estimates based on the actual results of the financial measures described above. 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 general and administrative expense.

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

| | *Quarter Ended March 31, 2022* | *Nine Months Ended March 31, 2022* |
|---|---|---|
| Fair value at the beginning of period | $ 9,000 | $ 29,400 |
| Change in fair value of contingent consideration | (4,200) | (20,600) |
| Payments | — | (4,000) |
| Fair value at the end of period | $ 4,800 | $ 4,800 |

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

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

Cash and cash equivalents, certificates of deposit, accounts receivable, and accounts payable – The carrying amounts reported in the consolidated balance sheets 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 1, 2018, the Company entered into a new revolving line-of-credit and term loan governed by a Credit Agreement (the Credit Agreement). The Credit Agreement provides for a revolving credit facility of $600.0 million, which can be increased by an additional $200.0 million subject to certain conditions, and a term loan of $250.0 million. 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 Eurodollar Loans term for which the interest rate is calculated as the sum of LIBOR plus an applicable margin. The applicable margin is determined from the total leverage ratio of the Company and updated on a quarterly basis. The annualized fee for any unused portion of the credit facility is currently 12.5 basis points.

The Credit Agreement matures on August 1, 2023 and contains customary restrictive and financial covenants and customary events of default. As of March 31, 2022, the outstanding balance under the Credit Agreement was $259.1 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 adopted ASU No. 2016-02 and related standards (collectively ASC 842, *Leases*), which replaced previous lease accounting guidance, on July 1, 2019.

The Company recognizes operating lease expense on a straight-line basis over the lease term. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The discount rate used to calculate present value is Bio-Techne's incremental borrowing rate or, if available, the rate implicit in the lease. Bio-Techne determines the incremental borrowing rate for each lease based primarily on its lease term and the economic environment of the applicable country or region. During the nine months ended March 31, 2022, the Company recognized $3.4 million in variable lease expense and $10.8 million relating to fixed lease expense in the Condensed Consolidated Statements of Earnings and Comprehensive Income.

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 (asset and liability amounts are in thousands):

| | *Balance Sheet Classification* | *As of March 31, 2022* |
|---|---|---|
| Operating leases: | | |
| Operating lease right of use assets | Right of Use Asset | $ 63,450 |
| | | |
| Current operating lease liabilities | Operating lease liabilities current | $ 11,864 |
| Noncurrent operating lease liabilities | Operating lease liabilities | 56,348 |
| Total operating lease liabilities | | $ 68,212 |
| | | |
| Weighted average remaining lease term (in years): | | 6.98 |
| | | |
| Weighted average discount rate: | | 3.89 % |

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

| | *Nine months ended March 31, 2022* |
|---|---|
| Cash amounts paid on operating lease liabilities | $ 11,221 |
| | |
| Right of use assets obtained in exchange for lease liabilities | 2,812 |

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):

| | *Operating Leases* |
|---|---|
| Remainder of fiscal 2022 | $ 3,686 |
| 2023 | 13,874 |
| 2024 | 12,214 |
| 2025 | 11,057 |
| 2026 | 9,634 |
| Thereafter | 27,819 |
| Total | $ 78,284 |
| Less: Amounts representing interest | 10,072 |
| Total Lease obligations | $ 68,212 |

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 $0.32 and $0.96 in both the three and nine months ended March 31, 2022 and 2021, respectively.

*Consolidated Changes in Equity (amounts in thousands)*

| | Bio-Techne Shareholders | | | | | | |
|---|---|---|---|---|---|---|---|
| | Common Stock | | Additional Paid-in | Retained | Accumulated Other Comprehensive | Noncontrolling | |
| | Shares | Amount | Capital | Earnings | Income(Loss) | Interest | Total |
| **Balances at June 30, 2021** | **38,955** | **$ 390** | **$ 534,411** | **$ 1,085,461** | **$ (57,291)** | **$ 8,263** | **$ 1,571,234** |
| Net earnings | | | | 69,615 | | (634) | 68,981 |
| Other comprehensive income (loss) | | | | | (6,925) | (39) | (6,964) |
| Share repurchases | | | | | | | |
| Common stock issued for exercise of options | 295 | 3 | 36,345 | (13,481) | | | 22,867 |
| Common stock issued for restricted stock awards | 20 | 0 | 0 | (9,765) | | | (9,765) |
| Cash dividends | | | | (12,493) | | | (12,493) |
| Stock-based compensation expense | | | 11,396 | | | | 11,396 |
| Common stock issued to employee stock purchase plan | 3 | 0 | 1,358 | | | | 1,358 |
| Employee stock purchase plan expense | | | 341 | | | | 341 |
| **Balances at September 30, 2021** | **39,273** | **$ 393** | **$ 583,851** | **$ 1,119,337** | **$ (64,216)** | **$ 7,590** | **$ 1,646,955** |
| Net earnings | | | | 80,173 | | (8,114) | 72,059 |
| Other comprehensive income (loss) | | | | | 4,742 | 66 | 4,808 |
| Share repurchases | (89) | (1) | | (41,293) | | | (41,294) |
| Common stock issued for exercise of options | 134 | 1 | 18,604 | | | | 18,605 |
| Common stock issued for restricted stock awards | 1 | | | | | | — |
| Cash dividends | | | | (12,576) | | | (12,576) |
| Stock-based compensation expense | | | 13,701 | | | | 13,701 |
| Common stock issued to employee stock purchase plan | | | 6 | | | | 6 |
| Employee stock purchase plan expense | | | 267 | | | | 267 |
| **Balances at December 31, 2021** | **39,319** | **$ 393** | **$ 616,429** | **$ 1,145,641** | **$ (59,474)** | **$ (458)** | **$ 1,702,531** |
| Net earnings | | | | 60,739 | | (595) | 60,144 |
| Other comprehensive income (loss) | | | | | 4,329 | (1) | 4,328 |
| Share repurchases | (145) | (1) | | (60,837) | | | (60,838) |
| Common stock issued for exercise of options | 84 | 1 | 10,494 | | | | 10,495 |
| Common stock issued for restricted stock awards | 1 | | | (159) | | | (159) |
| Cash dividends | | | | (12,577) | | | (12,577) |
| Stock-based compensation expense | | | 8,043 | | | | 8,043 |
| Common stock issued to employee stock purchase plan | 4 | | 1,330 | | | | 1,330 |
| Employee stock purchase plan expense | | | 25 | | | | 25 |
| **Balances at March 31, 2022** | **39,263** | **393** | **636,321** | **1,132,807** | **(55,145)** | **(1,054)** | **1,713,322** |

| | *Bio-Techne Shareholders* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | *Common Stock* | | *Additional Paid-in* | *Retained* | *Accumulated Other Comprehensive* | *Noncontrolling* | | |
| | *Shares* | *Amount* | *Capital* | *Earnings* | *Income(Loss)* | *Interest* | *Total* |
| **Balances at June 30, 2020** | **38,453** | **$ 385** | **$ 420,536** | **$ 1,057,470** | **$ (97,199)** | $ — | **$ 1,381,192** |
| Cumulative effect adjustments due to adoption of new accounting standards | | | | (276) | | | (276) |
| Net earnings | | | | 33,395 | | | 33,395 |
| Other comprehensive income (loss) | | | | | 14,057 | | 14,057 |
| Common stock issued for exercise of options | 117 | 1 | 13,727 | | | | 13,728 |
| Common stock issued for restricted stock awards | 25 | 0 | (0) | (4,890) | | | (4,890) |
| Cash dividends | | | | (12,336) | | | (12,336) |
| Stock-based compensation expense | | | 12,667 | | | | 12,667 |
| Common stock issued to employee stock purchase plan | 6 | 0 | 1,463 | | | | 1,463 |
| Employee stock purchase plan expense | | | 286 | | | | 286 |
| **Balances at September 30, 2020** | **38,601** | **$ 386** | **$ 448,679** | **$ 1,073,362** | **$ (83,142)** | $ — | **$ 1,439,285** |
| Non-controlling interest in Eminence | | | | | | 8,985 | 8,985 |
| Net earnings | | | | 46,274 | | (130) | 46,144 |
| Other comprehensive income (loss) | | | | | 18,904 | 83 | 18,987 |
| Common stock issued for exercise of options | 161 | 2 | 16,748 | (2,482) | | | 14,268 |
| Common stock issued for restricted stock awards | 3 | 0 | (0) | 0 | | | — |
| Cash dividends | | | | (12,392) | | | (12,392) |
| Stock-based compensation expense | | | 15,471 | | | | 15,471 |
| Employee stock purchase plan expense | | | 106 | | | | 106 |
| **Balances at December 31, 2020** | **38,765** | **$ 388** | **$ 481,004** | **$ 1,104,762** | **$ (64,238)** | **$ 8,938** | **$ 1,530,854** |
| Net earnings | | | | 45,782 | | (380) | 45,402 |
| Other comprehensive income (loss) | | | | | 215 | (69) | 146 |
| Share repurchases | (120) | (1) | | (43,177) | | | (43,178) |
| Common stock issued for exercise of options | 195 | 2 | 21,324 | (4,332) | | | 16,994 |
| Common stock issued for restricted stock awards | 10 | 0 | (0) | (1,801) | | | (1,801) |
| Cash dividends | | | | (12,446) | | | (12,446) |
| Stock-based compensation expense | | | 10,232 | | | | 10,232 |
| Common stock issued to employee stock purchase plan | 4 | 0 | 1,328 | | | | 1,328 |
| Employee stock purchase plan expense | | | 411 | | | | 411 |
| **Balances at March 31, 2021** | **38,854** | **$ 389** | **$ 514,299** | **$ 1,088,788** | **$ (64,023)** | **$ 8,489** | **$ 1,547,942** |

*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 $4.0 million, net of taxes, from accumulated other comprehensive income (loss) to earnings during the nine months ended March 31, 2022. The Company reclassified $5.5 million, net of taxes, from accumulated other comprehensive income (loss) to earnings during the nine months ended March 31, 2021.

The accumulated balances related to each component of other comprehensive income (loss) attributable to Bio-Techne, net of tax, are summarized as follows:

| | *Unrealized Gains (Losses) on Derivative Instruments* | *Foreign Currency Translation Adjustments* | *Total* |
|---|---|---|---|
| Balance as of June 30, 2021 | $ (6,193) | $ (51,098) | $ (57,291) |
| Other comprehensive income (loss) before reclassifications, net of taxes, attributable to Bio-Techne | 7,757 | (9,599) | (1,842) |
| Reclassification from loss on derivatives to interest expense, net of taxes, attributable to Bio-Techne[(1)] | 3,988 | $ — | $ 3,988 |
| Balance as of March 31, 2022 [(2)] | $ 5,552 | (60,697) | (55,145) |

| | *Unrealized Gains (Losses) on Derivative Instruments* | *Foreign Currency Translation Adjustments* | *Total* |
|---|---|---|---|
| Balance as of June 30, 2020 attributable to Bio-Techne | $ (13,253) | $ (83,946) | $ (97,199) |
| Other comprehensive income (loss), net of tax before reclassifications, attributable to Bio-Techne | (13) | 27,686 | 27,673 |
| Reclassification from loss on derivatives to interest expense, net of taxes, attributable to Bio-Techne[(3)] | 5,503 | — | 5,503 |
| Balance as of March 31, 2021 [(2)] | $ (7,763) | $ (56,260) | $ (64,023) |

(1) Gains (losses) on the interest swap are reclassified into interest expense as payments on the derivative agreement are made. The Company reclassified $5,214 to interest expense and recorded a related tax benefit of $1,226 during the nine months ended March 31, 2022.

(2) The Company had a net deferred tax liability of $1,706 and a net deferred tax benefit of $2,394 included in the accumulated other comprehensive income loss as of March 31, 2022 and 2021, respectively.

(3) Gains (losses) on the interest swap are reclassified into interest expense as payments on the derivative agreement are made. The Company reclassified $6,662 to interest expense and $512 to non-operating income relating to variable interest payments that were probable not to occur in the nine months ended March 31, 2021. The Company also recorded a related tax benefit of $1,670 during the nine months ended March 31, 2021.

***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 March 31, | | Nine Months Ended March 31, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Earnings per share – basic: | | | | |
| Net earnings, including noncontrolling interest | $ 60,144 | $ 45,402 | $ 201,184 | $ 124,941 |
| Less net earnings (loss) attributable to noncontrolling interest | (595) | (380) | (9,343) | (509) |
| Net earnings attributable to Bio-Techne | $ 60,739 | $ 45,782 | $ 210,527 | $ 125,450 |
| Income allocated to participating securities | (25) | (27) | (95) | (77) |
| Income available to common shareholders | $ 60,714 | $ 45,755 | $ 210,432 | $ 125,373 |
| Weighted-average shares outstanding – basic | 39,272 | 38,856 | 39,225 | 38,693 |
| Earnings per share – basic | $ 1.55 | $ 1.18 | $ 5.36 | $ 3.24 |
| | | | | |
| Earnings per share – diluted: | | | | |
| Net earnings, including noncontrolling interest | $ 60,144 | $ 45,402 | $ 201,184 | $ 124,941 |
| Less net earnings (loss) attributable to noncontrolling interest | (595) | (380) | (9,343) | (509) |
| Net earnings attributable to Bio-Techne | $ 60,739 | $ 45,782 | $ 210,527 | $ 125,450 |
| Income allocated to participating securities | (25) | (27) | (95) | (77) |
| Income available to common shareholders | $ 60,714 | $ 45,755 | $ 210,432 | $ 125,373 |
| Weighted-average shares outstanding – basic | 39,272 | 38,856 | 39,225 | 38,693 |
| Dilutive effect of stock options and restricted stock units | 1,697 | 1,820 | 1,848 | 1,612 |
| Weighted-average common shares outstanding – diluted | 40,969 | 40,676 | 41,073 | 40,305 |
| Earnings per share – diluted | $ 1.48 | $ 1.12 | $ 5.12 | $ 3.11 |

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 0.8 million and 1.8 million for the quarter ended March 31, 2022 and 2021 respectively and 0.7 million and 1.6 million for the nine months ended March 31, 2022 and 2021 respectively.

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

During the nine months ended March 31, 2022 and 2021, the Company granted 0.3 million and 0.7 million stock options at weighted average grant prices of $480.67 and $269.64 and weighted average fair values of $119.10 and $57.50, respectively. During the nine months ended March 31, 2022 and 2021, the Company granted 27,573 and 23,367 restricted stock units at a weighted average fair value of $470.38 and $269.87, respectively. During the nine months ended March 31, 2022 and 2021, the Company granted 6,896 and 11,803 shares of restricted common stock shares at a weighted average fair value of $489.34 and $264.73.

Stock options for 555,103 and 505,137 shares of common stock with total intrinsic values of $196.3 million and $108.0 million were exercised during the nine months ended March 31, 2022 and 2021, respectively.

Stock-based compensation expense, inclusive of payroll taxes, of $8.7 million and $11.1 million was included in selling, general and administrative expenses for the quarter ended March 31, 2022 and 2021 respectively. Stock-based compensation expenses, inclusive of payroll taxes, of $35.9 million and $36.0 million was included in selling, general, and administrative expenses for the nine months ended March 31, 2022 and 2021, respectively. Additionally, the company recognized $0.4 million and $1.1 million of stock-based compensation costs in cost of goods sold in the quarter and nine months ended March 31, 2022 respectively, compared to $0.4 million and $1.5 million in cost of goods sold in the comparative prior year periods. As of March 31, 2022, there was $41.7 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 years.

In fiscal 2015, the Company established the Bio-Techne Corporation 2014 Employee Stock Purchase Plan (ESPP), which was approved by the Company's shareholders on October 30, 2014, and which is designed to comply with IRS provisions governing employee stock purchase plans. 200,000 shares were allocated to the ESPP. The Company recorded immaterial expense for the quarter ended March 31, 2022 and $0.4 million for the quarter ended March 31, 2021. The Company recorded expense of $0.6 million and $0.8 million for the ESPP for the nine months ended March 31, 2022 and 2021, respectively.

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

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

| | *Quarter Ended March 31,* | | *Nine Months Ended March 31,* | |
|---|---|---|---|---|
| | *2022* | *2021* | *2022* | *2021* |
| Interest expense | $ (2,493) | $ (2,660) | $ (8,804) | $ (10,661) |
| Interest income | 168 | 114 | 606 | 306 |
| Other non-operating income (expense), net[1] | (19,350) | (20,726) | 14,515 | (17,297) |
| Total other income (expense) | $ (21,675) | $ (23,272) | $ 6,317 | $ (27,652) |

(1) Primarily due to a $17.2 million loss and $16.5 million gain in the fair value of our CCXI investment for the quarter and nine months ended March 31, 2022, respectively, as compared to a $16.6 million loss and $10.2 million loss in the comparative periods.

***Note 12. Income Taxes:***

The Company's effective income tax rate for the third quarter of fiscal 2022 and 2021 was 12.5% and (0.1)%, respectively, of consolidated earnings before income taxes, and 9.5% and 11.4% for the first nine months of fiscal 2022 and 2021, respectively. The change in the company's tax rate for the quarter and nine months ended March 31, 2022 compared to the quarter and nine months ended March 31, 2021 was driven by discrete tax items.

The Company recognized total net benefits related to discrete tax items of $6.3 million and $31.6 million during the quarter and nine months ended March 31, 2022, respectively, compared to $11.6 million and $19.5 million during the quarter and nine months ended March 31, 2021, respectively. Share-based compensation excess tax benefit contributed $3.4 million and $27.8 million in the quarter and nine months ended March 31, 2022, respectively, compared to $11.7 million and $19.7 million in the quarter and nine months, ended March 31, 2021, respectively. The Company recognized total other immaterial net discrete tax benefit of $2.9 million and $3.8 million in the quarter and nine months ended March 31, 2022, respectively, compared to $0.1 million and $0.2 million of other immaterial net discrete tax expense in the quarter and nine months ended March 31, 2021, respectively.

***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.

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

| | Quarter Ended March 31, | | Nine Months Ended March 31, | |
|---|---|---|---|---|
| | *2022* | *2021* | *2022* | *2021* |
| Net sales: | | | | |
| Protein Sciences | $ 213,176 | $ 185,623 | $ 615,332 | $ 512,248 |
| Diagnostics and Genomics | 77,679 | 58,093 | 203,191 | 160,687 |
| Intersegment | (479) | (164) | (1,152) | (931) |
| Consolidated net sales | $ 290,376 | $ 243,552 | $ 817,371 | $ 672,004 |
| Operating income: | | | | |
| Protein Sciences | $ 96,750 | $ 88,983 | $ 280,131 | $ 239,788 |
| Diagnostics and Genomics | 19,405 | 10,417 | 37,748 | 27,197 |
| Segment operating income | $ 116,155 | $ 99,400 | $ 317,879 | $ 266,985 |
| Costs recognized on sale of acquired inventory | — | (68) | (1,596) | (91) |
| Amortization of acquisition related intangible assets | (18,173) | (15,222) | (54,942) | (45,750) |
| Impact of partially owned consolidated subsidiaries[(1)] | (892) | (699) | (3,446) | (906) |
| Acquisition related expenses | 3,710 | (1,731) | 19,328 | (6,289) |
| Eminence impairment | — | — | (18,715) | — |
| Stock based compensation, inclusive of employer taxes | (9,056) | (11,968) | (37,731) | (41,525) |
| Restructuring costs | 291 | — | (1,638) | (142) |
| Corporate general, selling, and administrative expenses | (1,588) | (1,086) | (3,122) | (3,568) |
| Consolidated operating income | $ 90,447 | $ 68,626 | $ 216,017 | $ 168,714 |

[(1)] Adjusted operating income for the third quarter and full year of fiscal 2021 have been updated for comparability to fiscal 2022 for the inclusion of the impact of partially owned consolidated subsidiaries on the Company’s adjusted operating income.

***Note 14. Subsequent Events:***

None.

## 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, 2021. 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. With our deep product portfolio and application expertise, we sell integral components of scientific investigations into biological processes and molecular diagnostics, revealing the nature, diagnosis, etiology and progression of specific diseases. Our products aid in drug discovery efforts and provide the means for accurate clinical tests and diagnoses.

Consistent with the prior year, we have operated with two segments – our Protein Sciences segment and our Diagnostics and Genomics segment – during the third quarter of fiscal 2022. 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 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.

### RECENT ACQUISITIONS

A key component of the Company's strategy is to augment internal growth at existing businesses with complementary acquisitions. The Company did not make any acquisitions in the nine months ended March 31, 2022. As disclosed in Note 1, the Company made a $25 million investment in a forward contract, which allows the Company to acquire Wilson Wolf based on certain revenue or EBITDA thresholds being met. Refer to the prior year Annual Report on form 10-K for additional disclosure regarding the Company's recent acquisitions.

### RESULTS OF OPERATIONS

***Operational Update***

Consolidated net sales increased 19% and 22% for the quarter and nine months ended March 31, 2022, respectively, compared to the same prior year periods. Organic growth for the quarter ended March 31, 2022 was 17% compared to the prior year, with acquisitions contributing 3% to revenue growth and foreign currency exchange having an unfavorable impact of 1%. Organic growth for the nine months ended March 31, 2022 was 18% compared to the prior year same period with acquisitions contributing 4% to revenue growth and foreign currency exchange having an immaterial impact.

Consolidated net earnings attributable to Bio-Techne increased to $60.7 million and $210.5 million for the quarter and nine months ended March 31, 2022, respectively, as compared to $45.8 million and $125.5 million in the same prior year periods. The increase in net earnings attributable to Bio-Techne for the quarter ended March 31, 2022 is primarily due to sales growth and changes in the fair value of contingent consideration for acquisitions. The increase in net earnings attributable to Bio-Techne for the nine months ended March 31, 2022 is primarily due to sales growth and changes in the fair value of contingent consideration for acquisitions, partially offset by changes in the fair value of our CCXI investment.

***Business Strategy Update***

*Environmental*

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. In fiscal 2022, the Company is also focused on evaluating how climate change impacts from our business operations might be measured and mitigated, with the plan of integrating consideration of greenhouse gas emissions and other climate variables into those key business strategies.

In response to the COVID-19 pandemic, the Company took additional steps to monitor and strengthen our supply chain to maintain an uninterrupted supply of our critical products and services. The Company has maintained these procedures while incorporating additional considerations regarding potential adverse weather events associated with climate change.

The financial impact of potential environmental regulations pertaining to carbon emissions or the integration of climate change impacts into our core business strategies are not expected to materially alter the Company's near-term financial results. Additionally, the Company is creating a cross-functional internal council to evaluate potential long-term business impacts while driving long-term sustainability solutions.

*Digital*

In driving our four key business strategies, the Company utilizes digital networks and systems for data transmission, transaction processing, and storing of electronic information. As disclosed in Item 1A Risk Factors of the Company's 10-K, increased cybersecurity attack activity poses a risk for our business. In response to this risk, the Company actively completes system patching and required maintenance, performs internal and third-party employee training, monitors network and system activity, and completes data backups for our systems. However, even with the Company's procedures performed, our digital networks and systems are still potentially vulnerable to cyberattacks.

The financial impact of our cybersecurity initiatives and activities are ongoing and not expected to have a material impact on our financial results. However, the impact on our financial results from a material cyber breach would be unknown and dependent on the nature of the breach.

***Net Sales***

Consolidated net sales for the quarter and nine months ended March 31, 2022 were $290.4 million and $817.4 million, respectively, an increase of 19% and 22% from the same prior year periods. Organic growth for the quarter ended March 31, 2022 was 17% compared to the prior year, with acquisitions contributing 3% to revenue growth and foreign currency exchange having an unfavorable impact of 1%. Organic growth for the nine months ended March 31, 2022 was 18% compared to the prior year same period with acquisitions contributing 4% to revenue growth and foreign currency exchange having an immaterial impact. Organic growth for the quarter and nine months ended March 31, 2022 is primarily driven by broad based revenue growth and by overall execution of the Company's long-term growth strategy.

***Gross Margins***

Consolidated gross margins for the quarter and nine months ended March 31, 2022 were 69.4% and 68.0% respectively, compared to 69.1% and 68.0% 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, stock compensation expense, amortization of intangibles, and impact of partially owned consolidated subsidiaries, adjusted gross margins for the quarter and nine months ended March 31, 2022 were 73.2% and 72.3%, respectively compared to 73.0% and 72.2% for the quarter and nine months ended March 31, 2021, respectively. Both consolidated gross margin and non-GAAP adjusted gross margins for the quarter ended March 31, 2022 were positively impacted by volume leverage and favorable product mix as compared to the prior year. Consolidated gross margin and non-GAAP adjusted gross margin for the nine months ended March 31, 2022 remained relatively consistent with the prior period due to volume leverage and product mix, partially offset by additional investments made in the business to support future growth.

A reconciliation of the reported consolidated gross margin percentages, adjusted for acquired inventory sold, intangible amortization, stock compensation expense, and impact of partially owned consolidated subsidiaries included in cost of sales, is as follows:

| | Quarter Ended March 31, | | Nine Months Ended March 31, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Consolidated gross margin percentage | 69.4 % | 69.1 % | 68.0 % | 68.0 % |
| Identified adjustments: | | | | |
| Costs recognized upon sale of acquired inventory | — % | — % | 0.2 % | 0.0 % |
| Amortization of intangibles | 3.5 % | 3.6 % | 3.7 % | 3.9 % |
| Stock compensation expense - COGS | 0.1 % | 0.2 % | 0.1 % | 0.2 % |
| Impact of partially owned consolidated subsidiaries[1] | 0.2 % | 0.1 % | 0.3 % | 0.1 % |
| Non-GAAP adjusted gross margin percentage | 73.2 % | 73.0 % | 72.3 % | 72.2 % |

[1] Adjusted gross margin percentages for the third quarter and full year of fiscal 2021 have been updated for comparability to fiscal 2022 for the inclusion of the impact of partially owned consolidated subsidiaries on the Company's adjusted gross margin percentage.

***Selling, General and Administrative Expenses***

Selling, general and administrative expenses increased 8% to $89.3 million and increased 16% to $276.1 million for the quarter and nine months ended March 31, 2022, respectively, from the same prior year periods. The increase in expense was due to strategic growth investments and the Asuragen acquisition in the fourth quarter of fiscal 2021.

***Research and Development Expenses***

Research and development expenses increased 28% to $21.7 million and increased 28% to $64.0 million for the quarter and nine months ended March 31, 2022, respectively, from the same prior year periods. The increase in expense was due to strategic growth investments and the Asuragen acquisition in the fourth quarter of fiscal 2021.

***Segment Results***

*Protein Sciences*

| | Quarter Ended March 31, | | Nine Months Ended March 31, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net sales (in thousands) | $ 213,176 | $ 185,623 | $ 615,332 | $ 512,248 |
| Operating margin percentage | 45.4 % | 47.9 % | 45.5 % | 46.8 % |

Protein Sciences' net sales for the quarter and nine months ended March 31, 2022 were $213.2 million and $615.3 million, respectively, with reported growth of 15% and 20% compared to the same respective prior year periods. Organic growth for the quarter and nine months ended March 31, 2022 was 16% and 20%, respectively, when compared to the prior year. Currency exchange had a 1% unfavorable impact and an immaterial impact for the quarter and nine months ended March 31, 2022, respectively. Segment growth was driven by strong BioPharma demand resulting in broad-based growth across our proteomic research reagents and analytical tools.

The operating margin was 45.4% and 45.5% for the quarter and nine months ended March 31, 2022, respectively, compared to 47.9% and 46.8% in both comparative prior year periods. The segment's operating margin compared to the prior year was negatively impacted by strategic investments to support future growth, which was partially offset by volume leverage.

*Diagnostics and Genomics*

| | Quarter Ended March 31, | | Nine Months Ended March 31, | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Net sales (in thousands) | $ 77,679 | $ 58,093 | $ 203,191 | $ 160,687 |
| Operating margin percentage | 25.0 % | 17.9 % | 18.6 % | 16.9 % |

Diagnostics and Genomics' net sales for the quarter and nine months ended March 31, 2022 were $77.7 million and $203.2 million, respectively, with reported growth of 34% and 26% compared to the same respective prior year periods. Organic growth for the quarter and nine months ended March 31, 2022 was 19% and 11%, respectively, when compared to the prior year. Acquisitions contributed 15% to revenue growth for both the quarter and nine months ended March 31, 2022. Currency exchange had an immaterial impact for both the quarter and nine months ended March 31, 2022. Segment growth was driven by the Asuragen acquisition in the fourth quarter of fiscal 2021 and organic growth. Organic growth was driven by an exclusive agreement entered into for development, finalization and commercialization of our ExoTRU kidney transplant rejection test and continued strength in our diagnostic reagent product lines.

The operating margin for the segment was 25.0% and 18.6% for the quarter and nine months ended March 31, 2022, respectively, compared to 17.9% and 16.9% in both comparative prior year periods. The segment's operating margin was favorably impacted by volume leverage and product mix, which were partially offset by additional investments made in the business to support future growth for the quarter and nine months ended March 31, 2022.

***Income Taxes***

Income taxes were at an effective rate of 12.5% and 9.5% of consolidated earnings for the quarter and nine month period ended March 31, 2022, respectively, compared to (0.1)% and 11.4% for the same respective prior year periods. The change in the Company's tax rate for the quarter and nine months ended March 31, 2022 was driven by the composition and amount of net income across periods and the impact of discrete tax items of $6.3 million and $31.6 million, respectively, compared to prior year discrete tax items of $11.6 million and $19.5 million as further discussed in Note 12.

The forecasted tax rate as of the third fiscal quarter of 2022 before discrete items is 23.8% compared to the prior year forecasted tax rate before discrete items of 25.2%. Excluding the impact of discrete items, the Company expects the consolidated income tax rate for the remainder of fiscal 2022 to range from 23% to 27%.

***Net Earnings***

Non-GAAP adjusted consolidated net earnings are as follows:

| | *Quarter Ended March 31,* | | *Nine Months Ended March 31,* | |
|---|---|---|---|---|
| | *2022* | *2021* | *2022* | *2021* |
| Net earnings before taxes - GAAP | $ 68,772 | $ 45,354 | $ 222,334 | $ 141,062 |
| Identified adjustments attributable to Bio-Techne: | | | | |
| Costs recognized upon sale of acquired inventory | — | 68 | 1,596 | 91 |
| Amortization of intangibles | 18,173 | 15,222 | 54,942 | 45,750 |
| Acquisition related expenses | (3,616) | 1,825 | (19,046) | 6,571 |
| Eminence impairment | — | — | 18,715 | — |
| Stock based compensation, inclusive of employer taxes | 9,056 | 11,968 | 37,731 | 41,525 |
| Restructuring costs | (291) | — | 1,638 | 142 |
| Investment (gain) loss and other | 18,100 | 16,590 | (16,530) | 10,232 |
| Impact of partially owned subsidiaries[1] | 1,028 | 591 | 3,595 | 798 |
| Non-GAAP adjusted net earnings attributable to Bio-Techne[1] | $ 111,222 | $ 91,618 | $ 304,975 | $ 246,171 |
| Non-GAAP tax rate | 21.2 % | 20.2 % | 21.2 % | 20.2 % |
| Non-GAAP tax expense | 23,656 | 18,577 | 64,732 | 49,551 |
| Non-GAAP adjusted net earnings attributable to Bio-Techne[1] | $ 87,566 | $ 73,041 | $ 240,243 | $ 196,620 |
| Earnings per share - diluted - Adjusted | $ 2.14 | $ 1.80 | $ 5.85 | $ 4.88 |

[1]Adjusted consolidated net earnings and earnings per share for the third quarter and full year of fiscal 2021 have been updated for comparability to fiscal 2022 for the inclusion of the impact of partially owned consolidated subsidiaries on the Company's adjusted consolidated net earnings and earnings per share.

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 nine months ended March 31, 2022 and March 31, 2021.

| | *Quarter Ended March 31,* | | *Nine Months Ended March 31,* | |
|---|---|---|---|---|
| | *2022* | *2021* | *2022* | *2021* |
| GAAP effective tax rate | 12.5 % | (0.1)% | 9.5 % | 11.4 % |
| Discrete items | 9.1 | 25.7 | 14.3 | 13.8 |
| Annual forecast update | 2.2 | (0.4) | — | — |
| Long-term GAAP tax rate | 23.8 % | 25.2 % | 23.8 % | 25.2 % |
| Rate impact items | | | | |
| Stock based compensation | (1.7) | (5.6) | (1.8) | (5.6) |
| Other | (0.9) | 0.6 | (0.8) | 0.6 |
| Total rate impact items | (2.6)% | (5.0)% | (2.6)% | (5.0)% |
| Non-GAAP adjusted tax rate[1] | 21.2 % | 20.2 % | 21.2 % | 20.2 % |

[1] In our third quarter results of fiscal 2021, the Company recast our first quarter results using the non-GAAP tax rate for the first nine months of fiscal 2021, which normalized the tax rate impact on adjusted earnings resulting from return to growth patterns seen prior to the onset of the COVID-19 pandemic.

The difference between the reported GAAP tax rate and non-GAAP tax rate applied to the identified non-GAAP adjustments for the quarter ended March 31, 2022 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 $231.2 million as of March 31, 2022, compared to $231.6 million as of June 30, 2021. Included in available-for-sale-investments was the fair value of the Company's investment in ChemoCentryx, Inc. (CCXI) which was $36.5 million as of March 31, 2022 and $20.0 million as of June 30, 2021. Also included in the available-for-sale-investments was the fair value of the Company’s investment in exchange traded investment grade bond funds, which was $19.4 million as of March 31, 2022. The Company did not hold these funds as of June 30, 2021.

The Company has a line-of-credit and term loan governed by a Credit Agreement dated August 1, 2018. See Note 6 to the Condensed Consolidated Financial Statements for a description of the Credit Agreement.

The Company has remaining potential contingent consideration payments of up to $105 million related to the Asuragen acquisition as of March 31, 2022. The fair value of the remaining payments is $4.8 million as of March 31, 2022.

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 $222.6 million from operating activities in the nine months ended March 31, 2022 compared to $230.1 million in the nine months ended March 31, 2021. The decrease from the prior year was primarily due to changes in the timing of cash payments on certain operating assets and liabilities, largely offset by an increase in year over year net earnings.

***Cash Flows From Investing Activities***

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

Capital expenditures for fixed assets for the nine months ended March 31, 2022 and March 31, 2021 were $31.3 million and $33.0 million, respectively. Capital expenditures for the remainder of fiscal 2022 are expected to be approximately $23 million. Capital expenditures are expected to be financed through currently available funds and cash generated from operating activities. Expected additions in fiscal 2022 is related to increasing capacity to meet expected sales growth across the Company.

During the nine months ended March 31, 2021, 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 Corporation (Wilson Wolf) if certain annual revenue or EBITDA thresholds are met. The Company is currently forecasting the first option payment of $231 million to occur in either fiscal 2023 or fiscal 2024 with the second option payment of approximately $1 billion plus potential contingent consideration occurring between fiscal 2026 and fiscal 2028.

***Cash Flows From Financing Activities***

During the nine months ended March 31, 2022 and March 31, 2021, the Company paid cash dividends of $37.6 million and $37.2 million, respectively, to all common shareholders. On May 4, 2022, the Company announced the payment of a $0.32 per share cash dividend, or approximately $12.6 million, will be payable May 27, 2022 to all common shareholders of record on May 16, 2022.

Cash of $68.3 million and $55.0 million was received during the nine months ended March 31, 2022 and 2021, respectively, from the exercise of stock options.

During the nine months ended March 31, 2022 and March 31, 2021, the Company made payments of $172.4 million and $141.4 million, respectively, towards the balance of its line-of-credit facility and term loan. During the nine months ended March 31, 2022, the Company borrowed $90.0 million of its line-of-credit facility. There were no borrowings for the nine months ended March 31, 2021.

During the nine months ended March 31, 2022 and March 31, 2021, the Company repurchased $102.1 million and $43.2 million of common stock, respectively.

During the nine months ended March 31, 2022 and March 31, 2021, the Company made $23.4 million and $13.5 million in other financing payments, respectively, related to taxes paid on restricted stock units and stock options exercised through a net share settlement.

**CRITICAL ACCOUNTING POLICIES**

The Company's significant accounting policies are discussed in the Company's Annual Report on Form 10-K for fiscal 2021 and are incorporated herein by reference. The application of certain of these policies requires judgments and estimates that can affect the results of operations and financial position of the Company. Judgments and estimates are used for, but not limited to, valuation of available-for-sale investments, inventory valuation and allowances, valuation of intangible assets and goodwill and valuation of investments in unconsolidated entities. There have been no significant changes in estimates in the quarter or nine months ended March 31, 2022 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 Growth

● Adjusted gross margin

● Adjusted net earnings

● Adjusted effective tax rate

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

Our non-GAAP financial measure of organic growth represents revenue growth excluding revenue from acquisitions within the preceding 12 months, the impact of foreign currency, 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 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. Revenue from partially owned subsidiaries was $0.7 million and $1.6 million for the quarter and nine months ended March, 31, 2022, respectively.

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, the costs recognized upon the sale of acquired inventory, amortization of acquisition intangibles, acquisition related expenses inclusive of the changes in fair value of contingent consideration, and other non-recurring items including non-recurring costs, goodwill and long-lived asset impairments, and gains. Stock-based compensation is excluded from non-GAAP adjusted net earnings because of the nature of this charge, specifically the varying available valuation methodologies, subjection assumptions, variety of award types, and unpredictability of amount and timing of employer related tax obligations. The Company excludes amortization of purchased intangible assets, purchase accounting adjustments, including costs recognized upon the sale of acquired inventory and acquisition-related expenses inclusive of the changes in fair value contingent consideration, and other non-recurring items including gains or losses on legal settlements, goodwill and long-lived asset impairment charges, and one-time assessments from this measure because they occur as a result of specific events, and are not reflective of our internal investments, the costs of developing, producing, supporting and selling our products, and the other ongoing costs to support our operating structure. 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 in the calculation of our non-GAAP financial measures as the revenues and expenses are not fully attributable to the Company.

The Company’s non-GAAP adjusted operating margin and adjusted net earnings, in total and on a per share basis, also excludes stock-based compensation expense, which is inclusive of the employer portion of payroll taxes on those stock awards, restructuring, impairments of equity method investments, gain and losses from investments, and certain adjustments to income tax expense. Impairments of equity investments are excluded as they are not part of our day-to-day operating decisions. Additionally, gains and losses from other investments that are either isolated or cannot be expected to occur again with any predictability are excluded. Costs related to restructuring activities, including reducing overhead and consolidating facilities, are excluded because we believe they are not indicative of our normal operating costs. 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.

**FORWARD LOOKING INFORMATION AND CAUTIONARY STATEMENTS**

This quarterly report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include those regarding the Company's expectations as to the effect of changes to accounting policies, the amount of capital expenditures for the remainder of the fiscal year, the source of funding for capital expenditure requirements, the sufficiency of currently available funds for meeting the Company's needs, the impact of fluctuations in foreign currency exchange rates, and expectations regarding gross margin fluctuations, increasing research and development expenses, increasing selling, general and administrative expenses and income tax rates. These statements involve risks and uncertainties that may affect the actual results of operations. The following important factors, among others, have affected and, in the future, could affect the Company's actual results: integration of newly acquired businesses, the introduction and acceptance of new products, general national and international economic, political, regulatory, and other conditions, increased competition, the reliance on internal manufacturing and related operations, 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 2021 as filed with the Securities and Exchange Commission and Part II. Item 1A below.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

As of March 31, 2022, the Company held an investment in the common stock of CCXI. The investment was included in short-term available-for-sale investments at its fair value of $36.5 million. The Company also holds exchange traded investment grade bond funds, which is included in short-term available-for-sale investments at its fair value of $19.4 million. As of March 31, 2022, the potential loss in fair value due to a 10% decrease in the market value of CCXI and the exchange traded investment grade bond funds was $3.7 million and $1.9 million, respectively.

The Company operates internationally, and thus is subject to potentially adverse movements in foreign currency exchange rates. For the quarter ended March 31, 2022, approximately 33% of consolidated net sales were made in foreign currencies, including 11% in euros, 4% in British pound sterling, 6% in Chinese yuan and the remaining 12% 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 and Canadian dollar, 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 March 31,* | | *Nine Months Ended March 31,* | |
|---|---|---|---|---|
| | *2022* | *2021* | *2022* | *2021* |
| Euro | $ 1.12 | $ 1.20 | $ 1.15 | $ 1.19 |
| British pound sterling | 1.34 | 1.38 | 1.36 | 1.33 |
| Chinese yuan | 0.16 | 0.15 | 0.16 | 0.15 |
| Canadian dollar | 0.79 | 0.79 | 0.79 | 0.77 |

The Company's exposure to foreign exchange rate fluctuations also arises from trade receivables, trade payables and intercompany payables denominated in one currency in the financial statements, but receivable or payable in another currency. The effects of a hypothetical simultaneous 10% appreciation in the U.S. dollar from March 31, 2022 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) | $ 4,227 |
| Decrease in translation of net assets of foreign subsidiaries | 80,143 |
| Additional transaction losses | 3,128 |

## ITEM 4. CONTROLS AND PROCEDURES

***(a) Evaluation of disclosure controls and procedures.***

The Company maintains disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). The Company's management has evaluated, with the participation of its Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of its disclosure controls and procedures as of the end of the period covered in this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2022, our disclosure controls and procedures were effective.

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

There were no changes in the Company's internal control over financial reporting during the third quarter of fiscal 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

# PART II. OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

As of May 9, 2022, the Company is not a party to any legal proceedings that, individually or in the aggregate, are reasonably expected to have a material adverse effect on the Company's business, results of operations, financial condition or cash flows.

## ITEM 1A. RISK FACTORS

During the quarter and nine months ended March 31, 2022, 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, 2021.

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

The Company's previous share repurchase plan, implemented in fiscal 2019, granted management the discretion to mitigate the dilutive effect of stock option exercises for fiscal 2018, which then increases in each period subsequent to June 30, 2018 for additional dilutive impacts of stock options exercised in those future periods. On February 2, 2022, the Company replaced the prior share repurchase plan with a new share repurchase plan that authorizes the Company to purchase up to $400 million in stock. The Company repurchased 89,238 shares for $41.3 million in fiscal 2022 under the previous plan. The Company repurchased 145,000 shares for $60.8 million in fiscal 2022 under the new share repurchase plan. As of March 31, 2022, the Company had $339.2 million available to repurchase under our existing plan.

| Period | Total Number of Shares Purchased | Average Price Paid per Share | Cash Paid (thousands) |
|---|---|---|---|
| November 1-30, 2021 | 900 | 468.90 | 422 |
| December 1-31, 2021 | 88,338 | 462.67 | 40,872 |
| January 1-31, 2022 | - | - | - |
| February 1-28, 2022 | 145,000 | 419.57 | 60,838 |

## ITEM 3. DEFAULT ON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## ITEM 5. OTHER INFORMATION

None.

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**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 Form 10-Q dated February 9, 2015* |
| 3.2 | 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* |
| 4.1 | Description of Capital Stock -- incorporated by reference to Exhibit 4.1 of the Company's Form 10-K dated August 25, 2021* |
| 10.1** | Management Incentive Plan--incorporated by reference to Exhibit 10.13 of the Company's Form 10-K for the year ended June 30, 2013* |
| 10.2** | Bio-Techne 2020 Equity Incentive Plan - incorporated by reference to Exhibit 10.1 of the Company's Form 8-K dated November 3, 2020* |
| 10.3** | 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* |
| 10.4** | Form of Performance Vesting Restricted Stock Unit Award Agreement - incorporated by reference to Exhibit 10.4 of the Company's Form 10-K dated August 25, 2021* |
| 10.5** | 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* |
| 10.6** | 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* |
| 10.7** | 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* |
| 10.8** | 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* |
| 10.9** | 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* |

| Exhibit Number | Description |
|---|---|
| 10.10** | 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* |
| 10.11** | 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* |
| 10.12** | 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* |
| 10.13** | Employment Agreement by and between the Company and Charles Kummeth - incorporated by reference to Exhibit 10.11 of the Company's Form-K dated September 7, 2017* |
| 10.14** | Form of Employment Agreement by and between the Company and Executive Officers of the Company other than the CEO --incorporated by reference to Exhibit 10.12 of the Company's Form 10-K dated September 7, 2017* |
| 10.15** | Form of Amendment No. 1 to Executive Employment Agreement – incorporated by reference to Exhibit 10.15 of the Company’s Form 10-Q dated May 11, 2020* |
| 10.16 | 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 1, 2018--incorporated by reference to Exhibit 10.1 of the Company's Form 8-K dated August 2, 2018* |
| 10.17** | Form of Indemnification Agreement entered into with each director and executive officer of the Company - incorporated by reference to Exhibit 10.1 of the Company's Form 10-Q dated February 8, 2018* |
| 10.18** | Employment Agreement by and between the Company and Mr. William Geist dated December 20, 2021 – incorporated by reference to Exhibit 10.18 of the Company’s Form 10-Q dated February 7, 2022* |
| 21 | Subsidiaries of the Company - incorporated by reference to Exhibit 21 of the Company's Form 10-K dated August 25, 2021* |
| 31.1 | Certificate of Chief Executive Officer pursuant to section 302 of the Sarbanes Oxley Act of 2002 |
| 31.2 | Certificate of Chief Financial Officer pursuant to section 302 of the Sarbanes Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer pursuant to section 906 of the Sarbanes Oxley Act of 2002 |
| 32.2 | Certification of Chief Financial Officer pursuant to section 906 of the Sarbanes Oxley Act of 2002 |
| 101 | The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter and nine months ended March 31, 2022, 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

**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<br>(Company) |
| Date: May 9, 2022 | /s/ Charles R. Kummeth<br>Charles R. Kummeth<br>Principal Executive Officer |
| Date: May 9, 2022 | /s/ James Hippel<br>James Hippel<br>Principal Financial Officer |

**Exhibit 31.1**

CERTIFICATION

I, Charles R. Kummeth, 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: May 9, 2022

/s/ Charles R. Kummeth
Charles R. Kummeth
Principal 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: May 9, 2022

/s/ James Hippel
James Hippel
Principal Financial Officer

**Exhibit 32.1**

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

In connection with the Quarterly Report of Bio-Techne Corporation (the “Company”) On Form 10-Q for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charles R. Kummeth, Principle 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/ Charles R. Kummeth
Charles R. Kummeth
Principal Executive Officer
May 9, 2022

**Exhibit 32.2**

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

In connection with the Quarterly Report of Bio-Techne Corporation (the "Company") On Form 10-Q for the quarter ended March 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James Hippel, 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
Principal Financial Officer
May 9, 2022