STRATEC
Q1 2019 Financial Results

Conference Call – May 24, 2019

SAFE HARBOR STATEMENT

Forward-looking statements involve risks.

This company presentation contains various statements concerning the future performance of STRATEC. These statements are based on both assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we can provide no guarantee of this. This is because our assumptions involve risks and uncertainties which could result in a substantial divergence between actual results and those expected.

It is not planned to update these forward-looking statements.

AGENDA

1. Q1 2019 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK AND STRATEGY
4. Q&A
5. APPENDIX

Q1 2019 AT A GLANCE

- Sales up 20.3% yoy to € 47.7 million; +17.6% at constant currency (Q1 2018: € 39.6 million)
- Adjusted EBIT margin up by 60 bps yoy to 10.7% (Q1 2018: 10.1%)
- System for North American partner launched in March 2019
- Serial production ramp-up for several imminent product launches
- Number of employees up by 9.6% yoy to 1,217 in the light of full project pipeline
- "Go-live" of group-wide ERP system at headquarters in Birkenfeld (GER) and production site in Beringen (CH) in January 2019
- Dividend proposal of € 0.82 per share (previous year: € 0.80 per share) → 15th consecutive increase

AGENDA

FINANCIALS AT A GLANCE[1]

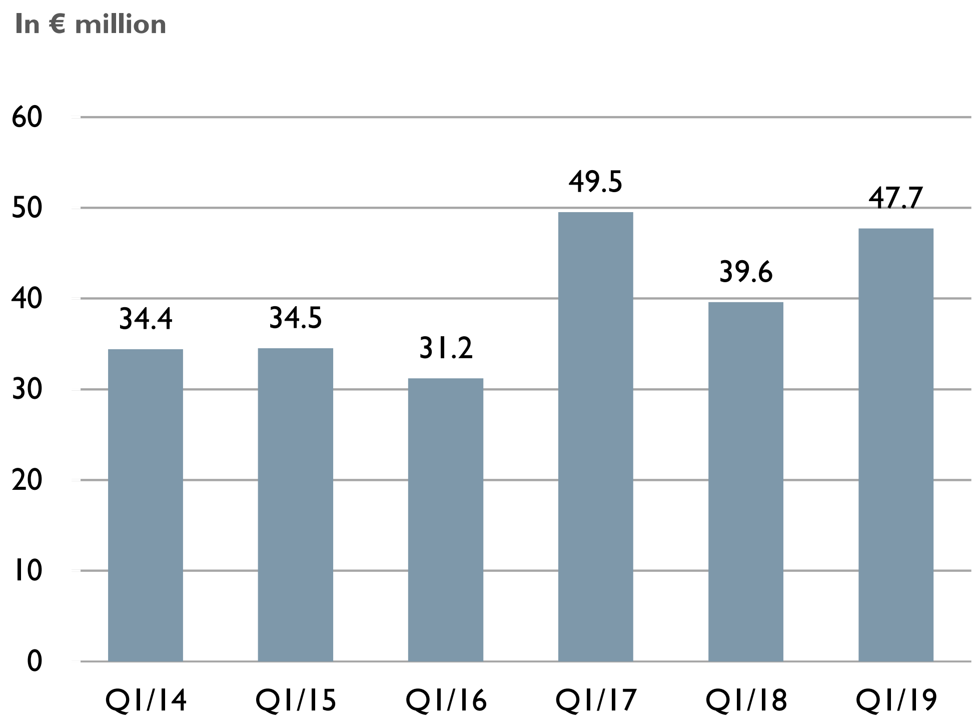
€ 000s	Q1 2019	Q1 2018[2]	Change
Sales	47,675	39,641	+20.3%
Adjusted EBITDA	7,362	5,563	+32.3%
Adjusted EBITDA margin (%)	15,4	14.0	+140 bps
Adjusted EBIT	5,079	4,023	+26.2%
Adjusted EBIT margin (%)	10.7	10.1	+60 bps
Adjusted consolidated net income[3]	3,836	3,357	+14.3%
Adjusted basic earnings per share (in €)[3]	0.32	0.28	+14.3%
Basic earnings per share IFRS (in €)[3]	0.12	0.09	+33.3%

bps = basis points

1 For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions and the associated reorganization expenses, as well as other non-recurring effects.
2 Retrospectively restated to reflect IFRS 9 and IFRS 15 (modified retrospective approach) and to reflect the classification of the nucleic acid preparation business as a discontinued operation in accordance with IFRS 5. Not retrospectively restated for IFRS 16.
3 Results from continuing operations.

FINANCIAL REVIEW

SALES



As of March 31

Q1 2019 sales up 20.3% yoy

- Positive effects from foreign exchange rates (+2.7 ppts)

  → sales up 17.6% yoy at constant currency

  (+) Higher call-up numbers for established systems and initial sales of recently launched products in the Instrumentation segment

  (+) New product launches within the Diatron segment

  (-) Lack of consumables sales due to "go-live" of ERP system in January

ppts = Percentage points

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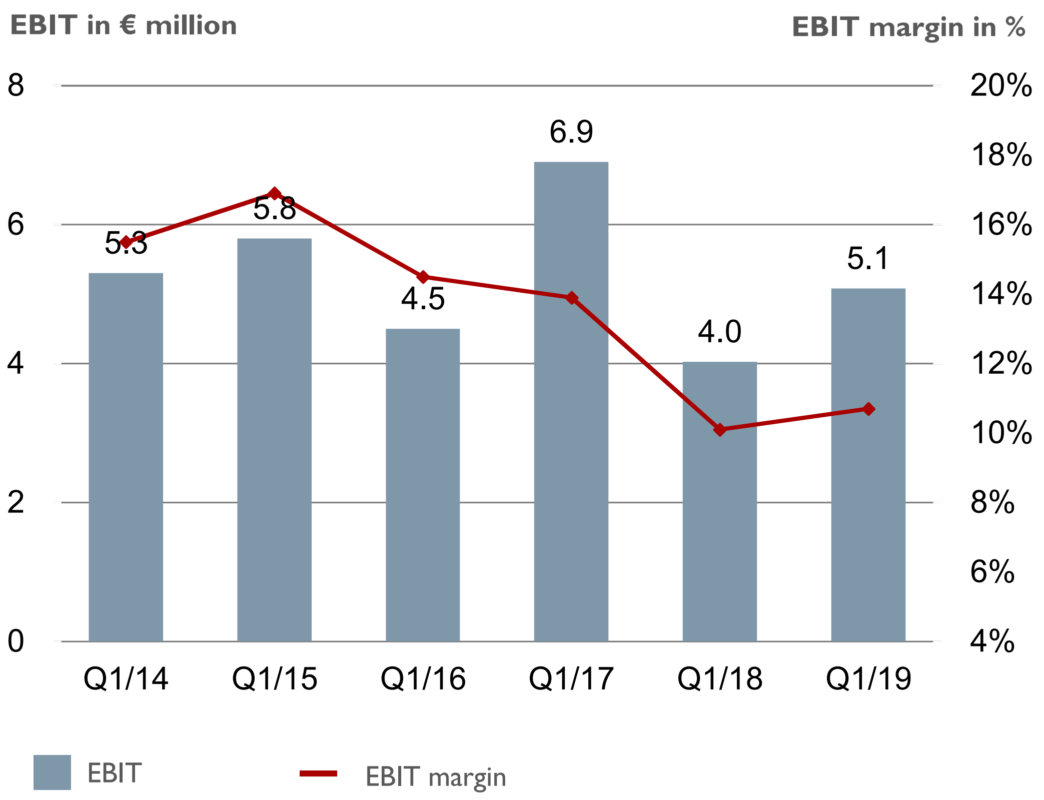
ADJUSTED EBIT AND EBIT MARGIN



As of March 31

Q1 2019 adjusted EBIT margin at 10.7%

- Margin expansion of 60 bps yoy
  - (+) Economies of scale
  - (-) Increased expenses related to strong project pipeline
  - (-) Negative effect from stock appreciation rights
  - (-) Product mix
  - (-) "Go-live" of ERP system and scheduled production interruption in January

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CASH FLOW AND NET DEBT

IFRS (€ million)	Q1 2019	Q1 2018	yoy
Cash flow – operating activities	9.5	12.0	-20.8%
Cash flow – investment activities	-7.8	-4.0	+95.0%
Cash flow – financing activities	-0.5	-1.1	-54.5%
Free cash flow	1.7	8.0	-78.8%

IFRS (€ million)	Q1 2019	2018	Change
Cash and cash equivalents at end of period	25.0	23.8	+5.0%
Net debt	62.3	53.1	+17.3%

- Q1 2019 operating cash flow down to € 9.5 million (Q1 2018: € 12.0 million)
- Higher investment spending due to significant capacity expansion in Birkenfeld (construction projects) and increased investments in development projects
- Higher net debt position mainly attributable to first time adoption of IFRS 16

AGENDA

FINANCIAL GUIDANCE 2019

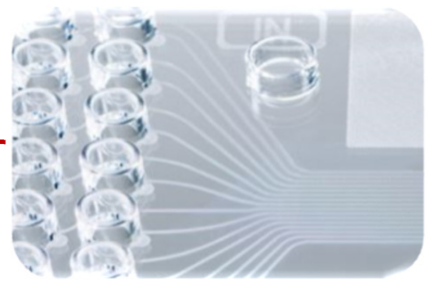
- Group sales are expected to increase by at least 12% (at constant exchange rates)
  - Several new product launches
- Adjusted EBIT margin of around 14% to 15% (2018: 13.9%)
  - Positive scale effects
  - First positive impact from already defined earnings improvement measures
  - Adverse effects from continuing high development activities
- Investments in tangible and intangible assets of around 12% to 14% of sales
  - Ongoing construction measures for significant capacity expansion
  - Investments due to high number of development projects
  - After significant increase in 2018 and 2019 investment ratio will likely decline considerably from 2020 onwards once construction projects for capacity expansion have been completed

OUTLOOK AND STRATEGY

FOCUS IN 2019

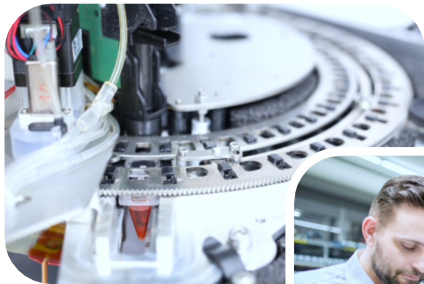
- Reaccelerate top-line growth and reduce earnings volatility across business units
- Sign several new development and supply agreements
- Prepare path to efficiency gains following successful ERP system implementation in Q1
- Achieve significant number of product launches
  - Repeatedly postponed system for North American partner finally launched in March 2019
  - Further expected launches within 2019 among others include a CLIA instrument, a blood banking instrument and a proprietary analyzer platform
- Drive results from defined earnings improvement initiative
- Expand development capacities including significant expansion of buildings



STRATEGIC PRIORITIES

- Enable customers and STRATEC to grow sustainably above the long-term market average
  - Focus on high growth areas of application within in-vitro diagnostics and healthcare research
  - Secure and further boost expertise and technology portfolio with intellectual property rights
- Broadening of product/value offering without entering into competition to partners
  - Organically and via selective M&A transactions
  - Widen offering in areas not perceived as core for/by our customers
- Increase proportion of service parts & consumables
  - Utilize tailwind from increasing system complexity
  - Further expand smart consumables business (microfluidic chips, cartridges, etc.)
  - Utilize combined product offering of instruments, software and consumables to increase proportion of recurring sales
- Drive costumer diversification
  - Utilize extended platform offering
  - Extend components business
  - Accelerate diversification (e.g. veterinary, translational research)



QUESTIONS

&

ANSWERS

ADJUSTMENTS

EBIT

€ 000s	Q1 2019
Adjusted EBIT	**5,079**
Adjustments:	
PPA amortization	-2,277
Transaction-related expenses and associated restructuring expenses	-723
EBIT	**2,079**

Consolidated net income

€ 000s	Q1 2019
Adjusted consolidated net income from continuing operations	**3,836**
Adjusted earnings per share from continuing operations in € (basic)	**0.32**
Adjustments:	
PPA amortization	-2,277
Transaction-related expenses and associated restructuring expenses	-723
Current tax expenses	197
Deferred tax income	360
Consolidated net income from continuing operations	**1,393**
Earnings per share from continuing operations in € (basic)	**0.12**

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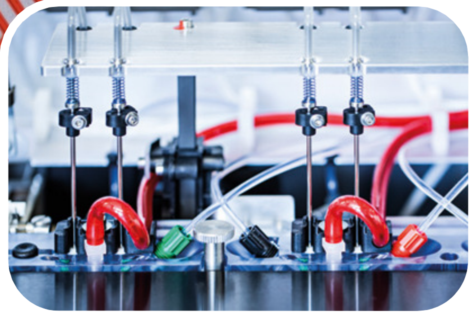
THANK YOU FOR YOUR ATTENTION



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