STRATEC
9M 2019 FINANCIAL RESULTS

Conference Call – November 7, 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. 9M 2019 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

9M 2019 AT A GLANCE

- Dynamic sales growth of 19.6% yoy to € 161.1 million (9M/2018: € 134.6 million)

  → Growth of 17.3% yoy at constant currency

- Adjusted EBIT up 17.8% to € 20.1 million (9M/2018: € 17.0 million)

  → Adjusted EBIT margin at 12.5% (9M/2018: 12.7%)

- Successful market launches by our partners

  → LIAISON® XS by DiaSorin and FACSDUET™ by Becton Dickinson

- Significant progress within major development projects

- Number of employees increases by 8.5% yoy organically to 1,282 in the light of strong project pipeline

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FINANCIALS AT A GLANCE[1]

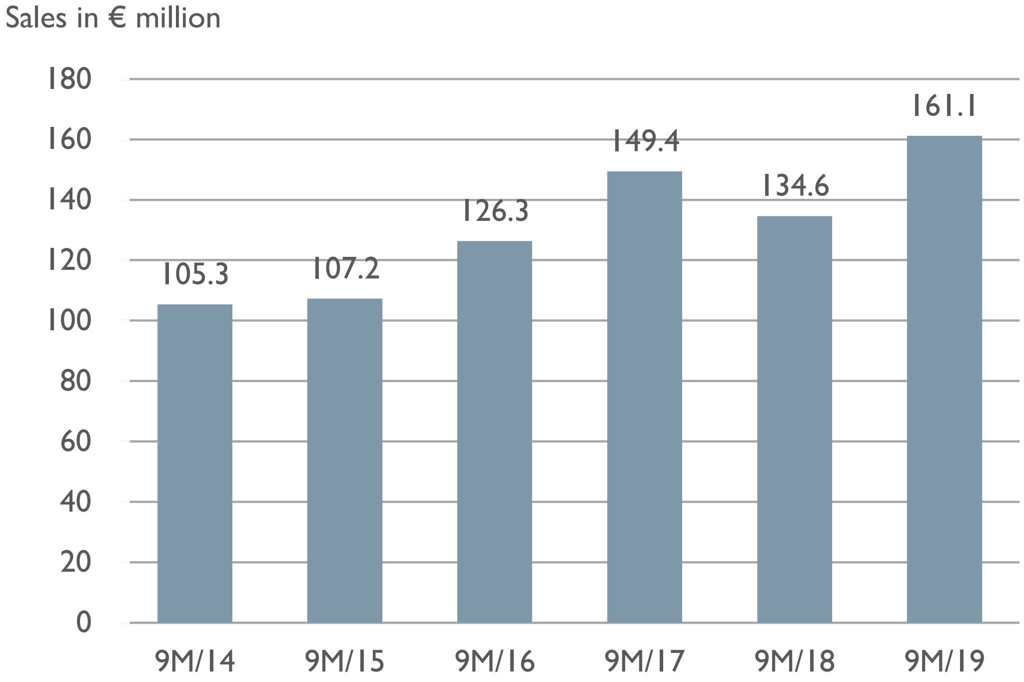
€ 000s	9M/2019	9M/2018[2]	Change
Sales	161,058	134,627	+19.6%
Adjusted EBITDA	27,021	21,960	+23.0%
Adjusted EBITDA margin (%)	16.8	16.3	+50 bps
Adjusted EBIT	20,080	17,044	+17.8%
Adjusted EBIT margin (%)	12.5	12.7	-20 bps
Adjusted consolidated net income[3]	15,872	13,598	+16.7%
Adjusted basic earnings per share (in €)[3]	1.32	1.14	+15.8%
Basic earnings per share IFRS (in €)[3]	0.71	0.51	+39.2%

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 Not retrospectively restated for IFRS 16.
3 Results from continuing operations.

FINANCIAL REVIEW

SALES

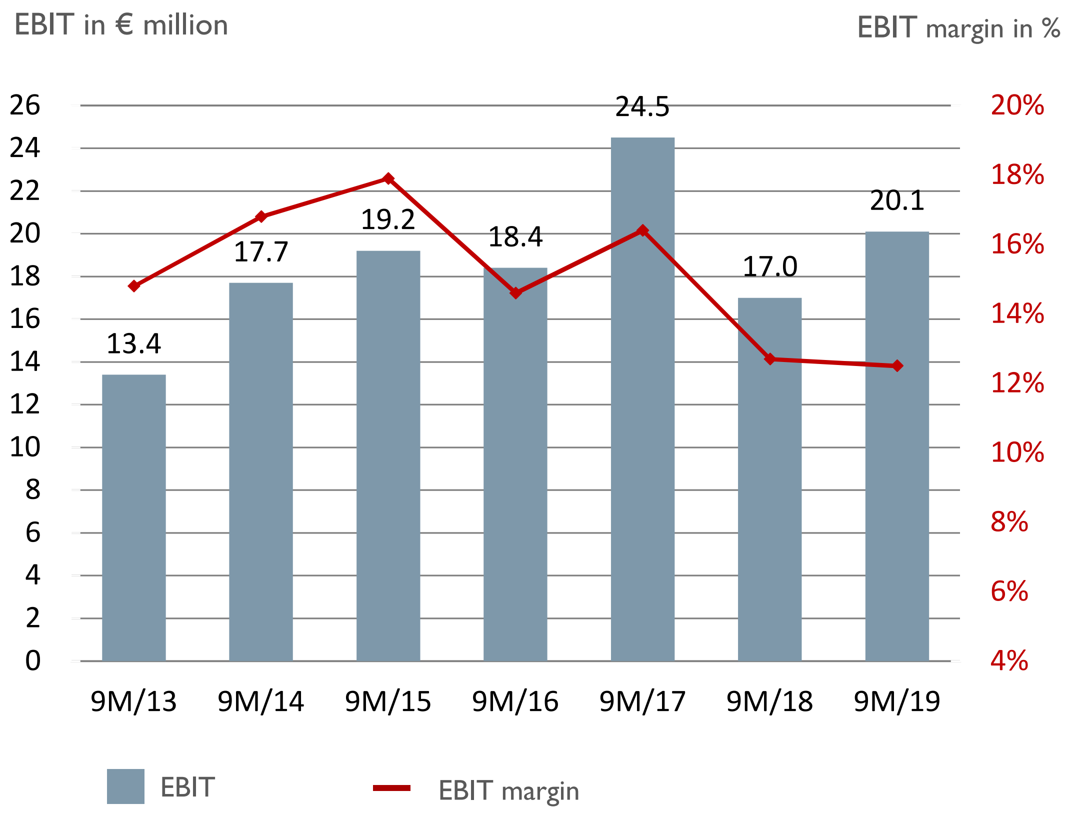


As of September 30

9M/2019 sales up 19.6% yoy to € 161.1 million; +17.3% at constant currency

- Strong call-up numbers for established as well as recently launched systems
- Double-digit growth rates of service parts and consumables as well as development and services sales

ADJUSTED EBIT AND EBIT MARGIN



As of September 30

9M/2019 EBIT up 17.8% yoy to € 20.1 million

9M/2019 adjusted EBIT margin down by 20 bps yoy to 12.5%

- (-) Stock appreciation rights (negative margin effect of 90 bps)
- (-) Product/sales mix
- (+) First positive results from earnings improvement initiative

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CASH FLOW AND NET DEBT

€ 000s	9M/2019	9M/2018	Change
Cash flow – operating activities	11.1	15.4	-27.9%
Cash flow – investment activities	-21.1	-3.9	nm
Cash flow – financing activities	2.8	-9.9	nm
Free cash flow	-10.0	11.5	nm

€ 000s	9M/2019	FY/2018	Change
Cash and cash equivalents at end of period	16.3	23.8	-31.5%
Equity ratio (%)	50.3	55.3	-500 bps
Net debt	86.1	53.1	+62.1%

- Cash flow from operating activities down 27.9% yoy to € 11.1 million
  - adverse effects from higher cash tax payments
  - timing issues within inventories and receivables
- Higher investment spending due to significant capacity expansion at HQ (construction projects) and high development activities
- Investment ratio[1] of 12.6% for the first nine months within full year target corridor of 12% to14%
- Higher net debt position attributable to financing of capex investments and first time adoption of IFRS 16

[1] Total investments in intangible and tangible assets in % of sales

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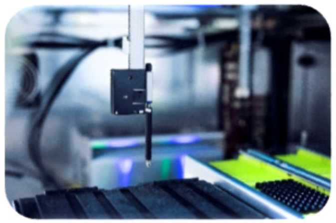
FINANCIAL GUIDANCE 2019 CONFIRMED

- Group sales are expected to increase by at least 12% (at constant exchange rates)
- 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
  - Q4 margin expected to benefit from product mix, development sales with above-average margins and earnings improvement initiative
- 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

FOCUS IN 2019 AND BEYOND

- Reduce earnings volatility across business units and improve EBIT contribution of Smart Consumables business
- Achieve significant number of product launches
  - Two systems for partners were launched year-to-date
  - Further expected launches among others include a blood banking instrument, a proprietary analyzer platform and various stand-alone modules
- Sign several new development and supply agreements
- Drive results from defined earnings improvement initiative
- Expand development capacities including significant expansion of buildings
- Prepare path to efficiency gains following successful ERP system implementation




QUESTIONS

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ANSWERS

APPENDIX

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ADJUSTMENTS

EBIT

€ 000s	9M/2019
Adjusted EBIT	**20,080**
Adjustments:	
Transaction-related expenses and associated restructuring expenses	-2,230
PPA amortization	-6,773
EBIT	**11,077**

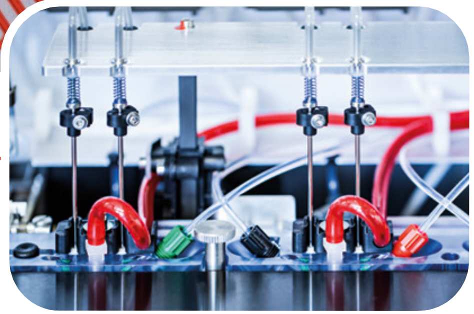
Consolidated net income

€ 000s	9M/2019
Adjusted consolidated net income from continuing operations	**15,872**
Adjusted earnings per share from continuing operations in € (basic)	**1.32**
Adjustments:	
Transaction-related expenses and associated restructuring expenses	-2,230
PPA amortization	-6,773
Current tax expenses	600
Deferred tax income	1,074
Consolidated net income from continuing operations	**8,544**
Earnings per share from continuing operations in € (basic)	**0.71**

CONTACT

STRATEC SE
Gewerbestr. 37
75217 Birkenfeld
Germany

www.stratec.com



THANK YOU FOR YOUR ATTENTION

CONTACT

Marcus Wolfinger
CEO

Jan Keppeler, CFA
Head of Investor Relations &
Corporate Communications

Phone +49 7082 7916-6515
j.keppeler@stratec.com