

PRESS RELEASE

STRATEC POSTS RESULTS FOR FIRST QUARTER OF 2023 AND CONFIRMS FINANCIAL GUIDANCE

- Sales in Q1/2023 -19.8% to € 60.5 million; constant-currency -20.7% (Q1/2022: € 75.4 million)
- Adjusted EBIT margin of 6.3% in Q1/2023 as expected below previous year (Q1/2022: 19.9%)
- 2023 guidance confirmed: Constant-currency sales growth of 8.0% to 12.0% and adjusted EBIT margin of around 12.0% to 14.0% expected
- Initiation of earnings improvement program with expected positive earnings effects of € 10.0 million to 15.0 million in 2024
- Further market launches together with partners and well-stocked development pipeline

Birkenfeld, April 28, 2023

STRATEC SE, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard, SDAX) today announced its financial results and major events for the period from January 1, 2023 to March 31, 2023 with the publication of its Quarterly Statement Q1|2023.

KEY FIGURES¹

€ 000s	Q1/2023	Q1/2022	Change
Sales	60,478	75,387	-19.8%
Adj. EBITDA	7,292	18,459	-60.5%
Adj. EBITDA margin (%)	12.1	24.5	-1,240 bps
Adj. EBIT	3,816	15,037	-74.6%
Adj. EBIT margin (%)	6.3	19.9	-1,360 bps
Adj. consolidated net income	2,133	11,948	-82.1%
Adj. earnings per share (€)	0.18	0.99	-81.8%
Earnings per share (€)	0.11	0.92	-88.0%

Adj. = adjusted
bps = basis points

¹ For comparison purposes, figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (including consulting expenses in connection with M&A activities).

BUSINESS PERFORMANCE

Consolidated sales at the STRATEC Group amounted to € 60.5 million in the first quarter of 2023 (Q1/2022: € 75.4 million) and thus fell year-on-year by 19.8% (constant-currency: -20.7%). The reduction in sales is therefore consistent with original budget expectations and the indicative quarterly outlook communicated in March 2023. As expected, the sales performance in the first quarter of 2023 was particularly affected by the previous year's high basis of comparison for molecular diagnostic product lines (including service parts) on account of the pandemic. Moreover, due to stock optimization measures one customer operating in transfusion medicine posted temporarily weaker system call-up figures. Overall, this led sales with Systems and Service Parts and Consumables to decrease. By contrast, STRATEC increased its sales with Development and Services.

Adjusted EBIT stood at € 3.8 million in the first quarter of 2023, compared with € 15.0 million in the previous year's quarter. As a result, the adjusted EBIT margin amounted to 6.3% (Q1/2022: 19.9%) and was, as expected, adversely affected by negative effects of scale, changes in the product mix, and higher input costs due to inflation. The development in the first-quarter margin was also negatively influenced by lower efficiency rates seen at the start of serial production for products newly launched onto the market.

In keeping with the marked reduction in current operating profitability, adjusted consolidated net income for the first quarter of 2023 also fell, in this case from € 11.9 million in the previous year to € 2.1 million. Adjusted earnings per share (basic) came to € 0.18 (Q1/2022: € 0.99).

For comparison purposes, the earnings figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (including consulting expenses in connection with M&A activities). A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income can be found in the Quarterly Statement Q1|2023 also published today.

INITIATION OF EARNINGS IMPROVEMENT PROGRAM

In response to the factors currently weighing on the margin, the Board of Management already decided in March 2023 to introduce and implement an extended earnings improvement program. Work on compiling the program and analyzing the associated earnings improvement potential is now largely complete. The program particularly comprises measures in the areas of personnel, non-personnel cost reductions, and further well-focused price adjustment strategies for the product portfolio. The personnel measures do not provide for any job-cutting program, but do involve a temporary partial halt to new hiring and a reallocation of resources.

The program is expected to involve earnings improvement potential of € 10.0 million to 15.0 million (before taxes) in 2024 compared with the original company budget. This earnings improvement potential does not account for additionally anticipated effects relating to the product and sales mix or for rising efficiency in the serial production of systems recently launched onto the market.

FINANCIAL GUIDANCE

Following negative order forecast corrections received from customers for a number of molecular diagnostic product lines in the first quarter of 2023, order volumes have recently stabilized and, for some products, already started to recover. Moreover, the pandemic-driven period of high comparative figures for the previous year will moderate significantly from the second quarter of 2023. On this basis, and taken together with the performance in line with expectations in the first quarter of 2023 and further growth in sales contributions from new product launches, STRATEC can confirm its financial guidance for the 2023 financial year. Accordingly, STRATEC continues to expect constant-currency sales growth of 8.0% to 12.0% and an adjusted EBIT margin of around 12.0% to 14.0% (previous year: 16.4%).

For the 2023 financial year, STRATEC is still budgeting investments in property, plant and equipment and intangible assets corresponding to a total of 6.0% to 8.0% of sales (2022: 6.9%).

The above guidance figures do not account for those effects of the earnings improvement program for 2023 that are already possible.

PROJECTS AND OTHER DEVELOPMENTS

Together with its partners, STRATEC pressed further ahead with numerous development projects in the first quarter of 2023. Various stages of pre-serial equipment for immunohematology and molecular diagnostic system solutions, for example, were delivered to the relevant partners. Not only that: In January 2023, a US partner obtained US FDA approval for a novel test process to rapidly detect potential sepsis and assess the associated risks at an early stage. The test process draws on a smart consumable developed by STRATEC. Sepsis is one of the most common causes of death worldwide and early detection is critical to potential successful treatment.

Furthermore, several products recently launched onto the market are in a dynamic start-up phase of serial production. Key production efficiency milestones were already reached in recent weeks and the procurement of necessary input products secured. STRATEC also expects to see further market launches in the coming months. One notable example is a product version for a flow cytometry flow solution that has been extended to include additional functions.

DEVELOPMENT IN PERSONNEL

The STRATEC Group's workforce continued to grow and passed the 1,500 mark for the first time in the first quarter of 2023. Including personnel hired from temporary employment agencies and trainees, STRATEC had a total of 1,502 employees as of March 31, 2023 (previous year: 1,406). This corresponds to growth of 6.8% compared with the previous year's reporting date.

QUARTERLY STATEMENT Q1|2023

The Quarterly Statement Q1|2023 of STRATEC SE has been published on the company's website at www.stratec.com/financial_reports.

FORTHCOMING DATES

The Annual General Meeting of STRATEC SE will be held as a virtual AGM on May 17, 2023. The Half-year Financial Report H1|2023 will be published on July 28, 2023.

CONFERENCE CALL AND AUDIO WEBCAST

To mark the publication of the results for the first quarter of 2023, STRATEC will be holding a conference call in English at 2.00 p.m. (CEST) today, Friday, April 28, 2022.

You will receive the dial-in data (telephone number, password + individual PIN) following brief registration at the following link: www.stratec.com/registration

The conference call will also be available at the same time as an audio webcast at <http://www.stratec.com/audiowebcast20230428> (brief registration required). Please note that no questions can be submitted via the audio webcast. Clicking this link also enables you to follow or download the slide presentation.

ABOUT STRATEC

STRATEC SE (www.stratec.com) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and life sciences. Furthermore, the company offers complex consumables for diagnostic and medical applications. For its analyzer systems and consumables, STRATEC covers the entire value chain – from development to design and production through to quality assurance.

The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of patented technologies.

Shares in the company (ISIN: DE000STRA555) are traded in the Prime Standard segment of the Frankfurt Stock Exchange and are listed in the SDAX select index of the German Stock Exchange.

FURTHER INFORMATION IS AVAILABLE FROM:

STRATEC SE

Jan Keppeler | Investor Relations, Sustainability & Corporate Communications

Tel: +49 7082 7916-6515

ir@stratec.com

www.stratec.com