

COMMERZBANK & ODDO BHF CORPORATE CONFERENCE

Frankfurt - September 6, 2022

A PERFECT MATCH IN
DIAGNOSTICS

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. OVERVIEW AND BUSINESS MODEL
2. THE IVD MARKET
3. FINANCIALS
4. OUTLOOK AND STRATEGY

OVERVIEW AND BUSINESS MODEL



OVERVIEW AND BUSINESS MODEL

STRATEC AT A GLANCE

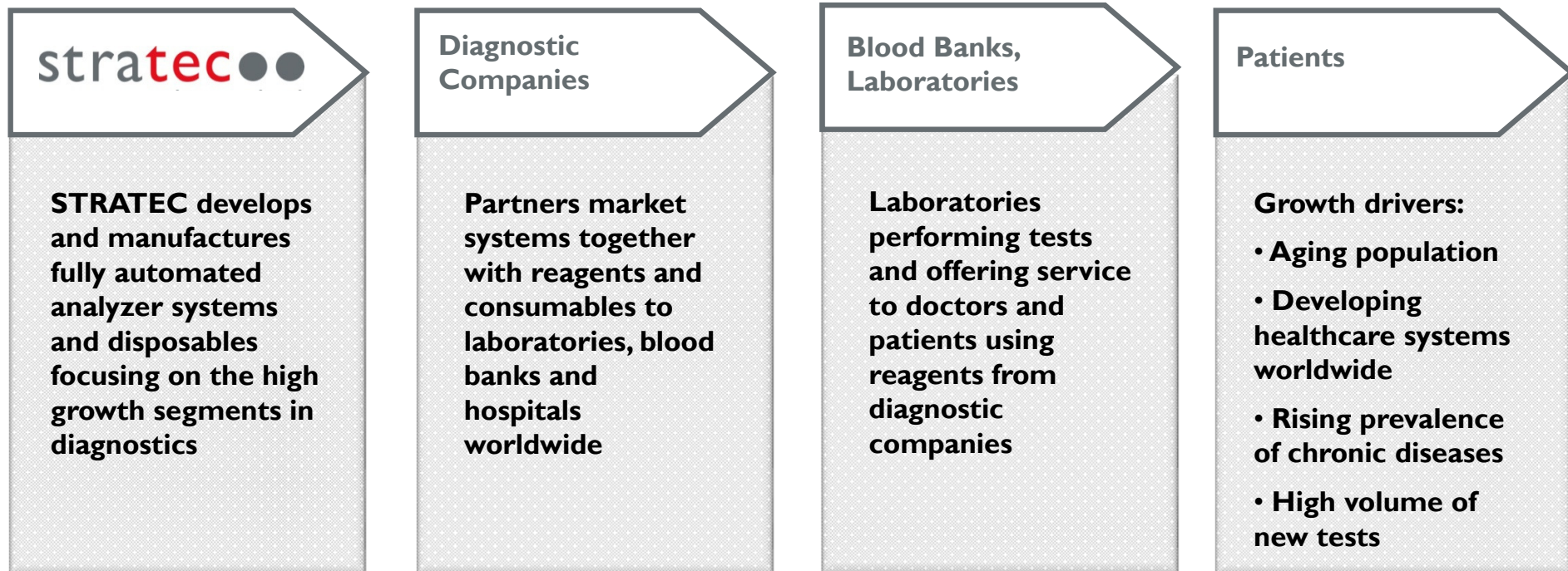
- Leading OEM player for automation solutions for the diagnostics industry and translational research
- Three decades of experience in highly regulated healthcare markets and growing technology pool
- Around 1.400 employees worldwide
 - Around 50% allocable to R&D
- Production sites in Germany (HQ), Switzerland, Hungary and Austria
- High number of systems installed globally
 - More than 14,000 medium to high throughput systems
 - More than 30,000 low throughput systems
- Sales of € 287.3 million in 2021
 - CAGR sales since IPO in 1998: ~15%
- Dividend payments raised over 18 consecutive years

SELECTED PRODUCTS



OVERVIEW AND BUSINESS MODEL

UNIQUE MARKET POSITION STRATEC IN THE IVD VALUE CHAIN



OVERVIEW AND BUSINESS MODEL

BUSINESS MODEL

STRATEC provides instrumentation, consumables, software and automation solutions

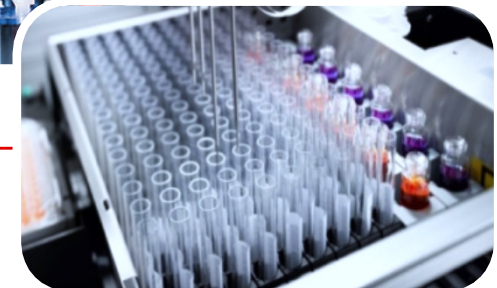
- OEM development and manufacturing
- More than 10,000 fully automated analyzer systems and modules manufactured annually
- Wide range of intellectual property rights

Extensive collaboration with partner during design phase

- STRATEC: Engineering / automation, software, QM
- Partner: System / reagent / market requirements

Systems have long market lifecycles

- Product lifecycles typically in an area of 12 to 15 years
- Leads to longstanding partnerships
- Expanding installed base of systems
- Product enhancement and extension drives value



OVERVIEW AND BUSINESS MODEL

SECURING RETURN ON INVESTMENT

Long-term agreements with partners

- Milestone payments during development stage
- Operating sales during series production stage
- Recurring sales from service parts & consumables sales

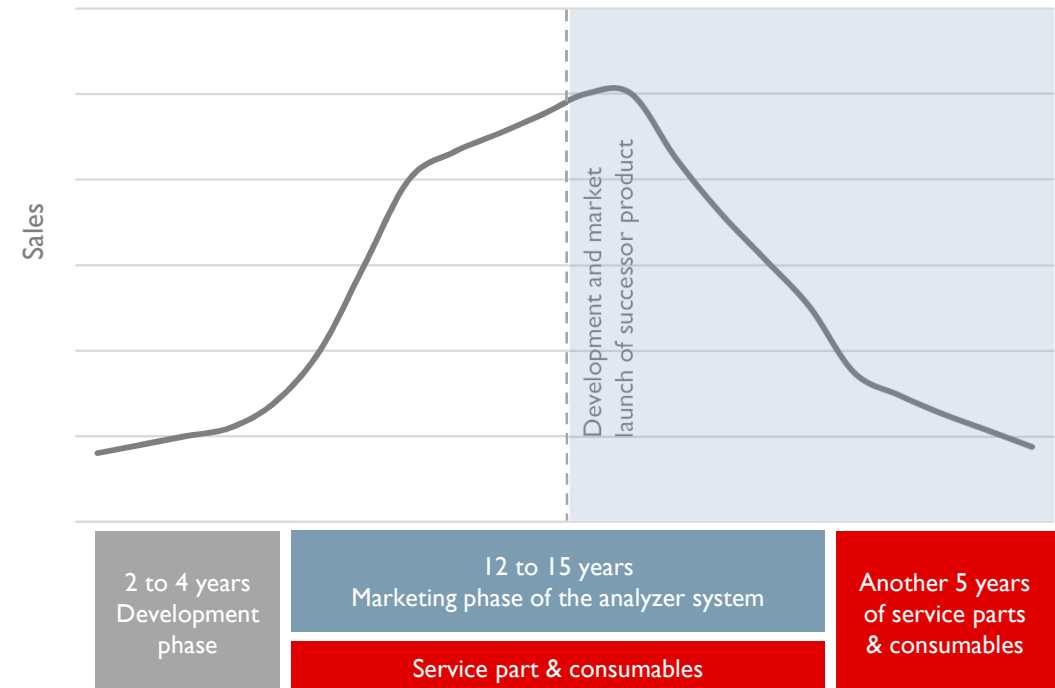
Minimum volume commitment

- Firm purchase orders
- STRATEC an integral part of partners' plans

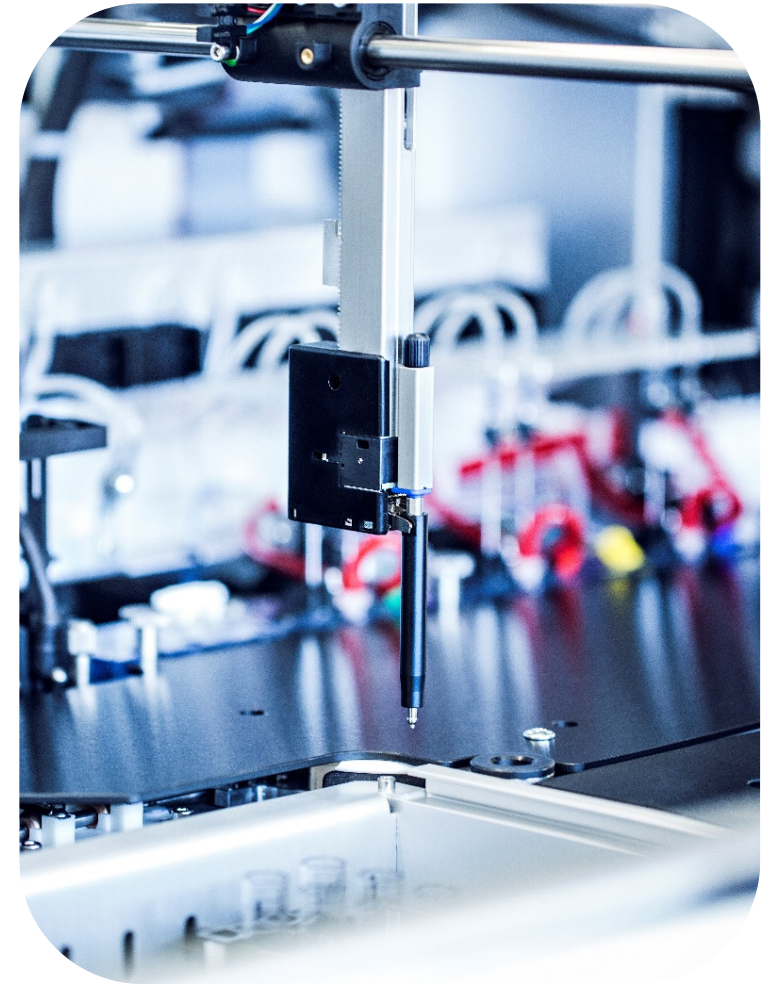
Reliable partnership

- Shortened development time
- Integration of analyzer system and reagents
- Agreed development budget & transfer price
- High commitment by both partners

INDICATIVE SALES CHARACTERISTICS OF AN ANALYZER OEM PROJECT



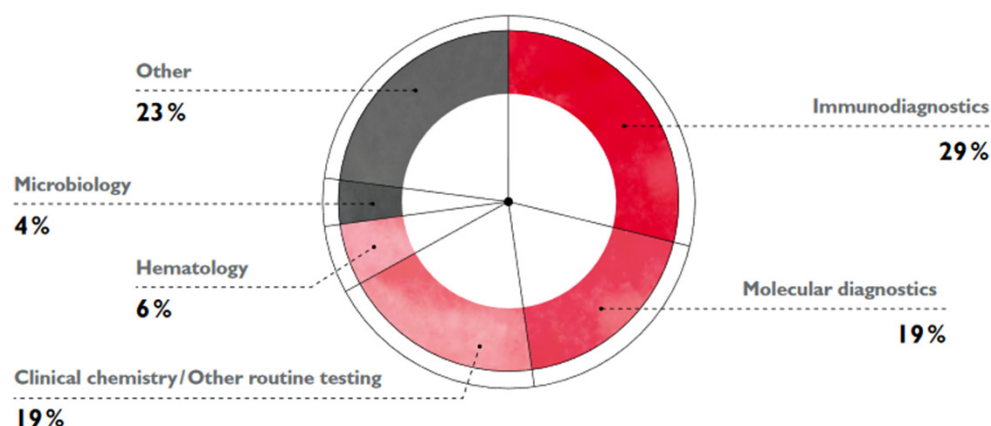
THE IVD MARKET



THE IVD MARKET

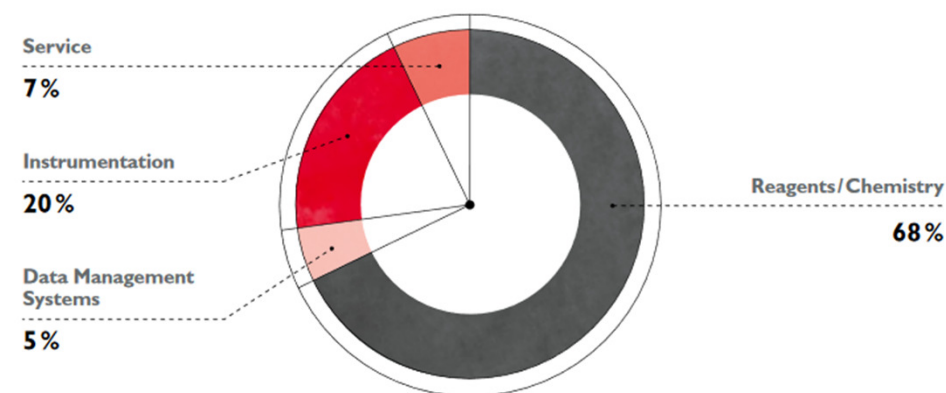
IVD MARKET SEGMENTS / IVD MARKET: ~ 85 BILLION USD IN 2020

IVD market by technologies



STRATEC's main technologies

IVD market by product category



Total instrumentation market ~ 17 billion USD

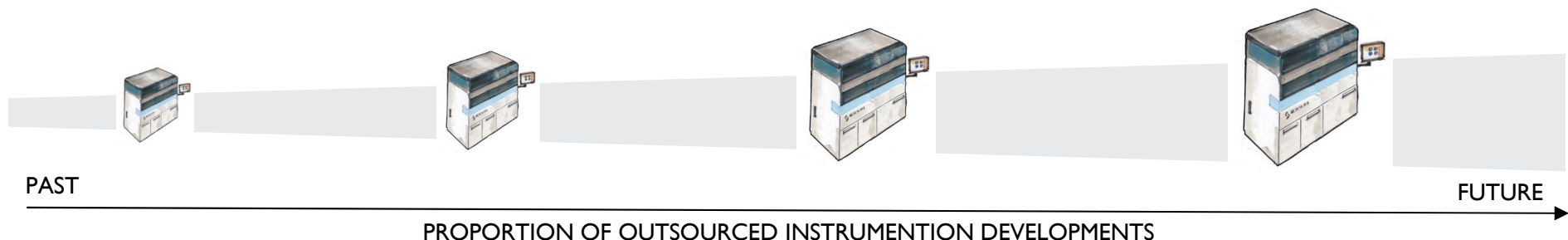
Growth drivers

- Aging world population
- Rising prevalence of chronic diseases
- Expansion in healthcare systems, especially in emerging markets
- New technologies broadening scope of IVD applications (e.g. oncology, personalized medicine or non-invasive prenatal testing)
- Increasing automation

THE IVD MARKET

OUTSOURCED VS IN HOUSE INSTRUMENTATION MARKET

- The majority of instrumentation equipment in the IVD market is still developed in-house by diagnostics companies
- Share of outsourced developments has already increased significantly over the last couple of years
- Trend of outsourcing towards specialized players set to continue, due to:
 - Engineering of automation solutions often not core competence of diagnostics companies
 - Shorter development timeframes due to already existent technology pools
 - Guaranteed project budget and firm transfer prices
 - Keeping up with regulatory developments easier for specialized players
 - Structured processes in order to address end customer needs, such as ease of use, user experience, workflow efficiencies, remote access, serviceability and preventive maintenance



THE IVD MARKET

A SELECTION OF STRATEC CUSTOMERS

GLOBAL TOP 20 IVD COMPANIES		Sales 2021 (USD billion)
1.	Roche	19.0
2.	Abbott	15.6
3.	Danaher	9.8
4.	SIEMENS Healthineers	6.6
5.	Thermo Fisher	5.7
6.	BECTON DICKINSON	4.4
7.	HOLOGIC	3.5
8.	bioMérieux	3.2
9.	Sysmex	3.1
10.	PerkinElmer	2.9
11.	mindray	2.8
12.	Ortho Clinical Diagnostics	2.0
13.	illumina	1.8
14.	Exact Sciences	1.8
15.	QUIDEL	1.7
16.	BIO-RAD	1.5
17.	werfen	1.4
18.	Agilent	1.4
19.	DiaSorin	1.3
20.	Seegene	1.1

... AND OTHER GAME-CHANGING COMPANIES

Quanterix™

 QUOTIENT

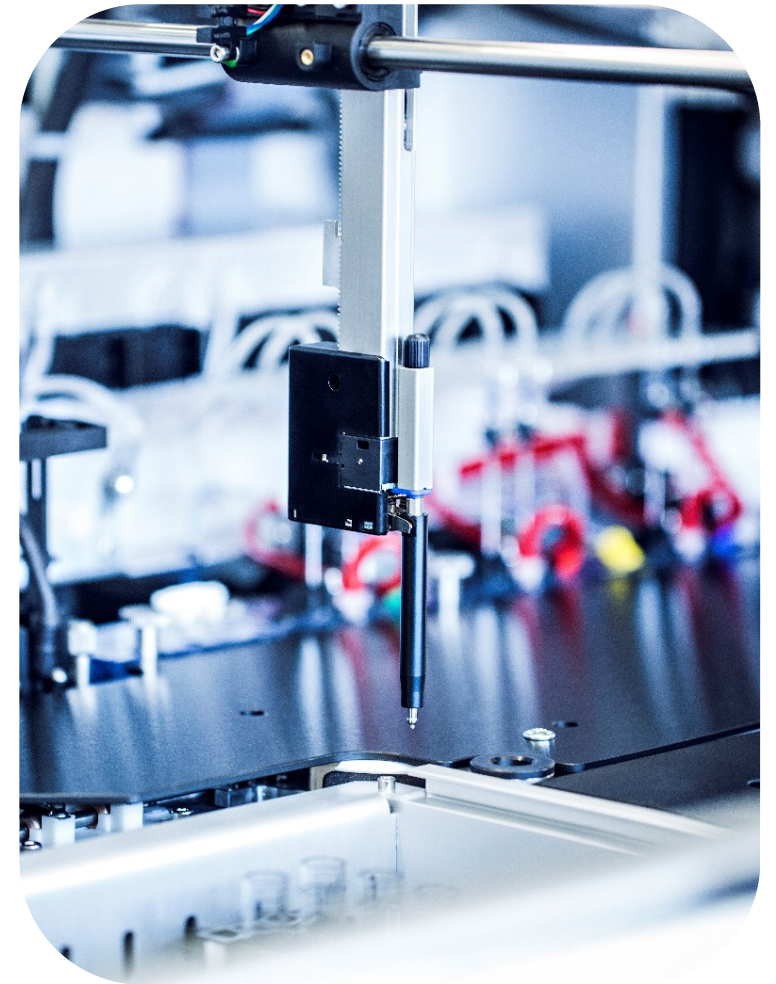
 Cytovale

■ STRATEC customer

□ Not a STRATEC customer

Source: IVD News / non-public companies estimated / non-reported sector sales estimated

FINANCIALS

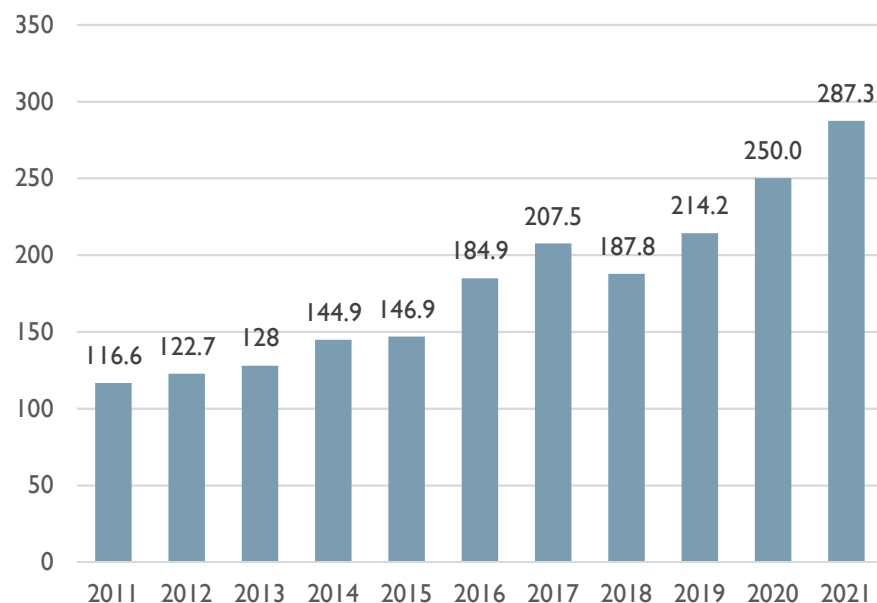


FINANCIALS

KEY FIGURES - TRACK RECORD

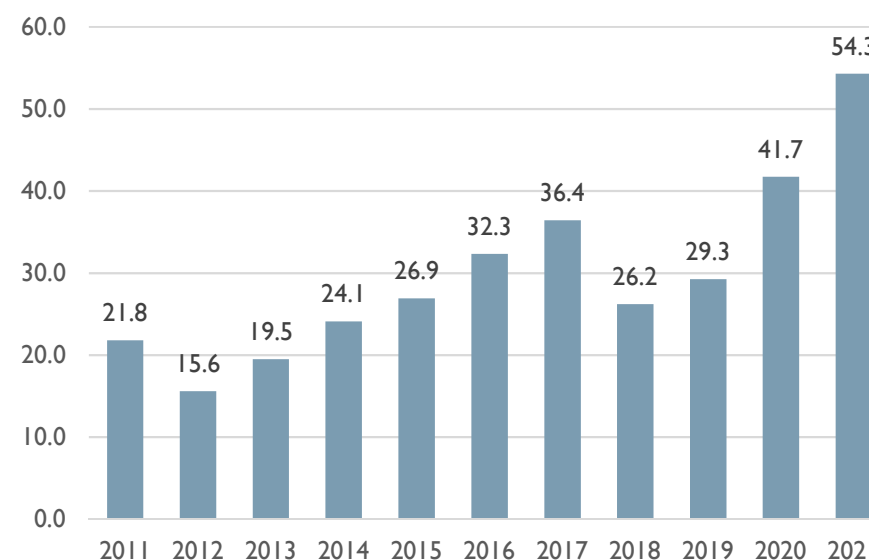
Sales in € million

CAGR ~9%



Adjusted EBIT in € million¹

CAGR ~10%



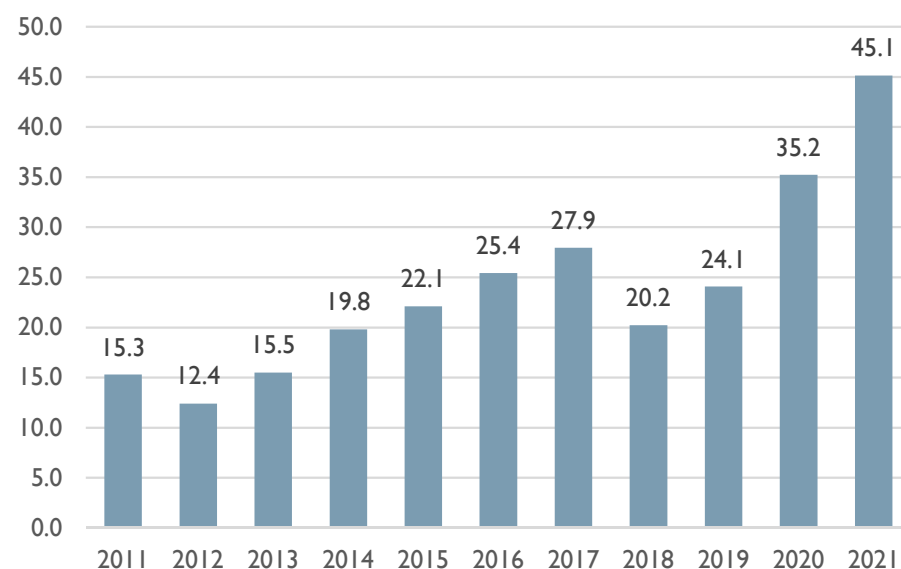
¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

FINANCIALS

KEY FIGURES - TRACK RECORD

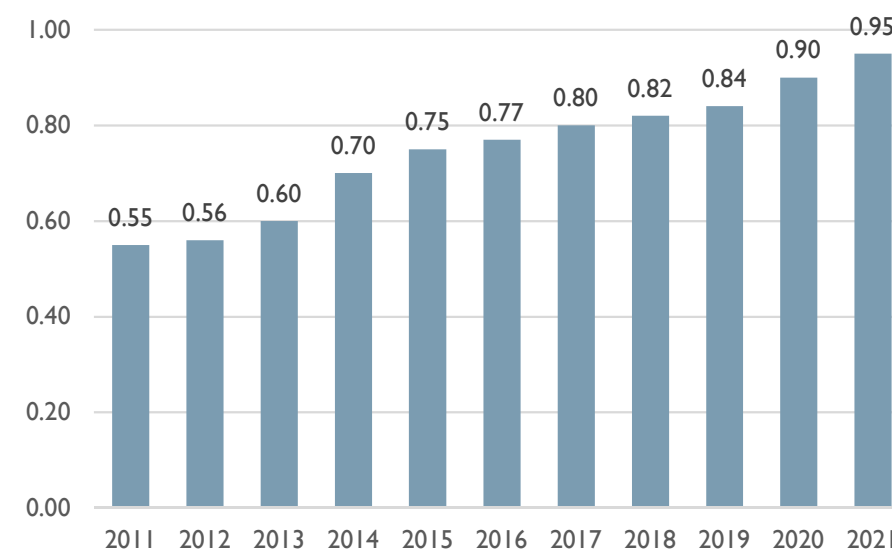
Adjusted net income in € million¹

CAGR ~11%



Dividend per share in €

CAGR ~6%



¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

FINANCIALS AT A GLANCE H1/2022¹

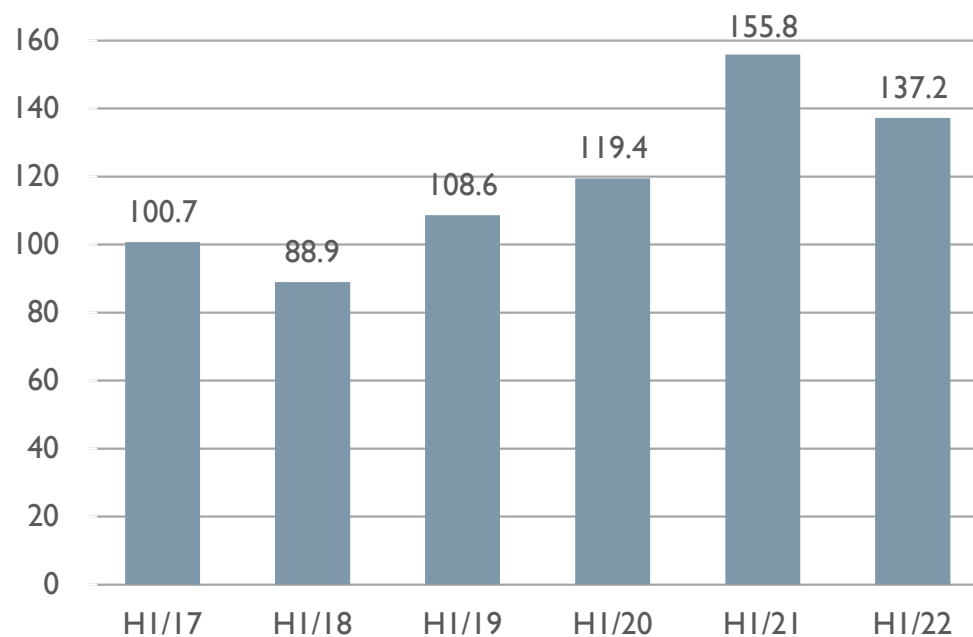
€ 000s	H1/2022	H1/2021	Change	Q2/2022	Q2/2021	Change
Sales	137,193	155,765	-11.9%	61,806	83,770	-26.2%
EBITDA	27,841	40,274	-30.9%	9,382	21,434	-56.2%
EBITDA margin (%)	20.3	25.9	-560 bps	15.2	25.6	-1,040 bps
Adjusted EBIT	21,178	34,457	-38.5%	6,141	18,412	-66.6%
Adjusted EBIT margin (%)	15.4	22.1	-670 bps	9.9	22.0	-1,210 bps
Adjusted consolidated net income	16,679	28,547	-41.6%	4,731	15,400	-69.3%
Adjusted basic earnings per share (in €)	1.38	2.36	-41.5%	0.39	1.27	-69.3%
Basic earnings per share IFRS (in €)	1.04	2.08	-50.0%	0.12	1.12	-89.3%

Adj. = adjusted / bps = basis points

¹ To facilitate comparison, the figures have been adjusted to exclude amortization resulting from acquisition-related purchase price allocations and a provision recognized for expected tax back payments (including interest payments). In the previous year, the figures were also adjusted to exclude an impairment recognized on a proprietary development project in the Diatron segment.

SALES HI/2022

Sales in € million



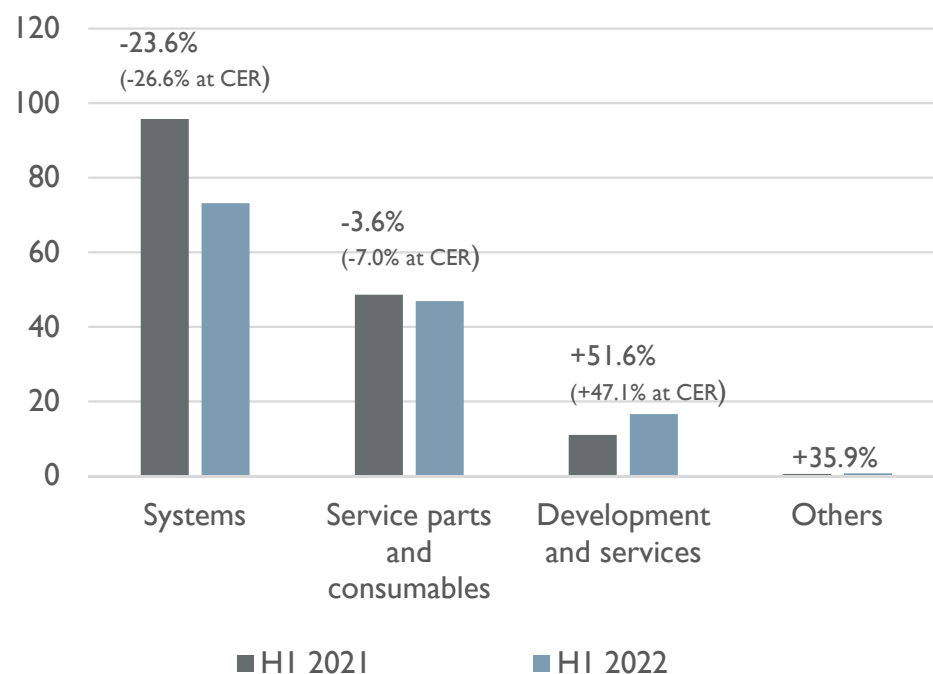
As of June 30

H2 2022 down by 11.9% yoy to € 137.2 million
→ -15.2% at constant currency

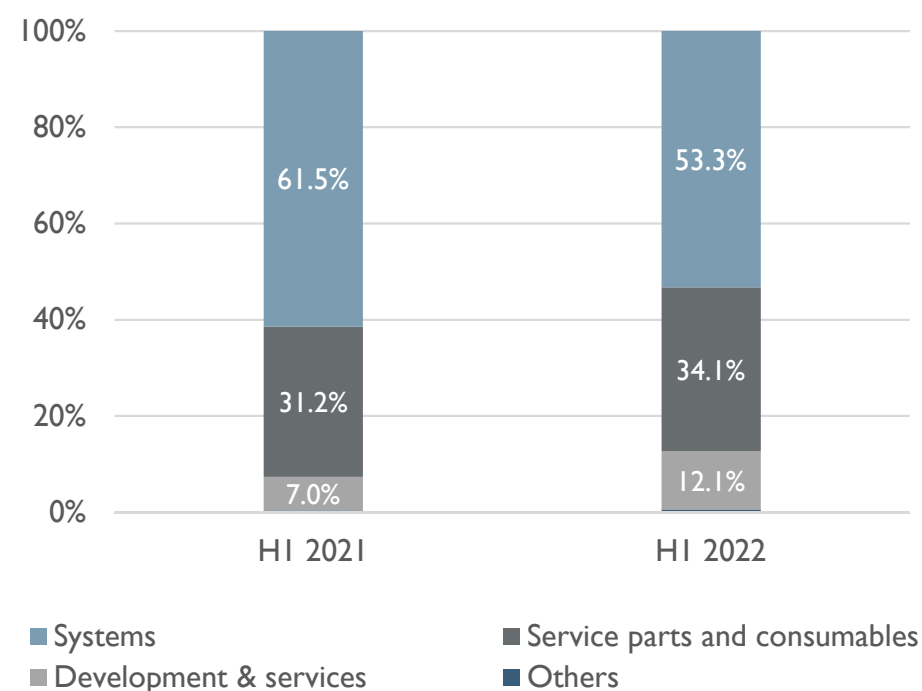
- Pandemic-related demand for molecular diagnostic capacities in the previous year
- Delivery backlogs due to tense supply chain
- Postponed recognition of development sales

SALES BY OPERATING DIVISIONS HI/2022

Sales in € million



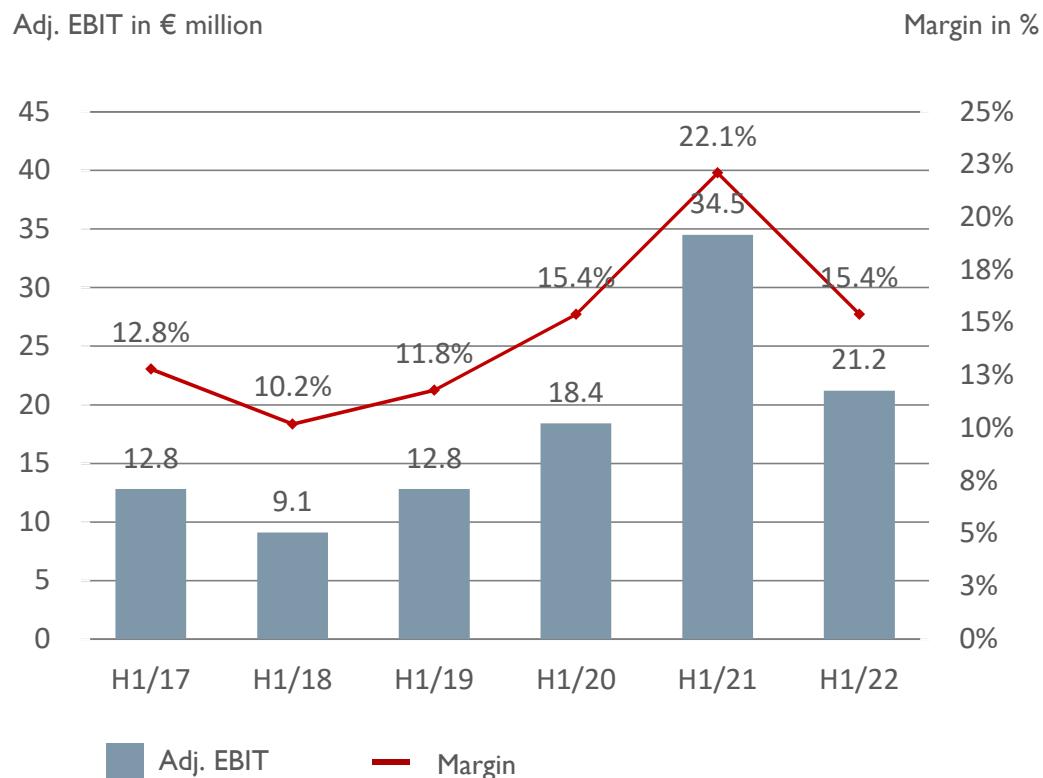
In % of total sales



CER = Constant exchange rates

As of June 30

ADJUSTED EBIT AND EBIT MARGIN H1/2022



H1 2022 adjusted EBIT -38.5% yoy to € 21.2 million

H1 2022 adjusted EBIT margin at 15.4% versus 22.1% in the prior year

- (-) Negative economies of scale
- (-) Normalization of product mix
- (-) Higher input costs
- (-) Measurement items for currency hedges

As of June 30

FINANCIALS

SEGMENT PERFORMANCE H1/2022

Instrumentation

€ 000s	H1/2022	H1/2021	Change	At CER
Sales	100,423	109,873	-8.6%	-12.3%
Adj. EBIT	12,625	22,267	-43.3%	
Adj. EBIT margin	12.6%	20.3%	-770 bps	

- Expected declines in COVID-19-related product groups but strong immunohematology business; significant delivery backlogs; postponed recognition of development sales

Smart Consumables

€ 000s	H1/2022	H1/2021	Change	At CER
Sales	10,551	10,686	-1.3%	-4.9%
Adjusted EBIT	1,189	1,274	-6.7%	
Adj. EBIT margin	11.3%	11.9%	-60 bps	

- Strong prior year base of comparison (timing of orders)

Diatron

€ 000s	H1/2022	H1/2021	Change	At CER
Sales	26,219	35,206	-25.5%	-27.3%
Adj. EBIT	7,364	10,916	-32.5%	
Adj. EBIT margin	28.1%	31.0%	-290 bps	

- Expected declines in COVID-19-related product groups but strong veterinary diagnostics business

CER = Constant exchange rates

FINANCIALS

CASH FLOW AND NET DEBT H1/2022

€ 000s	H1/2022	H1/2021	Change
Cash flow – operating activities	24,755	33,269	-25.6%
Cash flow – investment activities	-7,923	-10,313	n/a
Cash flow – financing activities	-14,945	-18,926	n/a
Free cash flow	16,832	22,956	-26.7%

- Investment ratio¹ at 5.8% of sales versus 6.7% in H1 2021 → slightly below full year target corridor of 6.0% to 8.0%
- Net debt down by 1.0% versus fiscal year end 2021
Net debt / LTM EBITDA of 1.0x

€ 000s	H1/2022	FY/2021	Change
Cash	48,812	47,184	+3.5%
Equity ratio (%)	53.0	55.8	-280 bps
Net debt	51,908	52,443	-1.0%

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

LTM = Last twelve months

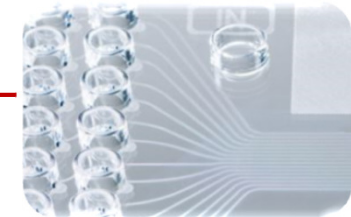
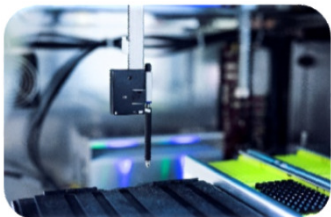
OUTLOOK AND STRATEGY



OUTLOOK AND STRATEGY

GUIDANCE FOR FISCAL YEAR 2022 CONFIRMED

- Sales to match the previous year's level on a constant-currency basis
 - Sales momentum is expected to improve significantly in the second half of 2022 → Lower overall basis of comparison, catch up on delivery backlogs and postponed revenue recognition, new product launches
- Adjusted EBIT margin of around 16.5% to 18.5% (2021: 18.9%)
 - Price adjustments to account for higher input costs set to support profitability in H2 2022
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales (2021: 7.0%)



OUTLOOK AND STRATEGY

FOCUS IN 2022 AND BEYOND

- Execute on current development pipeline and launch line-up
 - New MDx system solution recently launched by partner
- Execute deal pipeline regarding new development and manufacturing agreements
- Address supply chain issues and clear delivery backlogs
- Implement measures to limit input cost inflation
- Conclude additional negotiations and implement price adjustments across the portfolio
- M&A remains part of the company's growth and diversification strategy
- Manage additional personnel requirements in view of a well-filled project pipeline



OUTLOOK AND STRATEGY

STRATEGIC PRIORITIES

- Focus on high growth areas and segments
- Boost expertise and technology portfolio

Enable customers and STRATEC to grow above market average

Expand product/value offering

- Organically and via M&A transactions
- Without entering into competition to partners

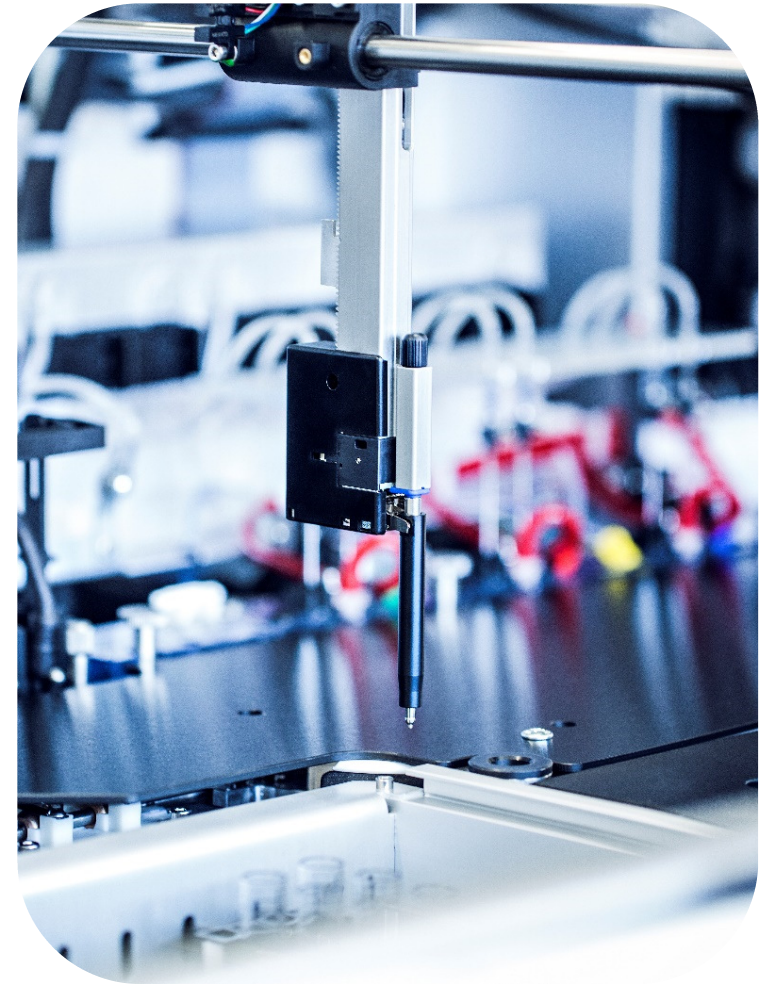
- Utilize tailwind from increasing complexity
- Expand smart consumables business

Increase proportion of recurring revenues

Drive customer diversification

- Utilize extended platform offering
- Extend components business
- New markets (e.g. veterinary, translational research)

APPENDIX



APPENDIX

KEY FIGURES AT A GLANCE¹

IFRS (€ million)	2017	2018	2019	2020	2021
Sales	207.5	187.8	214.2	250.1	287.3
Adjusted EBIT	36.4	26.2	29.3	41.7	54.3
Adjusted EBIT margin (%)	17.5	13.9	13.7	16.7	18.9
Adjusted Consolidated net income	28.9	20.2	24.1	35.2	45.1
Adjusted Earnings per share (€)	2.43	1.70	2.01	2.92	3.73
Dividend per share (€)	0.80	0.82	0.84	0.90	0.95
No. of employees	1,086	1,228	1,302	1,319	1,398
Total assets	264	275	299	332	369
Equity ratio (%)	59.8	55.3	53.1	52.0	55.8
Free cash flow	14.4	1.2	-6.4	10.0	43.3

¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

APPENDIX

ADJUSTMENTS FY 2021

EBIT

€ 000s	FY 2021	FY 2020
Adjusted EBIT	54,273	41,713
Adjustments:		
PPA amortization	-4,874	-8,036
Impairment	-1,047	0
Other	-175	0
EBIT	48,177	33,677

Consolidated net income

€ 000s	FY 2021	FY 2020
Adjusted consolidated net income	45,122	35,218
Adjusted earnings per share in € (basic)	3.73	2.92
Adjustments:		
PPA amortization	-4,874	-8,036
Impairment	-1,047	0
Other	-175	0
Taxes	932	1,253
Consolidated net income	39,958	28,435
Earnings per share in € (basic)	3.30	2.36

APPENDIX

ADJUSTMENTS HI/2022

EBIT

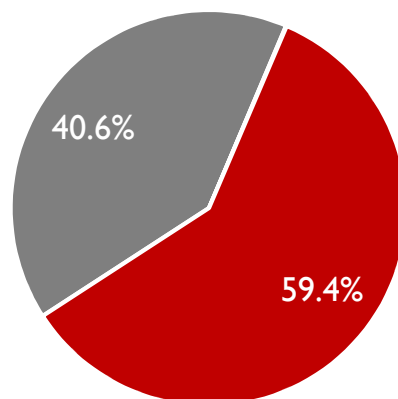
€ 000s	HI/2022	HI/2021
Adjusted EBIT	21,178	34,457
Adjustments:		
PPA amortization	-1,844	-2,909
Impairment	0	-1,049
EBIT	19,334	30,499

Consolidated net income

€ 000s	HI/2022	HI/2021
Adjusted consolidated net income	16,679	28,547
Adjusted earnings per share in € (basic)	1.38	2.36
Adjustments:		
PPA amortization	-1,844	-2,909
Impairment	0	-1,049
Taxes on income	-2,019	572
Interest expenses	-214	0
Consolidated net income	12,602	25,161
Earnings per share in € (basic)	1.04	2.08

SHAREHOLDER STRUCTURE

(AS OF: DECEMBER 2021)



■ Fixed and family ownership
(incl. their investment companies)

■ Free float

Institutional investors > 3%:

Ameriprise Financial
Brown Capital Management
Invesco
Juno Investment Partners

SHARE

IPO	Aug. 1998
Number of shares	12,131,495
Share price (08/19/2022)	€ 87.60
Market capitalization	€ 1.1 billion

CONTACT

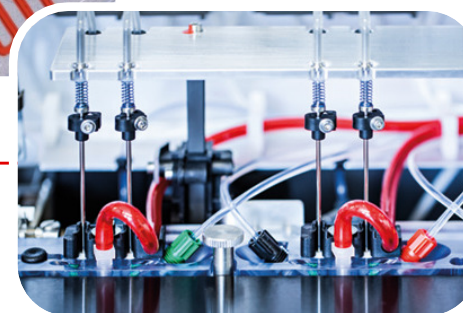
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THANK YOU
FOR YOUR
ATTENTION