

UBS PAN EUROPEAN SMALL AND MID-CAP CONFERENCE

May 14, 2024

ALL ON THE RADAR



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.

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 1.500 employees worldwide
 - Around 50% allocable to R&D
- Production sites in Germany (HQ), Switzerland, Hungary, Austria and in the United States
- High number of systems installed globally
 - Around 15,000 medium to high throughput systems
 - Around 40,000 low throughput systems
- Sales of € 261.9 million in 2023
 - CAGR sales since IPO in 1998: ~14%
- Sales split 2023:
 - Systems 44%
 - Service parts and consumables 37%
 - Development and services 19%



CORPORATE SOCIAL RESPONSIBILITY



QUALITY MANAGEMENT

Highest quality standards

- Established high-performance, certified quality management system
- Ensuring consistently high product quality
- Strong audit track record (regarding inspections by customers and regulatory authorities)

ENVIRONMENTAL RESPONSIBILITY

Combat climate change

- Greenhouse gas reduction target¹ in-line with Paris agreement
- **STRATEC reduced its total Scope 1 and 2 emissions by 57% since 2019**
- Unavoidable Scope 1 and 2 emissions fully compensated by certified emission reduction projects

SOCIAL RESPONSIBILITY

Secure diverse and inclusive work environment

- Strong policies and measures to promote an open, tolerant and discrimination-free corporate culture
- Extensive occupational health/safety policies and programs



Participant of the UN Global Compact: Further alignment of strategies and operations to the Ten Principles of the UN Global Compact on human rights, labor, environment and anti-corruption / SDGs

¹ 30% absolute reduction of scope 1 and 2 emissions by 2030 (versus 2019)

UNIQUE POSITION WITHIN THE VALUE CHAIN

STRATEC provides instrumentation, consumables, software and automation solutions

- OEM development and manufacturing
- Around 10,000 fully automated analyzer systems manufactured annually
- Wide range of intellectual property rights / broad technology pool

Long market lifecycles lead to longstanding partnerships

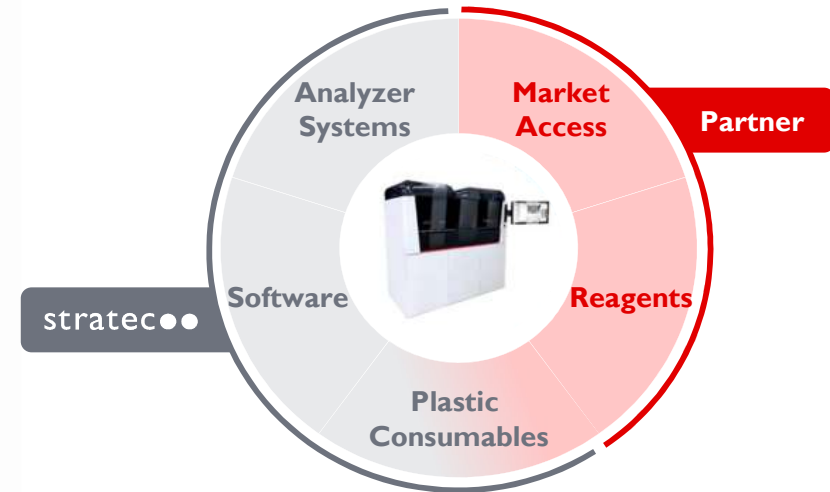
- Product lifecycles for a system typically in an area of 12 to 15 years
- Expanding installed base of systems
- Product enhancement and extension drives value / Life cycle management

Long-term contractual setup

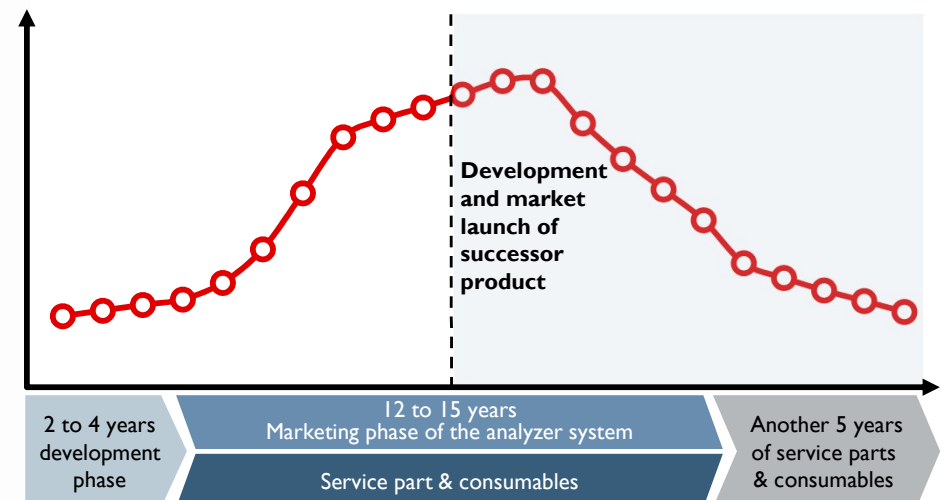
- Milestone payments during development stage (linked to agreed development budget and development targets)
- Operating sales during series production stage - minimum volume commitment by partner, firm transfer price)
- Recurring sales from service parts & consumables

→ strong commitment by both partners

Shared responsibilities



Indicative revenue characteristics of an analyzer OEM project



ACTIVE IN FAST GROWING SEGMENTS

IVD MARKET SEGMENTS / IVD MARKET: ~100 BILLION USD

Focus on market segments with above average complexity and growth

Molecular Diagnostics

- Random access analyser systems (mid-to-high throughput)
- Smart consumables (multiplexing)
- POC devices (multiplexing) with smart consumables

Immunoassay

- Random access analyzer systems (mid-to-high throughput)
- Classic plastic consumables
- Smart consumables

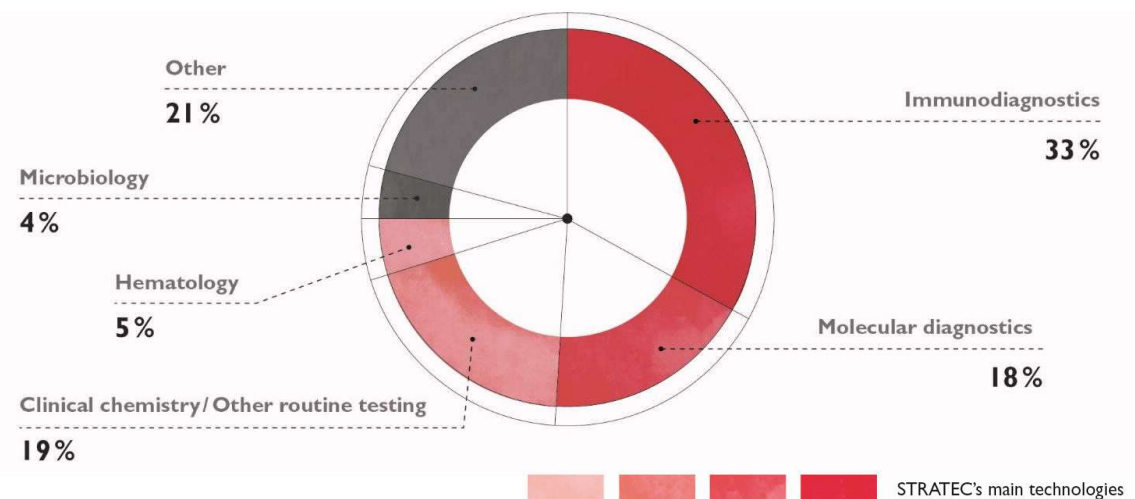
Hematology & other routine testing

- Decentralized testing solutions
- Veterinary diagnostics
- Plastics

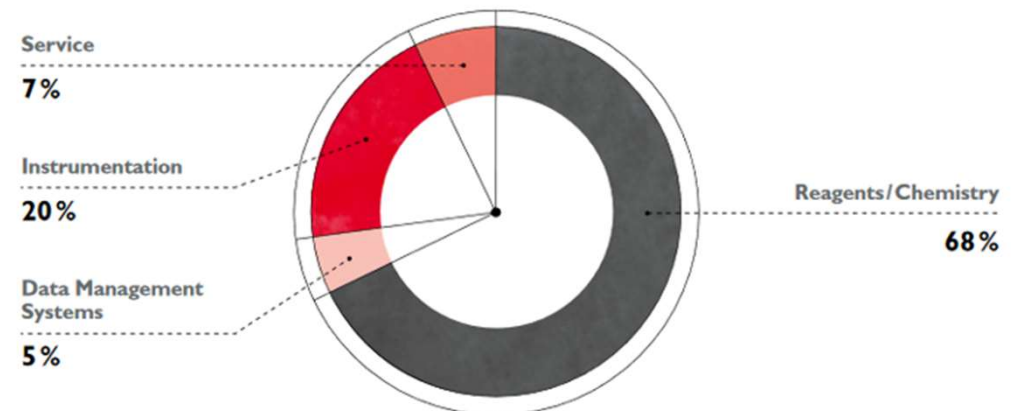
Further specialities / focus areas

- Immunochemistry
- Complex Sample Processing
- Tissue Diagnostics
- Translational Research

IVD market by technologies



IVD market by product group



BENEFITTING FROM OUTSOURCING TREND

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

Proportion of outsourced instrumentation developments over time

Past

Ongoing paradigm shift even within the „blue chips“ towards outsourcing



STRONG RECURRING REVENUE BASE

Service parts and consumables (37% of sales)

- Maintenance parts
- Spare parts
- Classic plastic consumables (eg. Pipetting tips, reaction vessels)
- Smart consumables (highly complex cartridges; microfluidics, molding, mastering and coating technologies)

Fueled by growing installed base and increasing complexity

- Continuously growing number of active systems in the lab
- Strong upward trend in the average complexity of systems

Smart consumables



SIMOA™ 24-ASSAY DISC
Quanterix



VITEK® MS
Disposable target slide
bioMérieux

Service and spare parts



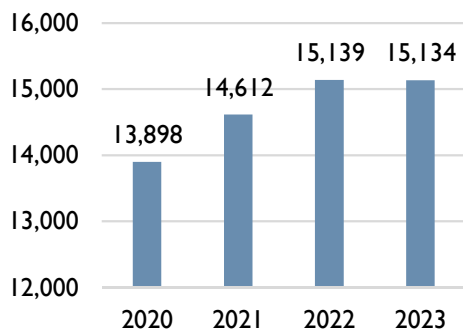
Peristaltic Pump
STRATEC

Classic consumables



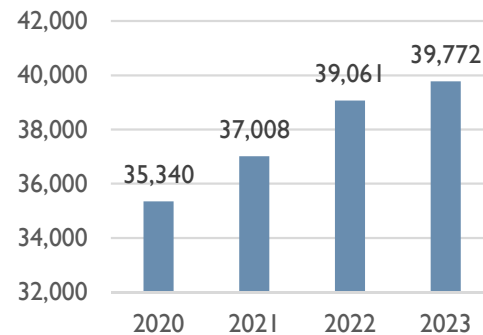
Stackable Cuvette
STRATEC

Installed base¹
STRATEC Instrumentation



■ Installed base (number of system)

Installed base¹
Diatron



Sales split 2023

Service parts and
consumables
37%

Development and
Services
19%



Systems
44%

¹ Estimated with the assumption of an average six year replacement cycle in the lab

STRONG LONG-TERM CUSTOMER RELATIONSHIPS

A SELECTION OF STRATEC CUSTOMERS

GLOBAL TOP 20 IVD COMPANIES		Sales 2023 (USD billion)
1.	Roche	14.2
2.	Abbott	10.0
3.	Danaher	9.6
4.	Siemens	4.8
5.	Thermo Fisher	4.4
6.	Becton Dickinson	3.6
7.	bioMerieux	3.3
8.	Sysmex	3.1
9.	QuidelOrtho	3.0
10.	Exact Sciences	2.5
11.	Illumina	2.2
12.	CH Werfen (Inova, IL, Biokit)	2.1
13.	Hologic	1.8
14.	Bio-Rad Labs	1.5
15.	Agilent Tech	1.5
16.	Revvity (formerly PerkinElmer)	1.5
17.	Shenzhen Mindray	1.4
18.	DiaSorin	1.2
19.	Natera	1.0
20.	Qiagen	1.0

... And other technology pioneers



■ STRATEC customer ■ Not a STRATEC customer

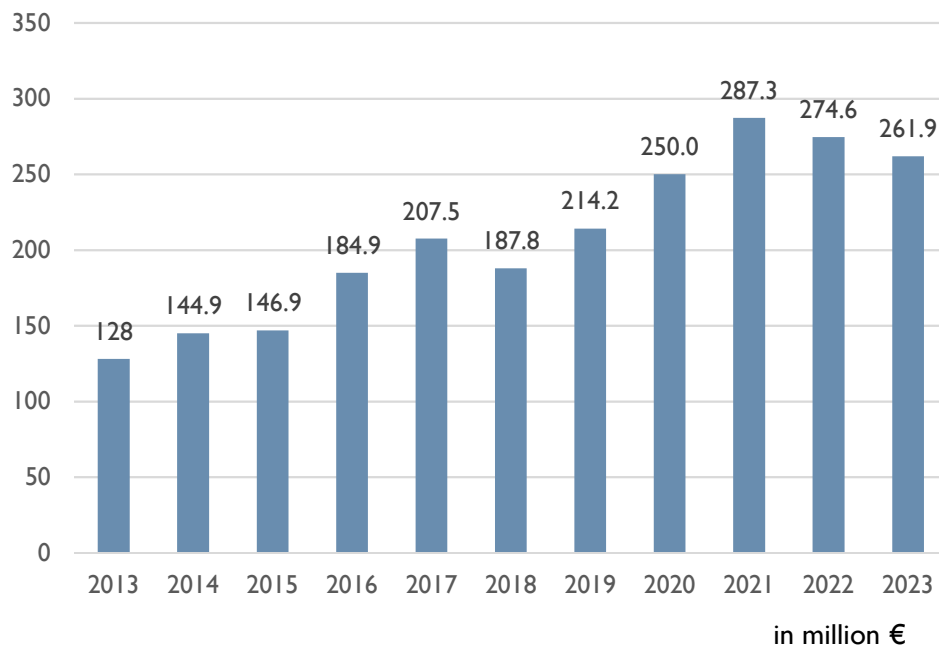
Source: IVD News / non-public companies estimated / non-reported sector sales estimated

FINANCIAL REVIEW

KEY FIGURES - TRACK RECORD

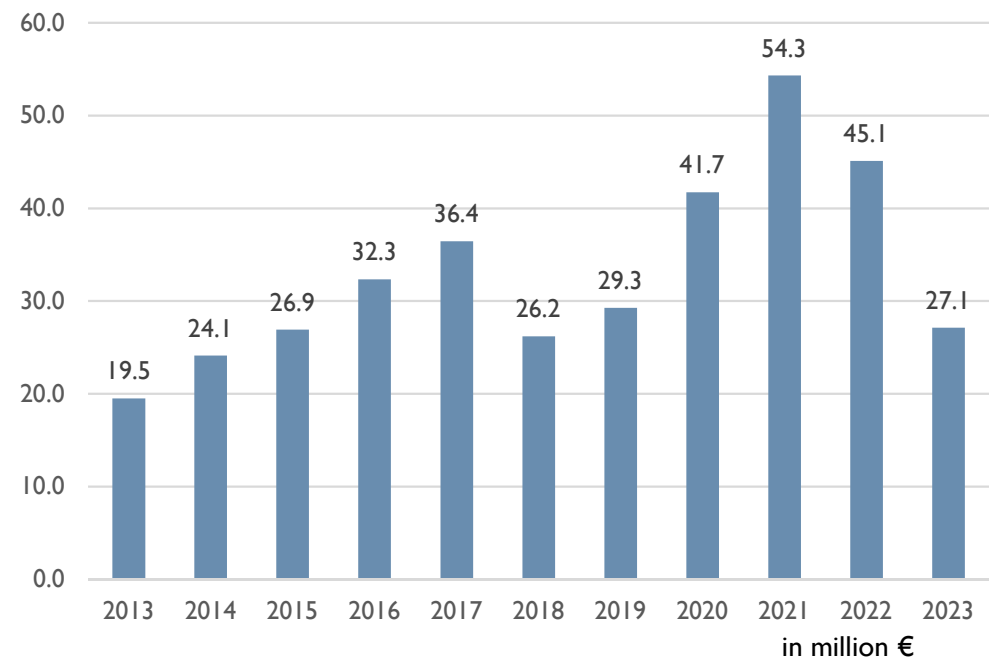
Sales

CAGR ~7%



Adjusted EBIT¹

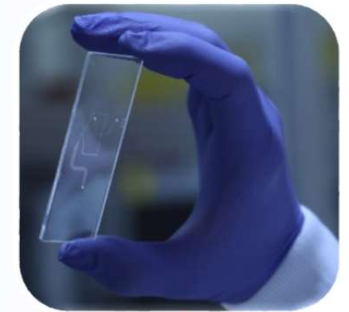
CAGR ~3%



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.

Q1 2024 AT A GLANCE

- **Subdued start to financial year** as expected, but **noticeable revival apparent in market** and **very strong sales growth** expected for **second quarter of 2024**
- **Sales -15.7% yoy** at constant exchange rates to **€ 50.9 million** → developments in were **generally consistent** with the company's **original expectations**
- **Efficiency measures** and **structural improvements** taking effect: **Despite** significant **negative scale** effects, adjusted **EBIT margin** of 6.2% almost at **previous year's level**
- **Well-filled development pipeline** and **major advances** in **development cooperations**
- **Confirmation** of full year **2024 guidance**



FINANCIAL REVIEW

FINANCIALS AT A GLANCE¹

€ 000s	Q1/2024	Q1/2023	Change
Sales	50,871	60,478	-15.9% (cc: -15.7%)
Adjusted EBITDA	6,845	7,292	-6.1%
Adjusted EBITDA margin (%)	13.5	12.1	+140 bps
Adjusted EBIT	3,145	3,816	-17.6%
Adjusted EBIT margin (%)	6.2	6.3	-10 bps
Adjusted consolidated net income	1,226	2,133	-42.5%
Adjusted basic earnings per share (in €)	0.10	0.18	-44.4%
Basic earnings per share IFRS (in €)	0.04	0.11	-63.6%

bps = basis points

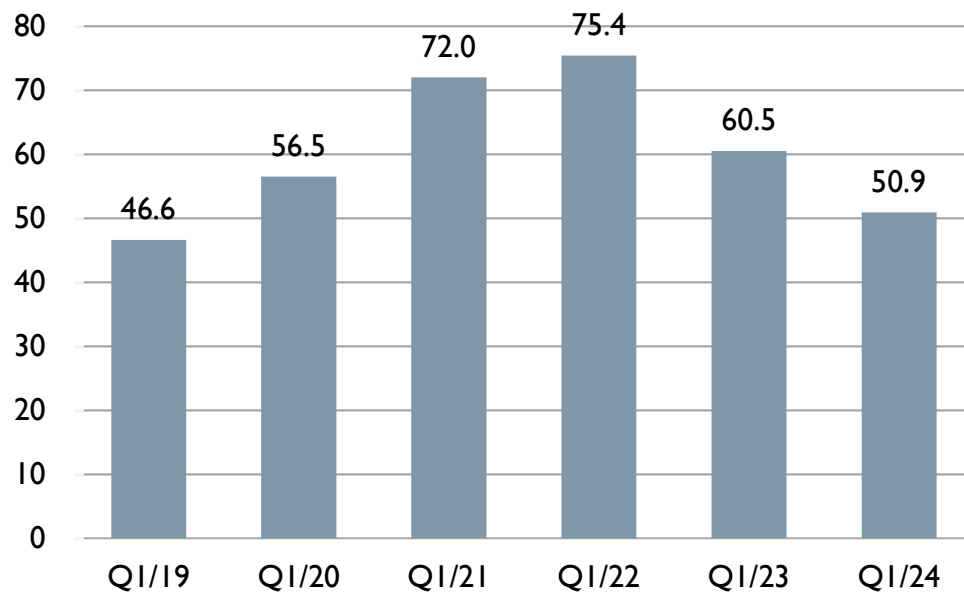
cc = at constant currency

¹ To facilitate comparison, figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (including advisory expenses relating to M&A activities).

FINANCIAL REVIEW

SALES Q1/2024

In € million



As of March 31

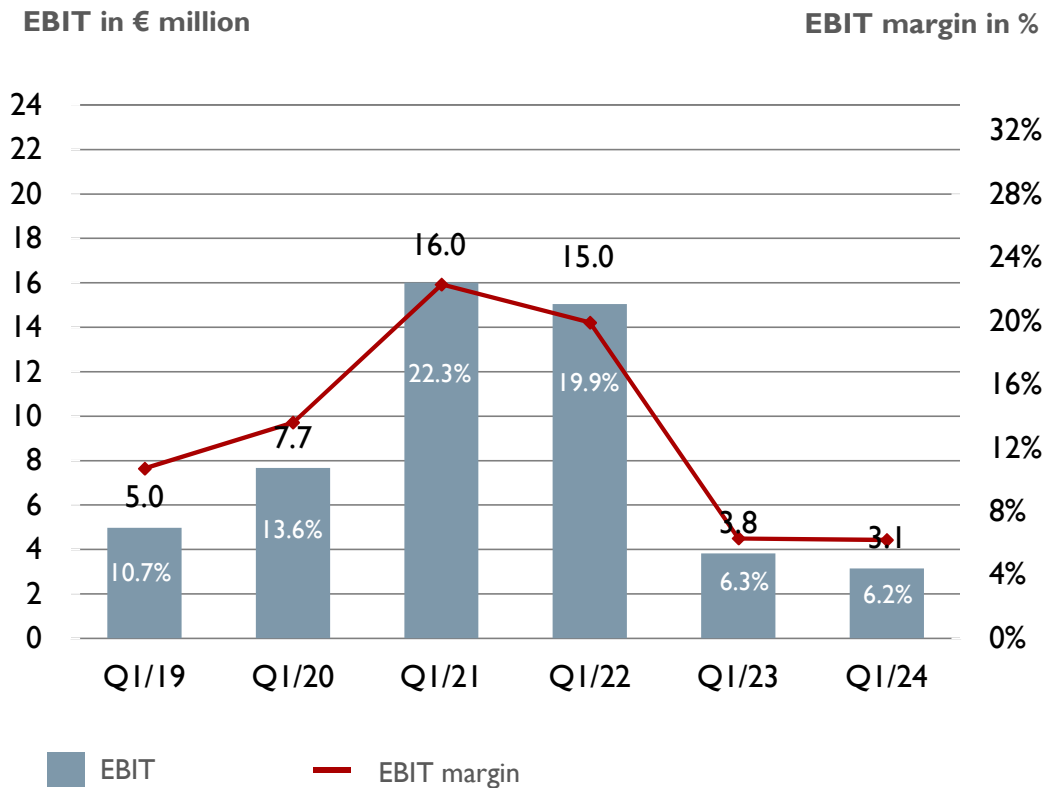
Q1/2024 sales decline of 15.7% yoy at constant currency to € 50.9 million

→ 470 basis points from Natech Group acquisition

- (-) Downstream effects of the COVID-19 pandemic affecting MDx system sales, e.g. underutilized equipment in Labs
- (-) High inventory levels at customers
- (-) Timing of sales recognition for development services
- (+) Strong and accelerating sales with Service Parts and Consumables

FINANCIAL REVIEW

ADJUSTED EBIT AND EBIT MARGIN Q1/2024



Q1/2024 adjusted EBIT margin of 6.2% almost at previous year's level

- (-) Recognizable negative scale effects
- (-) Still room for improvement for product mix within systems business
- (+) Efficiency measures and structural changes taking effect
- (+) Growing share of Service Parts and Consumables

As of March 31

FINANCIAL REVIEW

CASH FLOW AND NET DEBT

€ 000s	Q1/2024	Q1/2023	Change
Cash flow – operating activities	2,443	5,976	-59,1%
Cash flow – investment activities	-4,318	-5,128	nm
Cash flow – financing activities	-12,518	1,854	nm
Free cash flow	-1,875	848	nm

- Cash flow dynamics burdened by back end loaded quarter and corresponding trade receivables as well still highly inflated inventory position
- Investment ratio¹ at 8.5% of sales
- Net debt / LTM EBITDA ~3x

€ 000s	Q1/2024	FY/2023	Change
Cash at end of period	19,131	33,532	-42.9%
Equity ratio (%)	51.2	50.0	+120 bps
Net debt	122,935	118,180	+4.0%

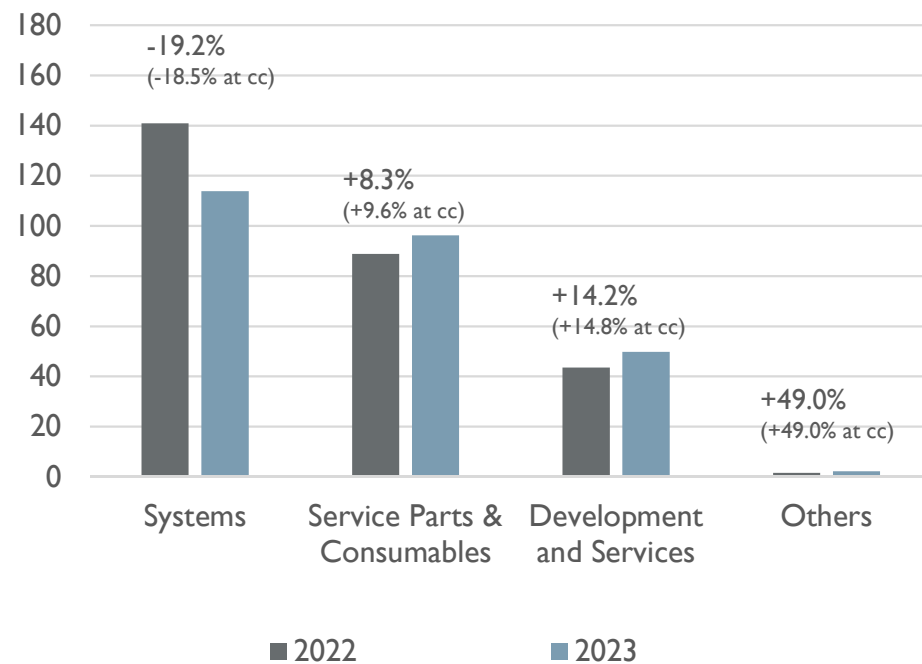
¹ Total investments in intangible and tangible assets in % of sales

LTM = Last twelve months

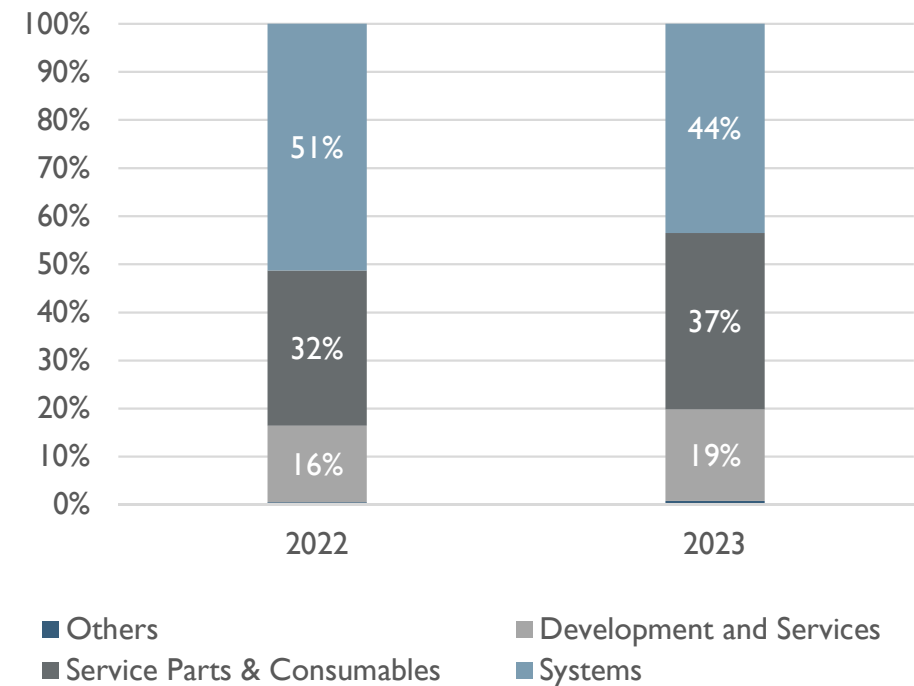
FINANCIAL REVIEW

SALES BY OPERATING DIVISIONS

Sales in € million



In % of total sales



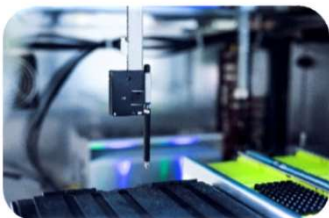
As of December 31

cc = at constant currency

OUTLOOK

FINANCIAL GUIDANCE FOR FISCAL YEAR 2024

- Sales expected to remain stable or to grow slightly compared with the previous year on a constant-currency basis
 - Substantial year-on-year sales growth for the second quarter of 2024 expected
- Adjusted EBIT margin of around 10.0% to 12.0% (2023: 10.3%)
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales (2023: 6.7%)



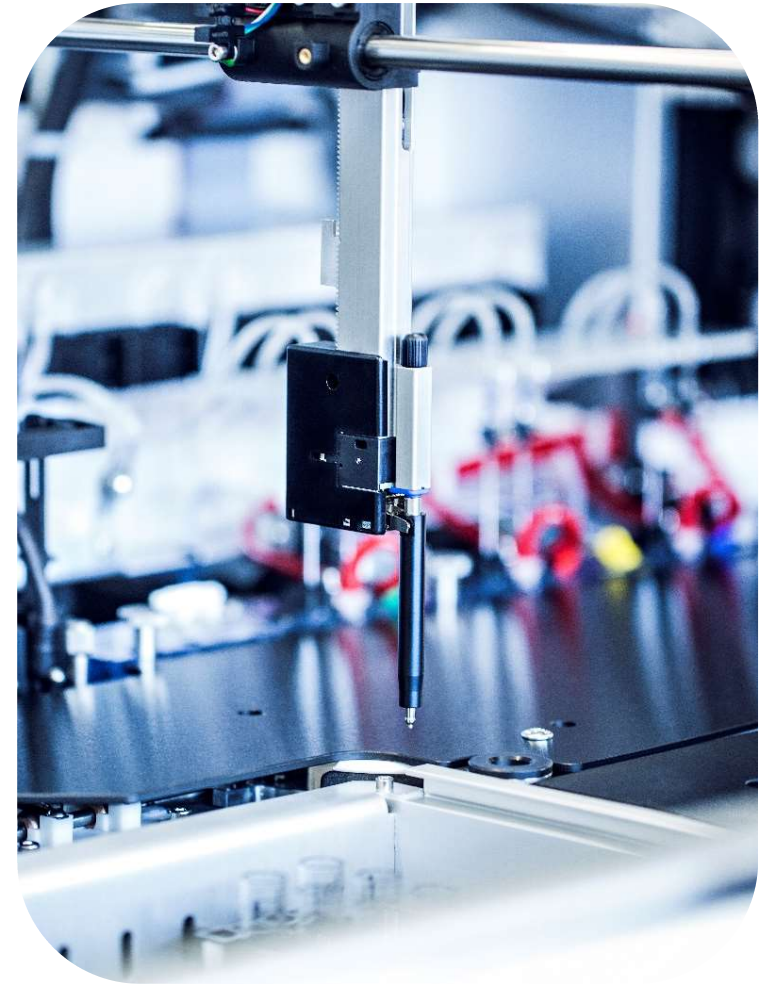
OUTLOOK

FOCUS IN 2024 AND BEYOND

- Implementation of additional earnings improvement measures to increase company-wide efficiency to pre-pandemic levels (e.g. show efficiency gains of structural measures established in supply chain)
 - Based on current figures and depending on actual capacity utilization rates, potential earnings improvements in a low single-digit million euro range have already been identified
- Ruggedize design to improve downstream logistics, installation and service costs for a meaningful veterinary diagnostics product and initiate corresponding ramp up of series manufacturing
- Manage and process M&A pipeline according to external growth and diversification strategy
- Execute deal pipeline regarding new development and manufacturing agreements
- Conclude integration of Natech Group and accelerate recognition of synergy potential
- Continue to grow footprint in selected life science segments with shorter time to market



APPENDIX



APPENDIX

KEY FIGURES AT A GLANCE¹

IFRS (€ million)	2019	2020	2021	2022	2023
Sales	214.2	250.1	287.3	274.6	261.9
Adjusted EBIT	29.3	41.7	54.3	45.1	27.1
Adjusted EBIT margin (%)	13.7	16.7	18.9	16.4	10.3
Adjusted Consolidated net income	24.1	35.2	45.1	34.7	16.7
Adjusted Earnings per share (€)	2.01	2.92	3.73	2.86	1.37
Dividend per share (€)	0.84	0.90	0.95	0.97	0.55 ²
No. of employees	1,302	1,319	1,398	1,481	1,522
Total assets	299	332	369	398	467
Equity ratio (%)	53.1	52.0	55.8	56.6	50.0
Free cash flow	-6.4	10.0	43.3	-8.7	-24.7

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.

² Subject to approval of Annual General Meeting on May 17, 2024

APPENDIX

ADJUSTMENTS Q1/2024

EBIT

€ 000s	Q1/2024	Q1/2023
Adjusted EBIT	3,145	3,816
Adjustments:		
PPA amortization	-947	-787
Other ¹	-48	-105
EBIT	2,150	2,924

¹ Including advisory expenses relating to M&A activities

Consolidated net income

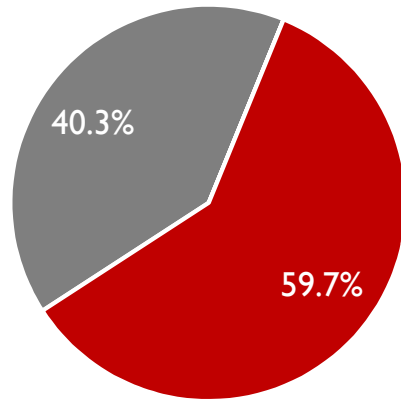
€ 000s	Q1/2024	Q1/2023
Adjusted consolidated net income	1,226	2,133
Adjusted earnings per share in € (basic)	0.10	0.18
Adjustments:		
PPA amortization	-947	-787
Other ¹	-48	-105
Taxes on income	216	147
Interest expenses	0	-19
Consolidated net income	447	1,369
Earnings per share in € (basic)	0.04	0.11

¹ Including advisory expenses relating to M&A activities

APPENDIX

SHAREHOLDER STRUCTURE

(AS OF: JANUARY 2024)



- Fixed and family ownership (incl. their investment companies)
- Free float

Institutional investors > 3%:
 Brown Capital Management
 Invesco
 Juno Investment Partners

SHARE

IPO	Aug. 1998
Number of shares	12,157,841
Share price (04/30/2024)	€ 43.30
Market capitalization	€ 526 million

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THANK YOU
 FOR YOUR
 ATTENTION