

METZLER SMALL CAP DAYS

Frankfurt/Main – April 22, 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

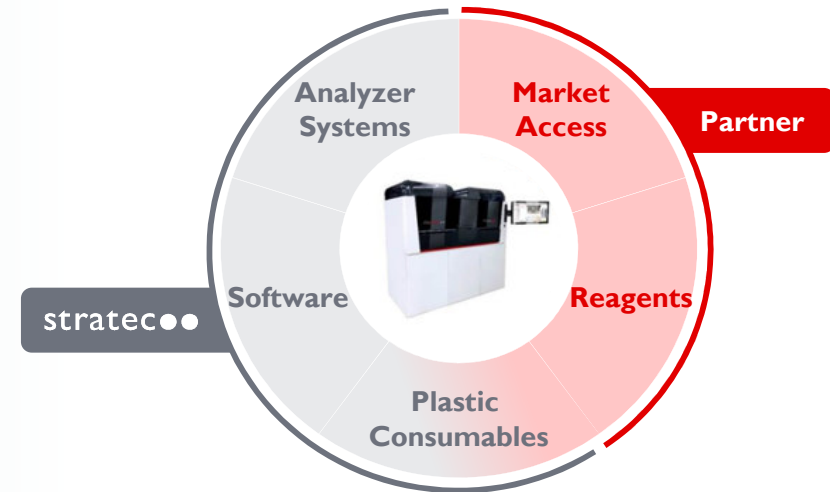
- Product lifecycles for a system typically in an area of 12 to 15 years
- Expanding installed base of systems
- Product enhancement and extension drives value / Life cycle management

Long-term contractual setup

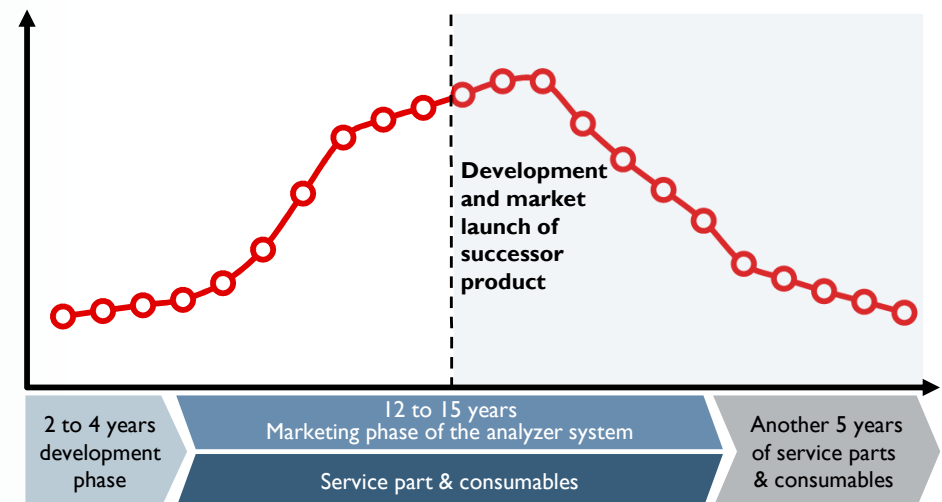
- Milestone payments during development stage (linked to agreed development budget and development targets)
- Operating sales during series production stage - minimum volume commitment by partner, firm transfer price)
- Recurring sales from service parts & consumables

→ 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 IN 2021

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

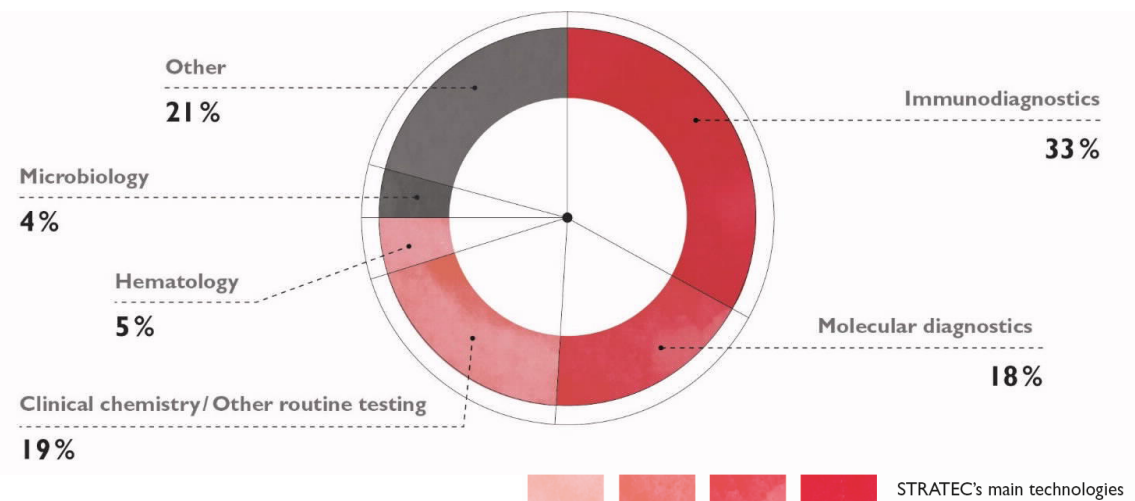
Hematology & other routine testing

- Decentralized testing solutions
- Veterinary diagnostics
- Plastics

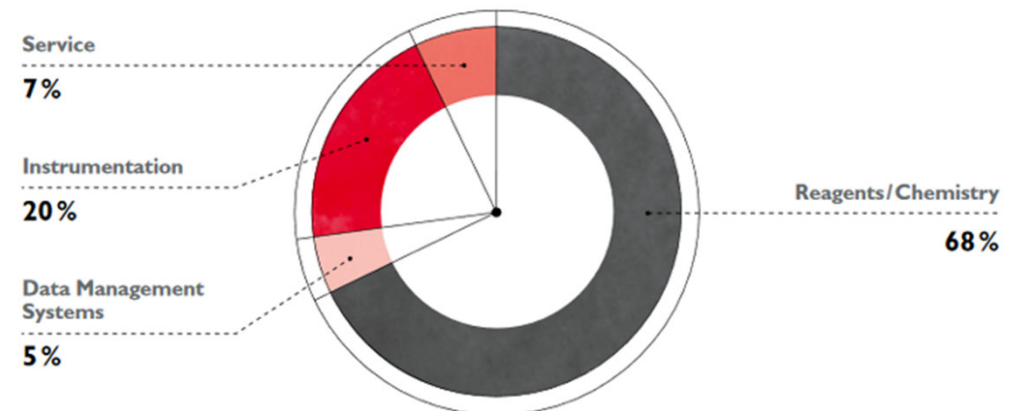
Further specialities / focus areas

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

IVD market by technologies



IVD market by product group



Source: MarketsandMarkets Research; own estimates

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

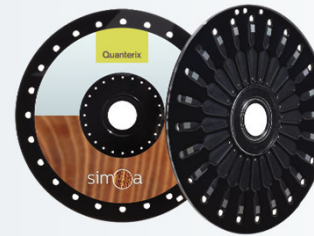
Service parts and consumables (33% of sales)

- 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



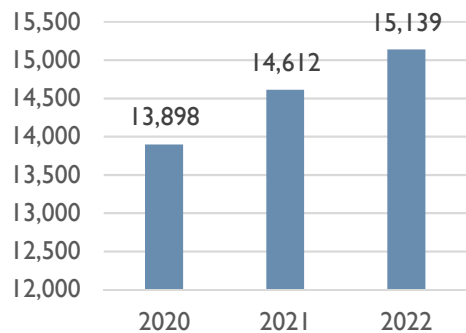
Peristaltic Pump
STRATEC

Classic consumables



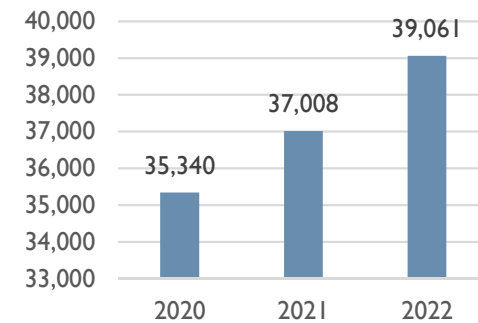
Stackable Cuvette
STRATEC

Installed base¹
STRATEC Instrumentation

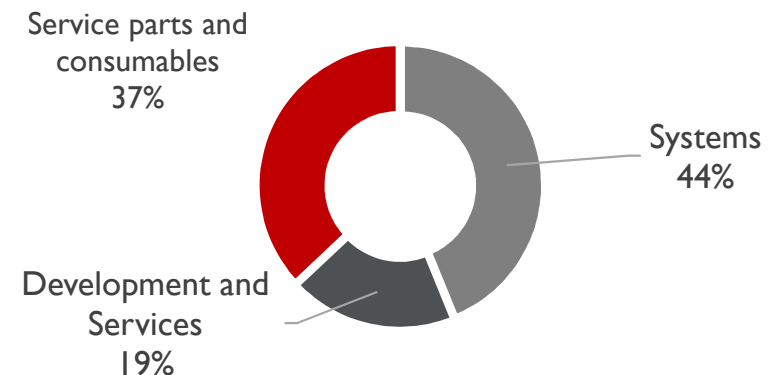


■ Installed base (number of system)

Installed base¹
Diatron



Sales split 2023



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 2022 (USD billion)
1.	Roche	18.2
2.	Abbott	16.6
3.	Danaher	10.8
4.	Siemens	6.1
5.	Thermo Fisher	4.8
6.	BECTON DICKINSON	4.7
7.	QuidelOrtho	4.1
8.	bioMérieux	3.2
9.	Sysmex	3.1
10.	HOLOGIC	2.6
11.	mindray	2.5
12.	Exact Sciences	2.1
13.	Illumina	2.1
14.	PerkinElmer	2.0
15.	werfen	1.8
16.	DiaSorin	1.5
17.	BIO-RAD	1.5
18.	Agilent	1.4
19.	Diagnostica Stago	0.9
20.	Seegene	0.7

... And other technology pioneers



■ STRATEC customer ■ Not a STRATEC customer

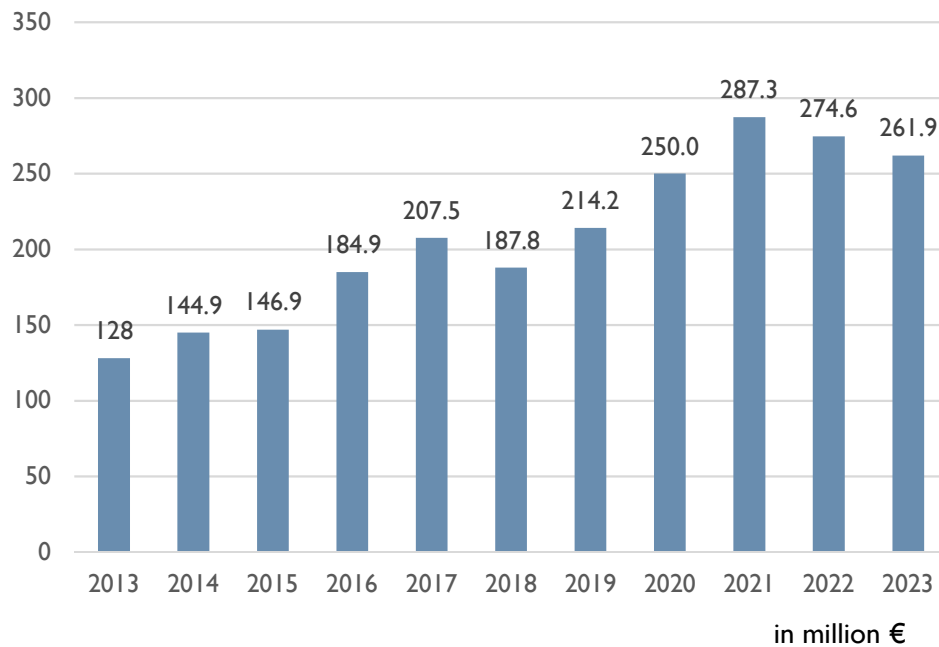
Source: IVD News / non-public companies estimated / non-reported sector sales estimated

FINANCIAL REVIEW

KEY FIGURES - TRACK RECORD

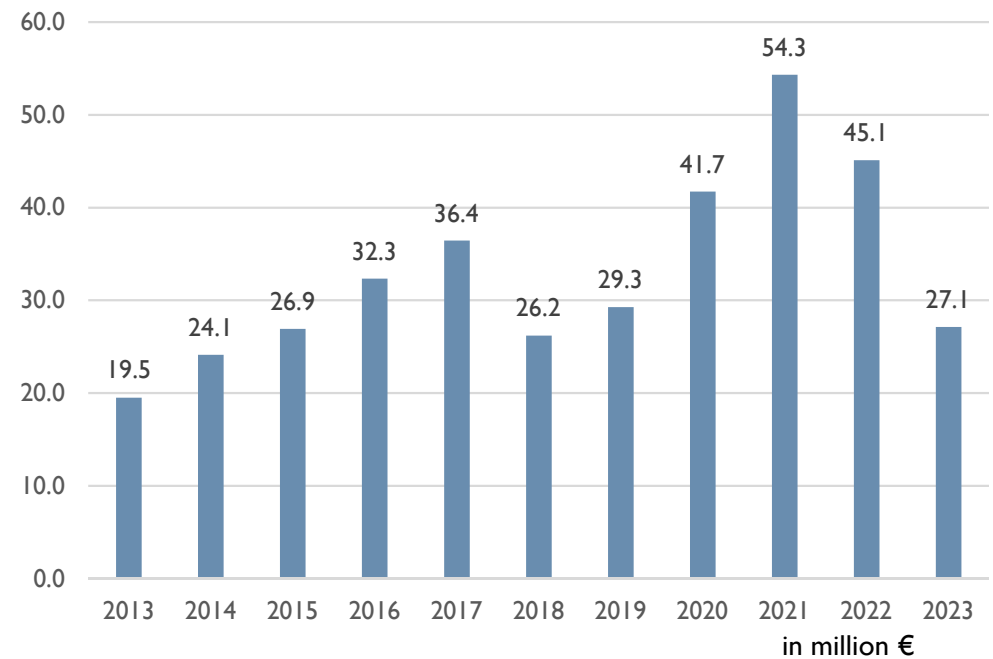
Sales

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.

FY 2023 AT A GLANCE

- **Sales -3.8%** yoy at constant exchange rates to **€ 261.9 million** and **adjusted EBIT margin of 10.3%** → both **in-line** with **target corridors**
- **Successful market launches** → e.g. extended version of sample preparation **system** in the field of **flow cytometry** and new products in the field of **complex consumables**
- New **cooperations agreed** → e.g. development cooperation for a **modular analyzer system** including consumables in the **field of highly sensitive immunodiagnosics** procedures for applications **in blood banks** and **clinical diagnostics**
- Product portfolio expansion and **first manufacturing site** in the **USA** through acquisition of **Natech Plastics, Inc.**
- **Dividend** proposal of **€ 0.55** per share (€ 0.97 in the prior year)



FINANCIAL REVIEW

FINANCIALS AT A GLANCE¹

€ 000s	FY 2023	FY 2022	Change	Q4 2023	Q4 2022	Change
Sales	261,911	274,625	-4.6% (cc: -3.8%)	74,231	66,971	+10.8% (cc: +12.9%)
Adjusted EBITDA	41,576	58,582	-29.0%	14,309	10,487	+36.4%
Adjusted EBITDA margin (%)	15.9	21.3	-540 bps	19.3	15.7	+360 bps
Adjusted EBIT	27,071	45,053	-39.9%	10,849	6,986	+55.3%
Adjusted EBIT margin (%)	10.3	16.4	-610 bps	14.6	10.4	+420 bps
Adjusted consolidated net income	16,706	34,683	-51.8%	6,964	5,134	+35.6%
Adjusted basic earnings per share (in €)	1.37	2.86	-52.1%	0.57	0.42	+35.7%
Basic earnings per share IFRS (in €)	1.07	2.41	-55.6%	0.45	0.37	+21.6%

bps = basis points

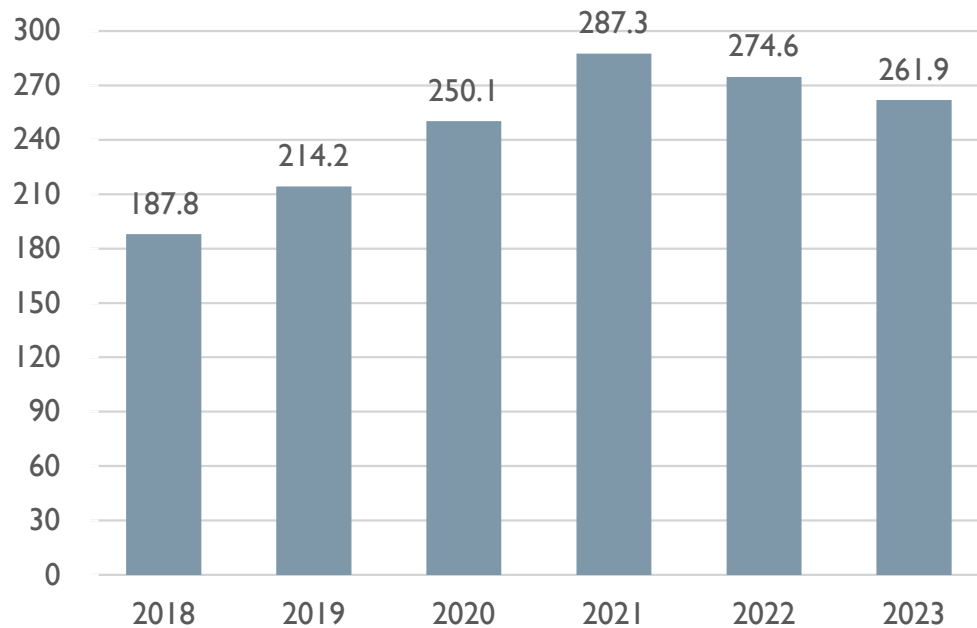
cc = at constant currency

¹ For comparison purposes, adjusted figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses and restructuring costs relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments).

FINANCIAL REVIEW

SALES

Sales in € million



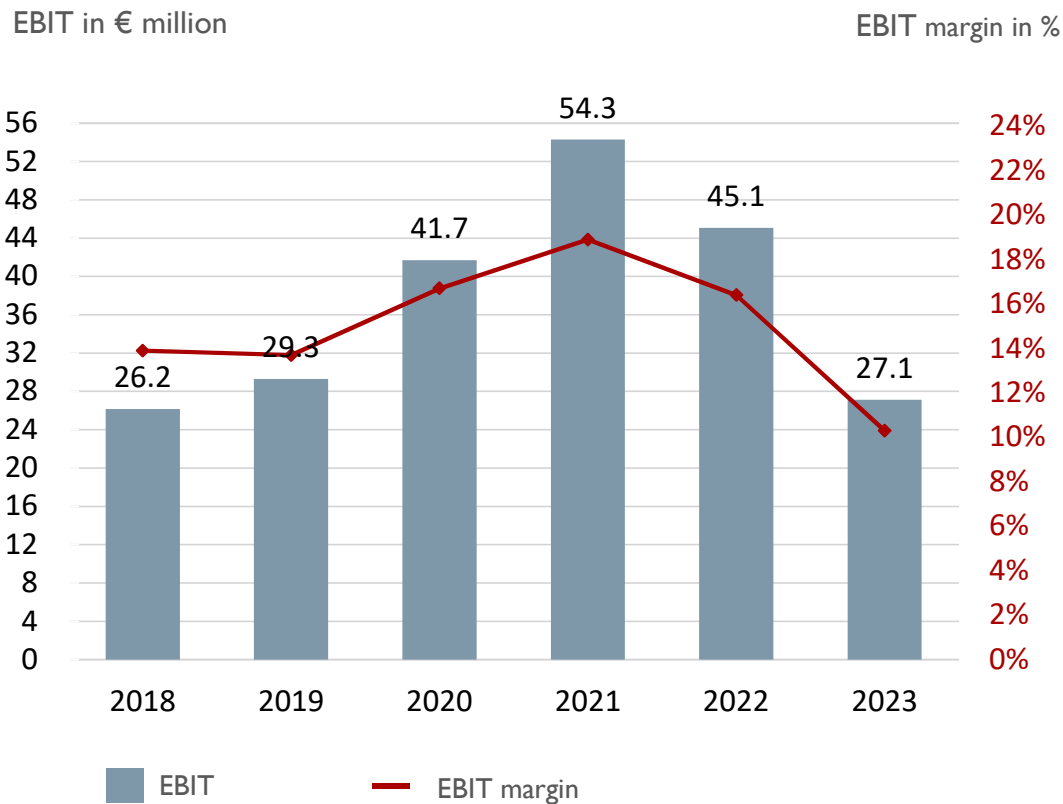
As of December 31

FY 2023 sales -3.8% yoy in constant currency to € 261.9 million → organic -6.5% yoy

- (-) Pandemic related overcapacities within MDx market and still elevated inventory levels at customers
- (-) Launch delay of a next generation veterinary diagnostics system solution
- (+) Strong growth with service parts and consumables as well as development and services
- (+) New product launches

FINANCIAL REVIEW

ADJUSTED EBIT AND EBIT MARGIN



FY 2023 adjusted EBIT at € 27.1 million

FY 2023 adjusted EBIT margin of 10.3% in-line with target corridor

Margin reduction of 610 bps yoy

(-) Negative economies of scale

(-) Product mix

(-) Rise in input costs

(+) Earnings improvement program

As of December 31

FINANCIAL REVIEW

CASH FLOW AND NET DEBT

€ 000s	FY 2023	FY 2022	Change
Cash flow – operating activities	19,425	10,279	+89.0%
Cash flow – investment activities	-44,155	-18,997	n/a
Cash flow – financing activities	35,442	-14,105	n/a
Free cash flow	-24,730	-8,698	n/a

€ 000s	FY 2023	FY 2022	Change
Cash at end of period	33,532	22,668	+47.9%
Equity ratio (%)	50.0	56.6	-660 bps
Net debt	118.180	76,619	+54.2%

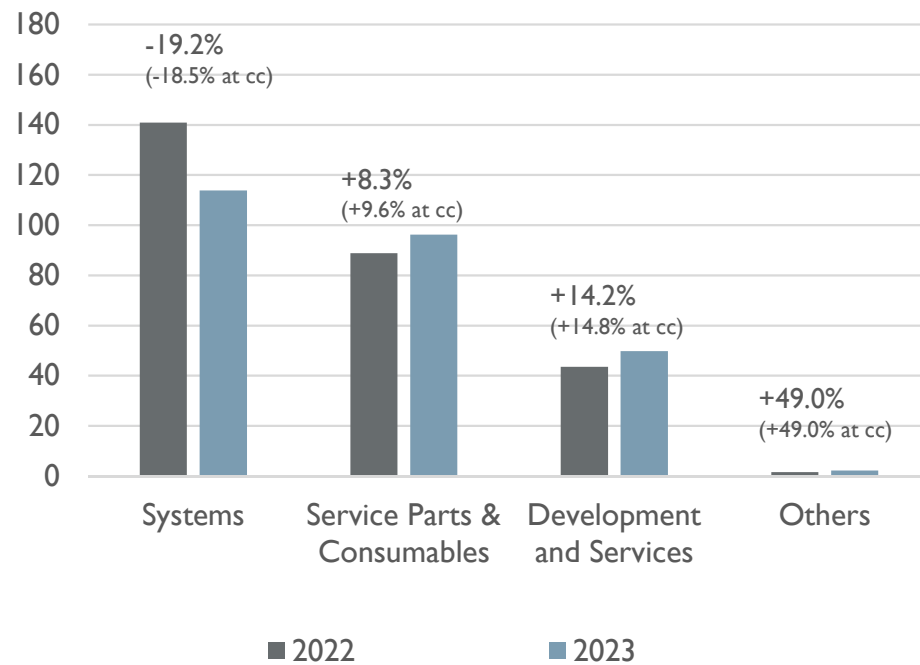
- Improvement in operating cash flow due to yoy lower increase of net working capital
- Contracted inflows set to increase inventory levels again in Q4/2024. Thereafter significant reduction of inventory levels and improvement in cash flow expected
- Cash flow from investment activities contains cash outflow for acquisition of Natech Plastics, Inc. Investment ratio¹ of 6.7% of sales in line with projected corridor of 6.0% to 8.0%
- Net debt / EBITDA at 2.9x

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

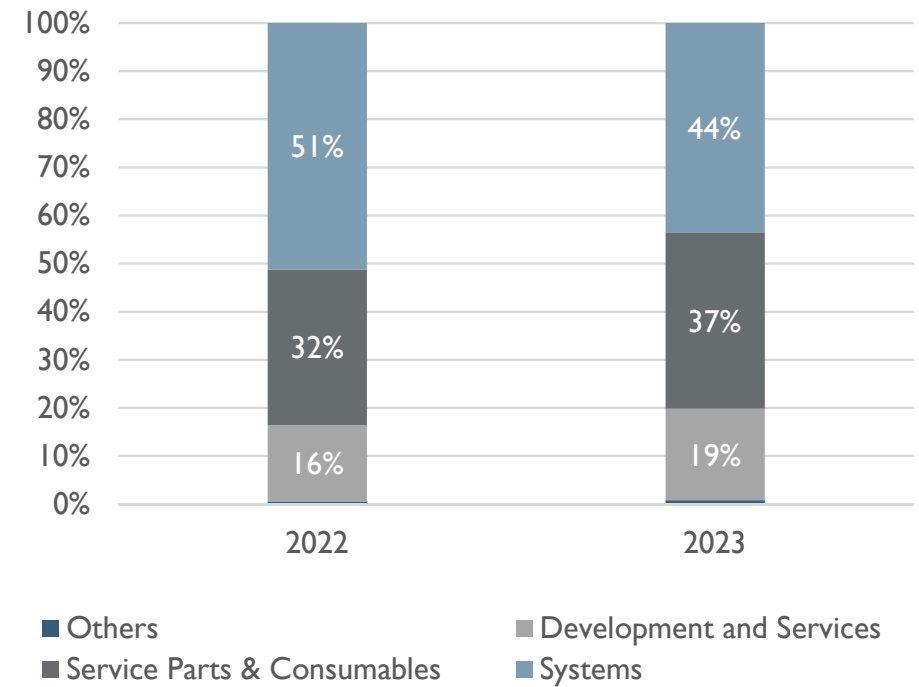
FINANCIAL REVIEW

SALES BY OPERATING DIVISIONS

Sales in € million



In % of total sales



As of December 31

cc = at constant currency

OUTLOOK

EARNINGS IMPROVEMENT PROGRAM*

Focus area	Earnings impact 2024 (pre-tax)	Status	
Personnel measures	+4.0 to +5.0 million €	<ul style="list-style-type: none"> – e.g. hiring freeze implemented since March 2023 – Planned earnings impact already achieved in 2023 	✓
Focused price adjustment strategies	+5.0 to +8.0 million €	<ul style="list-style-type: none"> – Price increases for major products have become effective as of 1 July 2023; earnings impact on annualized basis achieved in 2023 	✓
Non-personnel cost reductions and others	+1.0 to +2.0 million €	<ul style="list-style-type: none"> – Extended program to optimize procurement structures and processes 	On track for 2024
TOTAL	+10.0 to +15.0 million €	<ul style="list-style-type: none"> – Planned earnings impact on annualized basis already achieved in 2023 	✓

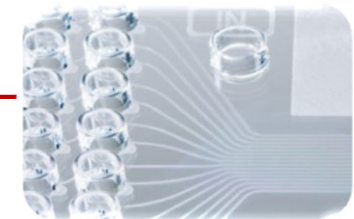
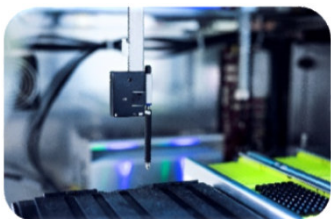
*Compared with the original company budget

UPDATE: Expansion and introduction of additional measures is currently being examined. Further details set to be announced in April 2024 with Q1/2024 earnings release.

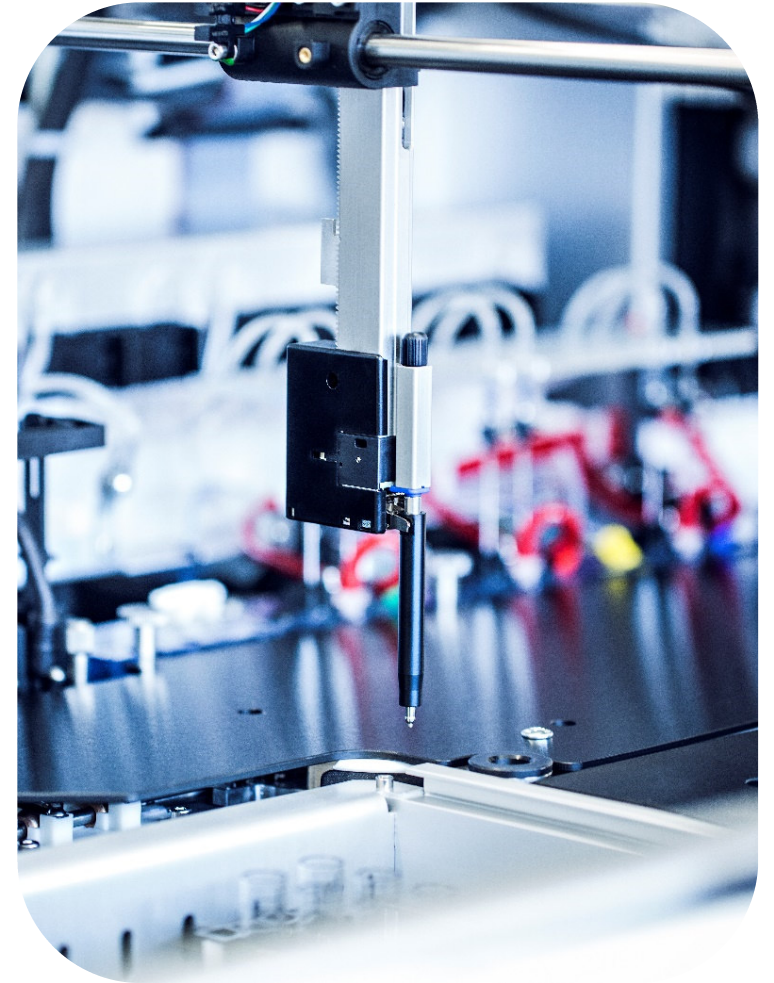
OUTLOOK

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
 - 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%)
- Very weak start to the year and highly subdued level of momentum for business performance in the first quarter of 2024 expected
- Distinct recovery in the sales performance from the second quarter of 2024 and thus a return to positive scale and product mix effects



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

EBIT

€ 000s	FY 2023	FY 2022
Adjusted EBIT	27,071	45,053
Adjustments:		
PPA amortization	-3,188	-3,402
Other ¹	-1,496	-511
EBIT	22,387	41,140

¹ Advisory expenses and restructuring costs in connection with M&A activities as well as one-off personnel expenses

Consolidated net income

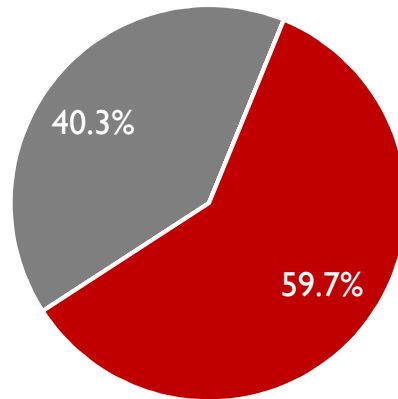
€ 000s	FY 2023	FY 2022
Adjusted consolidated net income	16,706	34,683
Adjusted earnings per share in € (basic)	1.37	2.86
Adjustments:		
PPA amortization	-3,188	-3,402
Other ¹	-1,496	-511
Interest expenses	0	-352
Taxes	1,045	-1,195
Consolidated net income	13,067	29,223
Earnings per share in € (basic)	1.07	2.41

¹ Advisory expenses and restructuring costs in connection with M&A activities as well as one-off personnel expenses

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 (04/15/2024)	€ 39.85
Market capitalization	€ 484 million

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 FOR YOUR
 ATTENTION