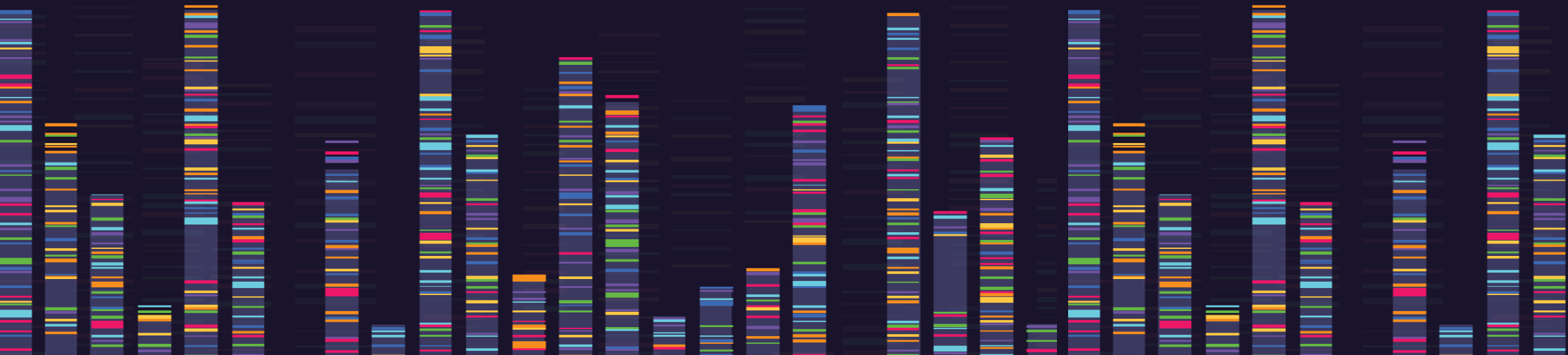


# IR PRESENTATION

November 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 target<sup>1</sup> 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

<sup>1</sup> 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

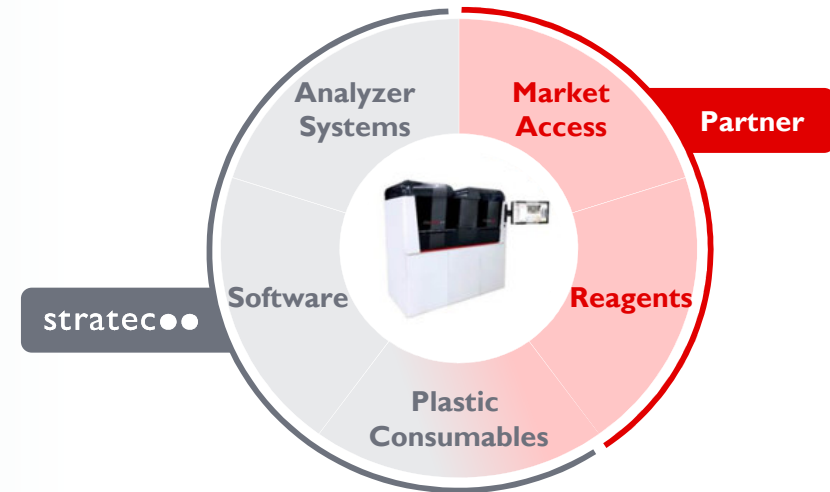
- Product lifecycles for a system typically in an area of 12 to 15 years
- Expanding installed base of systems
- Product enhancement and extension drives value / Life cycle management

## Long-term contractual setup

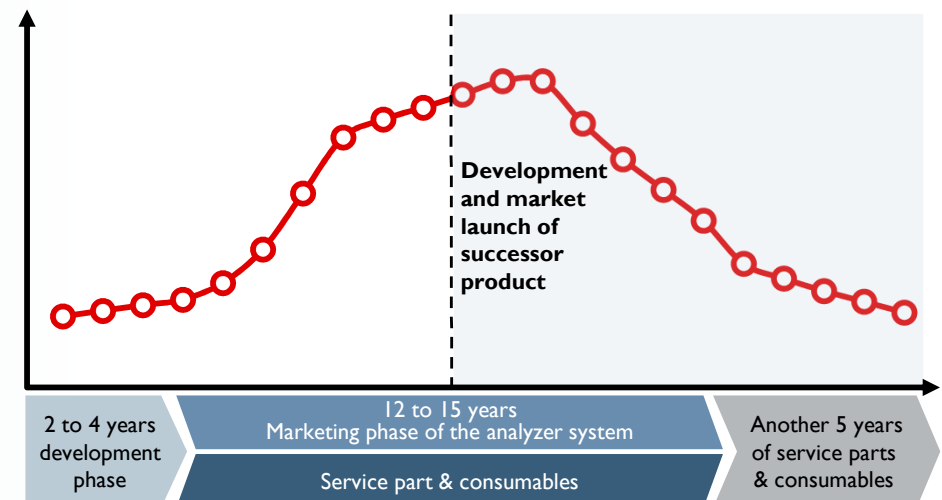
- Milestone payments during development stage (linked to agreed development budget and development targets)
- Operating sales during series production stage - minimum volume commitment by partner, firm transfer price)
- Recurring sales from service parts & consumables

→ 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

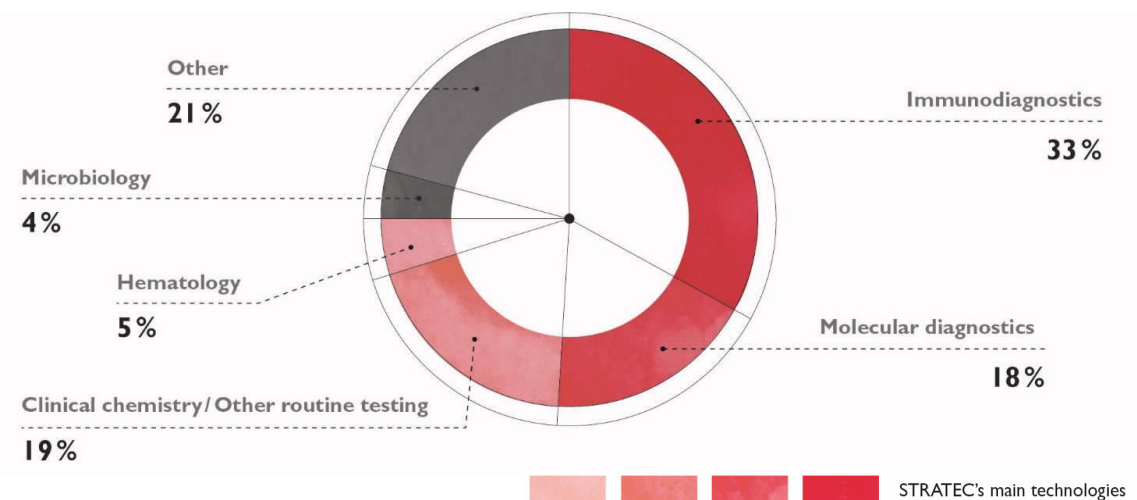
### Hematology & other routine testing

- Decentralized testing solutions
- Veterinary diagnostics
- Plastics

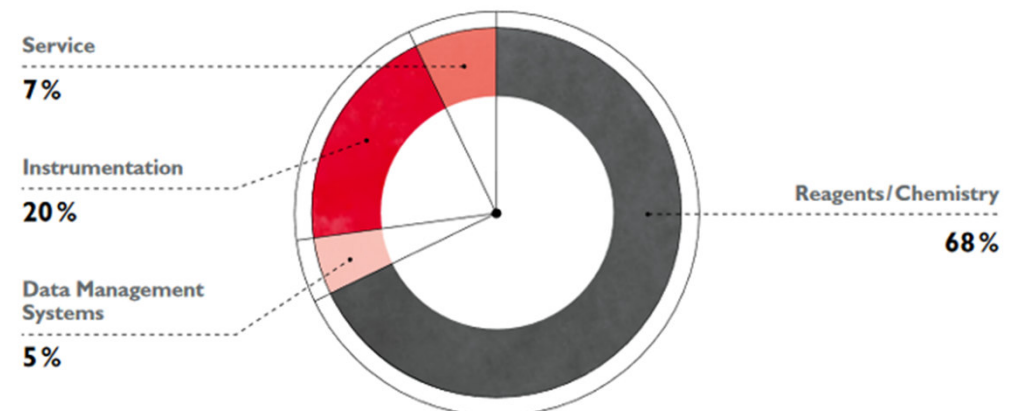
### Further specialities / focus areas

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

IVD market by technologies



IVD market by product group



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

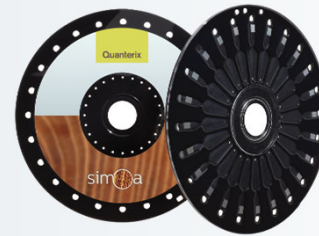
## Service parts and consumables (37% of sales)

- 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



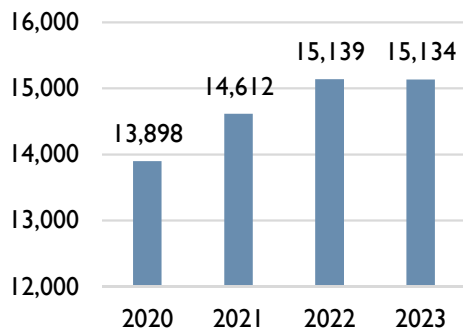
Peristaltic Pump  
STRATEC

### Classic consumables



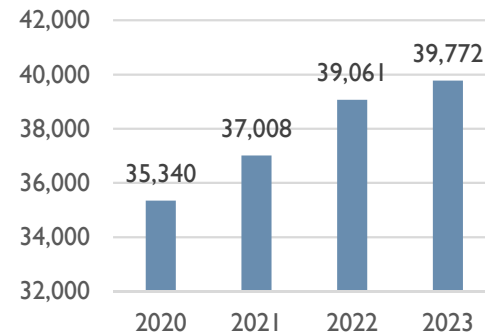
Stackable Cuvette  
STRATEC

Installed base<sup>1</sup>  
STRATEC Instrumentation



■ Installed base (number of system)

Installed base<sup>1</sup>  
Diatron



Sales split 2023

Service parts and consumables  
37%

Development and Services  
19%



Systems  
44%

<sup>1</sup> 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<br>(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

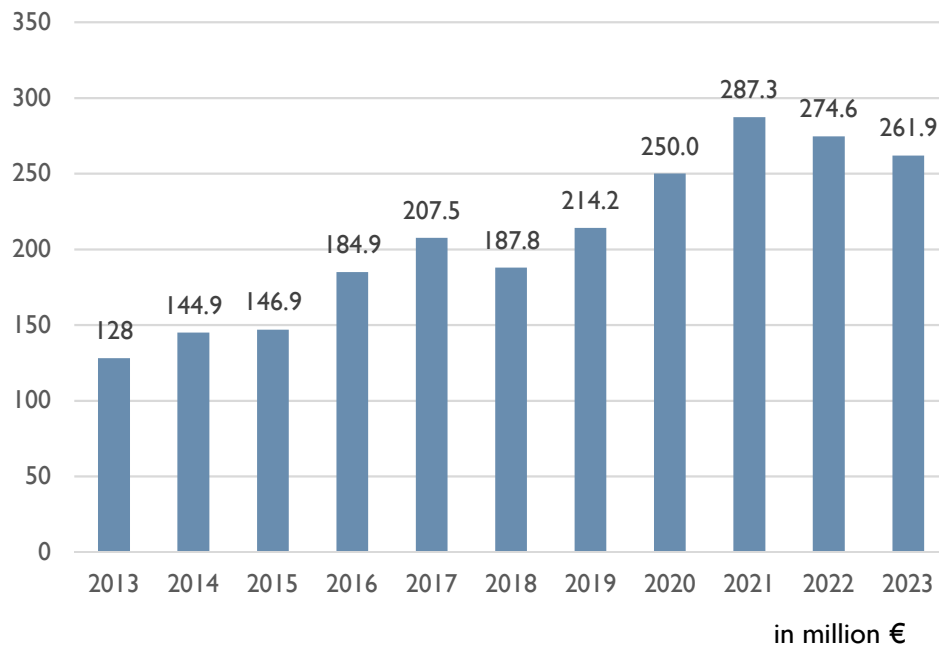
Source: IVD News / non-public companies estimated / non-reported sector sales estimated

# FINANCIAL REVIEW

## KEY FIGURES - TRACK RECORD

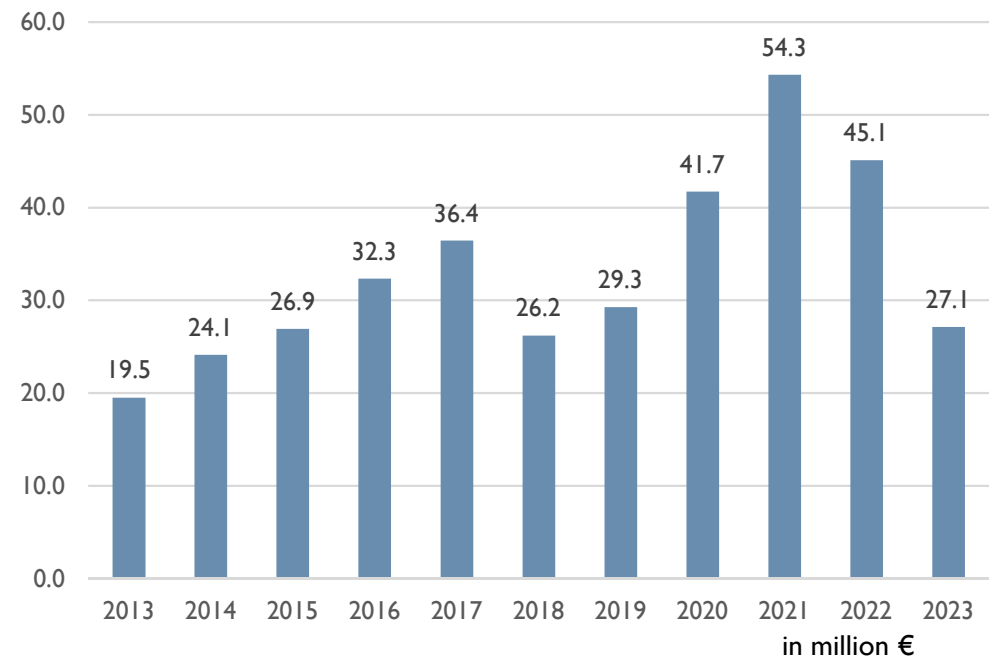
### Sales

CAGR ~7%



### Adjusted EBIT<sup>1</sup>

CAGR ~3%



<sup>1</sup> 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.

## 9M 2024 AT A GLANCE

- **Sales dynamics** still affected by **lower demand for MDx systems** (COVID capacity built-up) and **postponement** of some **deliveries** to **Q4** and **FY 2025**
- **Efficiency measures** and **structural improvements** unfolding momentum: **Gross margin 9M/2024 up yoy** despite lower economies of scale and still suboptimal product mix
  - ➔ **Guidance update** as of 10/17/2024: **Margin target for FY 2024 confirmed** despite slightly **reduced sales outlook**
- **Strengthening** of market position in **Asia-Pacific** and first **sales synergies realized** in the **U.S.** on the back of **Natech acquisition**



# FINANCIAL REVIEW

## FINANCIALS AT A GLANCE<sup>1</sup>

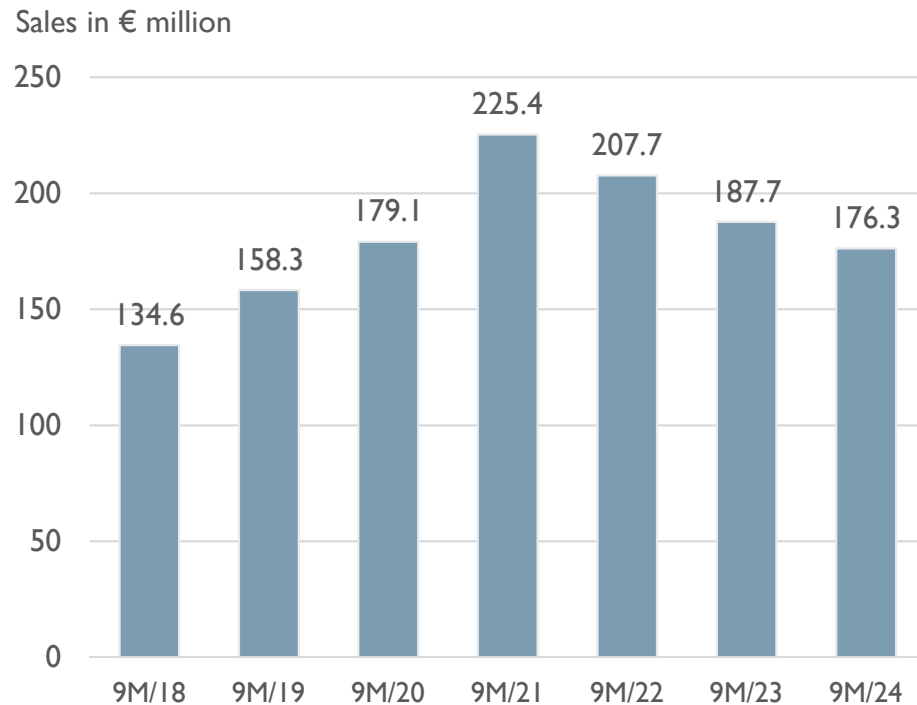
| € 000s                                   | 9M/2024 | 9M/2023 | Change               | Q3/2024 | Q3/2023 | Change               |
|--|---------|---------|----------------------|---------|---------|----------------------|
| Sales                                    | 176,305 | 187,680 | -6.1%<br>(cc: -6,0%) | 57,229  | 62,674  | -8.7%<br>(cc: -9,1%) |
| Adjusted EBITDA                          | 26,329  | 27,267  | -3.4%                | 9,011   | 13,370  | -32.6%               |
| Adjusted EBITDA margin (%)               | 14.9    | 14.5    | +40 bps              | 15.7    | 21.3    | -560 bps             |
| Adjusted EBIT                            | 14,769  | 16,222  | -9.0%                | 5,054   | 9,257   | -45.4%               |
| Adjusted EBIT margin (%)                 | 8.4     | 8.6     | -20 bps              | 8.8     | 14.8    | -600 bps             |
| Adjusted consolidated net income         | 8,139   | 9,742   | -16.5%               | 2,660   | 5,682   | -53.2%               |
| Adjusted basic earnings per share (in €) | 0.67    | 0.80    | -16.3%               | 0.22    | 0.47    | -53.2%               |
| Basic earnings per share IFRS (in €)     | 0.37    | 0.62    | -40.3%               | 0.05    | 0.42    | -88.1%               |

bps = basis points / cc = constant currency

<sup>1</sup> 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. These non-recurring items include advisory expenses relating to M&A activities and one-off personnel expenses of € 1.7 million in connection with the departure of a member of the Board of Management in the third quarter of 2024.

# FINANCIAL REVIEW

## SALES DEVELOPMENT 9M 2024



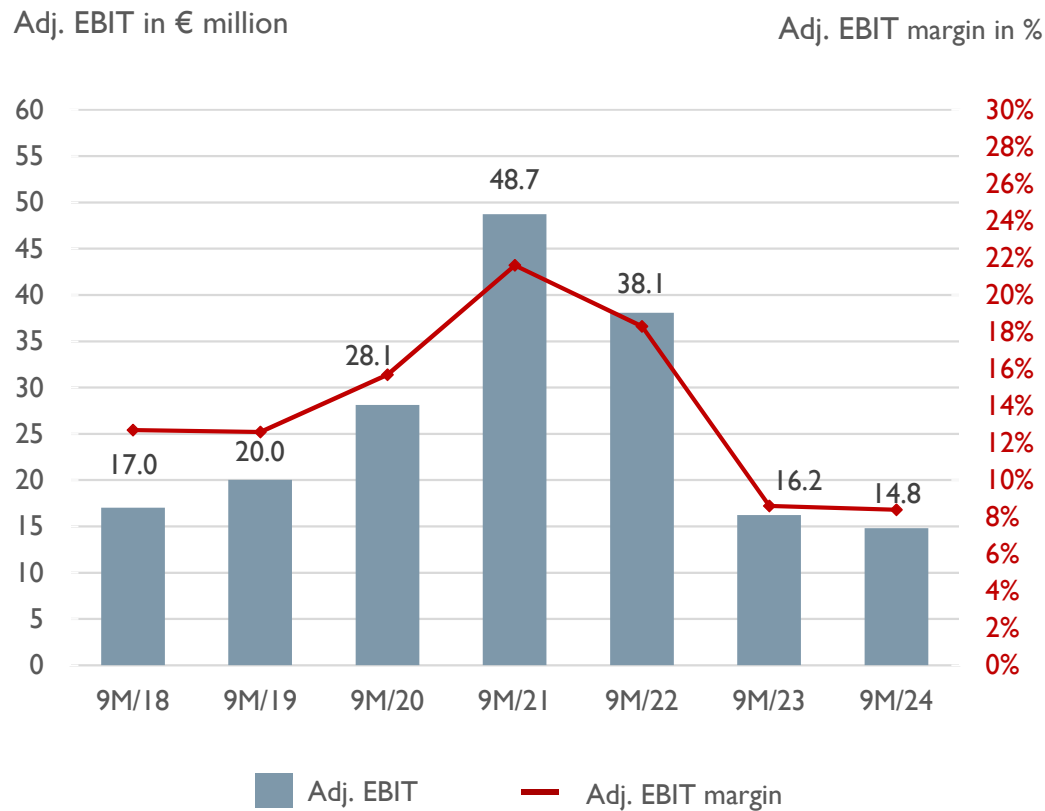
As of September 30

9M/2024 down by 6.0% yoy at constant currency to € 176.3 million; -9.6% organic

- (-) Lower pandemic-related demand for molecular diagnostics solutions
- (-) Flatter than expected ramp-up phase of recently launched MDx product
- (-) Some deliveries, originally expected for Q3, have been postponed to Q4 2024 and FY 2025, respectively
- (+) Healthy demand for service parts and consumables
- (+) Moderate increase in development and services revenues

# FINANCIAL REVIEW

## ADJUSTED EBIT AND EBIT MARGIN 9M 2024



Adjusted EBIT margin 9M/2024 8.4% versus 8.6% in the prior year period

- (+) Efficiency measures and structural changes taking effect
- (-) Negative economies of scale
- (-) Still room for improvement for product mix within systems business

Lower earnings contribution from recognition of development revenues in Q3/2024 versus Q3/2023

As of September 30

# FINANCIAL REVIEW

## CASH FLOW AND NET DEBT

| € 000s                            | 9M/2024 | 9M/2023 | Change  |
|-----------------------------------|---------|---------|---------|
| Cash flow – operating activities  | 25,430  | 10,709  | +137.5% |
| Cash flow – investment activities | -12,432 | -45,666 | nm      |
| Cash flow – financing activities  | -13,482 | 26,634  | nm      |
| Free cash flow                    | 12,998  | -34,957 | nm      |

| € 000s              | 9M/2024 | FY/2023 | Change  |
|---------------------|---------|---------|---------|
| Cash                | 33,108  | 33,532  | -1,3%   |
| Equity ratio (%)    | 50.5    | 50.0    | +50 bps |
| Net working capital | 109,025 | 121,088 | -10,0%  |
| Net debt            | 119,429 | 118,180 | +1,1%   |

- Significantly improved cash flow dynamics on the back of reduced trade receivables position and lower cash tax payments; but still inflated inventory levels
- Investment ratio<sup>1</sup> at 7.0% → in-line with full year target corridor of 6.0% to 8.0%
- Net debt / LTM EBITDA of 3.1x

<sup>1</sup> Total investments in intangible and tangible assets in % of sales

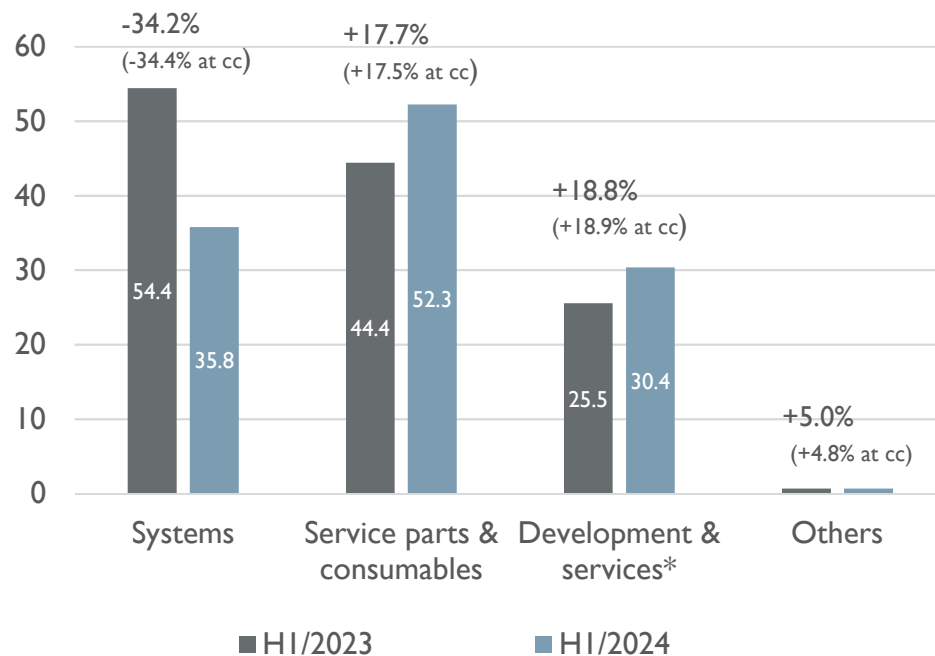
LTM = Last twelve months



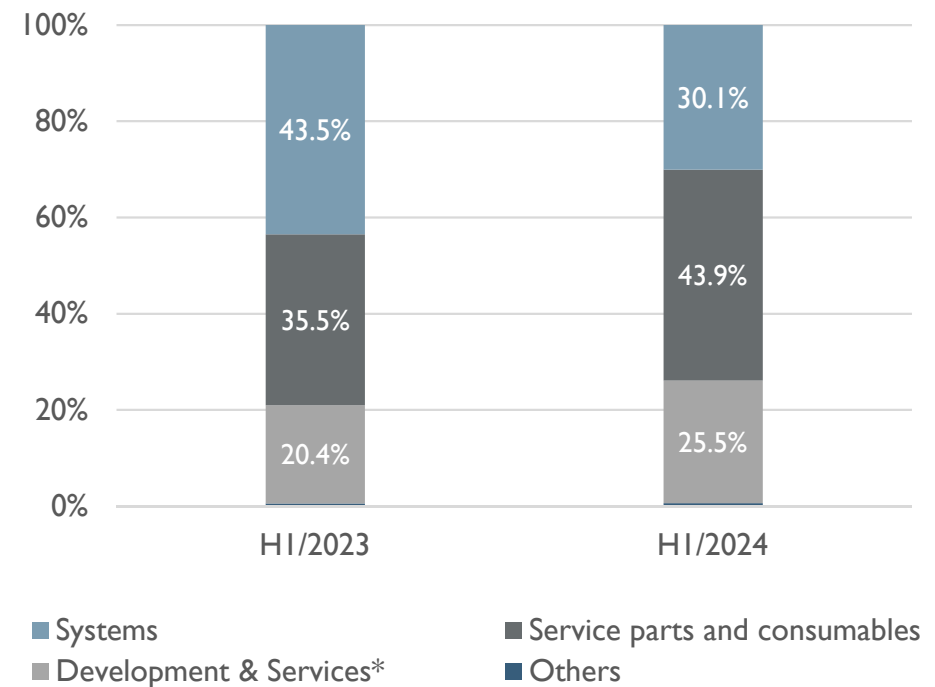
# FINANCIAL REVIEW

## SALES BY OPERATING DIVISIONS HI/2024

Sales in € million



In % of total sales



cc = at constant currency

As of June 30

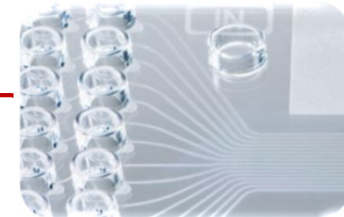
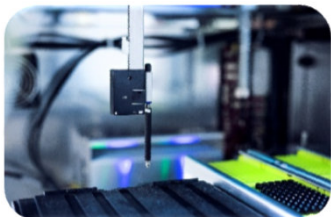
\*including pre-series systems and all earlier generations

# OUTLOOK

## FINANCIAL GUIDANCE FOR FISCAL YEAR 2024

Sales guidance updated  
on 10/17/2024

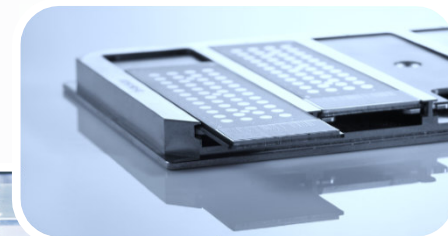
- Sales expected to remain stable or decline slightly compared with the previous year on a constant-currency basis
- Adjusted EBIT margin of around 10.0% to 12.0% (2023: 10.3%)
  - Sales and earnings dynamics are expected to improve significantly in the fourth quarter of 2024 due to expected signing of further additional orders with customers as well as shifts in deliveries from Q3 to Q4 2024
- 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

- Maintaining cost discipline throughout the company given earnings improvement measures implemented
  - Reaching pre-pandemic efficiency levels e.g. due to efficiency gains and structural measures established in supply chain
- Continue to grow footprint in selected life science segments with shorter time to market and/or other market mechanics
- Manage and process M&A opportunities according to external growth and diversification strategy
- Execute deal pipeline regarding new development and manufacturing agreements
- Continue leveraging the combined customer base of both, STRATEC and Natech



# APPENDIX



# APPENDIX

## KEY FIGURES AT A GLANCE<sup>1</sup>

| 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  |
| 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 |

<sup>1</sup> 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 9M 2024

### EBIT

| € 000s               | 9M/2024       | 9M/2023       |
|----------------------|---------------|---------------|
| <b>Adjusted EBIT</b> | <b>14,769</b> | <b>16,222</b> |
| <b>Adjustments:</b>  |               |               |
| PPA amortization     | -2,772        | -1,713        |
| Other <sup>1</sup>   | -2,052        | -1,217        |
| <b>EBIT</b>          | <b>9,945</b>  | <b>13,292</b> |

<sup>1</sup> Including advisory expenses and restructuring expenses relating to M&A activities, as well as one-off personnel expenses of €1.7 million in connection with the departure of a board member in the third quarter of 2024

### Consolidated net income

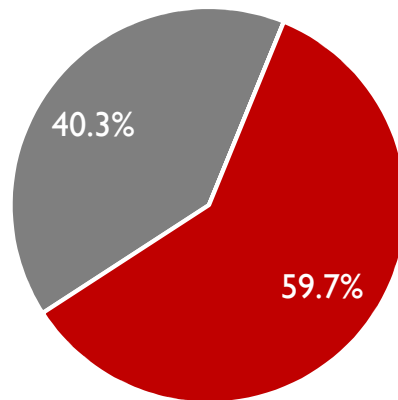
| € 000s  | 9M/2024      | 9M/2023      |
|---|--------------|--------------|
| <b>Adjusted consolidated net income</b>         | <b>8,139</b> | <b>9,742</b> |
| <b>Adjusted earnings per share in € (basic)</b> | <b>0.67</b>  | <b>0.80</b>  |
| <b>Adjustments:</b>                             |              |              |
| PPA amortization                                | -2,772       | -1,713       |
| Other <sup>1</sup>                              | -2,052       | -1,217       |
| Taxes on income                                 | 1,156        | 714          |
| <b>Consolidated net income</b>                  | <b>4,471</b> | <b>7,526</b> |
| <b>Earnings per share in € (basic)</b>          | <b>0.37</b>  | <b>0.62</b>  |

<sup>1</sup> Including advisory expenses and restructuring expenses relating to M&A activities, as well as one-off personnel expenses of €1.7 million in connection with the departure of a board member in the third quarter of 2024

# 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

Union Investment Privatfonds

## SHARE

|                          |               |
|--------------------------|---------------|
| IPO                      | Aug. 1998     |
| Number of shares         | 12,157,841    |
| Share price (11/01/2024) | € 34.05       |
| Market capitalization    | € 414 million |



## CONTACT

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THANK YOU  
FOR YOUR  
ATTENTION