



strat**tec**●●

## **QUARTERLY STATEMENT Q1|2022**

January 1 to March 31, 2022

# STRATEC POSTS GOOD START TO YEAR AND FURTHER SALES GROWTH IN FIRST QUARTER OF 2022

- Sales rise by 4.7% to € 75.4 million in Q1/2022; +1.8% at constant-currency (Q1/2021: € 72.0 million)
- At € 15.0 million, adjusted EBIT for Q1/2022 only moderately below previous year's high pandemic-related basis of comparison (Q1/2021: € 16.0 million)
- Adjusted EBIT margin of 19.9% (Q1/2021: 22.3%)
- Significant progress in well-filled development pipeline and promising negotiations for numerous additional development cooperations
- 2022 guidance confirmed: Sales at previous year's level on constant-currency basis and adjusted EBIT margin of around 16.5% to 18.5% expected

## Dear Shareholders, Dear Partners and Friends of STRATEC,

The STRATEC Group can report a good start to the new financial year and generated further sales growth in the first quarter of 2022. Due to strong business with Service Parts and Consumables, among other factors, we can also report a high adjusted EBIT margin of 19.9% that is slightly ahead of budget.

We believe we are well on track to meet the full-year sales and profitability targets we set ourselves for 2022. In the short term, however, we too face a high degree of forecasting uncertainty. In addition to the challenges of the COVID-19 pandemic, the ongoing war in Ukraine means that new and significant uncertainties have now arisen for the overall economic climate. In combination with renewed lockdowns in Asia, for example, a further intensification is expected in the already tense situation in global supply chains.

Our company is still very strongly positioned for the long term. The trend among our customers to outsource automation solutions to specialist companies such as STRATEC continues to develop very dynamically. We are holding numerous promising negotiations concerning new cooperations, as is reflected in the high number of feasibility studies currently underway. Thanks to our good development pipeline, we will continually extend our in any case young product portfolio with further major market launches for existing and new partners in the months and years ahead. The market launch of a molecular diagnostics system family (including the associated smart consumables) for one of the market leaders in this segment is still scheduled for mid-2022.

Given our expected growth, we remain on the lookout for highly qualified employees. Consistent with this, STRATEC's team grew further in the first quarter of 2022. Overall, the STRATEC Group now has more than 1,400 employees.

We are also looking forward to welcoming you to our upcoming virtual Annual General Meeting. In view of our strong business performance in 2021, the Board of Management and Supervisory Board have proposed an increase in the dividend to a new record level of € 0.95 per share (previous year: € 0.90 per share) for approval by the coming Annual General Meeting on May 20, 2022. Subject to approval being granted, this would be the eighteenth consecutive rise in the dividend.

Thank you for the trust you have placed in us.

On behalf of the Board of Management  
STRATEC SE



**Marcus Wolfinger**  
Chief Executive Officer

## Key figures<sup>1</sup>

€ 000s	Q1/2022	Q1/2021	Change
Sales	75,387	71,995	+4.7 %
EBITDA	18,459	18,840	-2.0 %
EBITDA margin (%)	24.5	26.2	-170 bps
Adjusted EBIT	15,037	16,045	-6.3 %
Adjusted EBIT margin (%)	19.9	22.3	-240 bps
Adjusted consolidated net income	11,948	13,147	-9.1 %
Adjusted earnings per share (€)	0.99	1.09	-9.2 %
Earnings per share (€)	0.92	0.95	-3.2 %

bps = basis points

<sup>1</sup> For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions.

# BUSINESS PERFORMANCE

Consolidated sales increased year-on-year by 4.7% to € 75.4 million in the first quarter of 2022 (Q1/2021: € 72.0 million). On a constant-currency basis, this corresponds to organic sales growth of 1.8%. This growth was driven by strong business with Service Parts and Consumables, as well as by higher sales with Development and Services. Given the build-up of additional laboratory capacities in the previous year due to the pandemic, sales in the Systems business decreased in line with expectations. Reductions in COVID-19-relevant product lines were nevertheless partly offset by strong growth with systems in the field of immunohematology and products newly launched onto the market.

Adjusted EBIT amounted to € 15.0 million in the first quarter of 2022. It thus fell moderately short of the high previous year's figure (Q1/2021: € 16.0 million) but was nevertheless slightly ahead of the original budget. As a result, the adjusted EBIT margin for the first quarter of 2022 stood at 19.9%, as against 22.3% in Q1/2021. The development in the margin was negatively influenced by, among other factors, a normalization in the product mix (within system sales), as well as by increased input costs given the ongoing highly tense situation in global supply chains. Due to the provisions of individual contracts, the rise in input costs can only be passed on to customers with a certain delay.

Adjusted consolidated net income amounted to € 11.9 million in the first quarter of 2022, compared with € 13.1 million in the previous year's period. Adjusted earnings per share (basic) amounted to € 0.99 (Q1/2021: € 1.09).

In the interests of comparability, key earnings figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions. A reconciliation of the adjusted figures with the figures reported in the consolidated income statement is provided below.

€ 000s	Q1/2022	Q1/2021
<b>Adjusted EBIT</b>	<b>15,037</b>	<b>16,045</b>
<b>Adjustments</b>		
• PPA amortization	-936	-1,917
<b>EBIT</b>	<b>14,101</b>	<b>14,128</b>

€ 000s	Q1/2022	Q1/2021
<b>Adjusted consolidated net income</b>	<b>11,948</b>	<b>13,147</b>
<b>Adjusted earnings per share in € (basic)</b>	<b>0.99</b>	<b>1.09</b>
<b>Adjustments</b>		
• PPA amortization	-936	-1,917
• Taxes on income	157	319
<b>Consolidated net income</b>	<b>11,169</b>	<b>11,549</b>
<b>Earnings per share in € (basic)</b>	<b>0.92</b>	<b>0.95</b>

# FINANCIAL GUIDANCE

Based on the good performance in the first quarter of 2022, current orders and order forecasts received from customers, as well as upcoming product launches, STRATEC can confirm its financial guidance for the 2022 financial year. The company continues to expect its sales to match the previous year's level on a constant-currency basis. For its adjusted EBIT margin, STRATEC is still forecasting a figure of around 16.5% to 18.5% (2021: 18.9%).

The year-on-year decrease in the adjusted EBIT margin hereby implied is attributable to the assumption that the product mix (within system sales) will continue to normalize, as well as to higher input costs given the global shortage of transport capacities, commodities, and upstream products.

The short-term development in demand for product groups relevant to COVID-19 will continue to be significantly shaped by the future course of the pandemic. Overall, STRATEC expects the high volume of global test volumes at the beginning of the year to fall to significantly lower levels during the second and third quarter of 2022. Any assessment of the further course of the pandemic, particularly from the fall onwards, and associated demand for in-vitro diagnostics products is nevertheless subject to great uncertainties.

STRATEC's budget scenario for the 2022 financial year includes a higher than normal number of assumptions and risk adjustments. Furthermore, the situation in global supply chains also remains tense and increasingly difficult to predict, with this being due not least to the war in Ukraine and renewed lockdowns in Asia.

For 2022, STRATEC expects total investments in property, plant and equipment and in intangible assets to correspond to 6.0% to 8.0% of sales (2021: 7.0%).

# PROJECTS AND OTHER DEVELOPMENTS

STRATEC pressed further ahead with numerous development projects together with its partners in the first quarter. In the Smart Consumables segment, for example, a further partner is about to submit its application for approval. The novel test process developed by the partner for the early and fast detection and risk assessment of sepsis works with a smart consumable developed by STRATEC. Sepsis is one of the most frequent causes of death worldwide; early detection is therefore crucial in raising the chances of successful treatment.

Furthermore, STRATEC is holding promising negotiations for numerous further development cooperations, and this is also reflected in the high number of feasibility studies currently underway. Preparations for the start of serial production for market launches in the near future are progressing as planned. The market launch of a molecular diagnostics system solution for one of the market leaders is still scheduled for mid-2022.

## DEVELOPMENT IN PERSONNEL

The STRATEC Group again expanded its workforce compared with the previous year in the first quarter of 2022. Including personnel hired from a temporary employment agency and trainees, STRATEC had 1,406 employees as of March 31, 2022. This corresponds to growth of 2.5% compared with the previous year's reporting date. Due to the high volume of development activity expected in the years ahead, STRATEC is also still on the lookout for highly qualified new employees.

# CONSOLIDATED BALANCE SHEET

as of March 31, 2022

## Assets

€ 000s	03.31.2022	12.31.2021
<b>Non-current assets</b>		
Goodwill	38,080	37,996
Other intangible assets	51,722	51,370
Right-of-use assets	8,307	8,720
Property, plant and equipment	58,506	58,738
Non-current financial assets	3,572	3,574
Non-current contract assets	18,241	18,208
Deferred taxes	2,079	1,902
	<b>180,507</b>	<b>180,508</b>
<b>Current assets</b>		
Inventories	89,243	88,768
Trade receivables	51,913	37,184
Current financial assets	1,384	1,539
Current other receivables and assets	10,229	9,077
Current contract assets	3,951	4,053
Income tax receivables	123	212
Cash	49,564	47,184
	<b>206,407</b>	<b>188,017</b>
<b>Total assets</b>	<b>386,914</b>	<b>368,525</b>

## Shareholders' equity and debt

€ 000s	03.31.2022	12.31.2021
<b>Shareholders' equity</b>		
Share capital	12,128	12,128
Capital reserve	32,471	32,217
Revenue reserves	176,290	165,121
Treasury stock	-35	-35
Other equity	-3,313	-3,672
	<b>217,541</b>	<b>205,759</b>
<b>Non-current debt</b>		
Non-current financial liabilities	85,832	83,774
Non-current contract liabilities	23,090	19,164
Provisions for pensions	5,460	5,373
Deferred taxes	8,979	8,788
	<b>123,361</b>	<b>117,099</b>
<b>Current debt</b>		
Current financial liabilities	18,712	15,853
Trade payables	12,694	11,401
Current other liabilities	6,855	6,332
Current contract liabilities	2,805	7,040
Provisions	1,644	1,637
Income tax liabilities	3,302	3,404
	<b>46,012</b>	<b>45,667</b>
<b>Total shareholders' equity and debt</b>	<b>386,914</b>	<b>368,525</b>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2022

€ 000s	01.01. – 03.31.2022	01.01. – 03.31.2021
Sales	75,387	71,995
Cost of sales	-52,771	-49,233
<b>Gross profit</b>	<b>22,616</b>	<b>22,762</b>
Research and development expenses	-1,841	-1,682
Sales-related expenses	-2,427	-2,168
General administration expenses	-4,370	-4,527
Other operating income and expenses	123	-257
<b>Earnings before interest and taxes (EBIT)</b>	<b>14,101</b>	<b>14,128</b>
<b>Net financial expenses</b>	<b>-540</b>	<b>-578</b>
<b>Earnings before taxes (EBT)</b>	<b>13,561</b>	<b>13,550</b>
Taxes on income	-2,392	-2,001
<b>Consolidated net income</b>	<b>11,169</b>	<b>11,549</b>
<b>Items that may be subsequently reclassified to profit or loss:</b>		
Currency translation differences from translation of foreign operations	359	-1,394
<b>Other comprehensive income (OCI)</b>	<b>359</b>	<b>-1,394</b>
<b>Comprehensive income</b>	<b>11,528</b>	<b>10,155</b>
<b>Basic earnings per share in €</b>	<b>0.92</b>	<b>0.95</b>
No. of shares used as basis (undiluted)	12,126,096	12,099,366
<b>Diluted earnings per share in €</b>	<b>0.92</b>	<b>0.95</b>
No. of shares used as basis (diluted)	12,179,658	12,174,774

# CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to March 31, 2022

€ 000s	01.01. – 03.31.2022	01.01. – 03.31.2021
<b>I. Operations</b>		
Consolidated net income (after taxes)	11,169	11,549
Depreciation and amortization	4,358	4,712
Current income tax expenses	2,385	2,546
Income taxes paid less income taxes received	-2,402	-2,176
Financial income	-5	-7
Financial expenses	358	350
Interest paid	-349	-340
Interest received	0	0
Other non-cash expenses	1,000	3,443
Other non-cash income	-1,313	-1,370
Change in net pension provisions through profit or loss	62	71
Change in deferred taxes through profit or loss	7	-545
Profit (-)/loss (+) on disposals of non-current assets	0	2
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-15,518	-18,667
Increase (+)/decrease (-) in trade payables and other liabilities	1,021	14,460
<b>Cash flow from operating activities</b>	<b>773</b>	<b>14,028</b>
<b>II. Investments</b>		
Incoming payments from disposals of non-current assets		
• Financial assets	19	22
Outgoing payments for investments in non-current assets		
• Intangible assets	-2,471	-1,354
• Property, plant and equipment	-1,462	-2,970
<b>Cash flow from investing activities</b>	<b>-3,914</b>	<b>-4,302</b>
<b>III. Financing</b>		
Incoming funds from taking up of financial liabilities	41,925	10,000
Outgoing payments for repayment of financial liabilities	-36,836	-11,292
<b>Cash flow from financing activities</b>	<b>5,089</b>	<b>-1,292</b>
<b>IV. Cash-effective change in cash (net balance of I–III)</b>	<b>1,948</b>	<b>8,434</b>
Cash at start of period	47,184	37,561
Impact of exchange rate movements	432	-272
<b>Cash at end of period</b>	<b>49,564</b>	<b>45,723</b>

# FINANCIAL CALENDAR

<b>05</b> <b>05.05.2022</b> Quarterly Statement Q1 2022	<b>05</b> <b>05.20.2022</b> Virtual Annual General Meeting	<b>08</b> <b>08.05.2022</b> Half-year Financial Report H1 2022	<b>11</b> <b>11.03.2022</b> Quarterly Statement 9M 2022	<b>11</b> <b>11.29.2022</b> German Equity Forum (Analyst Conference)
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Subject to amendment.

Quarterly statements and half-year financial reports are neither audited nor subject to an audit review by the group auditor Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart.

## ABOUT STRATEC

STRATEC SE ([www.stratec.com](http://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.

## IMPRINT AND CONTACT

**Published by**  
 STRATEC SE  
 Gewerbestr. 37  
 75217 Birkenfeld  
 Germany  
 Phone: +49 7082 7916-0  
[info@stratec.com](mailto:info@stratec.com)  
[www.stratec.com](http://www.stratec.com)

**Head of Investor Relations,  
 Sustainability & Corporate Communications**  
 Jan Keppeler  
 Phone: +49 7082 7916-6515  
[j.keppeler@stratec.com](mailto:j.keppeler@stratec.com)

### Notice

Forward-looking statements involve risks: This quarterly statement 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.

This quarterly statement contains various disclosures that from an economic point of view are not required by the relevant accounting standards. These disclosures should be regarded as a supplement, rather than a substitute for the IFRS disclosures.

Apparent discrepancies may arise throughout this quarterly statement on account of mathematical rounding up or down in the course of addition.

In this quarterly statement, words in the masculine include words in the feminine; in parts of the quarterly statement, the masculine form has solely been used to make the document easier to read.

This quarterly statement is available in both German and English. Both versions can be downloaded from the company's website at [www.stratec.com](http://www.stratec.com). In the event of any discrepancies between the two, the German report is the definitive version.