



strat**tec**●●

QUARTERLY STATEMENT 9M|2022

January 1 to September 30, 2022

STRATEC REPORTS RESULTS FOR FIRST NINE MONTHS OF 2022

- Sales in 9M/2022 -7.9% to € 207.7 million (9M/2021: € 225.4 million); constant currency: -11.7%
- Adjusted EBIT of € 38.1 million in 9M/2022 (9M/2021: € 48.7 million)
- Adjusted EBIT margin of 18.3% (9M/2021: 21.6%) at upper end of target corridor communicated for full year
- Significant product launch for molecular diagnostics market leader in third quarter of 2022 and well-stocked development pipeline
- Recently adjusted 2022 guidance confirmed: STRATEC expects constant-currency sales to decrease by around 5% to 8% and adjusted EBIT margin at around 16.5% to 18.5%

Dear Shareholders, Dear Partners and Friends of STRATEC,

The challenges and uncertainties resulting from global developments, in particular the war in Ukraine, as well as the energy crisis and ongoing highly tense supply chains, showed no sign of diminishing in the third quarter of 2022. Like many manufacturers, the STRATEC Group has been particularly affected by significant supply problems for electronics components. This means that, contrary to our original expectations, the third quarter witnessed a further increase in the delivery backlogs already reported for the first half of 2022. We also no longer expect to see any notable recovery in the procurement situation in the remaining months of the 2022 financial year. Taken together with the previous year's high pandemic-related basis of comparison, this led sales to decrease by 7.9% in the first nine months of 2022. Moreover, the difficult procurement situation recently obliged us to adjust our full-year sales guidance for 2022. Given our pleasing third-quarter performance, however, we were able to fully confirm our 2022 guidance for the adjusted EBIT margin.

In view of our young product portfolio, the fact that underlying demand mechanisms are not reliant on macroeconomic factors, and our strong development pipeline, we believe we are well positioned to meet future challenges as well. We recently further underlined our long-term growth prospects with new market launches. In the third quarter of 2022, we transferred a molecular diagnostics system, including highly complex consumables, to serial production on behalf of one of the largest players in our industry. The market launch by this partner is progressing very positively. This makes us confident that we will generate the expected sales contributions in the years ahead.

Alongside our already well-stocked development pipeline, we are holding numerous further promising negotiations concerning new development projects with existing and new partners. We see this as offering further confirmation that the trend within our industry towards automation solutions being

outsourced to specialist companies such as STRATEC is continuing to develop very dynamically.

We are also pleased to have welcomed numerous new employees to STRATEC's team once again in the current year, and that despite the observable significant shortage of specialists. Overall, the STRATEC Group now has a total workforce of 1,449 employees (including employees from temporary employment agencies and trainees).

We are aware of the responsibility we bear towards our employees, customers, suppliers, and other stakeholders and will maintain our clear focus on a sustainable corporate strategy.

We would like to thank you, our shareholders, for the trust you have placed in us.

On behalf of the Board of Management
STRATEC SE



Marcus Wolfinger
Chief Executive Officer

Key figures¹

| € 000s | 9M 2022 | 9M 2021 | Change | Q3 2022 | Q3 2021 | Change |
|----------------------------------|---------|---------|----------|---------|---------|----------|
| Sales | 207,654 | 225,420 | -7.9% | 70,461 | 69,655 | +1.2% |
| EBITDA | 48,095 | 57,665 | -16.6% | 20,254 | 17,391 | +16.5% |
| EBITDA margin (%) | 23.2 | 25.6 | -240 bps | 28.7 | 25.0 | +370 bps |
| Adjusted EBIT | 38,067 | 48,690 | -21.8% | 16,889 | 14,233 | +18.7% |
| Adjusted EBIT margin (%) | 18.3 | 21.6 | -330 bps | 24.0 | 20.4 | +360 bps |
| Adjusted consolidated net income | 29,549 | 40,563 | -27.2% | 12,870 | 12,016 | +7.1% |
| Adjusted earnings per share (€) | 2.44 | 3.35 | -27.2% | 1.06 | 0.99 | +7.1% |
| Earnings per share (€) | 2.04 | 3.00 | -32.0% | 1.00 | 0.92 | +8.7% |

bps = basis points

¹ To facilitate comparison, the figures have been adjusted to exclude amortization from acquisition-related purchase price allocations and a tax 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.

BUSINESS PERFORMANCE

The STRATEC Group generated consolidated sales of € 207.7 million in the first nine months of 2022 (9M/2021: € 225.4 million). This corresponds to a year-on-year reduction in sales by 7.9% (constant currency: -11.7%). In keeping with expectations, this decrease was chiefly due to the previous year's high pandemic-related basis of comparison (high additional demand for molecular diagnostics solutions). Furthermore, delivery backlogs again rose further in the third quarter of 2022 due to the ongoing highly tense situation in supply chains (especially for electronics components). Given these factors, the first nine months of 2022 witnessed a significant reduction in sales in the Systems business and, to a lesser extent, in sales with Service Parts and Consumables. By contrast, sales with Development and Services reached a new record level thanks to the high volume of development services recognized.

Adjusted EBIT amounted to € 38.1 million in the first nine months of 2022, as against € 48.7 million in the previous year. The adjusted EBIT margin stood at 18.3% (9M/2021: 21.6%). The margin thus fell 330 basis points short of the previous year's level but was nevertheless at the upper end of the target corridor communicated for the full year (16.5% to 18.5%). The lower level of profitability compared with the previous year, which is consistent with expectations, was due among other aspects to negative benefits of scale, a normalization in the product mix, and higher input costs. These factors were countered by a high volume of earnings contributions from development services recognized in the third quarter of 2022.

Given the lower level of operating earnings, adjusted consolidated net income for the first nine months of 2022 also decreased, in this case from € 40.6 million to € 29.5 million. Adjusted earnings per share (basic) amount to € 2.44 (9M/2021: € 3.35).

To facilitate comparison, the key earnings figures for the first nine months of 2022 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) for the period from 2014 to 2021 (tax expenses: € 2.4 million; interest expenses: € 0.2 million). A reconciliation of the adjusted figures with the figures reported in the consolidated income statement is provided below.

| € 000s | 9M 2022 | 9M 2021 |
|----------------------|---------|---------|
| Adjusted EBIT | 38,067 | 48,690 |
| Adjustments | | |
| • PPA amortization | -2,627 | -3,907 |
| • Impairment | 0 | -1,049 |
| EBIT | 35,440 | 43,734 |

| € 000s | 9M 2022 | 9M 2021 |
|---|---------|---------|
| Adjusted consolidated net income | 29,549 | 40,563 |
| Adjusted earnings per share in € (basic) | 2.44 | 3.35 |
| Adjustments | | |
| • PPA amortization | -2,627 | -3,907 |
| • Impairment | 0 | -1,049 |
| • Taxes on income | -2,020 | 741 |
| • Interest expenses | -183 | 0 |
| Consolidated net income | 24,719 | 36,348 |
| Earnings per share in € (basic) | 2.04 | 3.00 |

FINANCIAL GUIDANCE

With regard to the delivery backlogs that have arisen during the financial year, the ongoing highly tense situation in supply chains means that STRATEC no longer expects to be able to make up for these by the end of the year to the extent originally planned. On October 18, 2022, STRATEC's Board of Management therefore adjusted its full-year sales guidance for 2022 and published an ad-hoc announcement to this effect. Accordingly, STRATEC expects its constant-currency sales to decrease by around 5.0% to 8.0% in the 2022 financial year (nominal sales reduction of 1.0% to 4.0%). The adjusted EBIT margin is still forecast at an unchanged range of around 16.5% to 18.5%.

For 2022, STRATEC still 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%).

DEVELOPMENT IN PERSONNEL

Including personnel hired from temporary employment agencies and trainees, the STRATEC Group had a total of 1,449 employees as of September 30, 2022 (previous year: 1,406). STRATEC's team has thus continued to grow in the past twelve months (3.1% on previous year's reporting date). Given its well-stocked development pipeline and the associated high volume of development activity, STRATEC expects to have a growing need for additional highly qualified staff in future as well.

Number of employees



PROJECTS AND OTHER DEVELOPMENTS

Together with its partners, STRATEC reached significant milestones in numerous development projects and launched new products onto the market in the first nine months of 2022. One partner (a market leader in the field of in-vitro diagnostics) launched a latest-generation molecular diagnostics system solution onto the market in the third quarter of 2022. STRATEC developed both the instrumentation and the highly complex polymer-based consumables needed to perform tests for this partner and transferred these to serial production.

Based on a well-stocked development pipeline, STRATEC expects numerous new product launches for new and existing partners in the coming months and years as well. The pipeline is also benefiting from dynamic developments in terms of reaching agreements for additional development cooperations. This is indicative of the trend observable within the industry towards instrumentation solutions being outsourced to specialist partners such as STRATEC.

CONSOLIDATED BALANCE SHEET

as of September 30, 2022

Assets

| € 000s | 09.30.2022 | 12.31.2021 |
|--------------------------------------|----------------|----------------|
| Non-current assets | | |
| Goodwill | 36,238 | 37,996 |
| Other intangible assets | 50,927 | 51,370 |
| Right-of-use assets | 12,573 | 8,720 |
| Property, plant and equipment | 59,127 | 58,738 |
| Non-current financial assets | 3,525 | 3,574 |
| Non-current contract assets | 17,335 | 18,208 |
| Deferred taxes | 2,327 | 1,902 |
| | 182,052 | 180,508 |
| Current assets | | |
| Inventories | 114,036 | 88,768 |
| Trade receivables | 42,802 | 37,184 |
| Current financial assets | 6,701 | 1,539 |
| Current other receivables and assets | 9,900 | 9,077 |
| Current contract assets | 5,746 | 4,053 |
| Income tax receivables | 2,903 | 212 |
| Cash | 34,400 | 47,184 |
| | 216,488 | 188,017 |
| | | |
| | | |
| | | |
| | | |
| Total assets | 398,540 | 368,525 |

Shareholders' equity and debt

| € 000s | 09.30.2022 | 12.31.2021 |
|--|----------------|----------------|
| Shareholders' equity | | |
| Share capital | 12,131 | 12,128 |
| Capital reserve | 33,378 | 32,217 |
| Revenue reserves | 178,321 | 165,121 |
| Treasury stock | -35 | -35 |
| Other equity | -9,223 | -3,672 |
| | 214,572 | 205,759 |
| Non-current debt | | |
| Non-current financial liabilities | 83,237 | 83,774 |
| Non-current other liabilities | 1,000 | 0 |
| Non-current contract liabilities | 21,798 | 19,164 |
| Provisions for pensions | 5,881 | 5,373 |
| Deferred taxes | 9,788 | 8,788 |
| | 121,704 | 117,099 |
| Current debt | | |
| Current financial liabilities | 20,955 | 15,853 |
| Trade payables | 14,746 | 11,401 |
| Current other liabilities | 7,300 | 6,332 |
| Current contract liabilities | 8,425 | 7,040 |
| Provisions | 1,695 | 1,637 |
| Income tax liabilities | 9,143 | 3,404 |
| | 62,264 | 45,667 |
| Total shareholders' equity and debt | 398,540 | 368,525 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to September 30, 2022

| € 000s | 01.01.–09.30.2022 | 01.01.–09.30.2021 |
|---|-------------------|-------------------|
| Sales | 207,654 | 225,420 |
| Cost of sales | -144,290 | -154,414 |
| Gross profit | 63,364 | 71,006 |
| Research and development expenses | -4,817 | -5,701 |
| Sales-related expenses | -8,424 | -7,564 |
| General administrative expenses | -13,340 | -12,106 |
| Other operating income and expenses | -1,343 | -1,901 |
| Earnings before interest and taxes (EBIT) | 35,440 | 43,734 |
| Net financial expenses | -1,566 | -853 |
| Earnings before taxes (EBT) | 33,874 | 42,881 |
| Taxes on income | -9,155 | -6,533 |
| Consolidated net income | 24,719 | 36,348 |
| Items that may be subsequently reclassified to profit or loss: | | |
| Currency translation differences from translation of foreign operations | -5,551 | 249 |
| Other comprehensive income (OCI) | -5,551 | 249 |
| Comprehensive income | 19,168 | 36,597 |
| Basic earnings per share in € | 2.04 | 3.00 |
| No. of shares used as basis (basic) | 12,127,694 | 12,105,674 |
| Diluted earnings per share in € | 2.03 | 2.98 |
| No. of shares used as basis (diluted) | 12,174,458 | 12,180,897 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from July 1 to September 30, 2022

| € 000s | 07.01.–09.30.2022 | 07.01.–09.30.2021 |
|---|-------------------|-------------------|
| Sales | 70,461 | 69,655 |
| Cost of sales | -44,934 | -47,776 |
| Gross profit | 25,527 | 21,879 |
| Research and development expenses | -850 | -1,709 |
| Sales-related expenses | -3,383 | -3,003 |
| General administrative expenses | -4,413 | -3,750 |
| Other operating income and expenses | -775 | -182 |
| Earnings before interest and taxes (EBIT) | 16,106 | 13,235 |
| Net financial expenses | -325 | -140 |
| Earnings before taxes (EBT) | 15,781 | 13,095 |
| Taxes on income | -3,664 | -1,908 |
| Consolidated net income | 12,117 | 11,187 |
| Items that may be subsequently reclassified to profit or loss: | | |
| Currency translation differences from translation of foreign operations | -2,265 | -974 |
| Other comprehensive income (OCI) | -2,265 | -974 |
| Comprehensive income | 9,852 | 10,213 |
| Basic earnings per share in € | 1.00 | 0.92 |
| No. of shares used as basis (basic) | 12,129,596 | 12,113,922 |
| Diluted earnings per share in € | 1.00 | 0.92 |
| No. of shares used as basis (diluted) | 12,163,971 | 12,186,949 |

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to September 30, 2022

| € 000s | 01.01.–09.30.2022 | 01.01.–09.30.2021 |
|--|-------------------|-------------------|
| I. Operations | | |
| Consolidated net income (after taxes) | 24,719 | 36,348 |
| Depreciation and amortization | 12,655 | 13,931 |
| Current income tax expenses | 8,581 | 5,847 |
| Income taxes paid less income taxes received | -5,560 | -3,796 |
| Financial income | -218 | -107 |
| Financial expenses | 1,441 | 1,042 |
| Interest paid | -1,105 | -977 |
| Interest received | 17 | 49 |
| Other non-cash expenses | 6,749 | 3,367 |
| Other non-cash income | -3,239 | -1,112 |
| Change in net pension provisions through profit or loss | 209 | 250 |
| Change in deferred taxes through profit or loss | 574 | 686 |
| Profit (-) / loss (+) on disposals of non-current assets | 1 | 2 |
| Increase (-) / decrease (+) in inventories, trade receivables and other assets | -33,691 | -26,798 |
| Increase (+) / decrease (-) in trade payables and other liabilities | 11,152 | 21,791 |
| Cash flow from operating activities | 22,285 | 50,523 |
| II. Investments | | |
| Incoming payments from disposals of non-current assets | | |
| • Property, plant and equipment | 17 | 37 |
| • Financial assets | 25 | 25 |
| Outgoing payments for investments in non-current assets | | |
| • Intangible assets | -6,436 | -7,492 |
| • Property, plant and equipment | -5,709 | -7,913 |
| • Financial assets | -4,818 | 0 |
| Cash flow from investing activities | -16,921 | -15,343 |
| III. Financing | | |
| Incoming funds from taking up of financial liabilities | 44,845 | 10,000 |
| Outgoing payments for repayment of financial liabilities | -50,513 | -26,884 |
| Incoming payments from issue of shares for employee stock option programs | 249 | 820 |
| Dividend payments | -11,519 | -10,888 |
| Cash flow from financing activities | -16,938 | -26,952 |
| IV. Cash-effective change in cash (net balance I – III) | -11,574 | 8,228 |
| Cash at start of period | 47,184 | 37,561 |
| Impact of exchange rate movements | -1,210 | -151 |
| Cash at end of period | 34,400 | 45,638 |

FINANCIAL CALENDAR



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) 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

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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 order to improve readability, all references are to the masculine form. This formulation explicitly includes all gender identities.

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