

PRESS RELEASE

STRATEC reports substantial growth in 2016

- Sales of € 184.9 million (+25.9%; previous year: € 146.9 million)
- EBITDA of € 38.7 million¹ (+13.1 %; previous year: € 34.2 million)
- EBIT of € 32.3 million¹ (+20.1%; previous year: € 26.9 million)
- EBIT margin of 17.5%¹ (-80 basis points; previous year: 18.3%)
- Consolidated net income of € 25.4 million² (+14.9%; previous year: € 22.1 million)
- Earnings per share of € 2.14² (+14.4%; previous year: € 1.87)
- Dividend proposal of € 0.77 per share (dividend in previous year: € 0.75 per share)

Birkenfeld, April 20, 2017

STRATEC Biomedical AG, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard) announced today the definitive results of the STRATEC Group for the financial year as of December 31, 2016 with the publication of its 2016 Annual Report. These figures, prepared in line with International Financial Reporting Standards (IFRS), have been audited and granted an unqualified audit opinion.

Key figures (€ 000s)	2016	2015	Change
Sales	184,911	146,886	+25.9%
Adjusted EBITDA	38,677	34,207	+13.1%
Adjusted EBITDA margin (%)	20.9	23.3	-240 bps
EBIT	32,273 ¹	26,875	+20.1%
EBIT margin (%)	17.5 ¹	18.3	-80 bps
Consolidated net income	25,383 ²	22,084	+14.9%
Earnings per share (€)	2.14 ²	1.87	+14.4%

bps = basis points

¹ 2016 figure adjusted for one-off items resulting from transaction activities and related reorganization expenses

² 2016 figure additionally adjusted for financing expenses and tax expenses in connection with the acquisitions of the Diatron Group and STRATEC Consumables, for one-off items resulting from the tax audit for the 2009 to 2013 assessment periods, and for tax effects relating to reorganization expenses

STRATEC Biomedical AG can look back on a superb 2016 financial year, in which it substantially increased its sales and earnings while also significantly strengthening its strategic position. As well as expanding its development team, a prerequisite for implementing numerous forthcoming development projects, STRATEC also accessed major new business fields through the acquisition of two companies. For the current 2017 financial year, the company expects to generate further growth. Moreover STRATEC will be proposing what will be already the thirteenth consecutive increase in its dividend for approval by the Annual General Meeting to be held on June 14, 2017.

Business performance

STRATEC increased its sales year-on-year by 25.9% from € 146.9 million to € 184.9 million in the 2016 financial year. In addition to the boost resulting from the two subsidiaries acquired in 2016, Diatron and STRATEC Consumables, the Group's sales growth was also driven by higher sales in its service parts business as well as by further expansion in development services.

The share of sales generated by service parts and consumables rose from 25.9% in the previous year to 29.0% in 2016. This figure incorporates for the first time sales of consumables at the Diatron Group and at STRATEC Consumables.

EBIT grew year-on-year by 20.1% to € 32.3 million, corresponding to an EBIT margin of 17.5%. Benefits of scale rose significantly during recent months and had a notable impact on margin, especially in the fourth quarter of 2016. Consolidated net income showed a corresponding increase of 14.9% to € 25.4 million, while earnings per share grew by 14.4% to € 2.14.

The Group continued to receive numerous milestone payments for development services. These projects and the subsequent market launches will drive the growth planned for the years ahead.

These earnings figures have been adjusted to exclude one-off items resulting from transaction and restructuring activities, associated financing and tax expenses, tax effects relating to restructuring expenses, and one-off items resulting from the tax audit for the 2009 to 2013 assessment periods.

Financial forecast

The existing forecast remains valid and STRATEC plans to provide an update upon the publication of its Half-yearly Financial Report on July 25, 2017.

Dividend proposal

Given STRATEC's positive business performance in 2016, its persistently strong earnings performance, and its positive long-term outlook, the Board of Management and Supervisory Board of STRATEC Biomedical AG will propose the distribution of a dividend of € 0.77 per share for the 2016 financial year for approval by the Annual General Meeting on June 14, 2017. This would represent an increase of 2.7% on the previous year when the dividend payment was € 0.75 per share.

Subject to approval by the Annual General Meeting, shareholders can therefore expect to benefit from the thirteenth consecutive increase in the dividend since payment of the first dividend in 2004. STRATEC always strives to maintain its continuity-based dividend policy. As the Group continues to focus on internal and external growth opportunities, it may deviate temporarily from this approach. Such opportunities may result from larger-scale acquisitions or from the need to provide potential advance financing for major projects.

Development in personnel

Including personnel hired from a temporary employment agency and trainees, the STRATEC Group had a total of 976 employees as of December 31, 2016 (previous year: 583). The majority of this increase was due to the acquisitions made in 2016.

To facilitate further growth through expansion, the Group enlarged production capacities at its Swiss location with an extension completed in 2016. Building work on a new development center at the Romanian location began in late 2015 and this was occupied in the second half of 2016. Diatron is also set to move into a further building in the first half of the current year.

STRATEC will in future continue to recruit qualified staff, especially in its development division.

Projects and other development work

STRATEC is focusing in the current financial year on achieving major development milestones and also preparing several market launches for its partners. The company is currently negotiating a large number of new development agreements which will form a basis for its future growth.

The recent acquisitions have already impacted positively on developments in the current financial year, especially in the form of project negotiations and contract agreements.

The STRATEC platforms in development are already the object of specific negotiations with partners with regard to resultant cooperations. STRATEC sees this as providing a further key basis for its future development.

2016 Annual Report

The 2016 Annual Report of STRATEC Biomedical AG has been published on the company's website at www.stratec.com/financial_reports.

Forthcoming dates

The Quarterly Statement Q1|2017 will be published on May 4, 2017.

The Annual General Meeting of STRATEC Biomedical AG will be held in Pforzheim on June 14, 2017. The invitation to the Annual General Meeting will be sent to shareholders in good time ahead of the meeting.

Conference call and audio webcast

To comment on the publication of our definitive figures for the 2016 financial year, we will be holding a conference call in English today, Thursday, April 20, 2017, at 3.00 p.m. (CEST).

The access information (telephone number, password + individual PIN) will be provided following brief registration at the following link: www.stratec.com/registration

The call may also be followed as an audio webcast at www.stratec.com/audiowebcast20170420 (brief registration required). Please note that it is not possible to submit any questions via the audio webcast. You can also follow and/or download the slide presentation via this link.

About STRATEC

STRATEC Biomedical AG (www.stratec.com) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. Furthermore, the company offers sample preparation solutions, integrated laboratory software, and complex consumables for diagnostic and medical applications. 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 its own patented technologies.

Shares in the company (ISIN: DE000STRA555) are traded in the Prime Standard segment of the Frankfurt Stock Exchange.

Further information can be obtained from:

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