

PRESS RELEASE

STRATEC WITH DOUBLE-DIGIT SALES AND EARNINGS GROWTH IN FIRST HALF OF 2019

- Sales in H1/2019 show year-on-year growth of 21.7% at constant currency to € 110.4 million; nominal growth of +24.1% (H1/2018: € 88.9 million)
- Adjusted EBIT for H1/2019 up 40.4% to € 12.7 million (H1/2018: € 9.1 million)
- Adjusted EBIT margin improves year-on-year by 130 basis points to 11.5%
- Successful market launch of new products and strong development pipeline
- Financial guidance for fiscal year 2019 confirmed

Birkenfeld, August 15, 2019

STRATEC SE, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard) today announced its financial results and major events for the period from January 1, 2019 to June 30, 2019 with the publication of its Half-Yearly Financial Report H1|2019.

KEY FIGURES¹

€ 000s	H1/2019	H1/2018 ²	Change	Q2/2019	Q2/2018 ²	Change
Sales	110,369	88,931	+24.1%	62,694	49,290	+27.2%
Adj. EBITDA	17,343	12,227	+41.8%	9,981	6,664	+49.8%
Adj. EBITDA margin (%)	15.7	13.7	+200 bps	15.9	13.5	+240 bps
Adj. EBIT	12,723	9,060	+40.4%	7,644	5,038	+51.7%
Adj. EBIT margin (%)	11.5	10.2	+130 bps	12.2	10.2	+200 bps
Adj. consolidated net income ³	10,284	7,455	+37.9%	6,448	4,098	+57.3%
Adj. earnings per share (€) ³	0.86	0.63	+36.5%	0.54	0.35	+54.3%
Earnings per share (€) ³	0.46	0.24	+91.7%	0.35	0.15	+133.3%

¹ For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions and the associated reorganization expenses, as well as other non-recurring effects.

² Retrospectively adjusted for recognition of nucleic acid purification business as discontinued operation pursuant to IFRS 5.

³ Not retrospectively adjusted for IFRS 16.

³ Result from continuing operations.

Adj. = adjusted

bps = basis points

BUSINESS PERFORMANCE

Consolidated sales increased by 24.1% to € 110.4 million in the first six months of the 2019 financial year, compared with € 88.9 million in the previous year. On a constant currency basis, this corresponds to growth of 21.7%. This substantial sales growth was driven in particular by higher numbers of systems called up, as well as by increased sales with development and services. System sales benefited both from strong business with established products and from further growth in the sales contributed by systems recently launched onto the market. The increase in sales with development and services, by contrast, was due to the achievement of major development targets.

Adjusted EBIT for the first six months of 2019 rose by 40.4% to € 12.7 million, compared with € 9.1 million in the previous year. Accordingly, the adjusted EBIT margin improved by 130 basis points to 11.5% (H1/2018: 10.2%). This margin growth was due in particular to positive benefits of scale. In addition, the company also witnessed the first beneficial effects of its earnings improvement initiative launched in 2018. The positive impact on the margin was nevertheless partly offset by higher expenses in connection with the above-average current volume of development activities. Furthermore, the development in the margin was also restrained by the high share of sales attributable to development and services. In this respect, the company expects to achieve a significantly stronger sales mix in the second half of the year.

Given the company's operating earnings growth, its adjusted consolidated net income from continuing operations also increased by 37.9% to € 10.3 million (H1/2018: € 7.5 million). Adjusted earnings per share from continuing operations (basic) for the first six months of 2019 rose by 36.5% to € 0.86, compared with € 0.63 in the previous year.

In the interests of comparability, key earnings figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions, associated reorganization expenses, and other non-recurring items. A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income can be found in the Half-Yearly Financial Report H1|2019 also published today.

PROJECTS AND OTHER DEVELOPMENTS

Due not least to the high volume of development activities performed in recent years, STRATEC expects the 2019 financial year to witness an above-average number of product launches. In the first half of the year, two systems developed by STRATEC together with its partners were already launched onto the market. The market launches of further products are scheduled for the second half of the year. These launches relate both to products developed in cooperation with partners and to proprietary developments in the platform and module business. Work on scaling up and preparing serial production for these new products is advancing as planned.

STRATEC made substantial progress in negotiating new development agreements once again in the first six months of 2019. Not only that, at the AACCC (American Association for Clinical Chemistry), the industry's most important specialist conference held at the beginning of August, STRATEC enjoyed its most successful trade fair performance in years.

The construction work begun in 2018 to significantly expand the building capacities available at the company's headquarters in Birkenfeld is progressing on schedule. The first building complex newly completed was occupied by employees in May 2019. Completion of the second phase of construction is still scheduled for mid-2020. Once this construction work, which involves adding around 15,000 m² of new surfaces, is finished, significantly more space will be available, particularly for research and development, prototype production, and storage.

DEVELOPMENT IN PERSONNEL

Including personnel hired from a temporary employment agency and trainees, the STRATEC Group increased its workforce year-on-year by 6.3% from 1,148 to 1,220 employees as of June 30, 2019. Adjusted to account for the sale of the nucleic acid purification business, this represents organic growth of 8.7%. Given its constantly growing development pipeline, STRATEC expects to require large numbers of additional highly qualified staff in the years ahead as well.

FINANCIAL GUIDANCE

Based on its positive business performance in the first half and the current order forecasts received from its customers, STRATEC confirms the financial guidance issued for the 2019 financial year. STRATEC therefore still expects to generate sales growth adjusted for exchange rate effects of at least 12% in 2019 (basis: € 187.8 million) and an adjusted EBIT margin of around 14% to 15% (2018: 13.9%).

Given the construction work underway to significantly expand capacities at its headquarters in Birkenfeld and investments in numerous development projects, STRATEC expects its investment ratio to remain at an above-average level in 2019. The company has budgeted investments in property, plant and equipment and intangible assets corresponding to around 12% to 14% of sales for 2019 (2018: 10.3%). However, the investment ratio will likely decline considerably from 2020 onwards once the construction measures have been completed.

HALF-YEARLY FINANCIAL REPORT H1|2019

The Half-Yearly Financial Report H1|2019 of STRATEC SE has been published on the company's website at www.stratec.com/financial_reports.

CONFERENCE CALL AND AUDIO WEBCAST

To mark the publication of our results for the first six month of 2019, we will be holding a conference call in English at 2.00 p.m. (CEST) today, Thursday, August 15, 2019.

You will receive the dial-in data (telephone number, password + individual PIN) following brief registration at the following link: www.stratec.com/registration

The conference call will also be available at the same time as an audio webcast at www.stratec.com/audiowebcast20190815 (brief registration required). Please note that no questions can be submitted via the audio webcast. Clicking this link also enables you to follow or download the slide presentation.

ABOUT STRATEC

Die STRATEC SE (www.stratec.com) designs, develops and manufactures fully automatic analyzer systems for its partners in clinical diagnostics and biotechnology. The company also offers integrated laboratory software and complex consumables for diagnostic and medical applications. In doing so, the entire value chain is covered, from development, across design and production to quality assurance.

The partners market the systems, software and consumables as system solutions, generally together with their own reagents, to laboratories, blood banks and research institutes around the world. STRATEC develops its products with its own patent-protected technologies.

The shares of the company (ISIN: DE000STRA555) are traded on the Prime Standard of the Frankfurt Stock Exchange.

FURTHER INFORMATION CAN BE OBTAINED FROM:

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