

PRESS RELEASE

STRATEC SHOWS DYNAMIC GROWTH IN FIRST NINE MONTHS OF 2019

- Sales up by 17.3% at constant currency to € 161.1 million in 9M/2019; nominal growth of 19.6% (9M/2018: € 134.6 million)
- Adjusted EBIT increases by 17.8% to € 20.1 million in 9M/2019 (9M/2018: € 17.0 million)
- Adjusted EBIT margin of 12.5% in 9M/2019 (9M/2018: 12.7%)
- Further growth in employee totals on the back of strong development pipeline
- Financial guidance for fiscal year 2019 confirmed

Birkenfeld, November 7, 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 September 30, 2019 with the publication of its Quarterly Statement 9M|2019.

KEY FIGURES¹

€ 000s	9M/2019	9M/2018 ²	Change	Q3/2019	Q3/2018 ²	Change
Sales	161,058	134,627	+19.6%	50,689	45,696	+10.9%
Adj. EBITDA	27,021	21,960	+23.0%	9,678	9,733	-0.1%
Adj. EBITDA margin (%)	16.8	16.3	+50 bps	19.1	21.3	-220 bps
Adj. EBIT	20,080	17,044	+17.8%	7,357	7,984	-7.9%
Adj. EBIT margin (%)	12.5	12.7	-20 bps	14.5	17.5	-300 bps
Adj. consolidated net income ³	15,872	13,598	+16.7%	5,588	6,143	-9.0%
Adj. earnings per share (€) ³	1.32	1.14	+15.8%	0.46	0.51	-9.8%
Earnings per share (€) ³	0.71	0.51	+39.2%	0.25	0.27	-7.4%

Adj. = Adjusted
bps = Basis points

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 Not retrospectively restated for IFRS 16.

³ Result from continuing operations.

BUSINESS PERFORMANCE

Sales for the first nine months of 2019 grew year-on-year by 19.6% to € 161.1 million (9M/2018: € 134.6 million). On a constant currency basis, this corresponds to growth of 17.3%. This positive sales performance was driven by strong call-up figures both for established systems and for systems recently launched onto the market. Sales with service parts and consumables as well as with development and services also showed double-digit percentage growth in the first nine months of 2019.

Adjusted EBIT increased year-on-year by 17.8% to € 20.1 million in the first nine months of 2019 (9M/2018: € 17.0 million). The adjusted EBIT margin therefore stands at 12.5%, falling slightly short of the previous year's figure (9M/2018: 12.7%). The subdued development in the margin compared with the previous year was due among other factors to the product mix. Furthermore, valuation effects in connection with stock appreciation rights had a negative impact of 90 basis points on the margin. In contrast, the margin was positively influenced by measures introduced within the earnings improvement initiative launched in 2018. Furthermore, in the fourth quarter of 2019 the margin is set to benefit from the forthcoming realization of development sales with above-average margins, as well as from improvements in the product mix.

As a result of the increase in operating earnings, adjusted consolidated net income from continuing operations also improved by 16.7% to € 15.9 million (9M/2018: € 13.6 million). Adjusted earnings per share from continuing operations (basic) for the first nine months of 2019 amount to € 1.32, as against € 1.14 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 Quarterly Statement 9M|2019 also published today.

PROJECTS AND OTHER DEVELOPMENTS

Group-wide development activities continue at a very high level, and that even though STRATEC's customers already successfully launched two major systems onto the market in 2019. The pipeline also includes numerous projects that are in highly advanced stages of development. STRATEC therefore expects to see further product launches in the months ahead. These relate on the one hand to products designed and developed in cooperation with partners and on the other hand to proprietary developments in the platform and module businesses.

DEVELOPMENT IN PERSONNEL

Including personnel hired from a temporary employment agency and trainees, the STRATEC Group had a total of 1,282 employees as of September 30, 2019 (previous year: 1,208). Adjusted for the disposal of the nucleic acid purification business, this corresponds to organic growth of 8.5% (nominal 6.1%). The trend within the in-vitro diagnostics industry towards outsourcing the development and production of automation solutions to specialist partners such as STRATEC is continuing apace. STRATEC therefore expects to see consistent growth in its development pipeline and activities in future as well. As a result, the company is also expected to need large numbers of additional highly qualified employees in the years ahead.

FINANCIAL GUIDANCE

Based on its business performance in the first nine months and current order forecasts received from its customers, STRATEC confirms the financial guidance issued for the fiscal year 2019. 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 currently underway to significantly expand capacities at the company's headquarters in Birkenfeld and the investments also being made in numerous development projects, STRATEC expects its investment ratio to remain at an above-average high level in 2019. Investments in property, plant and equipment and intangible assets are budgeted at around 12% to 14% of sales in 2019 (2018: 10.3%). Following completion of the construction work, the investment ratio is expected to fall significantly once again from 2020 onwards.

QUARTERLY STATEMENT 9M|2019

The Quarterly Statement 9M|2019 of STRATEC SE has been published on the company's website at www.strattec.com/financial_reports.

CONFERENCE CALL AND AUDIO WEBCAST

To mark the publication of the results for the first nine month of 2019, STRATEC will be holding a conference call in English at 2.00 p.m. (CET) today, Thursday, November 7, 2019.

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

The conference call will also be available at the same time as an audio webcast at www.strattec.com/audiowebcast20191107 (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

STRATEC SE (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 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 IS AVAILABLE FROM:

STRATEC SE

Jan Keppeler | Investor Relations & Corporate Communications

Tel: +49 7082 7916-6515

Fax: +49 7082 7916-9190

ir@stratec.com

www.stratec.com