

PRESS RELEASE

STRATEC REPORTS RESULTS FOR FIRST NINE MONTHS OF 2023

- Significant intra-year improvement in profitability in third quarter of 2023 (adjusted EBIT margin of 14.8% in Q3/2023); adjusted EBIT margin of 8.6% in 9M/2023 (9M/2022: 18.3%)
- Sales performance still adversely affected by excess molecular diagnostics capacities built up during pandemic; constant-currency sales -9,1% in 9M/2023
- Well-stocked development pipeline and promising negotiations for additional development cooperations
- Financial guidance for 2023: sales guidance slightly adjusted and margin target confirmed

Birkenfeld, October 27, 2023

STRATEC SE, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard, SDAX) today announced its financial results and major events for the period from January 1, 2023 to September 30, 2023 with the publication of its Quarterly Statement 9M|2023.

KEY FIGURES¹

€ 000s	9M/2023	9M/2022	Change	Q3/2023	Q3/2022	Change
Sales	187,680	207,654	-9.6%	62,674	70,461	-11.1%
Adj. EBITDA	27,267	48,095	-43.3%	13,370	20,254	-34.0%
Adj. EBITDA margin (%)	14.5	23.2	-870 bp	21.3	28.7	-740 bp
Adj. EBIT	16,222	38,067	-57.4%	9,257	16,889	-45.2%
Adj. EBIT margin (%)	8.6	18.3	-970 bp	14.8	24.0	-920 bp
Adj. consolidated net income	9,742	29,549	-67.0%	5,682	12,870	-55.9%
Adj. earnings per share (€)	0.80	2.44	-67.2%	0.47	1.06	-55.7%
Earnings per share (€)	0.62	2.04	-69.6%	0.42	1.00	-58.0%

Adj. = adjusted / bp = basis points

¹ For comparison purposes, adjusted figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses and restructuring costs relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments).

BUSINESS PERFORMANCE

The STRATEC Group generated consolidated sales of € 187.7 million in the first nine months of 2023 (9M/2022: € 207.7 million). On a constant-currency basis, this corresponds to a reduction of 9.1% (nominal: -9.6%). Natech Plastics, which was consolidated for the first time as of July 1, 2023, contributed 130 basis points to consolidated sales. The subdued performance of group sales is due in particular to the sudden and sharp drop in test volumes throughout the molecular diagnostics market and the resultant lower utilization of molecular diagnostics laboratory capacities, which had grown significantly during the pandemic (in 2022, molecular diagnostics systems accounted for slightly more than 30% of STRATEC's total system sales). This factor is currently holding back growth with high-margin service parts. Furthermore, market demand for molecular diagnostics systems, already reduced, is currently being satisfied in part by temporarily higher stocks at customers. Based on updated order forecasts and inventory data from customers, STRATEC expects stockholdings at its customers to return to normal levels at the beginning/in the middle of 2024. Order behavior is subsequently expected to regain a level which then reflects actual market requirements.

Notwithstanding the absence of benefits of scale and despite further adverse product mix-related effects, in the third quarter of 2023 STRATEC made its first substantial progress in raising its profitability once again. This improvement was driven in particular by price adjustments agreed and already implemented for a number of major products as well as targeted measures in the areas of human resources and development. These factors enabled STRATEC to significantly increase its adjusted EBIT margin again in the third quarter of 2023 compared with the first half of 2023 (adjusted EBIT margin of 14.8% in Q3/2023). Adjusted EBIT for the first nine months of 2023 therefore amounts to € 16.2 million (9M/2022: € 38.1 million). The adjusted EBIT margin thereby implied for the nine-month period stands at 8.6% (9M/2022: 18.3%).

Given the lower level of operating earnings, adjusted consolidated net income for the first nine months of 2023 reduced from € 29.5 million to € 9.7 million. Adjusted earnings per share (basic) came to € 0.80 (9M/2022: € 2.44).

For comparison purposes, the earnings figures for the first nine months of 2023 have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses and restructuring costs relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments). A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income can be found in the Quarterly Statement 9M|2023 also published today.

FINANCIAL GUIDANCE

STRATEC can confirm its earnings guidance for the 2023 financial year, namely of achieving an adjusted EBIT margin of around 10.0% to 12.0%. Given the currently ongoing period of subdued developments in the molecular diagnostics instrumentation solutions market, the company now expects its consolidated sales on a constant-currency basis to fall slightly short of the previous year's figure. The company previously expected its constant-currency consolidated sales to match or increase slightly compared with the previous year's figure.

Irrespective of the amended sales basis, STRATEC can confirm that its forecast investment volumes for property, plant and equipment and intangible assets will correspond to 6.0% to 8.0% of sales.

This temporary phase, in which available molecular diagnostics test volumes still have to fill the capacities created during the pandemic, is countered by clearly positive developments in other product areas. Examples here include complex sample management, immunohematology, specialist immunoassay solutions, and cross-technology oncology applications. Based on the assessment by the Board of Management, the weakness in demand in the molecular diagnostics market referred to above will improve significantly by the beginning/middle of the coming year. Medium to long-term market dynamics are therefore assessed just as positively as before. Moreover, STRATEC's strong development pipeline offers additional, highly varied growth potential.

PROJECTS AND OTHER DEVELOPMENTS

STRATEC made major advances with numerous proprietary development projects and in its development cooperations with partners in the first nine months of 2023 and also launched new products onto the market. One example worth mentioning here is a system solution extended to include additional functions in the field of flow cytometry, which was launched for the first time in June 2023. In the Smart Consumables business, new products for partners have also been moved to serial production since the beginning of the year. Furthermore, STRATEC's customers are currently showing great interest in its connectivity and cybersecurity solutions.

Based on its well-stocked development pipeline, STRATEC expects to see further product launches in the coming months as well. Moreover, two major development cooperations are currently being significantly extended.

In addition, STRATEC is holding a wide range of negotiations concerning new development cooperations and witnessing a high level of activity in the associated feasibility studies. In the third quarter of 2023, for example, a development cooperation for multiplex-capable and sensitive diagnostics test applications was initiated with an established partner.

DEVELOPMENT IN PERSONNEL

Including personnel hired from temporary employment agencies and trainees, the STRATEC Group had a total of 1,532 employees as of September 30, 2023. Adjusted to exclude the Natech Plastics acquisition completed as of July 1, 2023, the workforce stood at 1,461 employees and thus fell slightly compared with December 31, 2022 (1,481 employees). This is due to the earnings enhancement

program initiated in March 2023 and the measures set out therein to temporarily reduce recruiting activities in order to adjust capacities to the temporary change in demand.

QUARTERLY STATEMENT 9M|2023

The Quarterly Statement 9M|2023 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 the final results for the first nine months of 2023, STRATEC will be holding a conference call in English at 2.00 p.m. (CEST) today, Friday, October 27, 2023.

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/audiowebcast20231027 (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 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.

FURTHER INFORMATION IS AVAILABLE FROM:

STRATEC SE

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