



# HI 2020 FINANCIAL RESULTS

Conference Call – August 13, 2020

## SAFE HARBOR STATEMENT

Forward-looking statements involve risks.

This company presentation 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.

## AGENDA

1. HI 2020 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

## HI 2020 AT A GLANCE

- Sales up 9.9% yoy to € 119.4 million; +8.8% at constant currency (HI 2019: € 108.6 million)
  - Sales with systems up by 30.6% yoy (+29.3% at constant currency)
- Adjusted EBIT margin up by 360 bps yoy to 15.4% (HI 2019: 12.8%)
- Early implementation of measures to counter act supply chain risks and secure health of our employees in light of COVID-19 pandemic
- Achievement of important development milestones
- Several promising late stage negotiations regarding new development projects with partners
- Number of employees up by 9.4% to 1,335 → organic increase of 14.5%

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# FINANCIAL REVIEW

## FINANCIALS AT A GLANCE<sup>1</sup>

€ 000s	HI/2020	HI/2019 <sup>2</sup>	Change	Q2/2020	Q2/2020 <sup>2</sup>	Change
Sales	119,367	108,604	+9.9%	62,863	62,035	+1.3%
Adjusted EBITDA	23,537	17,325	+35.9%	13,395	10,148	+32.0%
Adjusted EBITDA margin (%)	19.7	16.0	+370 bps	21.3	16.4	+490 bps
Adjusted EBIT	18,413	12,805	+43.8%	10,755	7,830	+37.4%
Adjusted EBIT margin (%)	15.4	11.8	+360 bps	17.1	12.6	+450 bps
Adjusted consolidated net income <sup>3</sup>	15,595	10,455	+49.2%	9,349	6,699	+39.6%
Adjusted basic earnings per share (in €) <sup>3</sup>	1.30	0.87	+49.4%	0.78	0.56	+39.3%
Basic earnings per share IFRS (in €) <sup>3</sup>	1.01	0.48	+110.4%	0.64	0.37	+73.0%

bps = basis points

<sup>1</sup> To facilitate comparison, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions and associated reorganization expenses

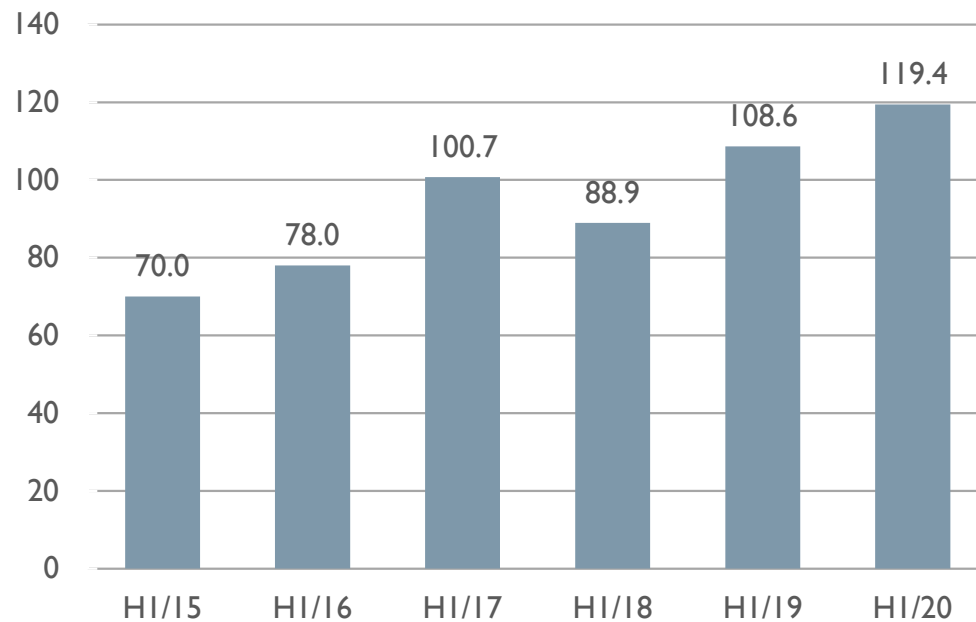
<sup>2</sup> Retrospectively restated to account for the recognition of the Data Solutions business unit as a discontinued operation pursuant to IFRS 5.

<sup>3</sup> Consolidated net income from continuing operations.

# FINANCIAL REVIEW

## SALES

Sales in € million



As of June 30

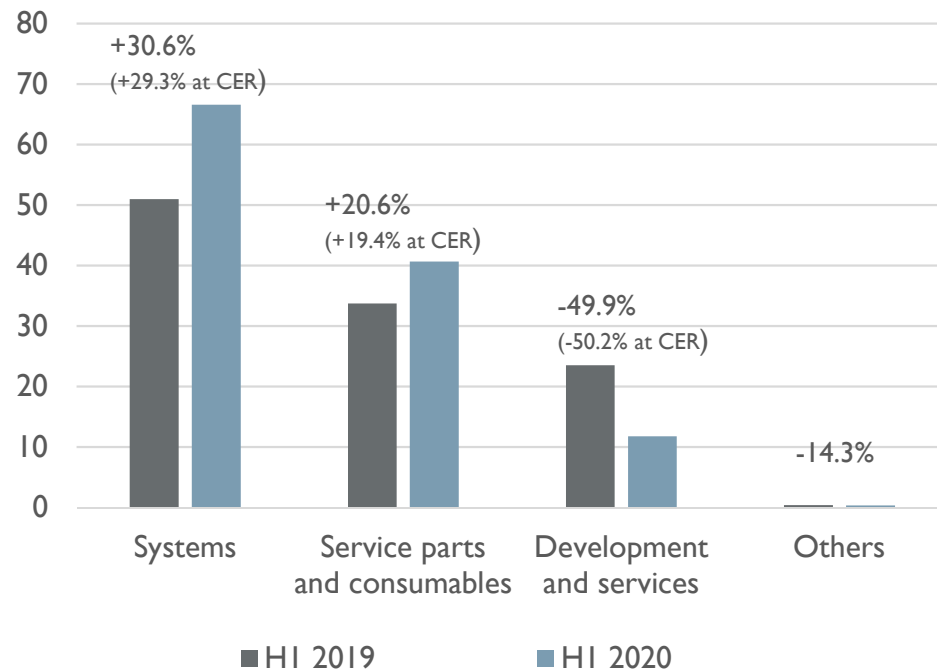
HI/2020 sales up 9.9% yoy to € 119.4 million  
 → 8.8% in constant currency

- Strong growth with systems as well as service parts and consumables
- Huge extra demand for molecular diagnostic systems as a result of COVID-19 pandemic
- Significantly lower amount of recognized development revenues due to strong prior year comparison basis

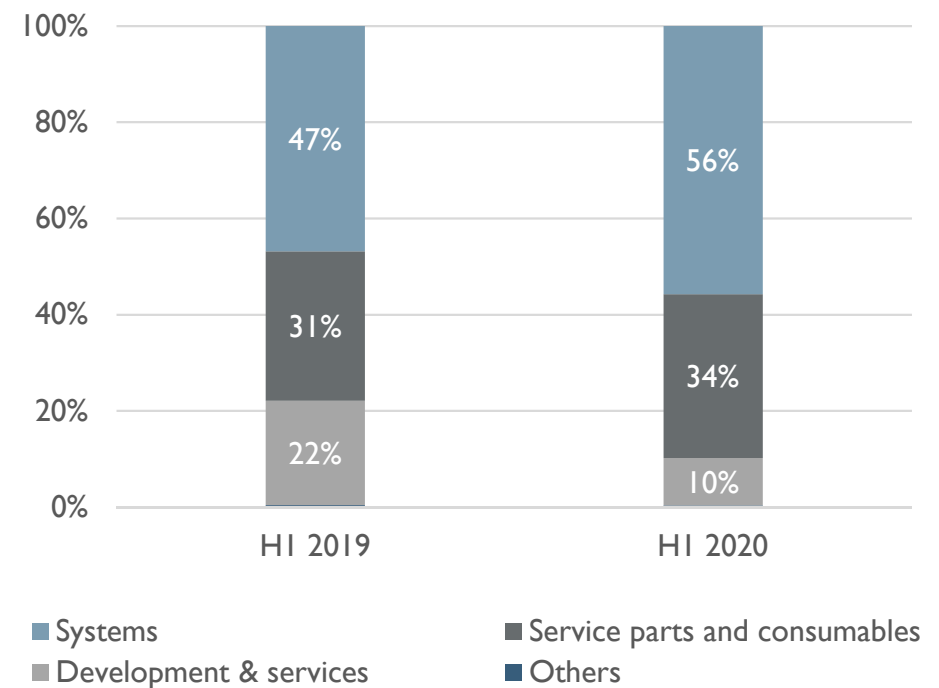
# FINANCIAL REVIEW

## SALES BY OPERATING DIVISIONS

Sales in € million



In % of total sales



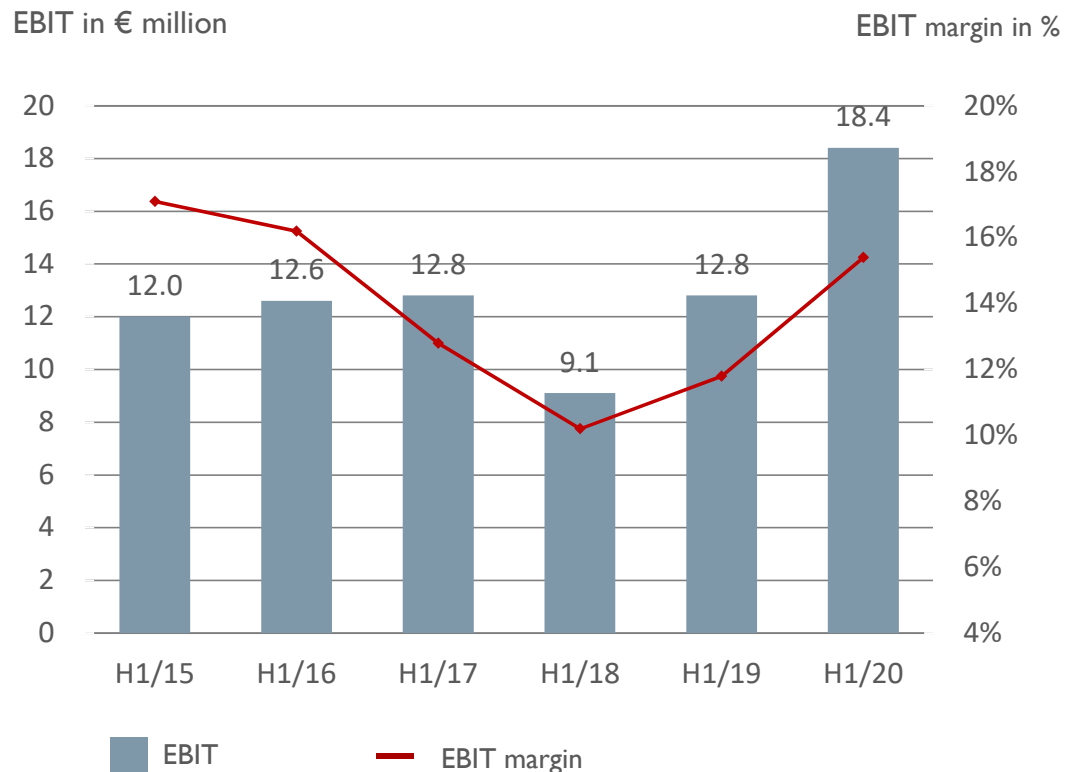
CER = Constant exchange rates

As of June 30



# FINANCIAL REVIEW

## ADJUSTED EBIT AND EBIT MARGIN



H1/2020 EBIT up 43.8% yoy to € 18.4 million

H1/2020 adjusted EBIT margin at 15.4%

Margin expansion of 360 bps yoy

(+) Economies of scale

(+) Positive sales and product mix

(-) Stock appreciation rights (negative margin effect of 200 bps)

As of June 30

# FINANCIAL REVIEW

## SEGMENT PERFORMANCE

### Instrumentation

€ 000s	HI/2020	HI/2019	Change	At CER
Sales	84,551	81,985	+3.1%	+1.9%
Adj. EBIT	12,468	11,550	+7.9%	
Adj. EBIT margin	14.7%	14.1%	+60 bps	

- Significantly lower recognition of development & services sales
- Adverse margin effect from stock appreciation rights

### Smart Consumables

€ 000s	HI/2020	HI/2019	Change	At CER
Sales	6,715	5,946	+12.9%	+12.0%
Adjusted EBIT	-1,570	-2,091	nm	
Adj. EBIT margin	-23.4%	-35.2%	+1.180 bps	

- Backend loaded year expected

### Diatron

€ 000s	HI/2020	HI/2019	Change	At CER
Sales	28,101	20,673	+35.9%	+35.3%
Adj. EBIT	7,515	3,345	+124.7%	
Adj. EBIT margin	26.7%	16.2%	+1.050 bps	

- Strong growth with molecular and veterinary diagnostics products
- Scale effects and strong product mix

CER = Constant exchange rates

# FINANCIAL REVIEW

## CASH FLOW AND NET DEBT

€ 000s	HI/2020	HI/2019	Change
Cash flow – operating activities	11,873	12,873	-7.7%
Cash flow – investment activities	-8,800	-14,795	nm
Cash flow – financing activities	64	-1,543	nm
Free cash flow	3,073	-1,922	nm

€ 000s	HI/2020	FY/2019	Change
Cash and cash equivalents at end of period	25,818	22,708	+13.7%
Equity ratio (%)	50.3	53.1	-280 bps
Net debt	84,611	77,254	+9.5%

- Cash flow from operating activities down by 7.7% yoy to € 11.9 million due to increase in working capital (related to COVID-19 pandemic)
- Capex spending mainly related to significant expansion of building capacity at HQ (expected to be completed in Q3 2020)
- Investment ratio<sup>1</sup> of 9.7% for the first six months slightly below full year target corridor of around 10% to 12%

<sup>1</sup> Total investments in intangible and tangible assets in % of sales

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# OUTLOOK

## NEW FINANCIAL GUIDANCE FOR FY 2020<sup>1</sup>

- **Group sales are expected to increase by 14.0% to 18.0% (at constant exchange rates)**
  - Additional demand due to COVID-19 pandemic expected to remain high in H2 2020
- **Adjusted EBIT margin of around 15.5% to 16.5% (2019: 13.7%)**
  - Positive scale effects
  - Sales and product mix expected to remain strong
- **Investments in tangible and intangible assets of around 10% to 12% of sales**
  - Once construction projects for capacity expansion have been completed, investment ratio will likely decline considerably from 2021 onwards

<sup>1</sup> Amended to account for effects of COVID-19 pandemic

### PREVIOUS GUIDANCE<sup>2</sup>

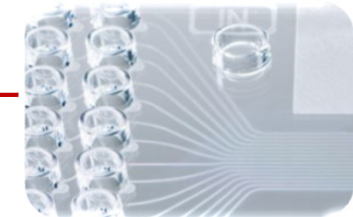
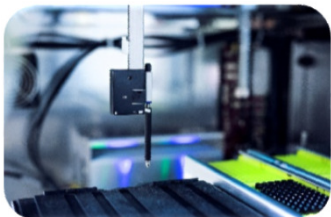
- Organic sales growth in the low double-digit percentage range
- Adjusted EBIT margin of around 15%

<sup>2</sup> Excluding effects of COVID-19 pandemic apart from those already realized by the end of April

# OUTLOOK

## FOCUS IN 2020 AND BEYOND

- Manage challenges arising from COVID-19 pandemic
  - Health of our employees has highest priority
  - Deliver on received extra orders and support customers in making their contribution in the fight against the pandemic
  - Mitigate and manage supply chain risks
- Improve EBIT contribution of Smart Consumables segment
- Drive working capital efficiency and improve cash flow dynamics
- Manage lineup of newly executed agreements
- Achievement of development targets
- Drive further efficiency gains (earnings improvement initiative, ERP system implementation)



# QUESTIONS & ANSWERS

# APPENDIX

## ADJUSTMENTS

### EBIT

€ 000s	HI/2020	HI/2019 <sup>1</sup>
<b>Adjusted EBIT</b>	<b>18.413</b>	<b>12.805</b>
<b>Adjustments:</b>		
PPA amortization	-4.076	-4.535
Expenses relating to transactions and associated restructuring expenses	0	-1.285
<b>EBIT</b>	<b>14.337</b>	<b>6.985</b>

<sup>1</sup> Retrospectively adjusted

### Consolidated net income

€ 000s	HI/2020	HI/2019 <sup>1</sup>
<b>Adjusted consolidated net income from continuing operations</b>	<b>15.595</b>	<b>10.455</b>
<b>Adjusted earnings per share from continuing operations in € (basic)</b>	<b>1.30</b>	<b>0.87</b>
<b>Adjustments:</b>		
PPA amortization	-4.076	-4.535
Expenses relating to transactions and associated restructuring expenses	0	-1.285
Taxes on income	637	1.073
<b>Consolidated net income from continuing operations</b>	<b>12.156</b>	<b>5.708</b>
<b>Earnings per share from continuing operations in € (basic)</b>	<b>1.01</b>	<b>0.48</b>

<sup>1</sup> Retrospectively adjusted



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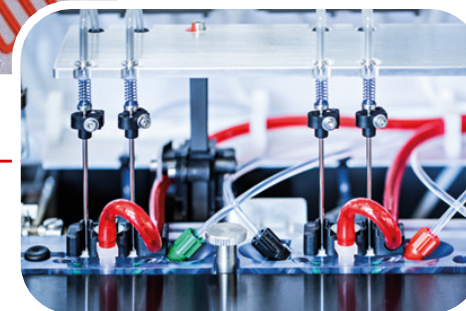
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THANK YOU  
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