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**STRATEC  
9M 2021 FINANCIAL RESULTS**

Birkenfeld, 2021-11-11

## 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. 9M 2021 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

## 9M 2021 AT A GLANCE

- **Sales up by 29.5%** at constant exchange rates to **€ 225.4 million** (9M/2020: € 179.1 million)
  - **Organic yoy growth of 16.7% in Q3/2021** with **double digit growth rates** in all three segments (Instrumentation, Diatron and Smart Consumables)
- **Adjusted EBIT margin improvement of 590 basis points yoy to 21.6%**
- **Operating cash flow boosted by 167% yoy to € 50.5 million**
- **New market launches, achieved development milestones and additional agreements in Q3/2021**
  - **Smart consumable** launch for a North American partner addressing one of the fastest growing segments of clinical diagnostics
  - Agreement with another **partner** for proprietary **immunoassay platform KleeYa®** reached

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# FINANCIAL REVIEW

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

€ 000s	9M/2021	9M/2020	Change	Q3/2021	Q3/2020	Change
Sales	225,420	179,082	+25.9%	69,655	59,715	+16.6%
EBITDA	57,665	35,821	+61.0%	17,391	12,284	+41.6%
EBITDA margin (%)	25.6	20.0	+560 bps	25.0	20.6	+440 bps
Adjusted EBIT	48,690	28,121	+73.1%	14,233	9,708	+46.6%
Adjusted EBIT margin (%)	21.6	15.7	+590 bps	20.4	16.3	+410 bps
Adjusted consolidated net income	40,563	23,765 <sup>2</sup>	+70.7%	12,016	8,170 <sup>2</sup>	+47.1%
Adjusted basic earnings per share (in €)	3.35	1.97 <sup>2</sup>	+70.1%	0.99	0.67 <sup>2</sup>	+47.8%
Basic earnings per share IFRS (in €)	3.00	1.55 <sup>2</sup>	+93.5%	0.92	0.54 <sup>2</sup>	+70.4%

bps = basis points

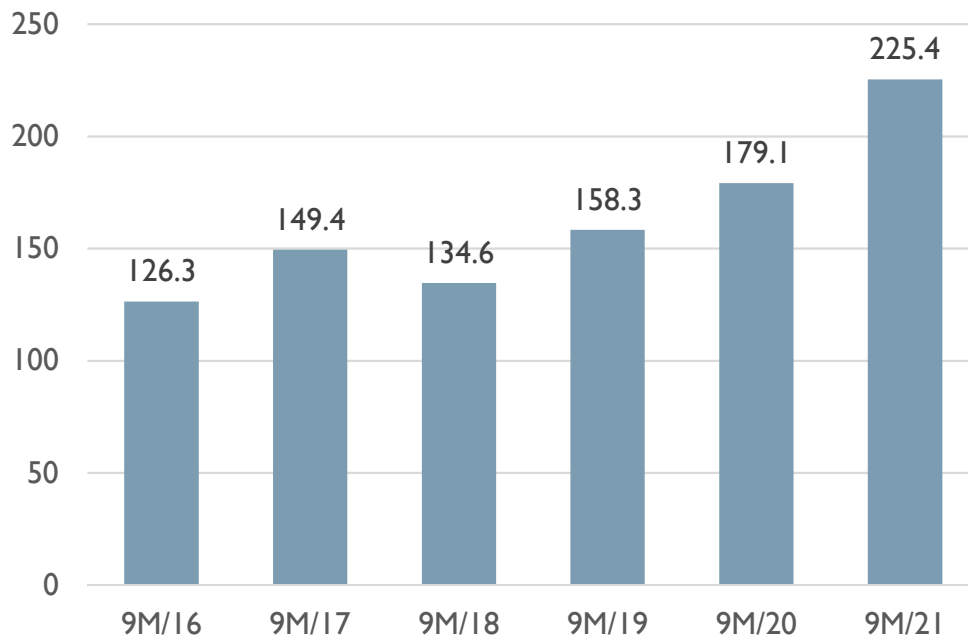
<sup>1</sup> To facilitate comparison, adjusted figures exclude amortization resulting from acquisition-related purchase price allocations and an impairment recognized on a proprietary development project in the second quarter of 2021.

<sup>2</sup> Results from continuing operations.

# FINANCIAL REVIEW

## SALES

Sales in € million



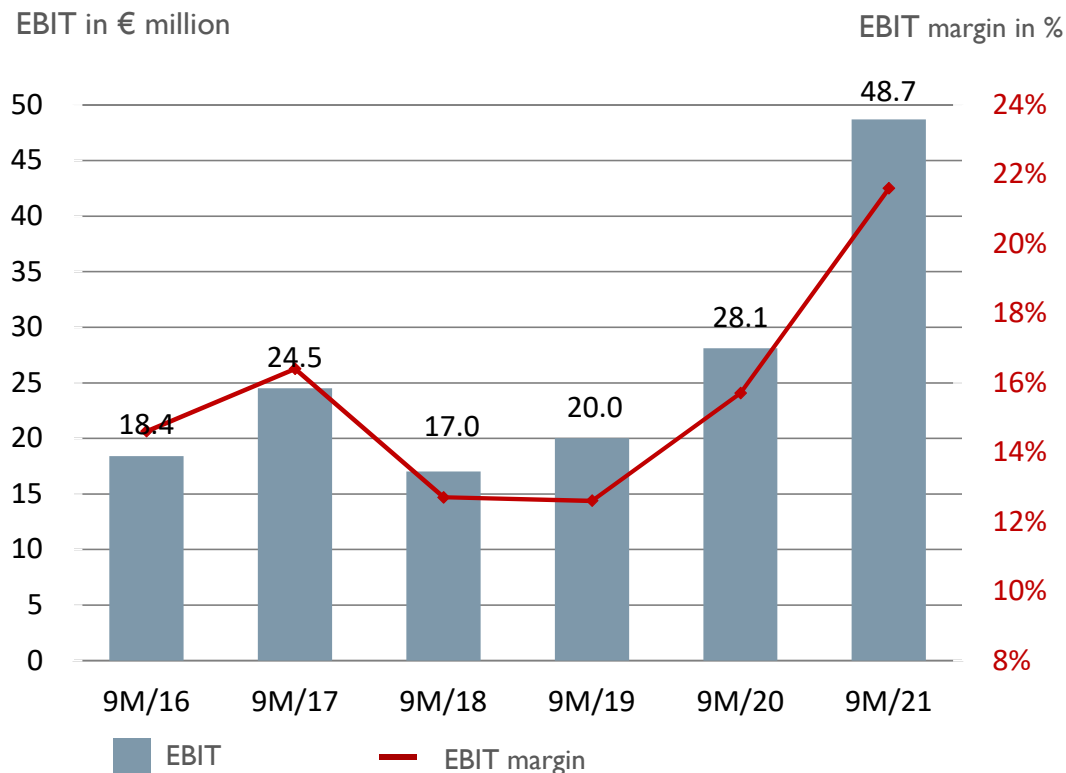
As of September 30

9M/2021 sales up 25.9% yoy to € 225.4 million  
 → 29.5% at constant currency

- High demand for molecular diagnostics systems and recovery of routine testing applications
- Strong Service Parts and Consumables business (further growth acceleration in Q3/2021)
- Growth contribution of newly launched products

# FINANCIAL REVIEW

## ADJUSTED EBIT AND EBIT MARGIN



9M/2021 adjusted EBIT up 73.1% yoy to € 48.7 million

9M/2021 adjusted EBIT margin at 21.6%

Margin expansion of 590 bps yoy

(+) Economies of scale

(+) Product/Sales mix

(+) Efficiency enhancements

(+) Lower burden from stock appreciation rights (SARs)

As of September 30



# FINANCIAL REVIEW

## CASH FLOW AND NET DEBT

€ 000s	9M/2021	9M/2020	Change
Cash flow – operating activities	50,523	18,898	+167.3%
Cash flow – investment activities	-15,343	-15,041 <sup>1</sup>	n/a
Cash flow – financing activities	-26,952	1,549	n/a
Free cash flow	35,180	3,857	+812.1%

<sup>1</sup> Includes incoming payments of € 1.9 million from sale of companies previously consolidated

€ 000s	9M/2021	FY/2020	Change
Cash and cash equivalents at end of period	45,638	37,561	+21.5%
Equity ratio (%)	54.3	52.0	+230 bps
Net debt	61,897	82,677	-25.1%

- Strong cash flow dynamics despite still elevated inventory needs
- Investment ratio<sup>1</sup> at 6.8% of sales versus 8.1% in 9M/2020
- Net debt / LTM EBITDA of 0.8x

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

LTM = Last twelve months

## AGENDA

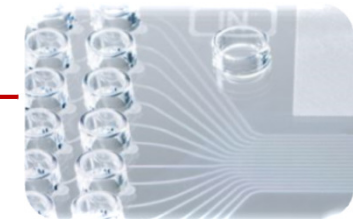
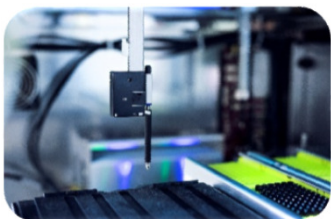
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# OUTLOOK

## FINANCIAL GUIDANCE FOR FISCAL YEAR 2021<sup>1</sup>

- Constant-currency sales growth of at least 16.0%
- Adjusted EBIT margin of around 19.0% to 20.0% (2020: 16.7%)
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales

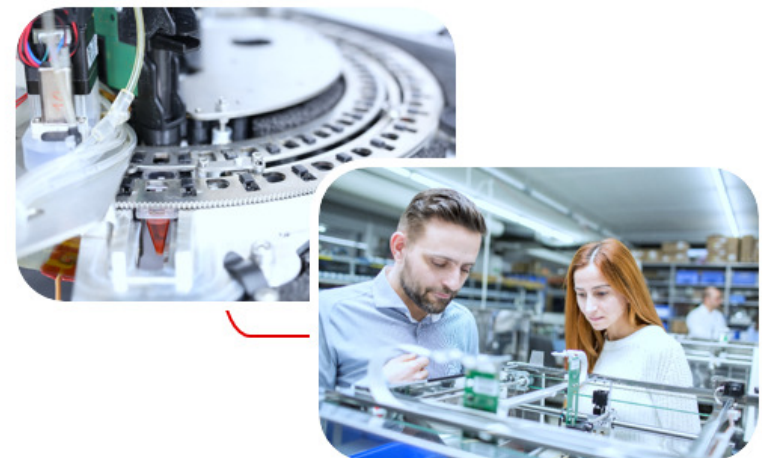
<sup>1</sup> In view of the COVID-19 pandemic, STRATEC continues to observe increased volatility in its customers' order behavior. Global supply chains also remain tense and subject to uncertainties. The above guidance therefore specifically includes risk discounts for both sales and product mixes in the fourth quarter of 2021, as well as for potential further increases in logistics costs.



# OUTLOOK

## FOCUS IN 2021 AND BEYOND

- Execute on current development pipeline and launch line-up
  - Expected launches over the next 12 months include two MDx solution families
- M&A remains part of the company's growth and diversification strategy
- Execute deal pipeline regarding new development and manufacturing agreements
  - Significant upward trend in the number and quality of incoming pipeline projects in recent months (catch up potential following distortions of pandemic)
- Manage transition to post-pandemic priorities
- Restore pre-pandemic efficiency levels throughout the company



# QUESTIONS & ANSWERS

# APPENDIX

## ADJUSTMENTS

### EBIT

€ 000s	9M/2021	9M/2020
<b>Adjusted EBIT</b>	<b>48,690</b>	<b>28,121</b>
<b>Adjustments:</b>		
PPA amortization	-3,907	-6,071
Impairment	-1,049	0
<b>EBIT</b>	<b>43,734</b>	<b>22,050</b>

### Consolidated net income

€ 000s	9M/2021	9M/2020 <sup>1</sup>
<b>Adjusted consolidated net income</b>	<b>40,563</b>	<b>23,765</b>
<b>Adjusted earnings per share in € (basic)</b>	<b>3.35</b>	<b>1.97</b>
<b>Adjustments:</b>		
PPA amortization	-3,907	-6,071
Impairment	-1,049	0
Taxes on income	741	946
<b>Consolidated net income</b>	<b>36,348</b>	<b>18,640</b>
<b>Earnings per share in € (basic)</b>	<b>3.00</b>	<b>1.55</b>

<sup>1</sup> Results from continuing operations

## CONTACT

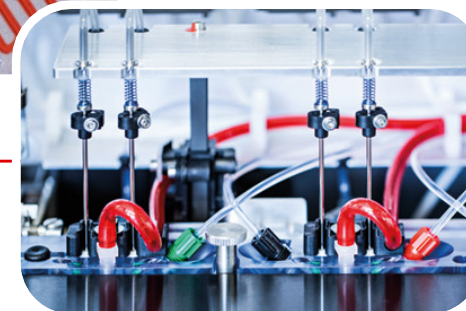
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