

MAKE THE
INVISIBLE
**VISI
BLE**

**BERENBERG AND GOLDMAN
SACHS TENTH GERMAN
CORPORATE CONFERENCE**

September 21, 2021

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. OVERVIEW AND BUSINESS MODEL
2. THE IVD MARKET
3. FINANCIALS
4. OUTLOOK AND STRATEGY

OVERVIEW AND BUSINESS MODEL



OVERVIEW AND BUSINESS MODEL

STRATEC AT A GLANCE

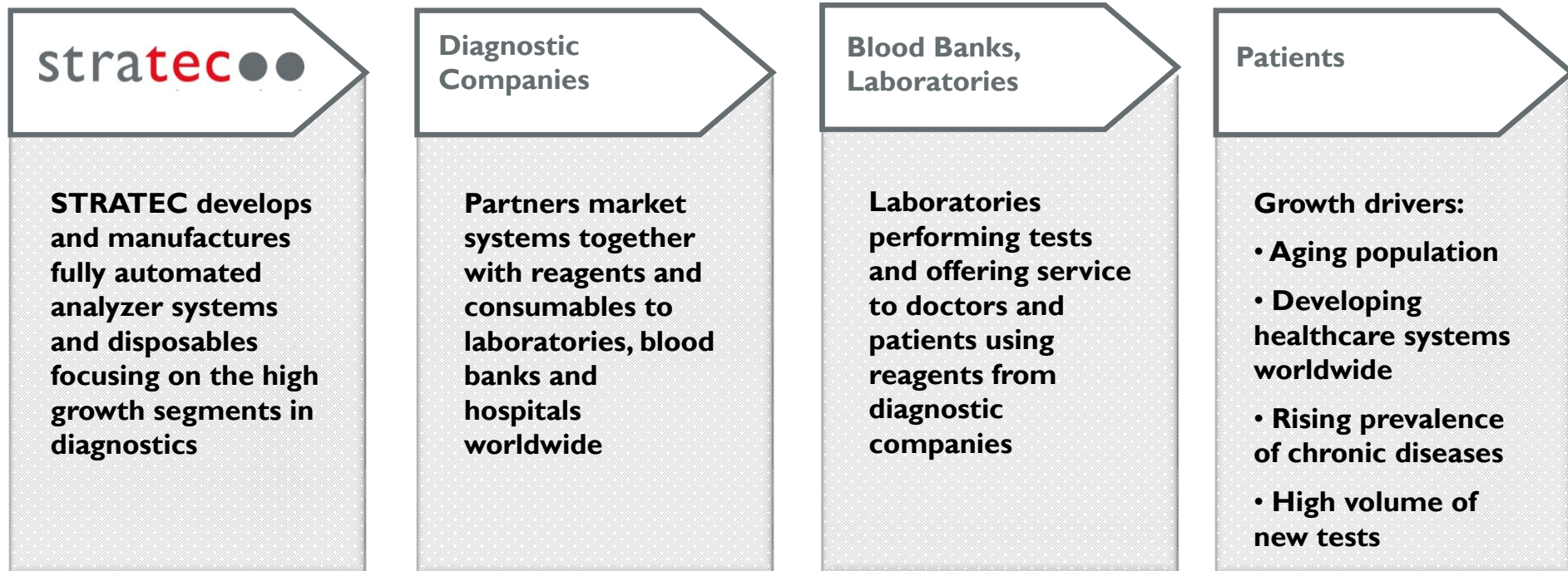
- Leading OEM player for automation solutions for the diagnostics industry and translational research
- Three decades of experience in highly regulated healthcare markets and growing technology pool
- Around 1.400 employees worldwide
 - Around 50% allocable to R&D
- Production sites in Germany (HQ), Switzerland, Hungary and Austria
- High number of systems installed globally
 - More than 13,000 medium to high throughput systems
 - More than 25,000 low throughput systems
- Sales of € 250.1 million in 2020
 - CAGR sales since IPO in 1998: ~15%
- Dividend payments raised over 17 consecutive years

SELECTED PRODUCTS



OVERVIEW AND BUSINESS MODEL

UNIQUE MARKET POSITION STRATEC IN THE IVD VALUE CHAIN



OVERVIEW AND BUSINESS MODEL

BUSINESS MODEL

STRATEC provides instrumentation, consumables, software and automation solutions

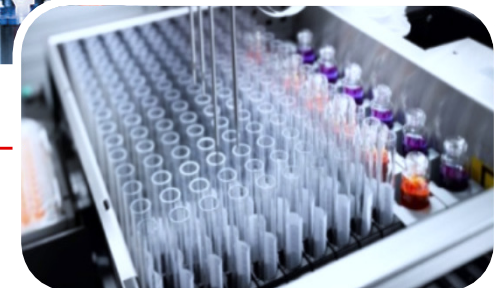
- OEM development and manufacturing
- More than 10,000 fully automated analyzer systems and modules manufactured annually
- Wide range of intellectual property rights

Extensive collaboration with partner during design phase

- STRATEC: Engineering / automation, software, QM
- Partner: System / reagent / market requirements

Systems have long market lifecycles

- Product lifecycles typically in an area of 12 to 15 years
- Leads to longstanding partnerships
- Expanding installed base of systems
- Product enhancement and extension drives value



OVERVIEW AND BUSINESS MODEL

SECURING RETURN ON INVESTMENT

Long-term agreements with partners

- Milestone payments during development stage
- Operating sales during series production stage
- Recurring sales from service parts & consumables sales

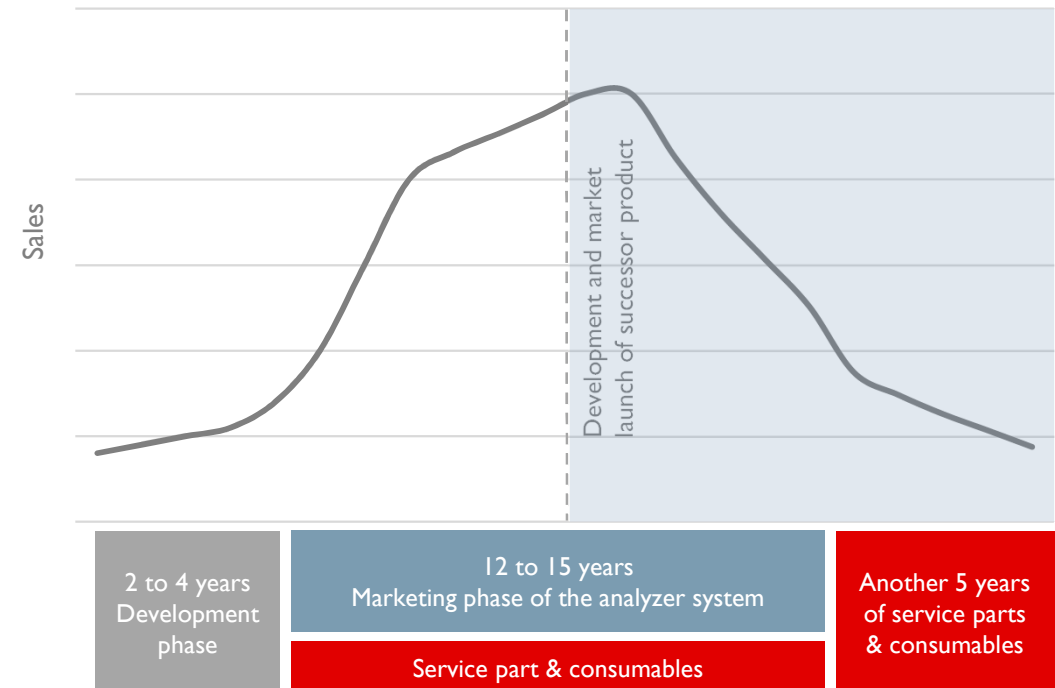
Minimum volume commitment

- Firm purchase orders
- STRATEC an integral part of partners' plans

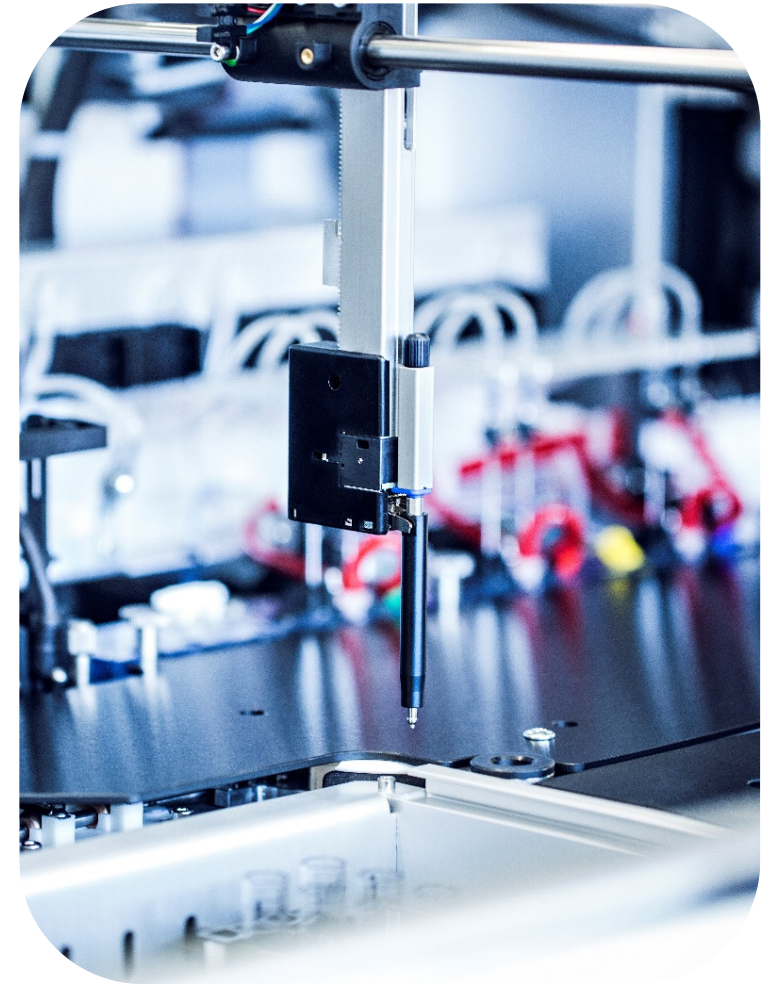
Reliable partnership

- Shortened development time
- Integration of analyzer system and reagents
- Agreed development budget & transfer price
- High commitment by both partners

INDICATIVE SALES CHARACTERISTICS OF AN ANALYZER OEM PROJECT



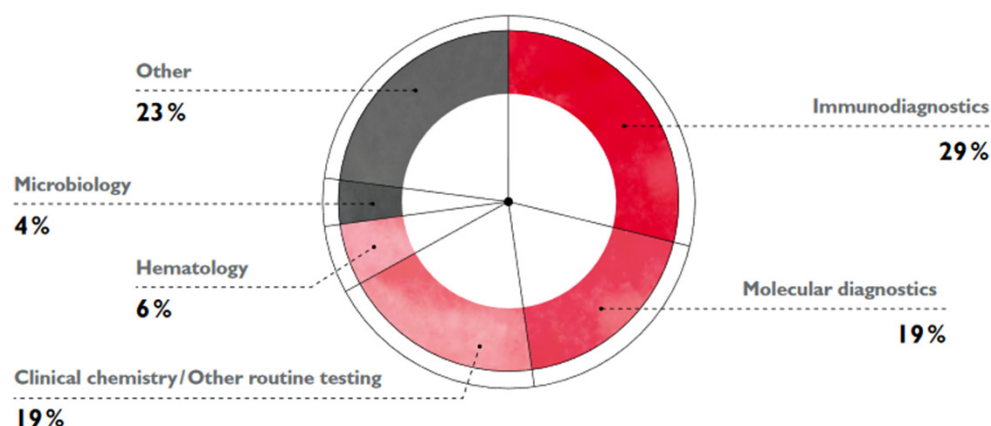
THE IVD MARKET



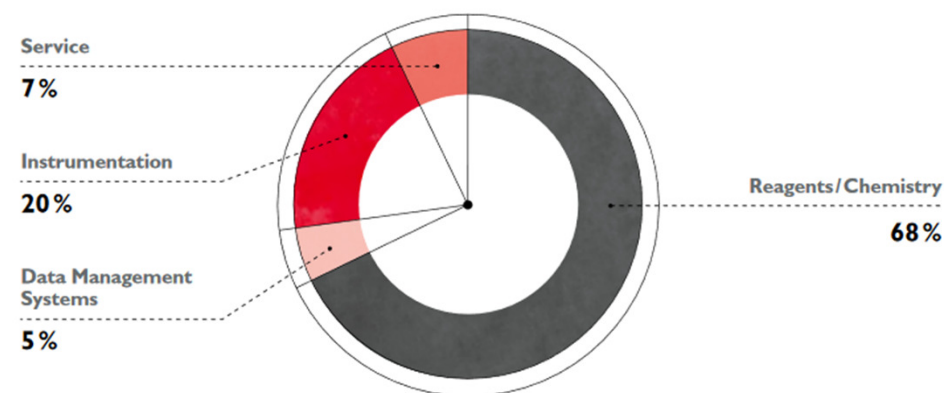
THE IVD MARKET

IVD MARKET SEGMENTS / IVD MARKET: ~ 85 BILLION USD IN 2020

IVD market by technologies



IVD market by product category



Total instrumentation market ~ 17 billion USD

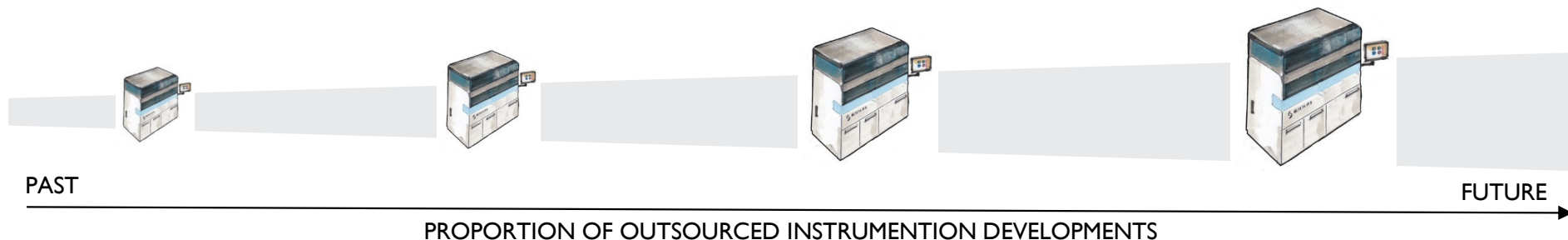
Growth drivers

- Aging world population
- Rising prevalence of chronic diseases
- Expansion in healthcare systems, especially in emerging markets
- New technologies broadening scope of IVD applications (e.g. oncology, personalized medicine or non-invasive prenatal testing)
- Increasing automation

THE IVD MARKET

OUTSOURCED VS IN HOUSE INSTRUMENTATION MARKET

- The majority of instrumentation equipment in the IVD market is still developed in-house by diagnostics companies
- Share of outsourced developments has already increased significantly over the last couple of years
- Trend of outsourcing towards specialized players set to continue, due to:
 - Engineering of automation solutions often not core competence of diagnostics companies
 - Shorter development timeframes due to already existent technology pools
 - Guaranteed project budget and firm transfer prices
 - Keeping up with regulatory developments easier for specialized players
 - Structured processes in order to address end customer needs, such as ease of use, user experience, workflow efficiencies, remote access, serviceability and preventive maintenance



THE IVD MARKET

A SELECTION OF STRATEC CUSTOMERS

GLOBAL TOP 20 IVD COMPANIES		Sales 2020 (USD billion)
1.	Roche	14.8
2.	Abbott	10.8
3.	Danaher	7.4
4.	Thermo Fisher	5.3
5.	Siemens Healthineers	4.7
6.	BECTON DICKINSON	3.3
7.	bioMerieux	3.0
8.	Hologic	2.9
9.	Sysmex	2.8
10.	Perkin Elmer	2.1
11.	Ortho Clinical Diagnostics	1.9
12.	Quidel	1.7
13.	BIO-RAD	1.3
14.	CH Werfen	1.3
15.	Shenzhen Mindray	1.3
16.	DiaSorin	1.1
17.	Agilent Tech	1.1
18.	Seegene	1.0
19.	Grifols	0.9
20.	Qiagen	0.9

... AND OTHER GAME-CHANGING COMPANIES

Quanterix™



■ STRATEC customer

□ Not a STRATEC customer

Source: IVD News / non-public companies estimated / non-reported sector sales estimated

FINANCIALS

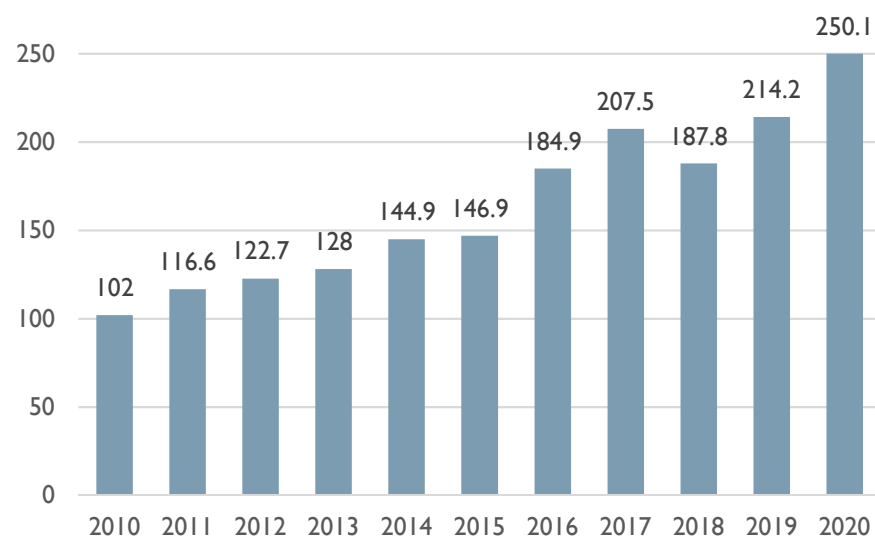


FINANCIALS

KEY FIGURES - TRACK RECORD

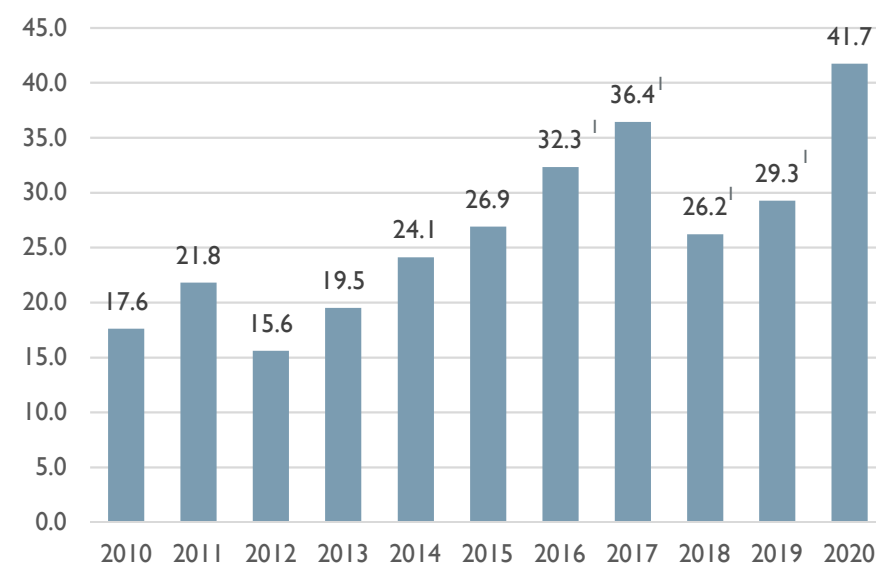
Sales in € million

CAGR ~9%



EBIT in € million

CAGR ~9%



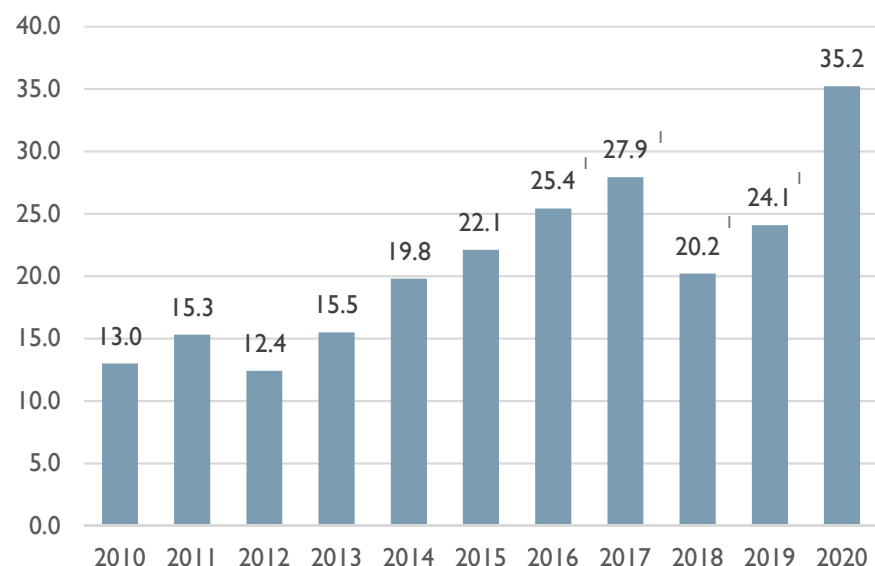
¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

FINANCIALS

KEY FIGURES - TRACK RECORD

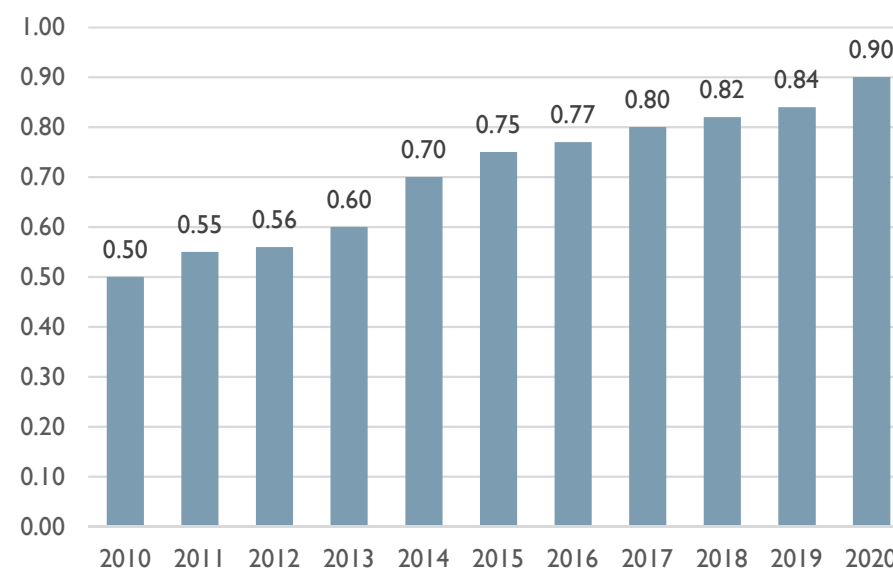
Net income in € million

CAGR ~10%



Dividend per share in €

CAGR ~6%



¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

FINANCIALS

FINANCIALS AT A GLANCE¹

€ 000s	H1/2021	H1/2020	Change	Q2/2021	Q2/2020	Change
Sales	155,765	119,367	+30.5%	83,770	62,863	+33.3%
EBITDA	40,274	23,537	+71.1%	21,434	13,395	+60.0%
EBITDA margin (%)	25.9	19.7	+620 bps	25.6	21.3	+430 bps
Adjusted EBIT	34,457	18,413	+87.1%	18,412	10,755	+71.2%
Adjusted EBIT margin (%)	22.1	15.4	+670 bps	22.0	17.1	+490 bps
Adjusted consolidated net income	28,547	15,595 ²	+83.1%	15,400	9,349 ²	+64.7%
Adjusted basic earnings per share (in €)	2.36	1.30 ²	+81.5%	1.27	0.78 ²	+62.8%
Basic earnings per share IFRS (in €)	2.08	1.01 ²	+105.9%	1.12	0.64 ²	+75.0%

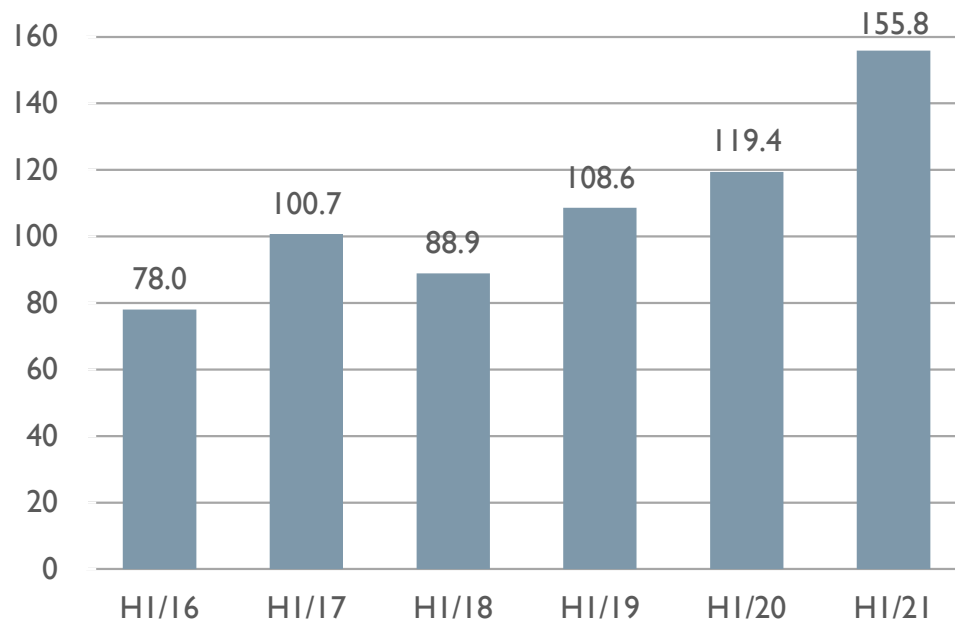
bps = basis points

¹ For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions and an impairment for a proprietary development project in the Diatron Segment. For more details please see appendix.

² Results from continuing operations.

SALES HI/2021

Sales in € million



As of June 30

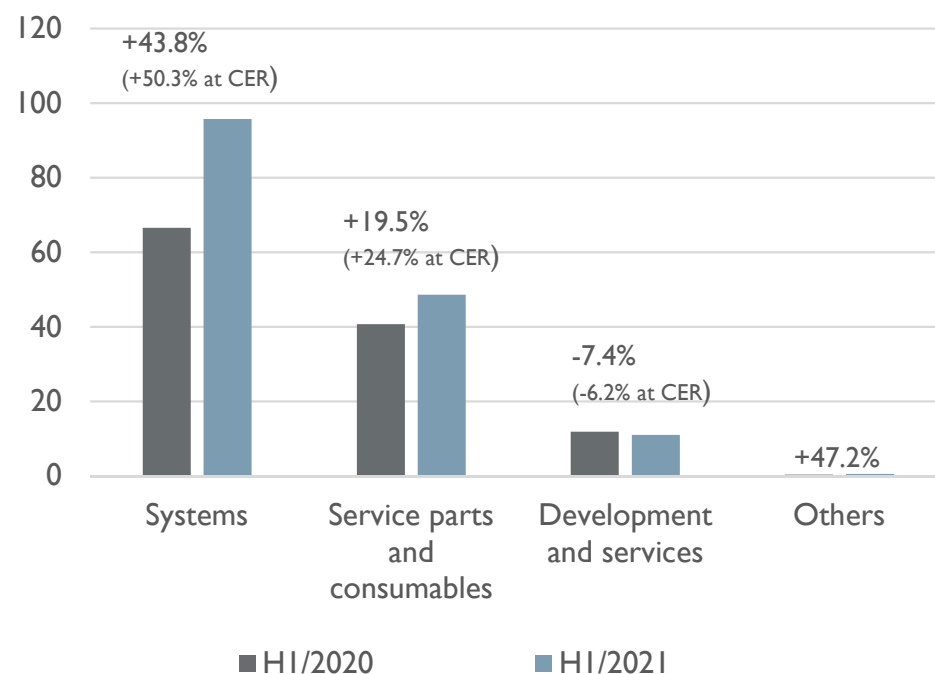
HI/2021 sales up 30.5% yoy to € 155.8 million
→ +36.0% at constant currency

- (+) High demand for product groups relevant to COVID-19 testing
- (+) Recovery in routine testing applications
- (+) Growth contribution of newly launched products

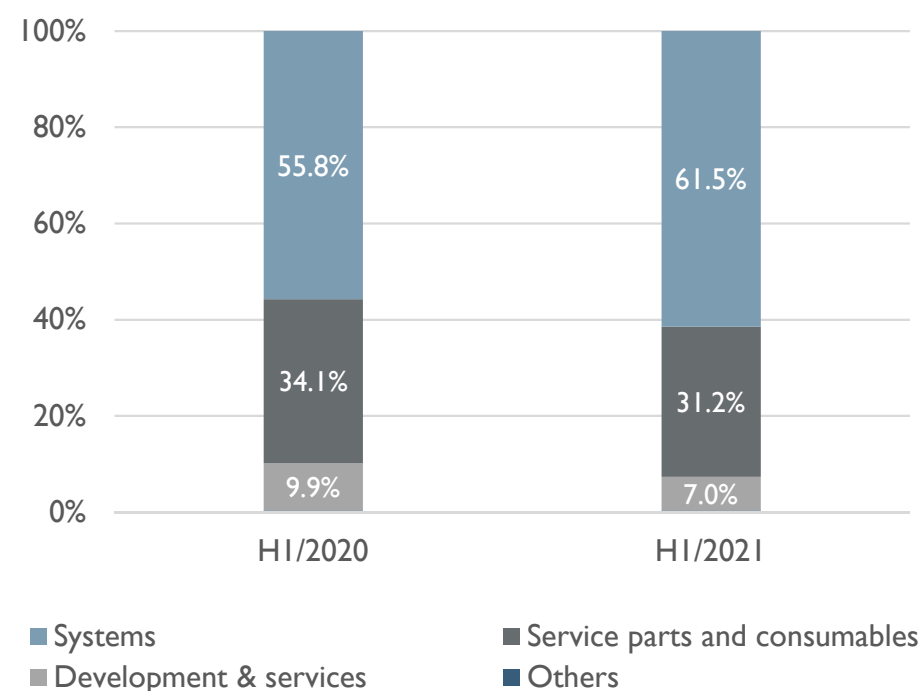
FINANCIALS

SALES BY OPERATING DIVISIONS HI/2021

Sales in € million



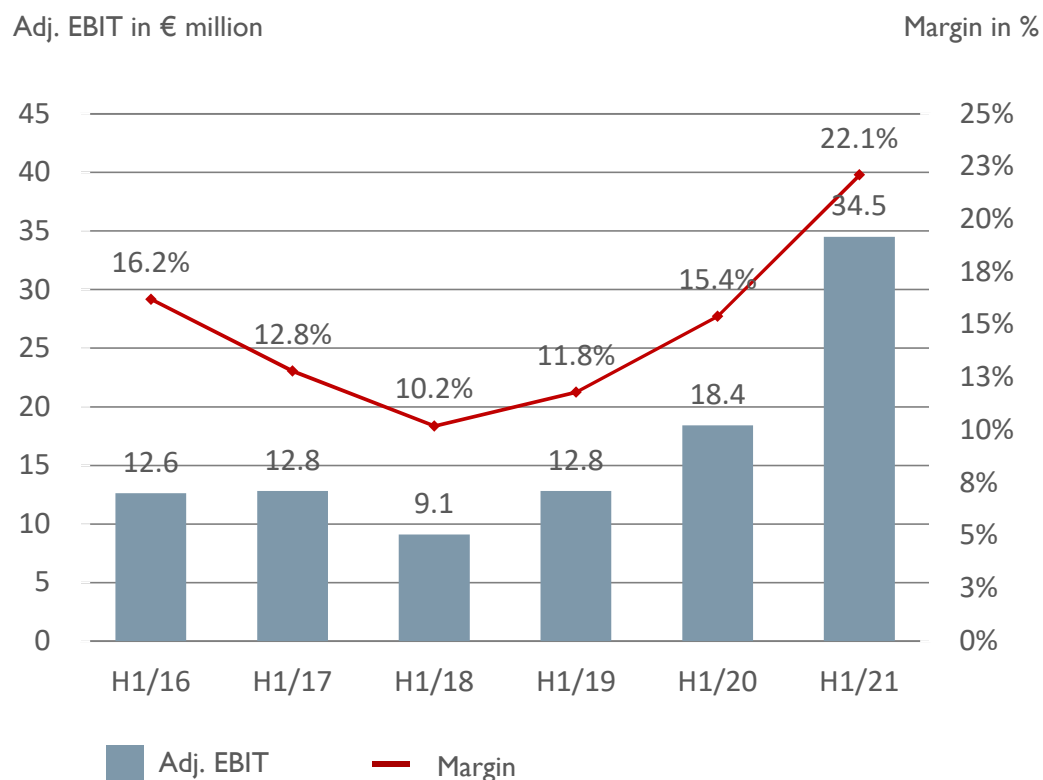
In % of total sales



CER = Constant exchange rates

As of June 30

ADJUSTED EBIT AND EBIT MARGIN H1/2021



H1/2021 EBIT up 87.1% yoy to € 34.5 million

H1/2021 adjusted EBIT margin at 22.1%

Margin expansion of 670 bps yoy

(+) Economies of scale

(+) Product mix

(+) Efficiency enhancements

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

As of June 30

FINANCIALS

SEGMENT PERFORMANCE HI/2021

Instrumentation

€ 000s	HI/2021	HI/2020	Change	At CER
Sales	109,873	84,551	+29.9%	+36.5%
Adj. EBIT	22,267	12,468	+78.6%	
Adj. EBIT margin	20.3%	14.7%	+560 bps	

- Strong growth with COVID-19-related product groups, new launches and pick up of immunohematology business

Smart Consumables

€ 000s	HI/2021	HI/2020	Change	At CER
Sales	10,686	6,715	+59.1%	+65.8%
Adjusted EBIT	1,274	-1,570	nm	
Adj. EBIT margin	11.9%	-23.4%	+3.530 bps	

- Transition from development revenues to end product sales

Diatron

€ 000s	HI/2021	HI/2020	Change	At CER
Sales	35,206	28,101	+25.3%	+27.3%
Adj. EBIT	10,916	7,515	+45.3%	
Adj. EBIT margin	31.0%	26.7%	+430 bps	

- Strong growth with molecular diagnostics products

CER = Constant exchange rates

FINANCIALS

CASH FLOW AND NET DEBT HI/2021

€ 000s	HI/2021	HI/2020	Change
Cash flow – operating activities	33,269	11,873	+180.2%
Cash flow – investment activities	-10,313	-8,800 ¹	n/a
Cash flow – financing activities	-18,926	64	n/a
Free cash flow	22,956	3,073	+647.0%

¹ Includes incoming payments of € 1.9 million from sale of companies previously consolidated

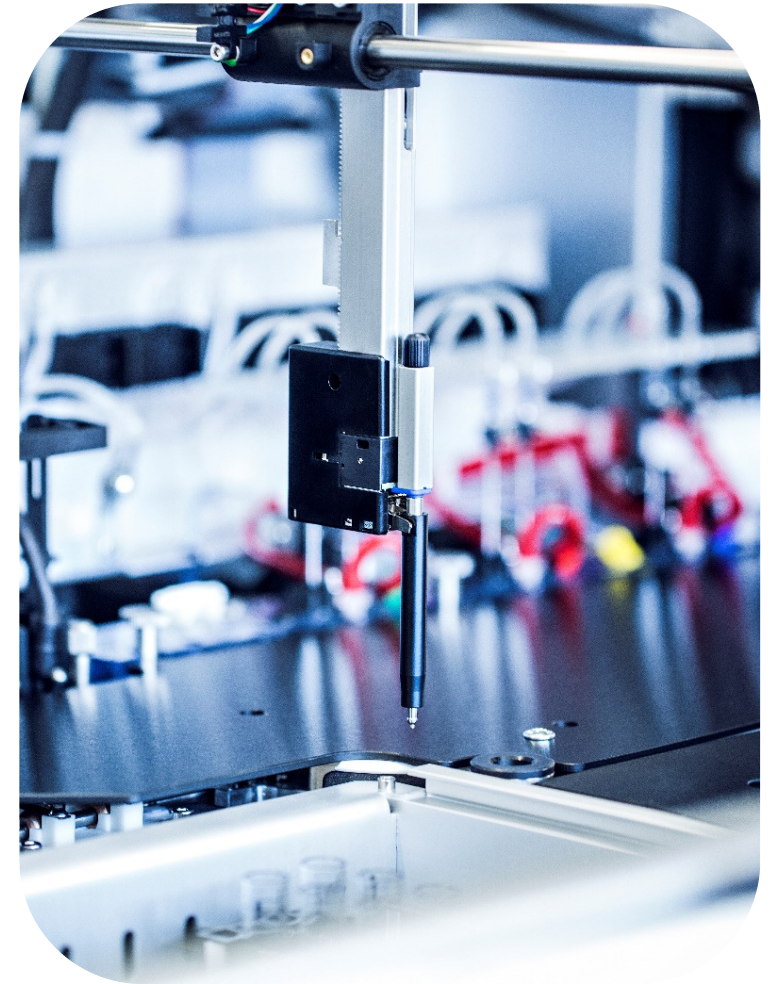
€ 000s	HI/2021	FY/2020	Change
Cash and cash equivalents at end of period	41,272	37,561	+9.9%
Equity ratio (%)	52.0	52.0	+0 bps
Net debt	72,742	82,677	-12.0%

- Strong improvement in operating cash flow dynamics despite still elevated inventory needs
- Investment ratio¹ at 6.7% of sales versus 9.7% in HI/2020
- Net debt down by 12.0% versus fiscal year end 2020
Net debt / LTM EBITDA of 1.1x

¹ Total investments in intangible and tangible assets in % of sales

LTM = Last twelve months

OUTLOOK AND STRATEGY

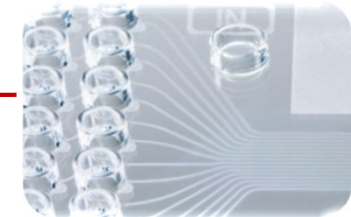
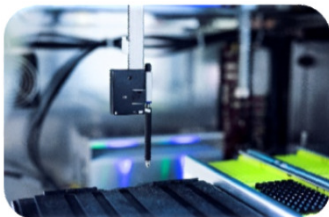


OUTLOOK AND STRATEGY

FINANCIAL GUIDANCE FOR FISCAL YEAR 2021¹

- Constant-currency sales growth of at least 12.0%
- Adjusted EBIT margin of around 17.5% to 18.5% (2020: 16.7%)
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales

¹The above guidance is based on a planning scenario which assumes that the vaccines currently available will remain highly effective against new virus mutations and that further major waves of infection can be avoided in North America and Europe. Furthermore, STRATEC continues to observe a high level of volatility in its customers' order behavior. This volatility is tending to increase overall. In view of this, some customer orders for the fourth quarter of 2021 are still not incorporated in the above financial guidance.



OUTLOOK AND STRATEGY

FOCUS IN 2021 AND BEYOND

- Drive forward development program for next-generation MDx solution for one of the dominant market players. Market launch expected for H1/2022.
- Focus on potential M&A activities in-light of solid balance sheet and upcoming opportunities
- Execute deal pipeline regarding new development and manufacturing agreements
 - Two bigger deals in the final negotiation stage
- Manage transition to post-pandemic priorities
- Restore pre-pandemic efficiency levels throughout the company



OUTLOOK AND STRATEGY

STRATEGIC PRIORITIES

- Focus on high growth areas and segments
- Boost expertise and technology portfolio

Enable customers and STRATEC to grow above market average

Expand product/value offering

- Organically and via M&A transactions
- Without entering into competition to partners

- Utilize tailwind from increasing complexity
- Expand smart consumables business

Increase proportion of recurring revenues

Drive customer diversification

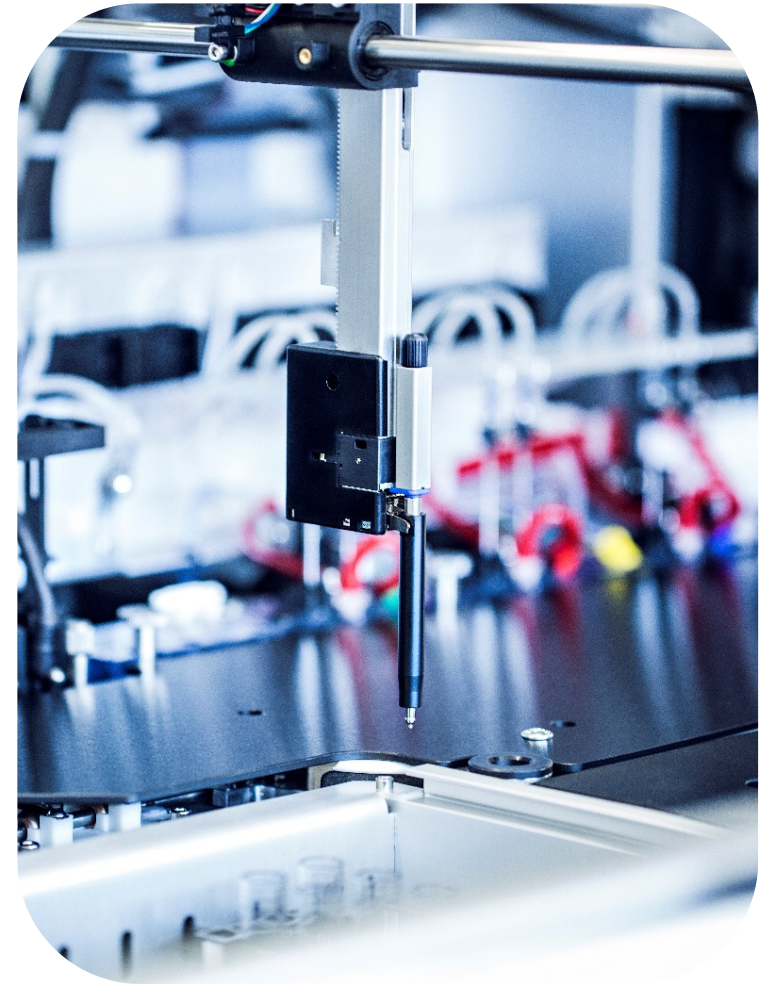
- Utilize extended platform offering
- Extend components business
- New markets (e.g. veterinary, translational research)

OUTLOOK AND STRATEGY

SELECTION OF ESG TOPICS AND LATEST ACHIEVEMENTS

- Challenges of COVID-19 pandemic successfully managed
 - Employee health top priority (new shift system, extended options for remote working, increased working hours flexibility, early and strict travel restrictions)
 - Business continuity (supply chain, production, logistics, development and business operations)
- Strong commitment to combat climate change
 - Science based reduction target (SBT) in line with Paris agreement to limit global warming to significantly less than 2.0°C
→ **30% absolute reduction of scope 1 and 2 emissions by 2030 (versus 2019)**
 - Expanded disclosure: Scope 3 emissions to be reported from 2020 onwards
 - Compensation of unavoidable Scope 1 and 2 emission (certified emission reduction projects)
- Employer attractiveness and talent management
 - Further employee surveys conducted in 2020
 - Roll-out of new group-wide talent development program

APPENDIX



APPENDIX

KEY FIGURES AT A GLANCE¹

IFRS (€ million)	2016	2017	2018	2019 ³	2020
Sales	184.9	207.5	187.8	214.2	250.1
Adjusted EBIT	32.2	36.4	26.2	29.3	41.7
Adjusted EBIT margin (%)	17.4	17.5	13.9	13.7	16.7
Adjusted Consolidated net income ²	25.3	28.9	20.2	24.1	35.2
Adjusted Earnings per share (€) ²	2.14	2.43	1.70	2.01	2.92
Dividend per share (€)	0.77	0.80	0.82	0.84	0.90
No. of employees	976	1,086	1,228	1,302	1,319
Total assets	258	264	275	299	332
Equity ratio (%)	55.7	59.8	55.3	53.1	52.0
Free cash flow	-70.4	14.4	1.2	-6.4	10.0

¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

² From continuing operations

³ Retrospectively adjusted to account for the recognition of the Data Solutions business unit as a discontinued operation pursuant to IFRS 5.

APPENDIX

ADJUSTMENTS HI/2021

EBIT

€ 000s	HI/2021	HI/2020
Adjusted EBIT	34,457	18,413
Adjustments:		
PPA amortization	-2,909	-4,076
Impairment	-1,049	0
EBIT	30,499	14,337

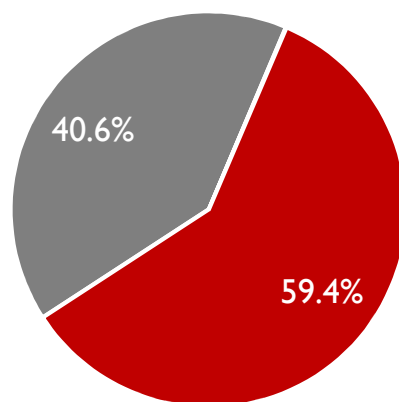
Consolidated net income

€ 000s	HI/2021	HI/2020 ¹
Adjusted consolidated net income	28,547	15,595
Adjusted earnings per share in € (basic)	2.36	1.30
Adjustments:		
PPA amortization	-2,909	-4,076
Impairment	-1,049	0
Taxes on income	572	637
Consolidated net income	25,161	12,156
Earnings per share in € (basic)	2.08	1.01

¹ Results from continuing operations

SHAREHOLDER STRUCTURE

(AS OF: DECEMBER 2020)



■ Fixed and family ownership
(incl. their investment companies)

■ Free float

Institutional investors > 3%:

Allianz Global Investors

Ameriprise Financial

Juno Investment Partners

SHARE

IPO	Aug. 1998
Number of shares	12,119,945
Share price (09/13/2021)	€ 139.20
Market capitalization	€ 1.7 billion

CONTACT

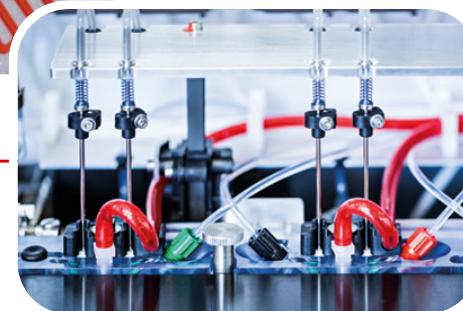
STRATEC SE
Gewerbestr. 37
75217 Birkenfeld
Germany

Phone +49 7082 7916-0
Fax +49 7082 7916-999
www.strattec.com

CONTACT

Jan Keppeler, CFA
Head of IR & CC

Phone +49 7082 7916-6515
j.keppeler@strattec.com



THANK YOU
FOR YOUR
ATTENTION