

BERENBERG DIAGNOSTICS CONFERENCE

London - May 10, 2022

A PERFECT MATCH IN
DIAGNOSTICS

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

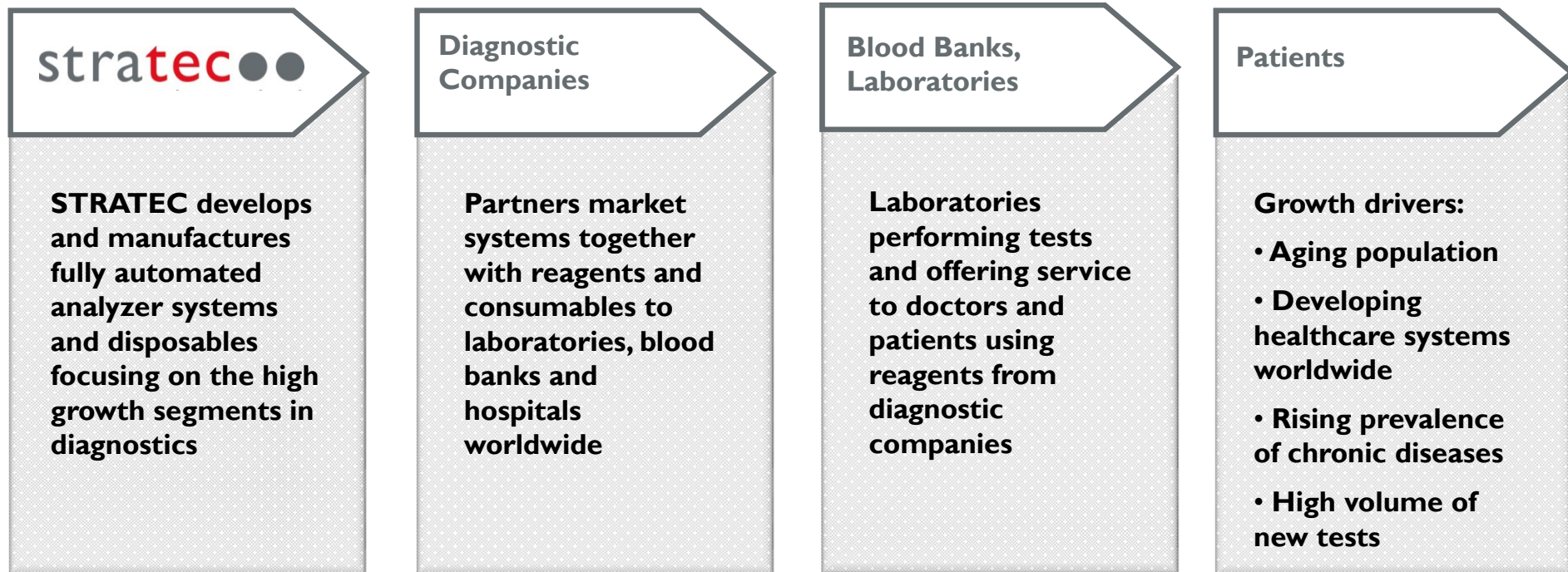
- Leading OEM player for automation solutions for the diagnostics industry and translational research
- Three decades of experience in highly regulated healthcare markets and growing technology pool
- Around 1.400 employees worldwide
 - Around 50% allocable to R&D
- Production sites in Germany (HQ), Switzerland, Hungary and Austria
- High number of systems installed globally
 - More than 14,000 medium to high throughput systems
 - More than 30,000 low throughput systems
- Sales of € 287.3 million in 2021
 - 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

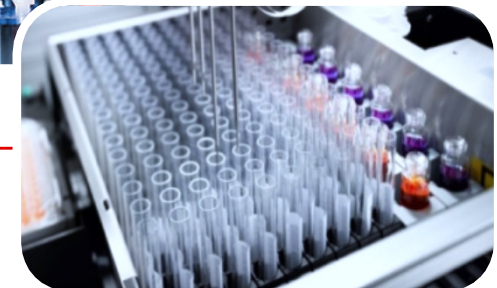
- OEM development and manufacturing
- More than 10,000 fully automated analyzer systems and modules manufactured annually
- Wide range of intellectual property rights

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

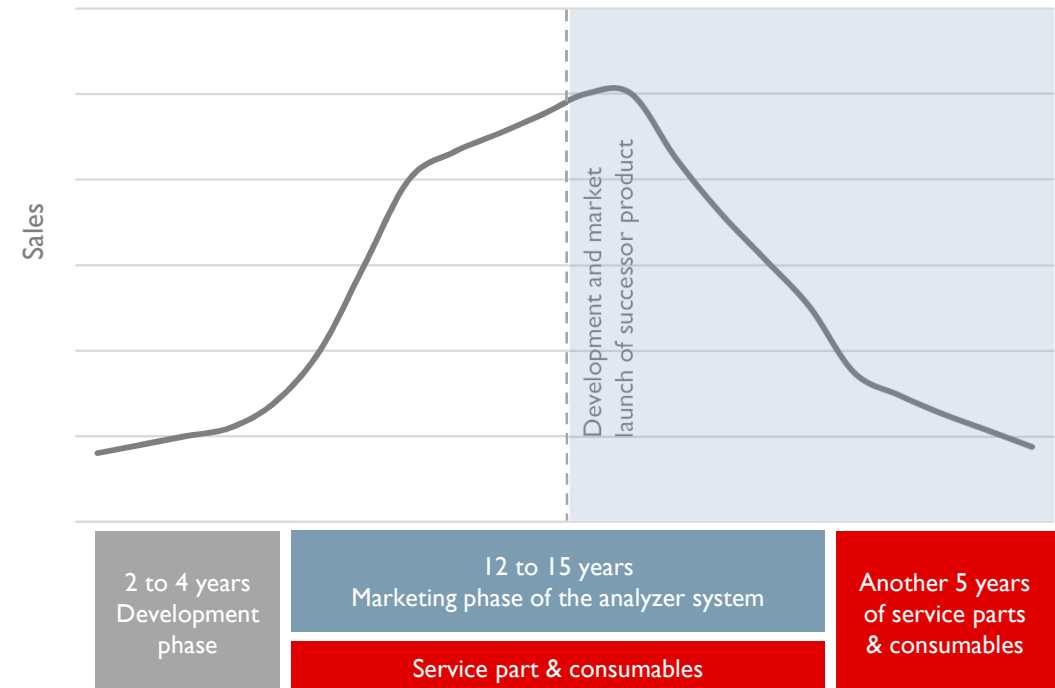
Minimum volume commitment

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

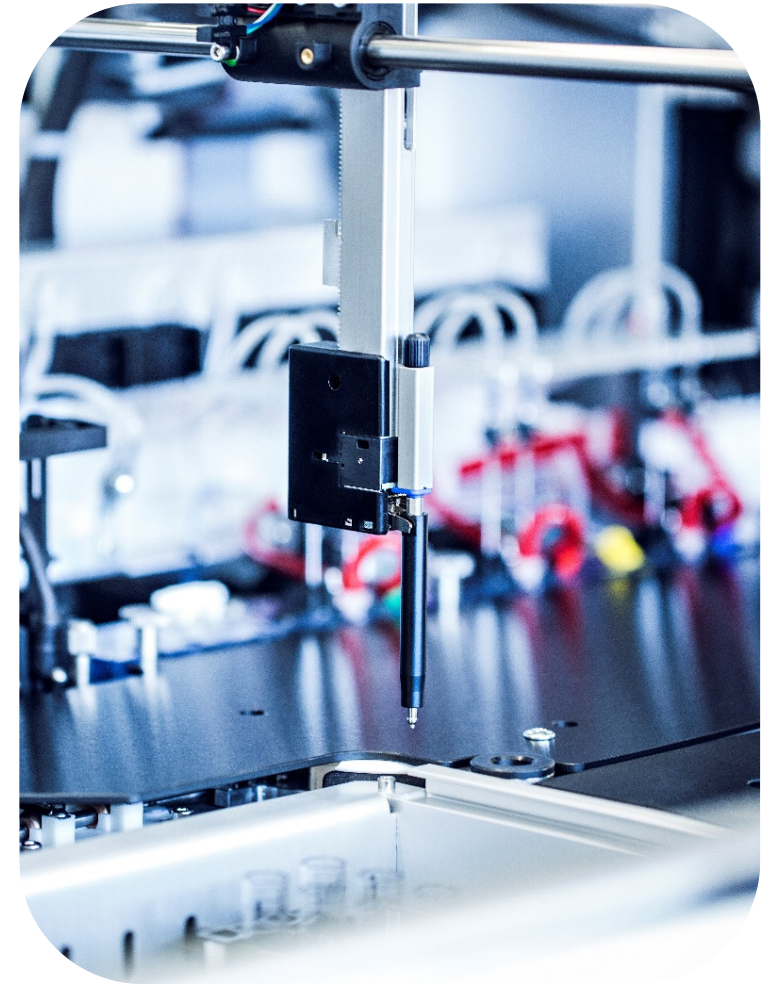
Reliable partnership

- 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



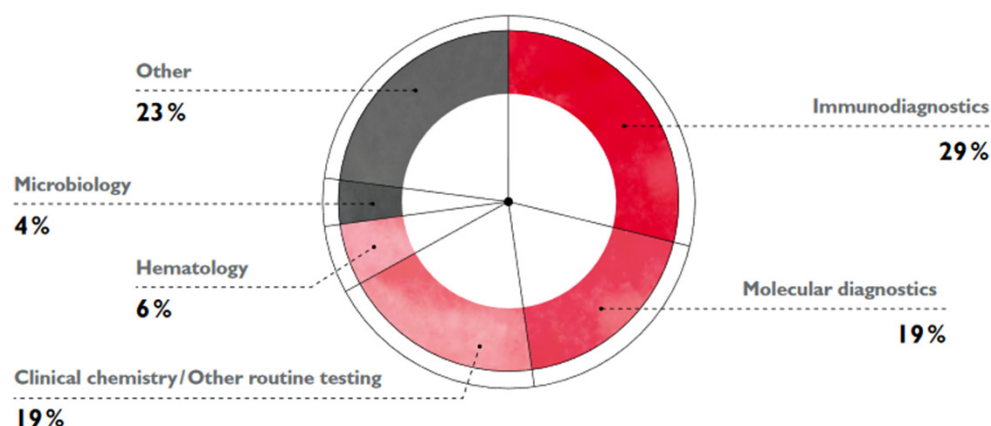
THE IVD MARKET



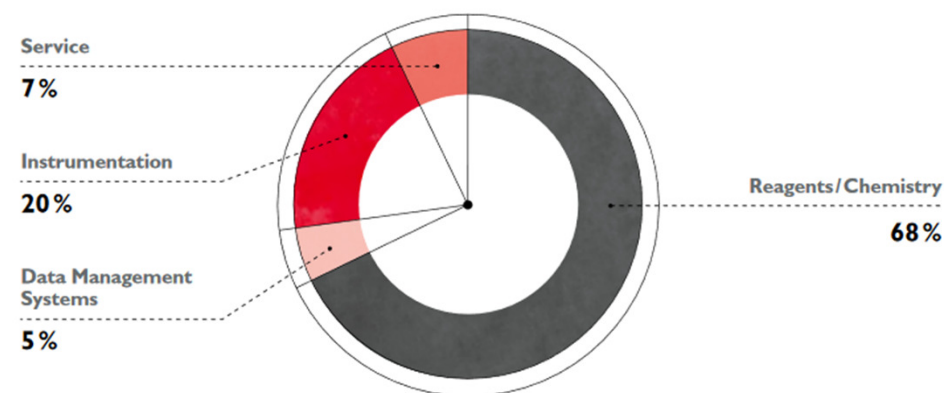
THE IVD MARKET

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 2021 (USD billion)
1.	Roche	19.0
2.	Abbott	15.6
3.	Danaher	9.8
4.	SIEMENS Healthineers	6.6
5.	Thermo Fisher	5.7
6.	BECTON DICKINSON	4.4
7.	HOLOGIC	3.5
8.	bioMérieux	3.2
9.	Sysmex	3.1
10.	PerkinElmer	2.9
11.	mindray	2.8
12.	Ortho Clinical Diagnostics	2.0
13.	illumina	1.8
14.	Exact Sciences	1.8
15.	QUIDEL	1.7
16.	BIO-RAD	1.5
17.	werfen	1.4
18.	Agilent	1.4
19.	DiaSorin	1.3
20.	Seegene	1.1

... AND OTHER GAME-CHANGING COMPANIES

Quanterix™

 QUOTIENT

 Cytovale

■ STRATEC customer

□ Not a STRATEC customer

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

FINANCIALS

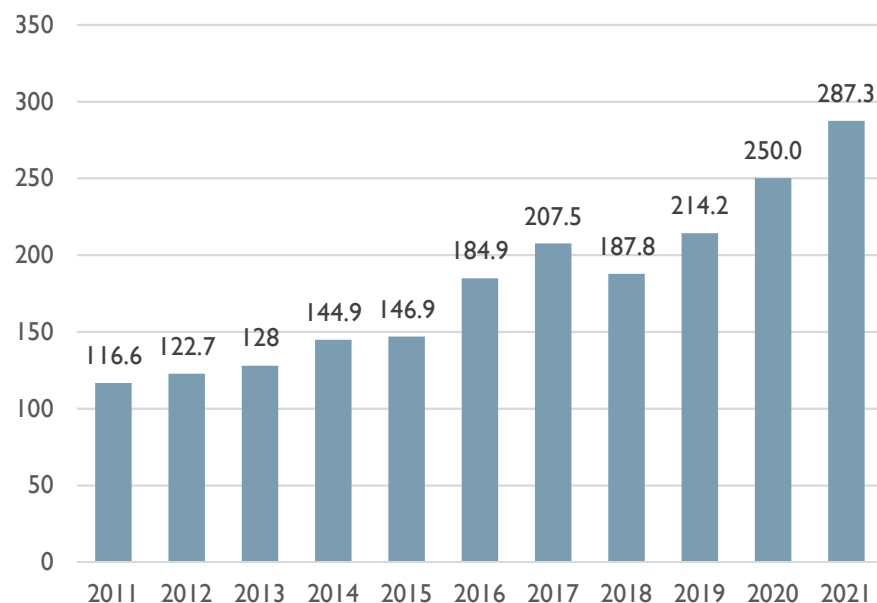


FINANCIALS

KEY FIGURES - TRACK RECORD

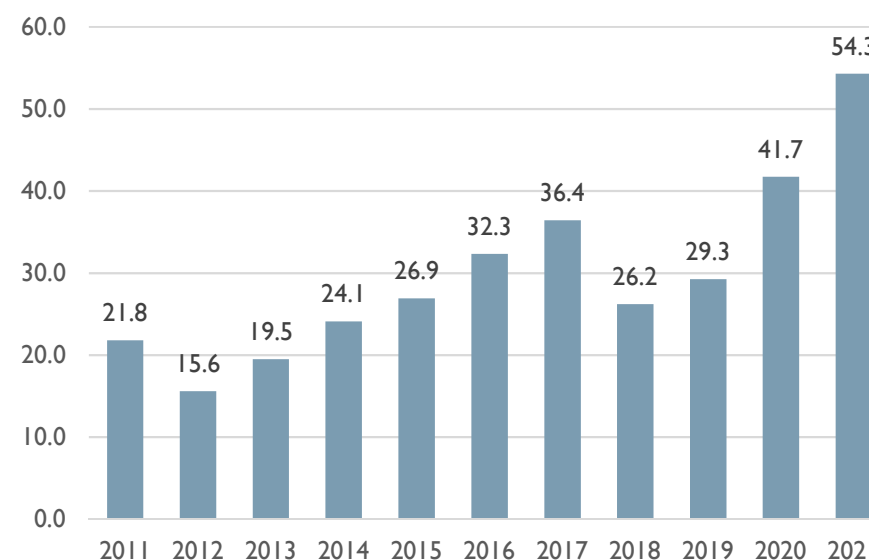
Sales in € million

CAGR ~9%



Adjusted EBIT in € million¹

CAGR ~10%



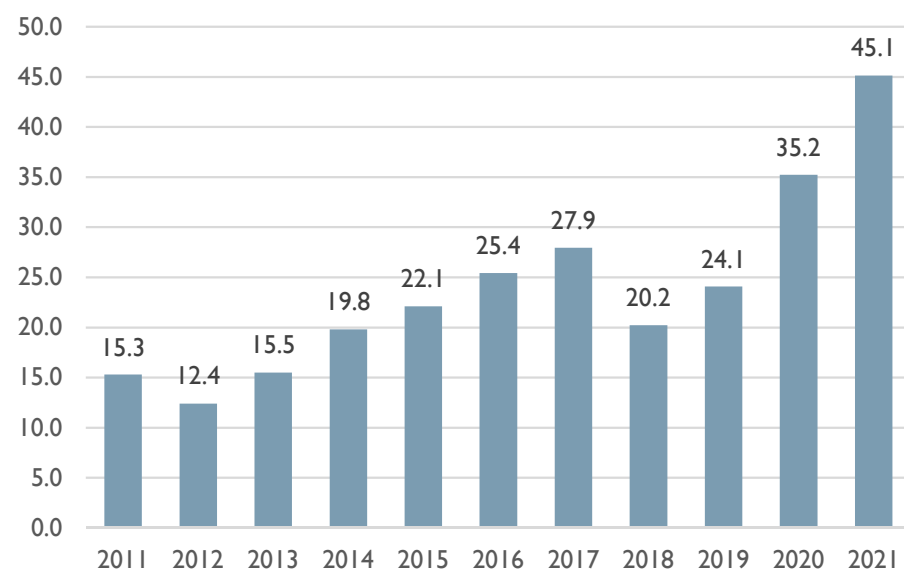
¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

FINANCIALS

KEY FIGURES - TRACK RECORD

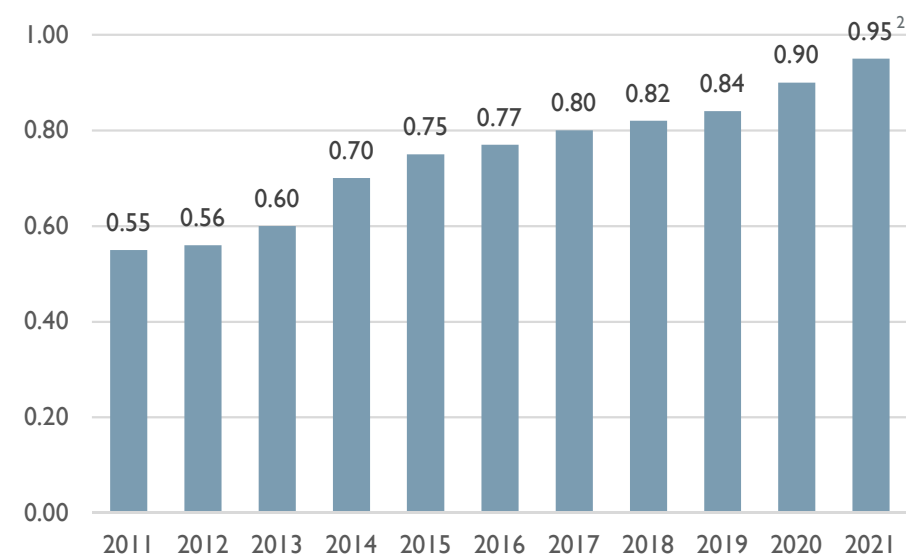
Adjusted net income in € million¹

CAGR ~11%



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.

² Subject to AGM approval

FINANCIALS

Q1/2022 AT A GLANCE

- **Group sales up by 4.7% yoy to € 75.4 million** (Q1/2021: € 72.0 million)
 - Growth of 1.8% at constant currency
- **Adjusted EBIT of € 15.0 million** moderately below strong prior year level but slightly ahead of budget (Q1/2021: € 16.0 million)
- **Significant progress** within well-filled **development pipeline** and several **promising negotiations** in regard to new projects
 - **Further customer** of **Smart Consumables** segment about to **submit for approval: Novel test** for the **early and fast detection** and **risk assessment** of **sepsis** (one of the **most frequent causes of death** worldwide)
 - **High number** of incoming **customer requests** regarding **new projects** and **ongoing feasibility studies**
- Several products in **ramp-up phase** and **more launches** to come in the next **12 months**
 - **Molecular diagnostics system family** for one of the **market leaders** scheduled for **launch in mid-2022**

Q1/2022 FINANCIALS AT A GLANCE¹

€ 000s	Q1/2022	Q1/2021	Change
Sales	75,387	71,995	+4.7%
EBITDA	18,459	18,840	-2.0%
EBITDA margin (%)	24.5	26.2	-170 bps
Adjusted EBIT	15,037	16,045	-6.3%
Adjusted EBIT margin (%)	19.9	22.3	-240 bps
Adjusted consolidated net income	11,948	13,147	-9.1%
Adjusted basic earnings per share (in €)	0.99	1.09	-9.2%
Basic earnings per share IFRS (in €)	0.92	0.95	-3.2%

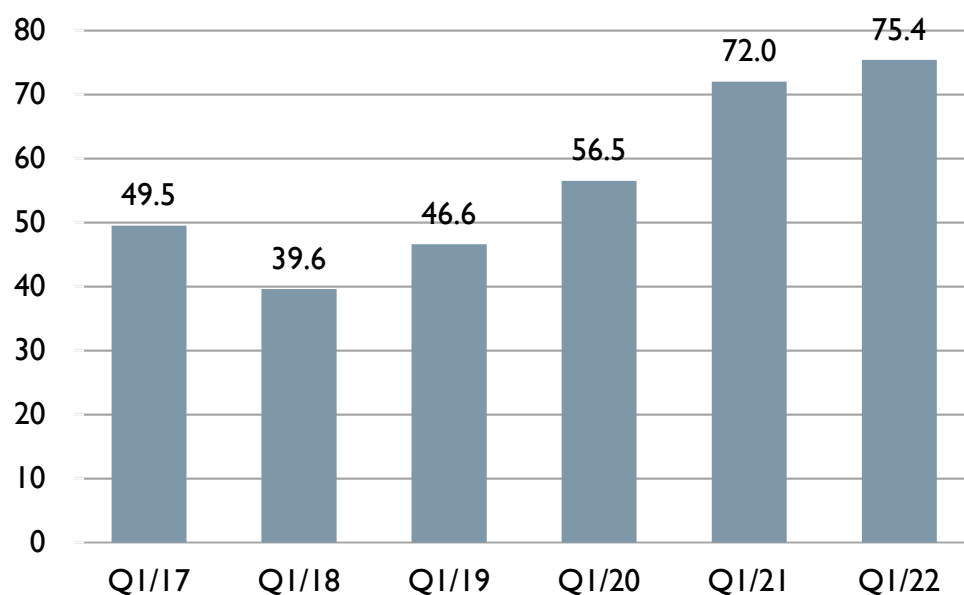
bps = basis points

¹ For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions.

FINANCIALS

SALES Q1/2022

In € million



As of March 31

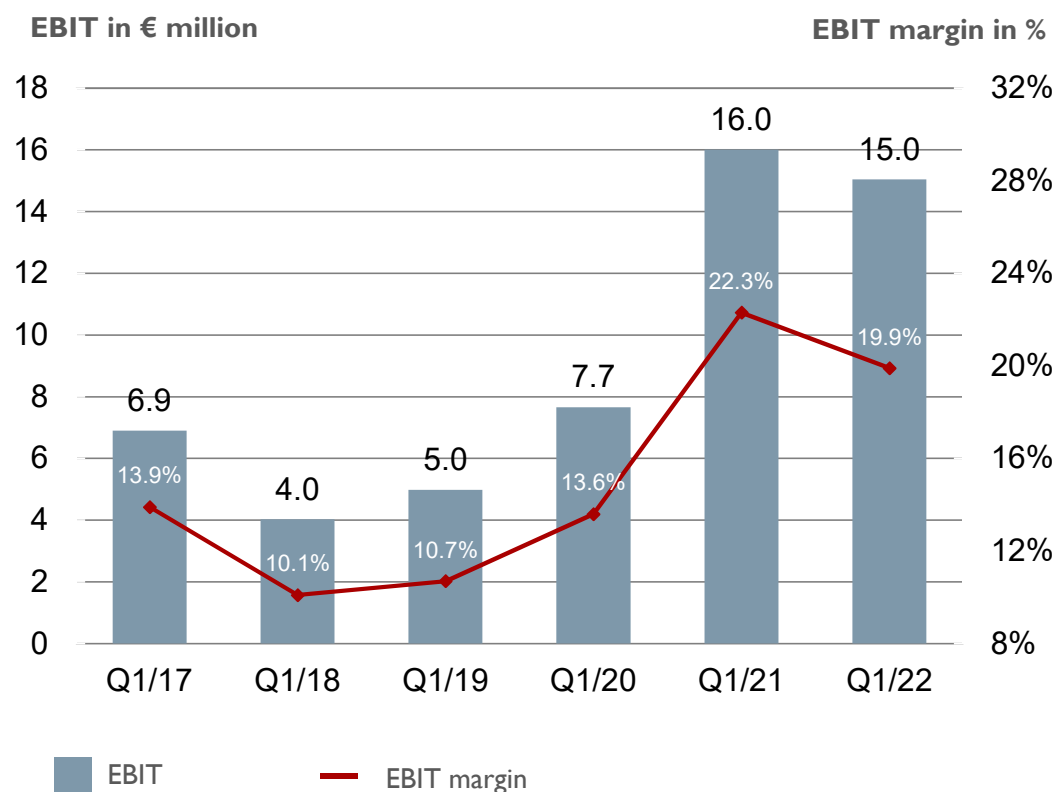
Q1/2022 sales up 4.7% yoy to € 75.4 million

→ +1.8% at constant currency

- (+) Higher Development & Service sales
- (+) Strong Service Parts & Consumables business
- (+) Strong call-up numbers for immunohematology systems
- (+) New product launches
- (-) Lower sales with molecular diagnostic systems due to pandemic related build-up of capacities in the prior year

FINANCIALS

ADJUSTED EBIT AND EBIT MARGIN Q1/2022



Q1/2022 adjusted EBIT down by 6.3% yoy to € 15.0 million

Q1/2022 adjusted EBIT margin of 19.9% versus 22.3% in the prior year

- (-) Normalization of product mix within Systems sales
- (-) Tense supply chain and input cost inflation
- (+) Increased share of high margin Service Parts and Consumables sales
- (+) Higher-than-usual contribution margin from Development and Services sales

As of March 31

FINANCIALS

CASH FLOW AND NET DEBT Q1/2022

€ 000s	Q1/2022	Q1/2021	Change
Cash flow – operating activities	773	14,028	-94.4%
Cash flow – investment activities	-3,914	-4,302	n/a
Cash flow – financing activities	5,089	-1,292	n/a
Free cash flow	-3,141	9,726	n/a

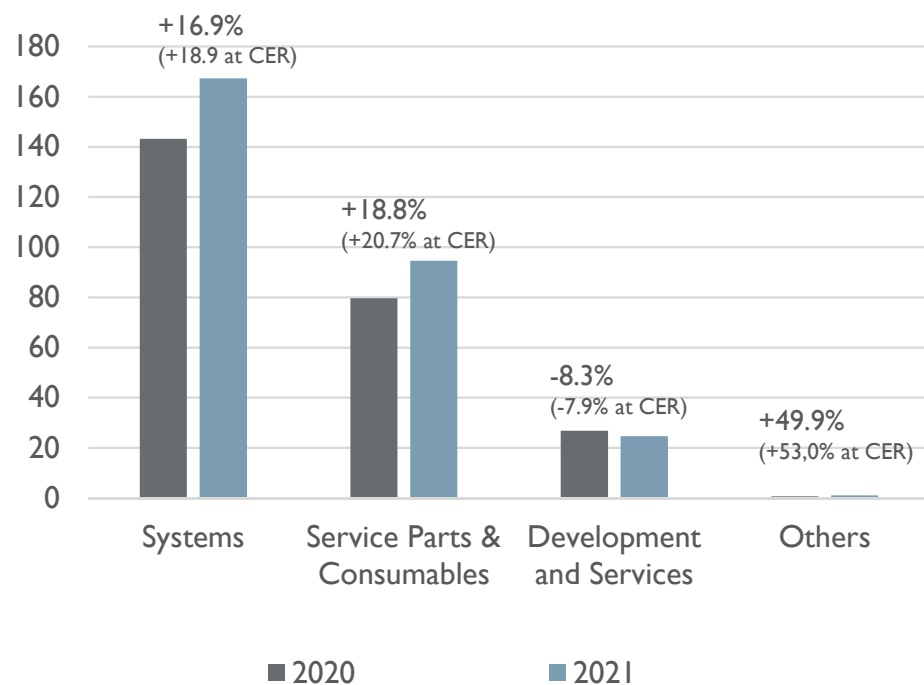
- Cash flow from operating activities burdened by increased trade receivables position
→ reporting date effects; significant improvement was already visible at the beginning of Q2/2022
- Investment ratio¹ at 5.2% of sales
- Net debt / LTM EBITDA of 0.8x

€ 000s	Q1/2022	FY/2021	Change
Cash at end of period	49,564	47,184	+5.0%
Equity ratio (%)	56.2	55.8	+40 bps
Net debt	54,984	52,443	-4.8%

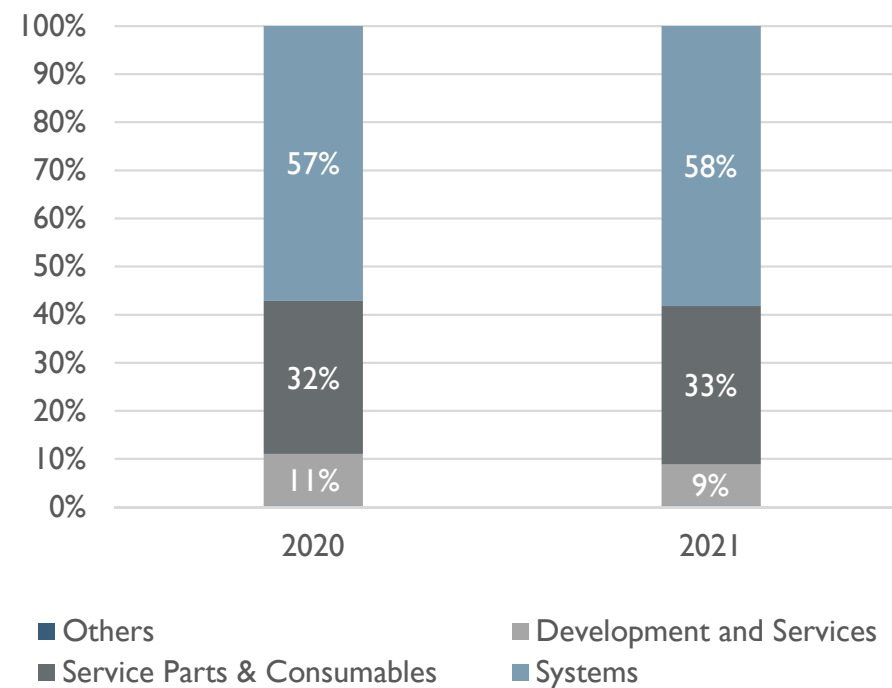
¹ Total investments in intangible and tangible assets in % of sales
LTM = Last twelve months

SALES BY OPERATING DIVISIONS FY 2021

Sales in € million



In % of total sales



As of December 31

CER= Constant exchange rates

FINANCIALS

SEGMENT PERFORMANCE FY 2021

Instrumentation

€ 000s	FY 2021	FY 2020	Change	At CER
Sales	201,349	176,517	+14.1%	+16.2%
Adj. EBIT	34,296	28,277	+21.3%	
Adj. EBIT margin	17.0%	16.0%	+100 bps	

- Strong demand for molecular diagnostics solutions and ramp-up of newly launched products

Diatron

€ 000s	FY 2021	FY 2020	Change	At CER
Sales	66,910	56,479	+18.5%	+19.4%
Adj. EBIT	19,452	14,619	+33.1%	
Adj. EBIT margin	29.1%	25.9%	+320 bps	

- Strong growth with haematology (including veterinary) and molecular diagnostics products

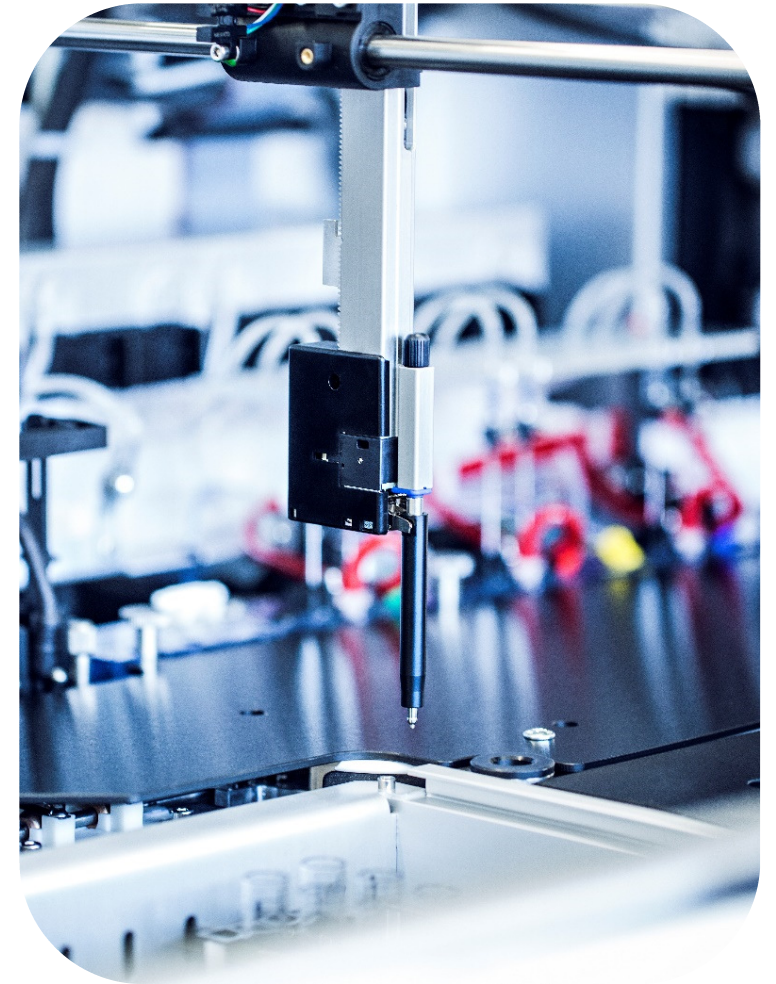
Smart Consumables

€ 000s	FY 2021	FY 2020	Change	At CER
Sales	19,076	17,103	+11.5%	+13.2%
Adjusted EBIT	525	-1,183	nm	
Adj. EBIT margin	2.8%	-6.9%	+970 bps	

- Ramp-up of newly launched products and related improvement of sales mix (shrinking share of recognized development revenues)

CER = Constant exchange rates

OUTLOOK AND STRATEGY

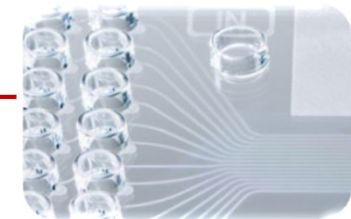
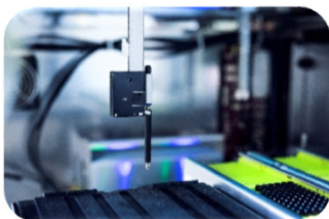


OUTLOOK AND STRATEGY

GUIDANCE FOR FISCAL YEAR 2022*

- Sales to match the previous year's level on a constant-currency basis
 - Ramp-up of young product portfolio and additional upcoming launches set to compensate potential declines in COVID-19-related product lines
- Adjusted EBIT margin of around 16.5% to 18.5% (2021: 18.9%)
 - Raising input costs and normalization of product mix
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales

* Any assessment of the further course of the pandemic, particularly from the fall onwards, and associated demand for in-vitro diagnostics products is subject to great uncertainties. STRATEC's budget scenario for the 2022 financial year includes a higher than normal number of assumptions and risk adjustments. Furthermore, the situation in global supply chains also remains tense and increasingly difficult to predict, with this being due not least to the war in Ukraine and renewed lockdowns in Asia.



OUTLOOK AND STRATEGY

COVID-19 AND MARKET UPDATE

- COVID-19 pandemic has driven 2020 and 2021 market growth rates far above the historical long-term average of around 4-6% p.a.
- High comparison basis due to surge in COVID testing volumes might adversely affect market growth rates in 2022 and 2023
- Return to at least historical market growth rates expected once new baseline is reached
- Further infection waves to be expected with probably steeper ramps but shorter durations
→ requires higher spare capacity levels to be held by the labs to cover peaks



OUTLOOK AND STRATEGY

STRATEC WELL POSITIONED TO OUTPACE EXPECTED MARKET GROWTH

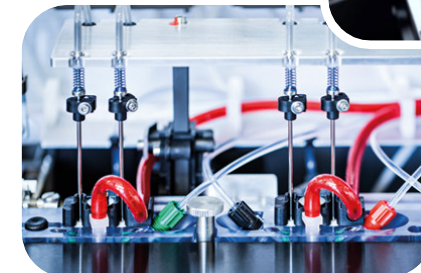
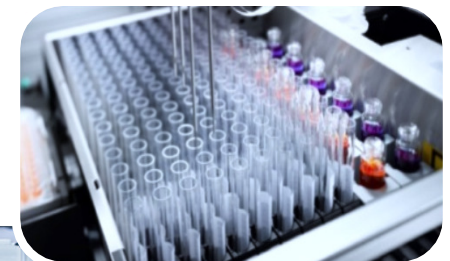
SPECIFIC DRIVERS FOR STRATEC

- In contrast to the overall market, no negative pricing effects expected
- STRATEC customers set to gain further market share once regular approval pathways for COVID-19 tests are established / again required
- Overutilization of testing equipment triggers significant replacement potential
- Expanded installed base set to drive strong service parts & consumables business
- Expanded menus at the customer side and transfer of esoteric tests into screening formats
- Pandemic and labor shortages have again highlighted the value of highly automated lab workflows
- Several products in ramp up phase
 - e.g. **LIAISON XS, FACSDuet, KleeYa and several new smart consumables**
- Strong outsourcing trend and launch / development pipeline
 - e.g. **three molecular diagnostic systems**

OUTLOOK

FOCUS IN 2022 AND BEYOND

- Execute on current development pipeline and launch line-up
 - Expected launches over the next 12 months include two MDx solution families
 - Further MDx solution (x-plex) for decentralised testing needs is set to hit the market in 2024
- Execute deal pipeline regarding new development and manufacturing agreements
- Implement measures to address supply chain issues and rising input costs
- M&A remains part of the company's growth and diversification strategy
- Restore pre-pandemic efficiency levels throughout the company
- Manage additional personnel requirements in view of a well-filled project pipeline



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

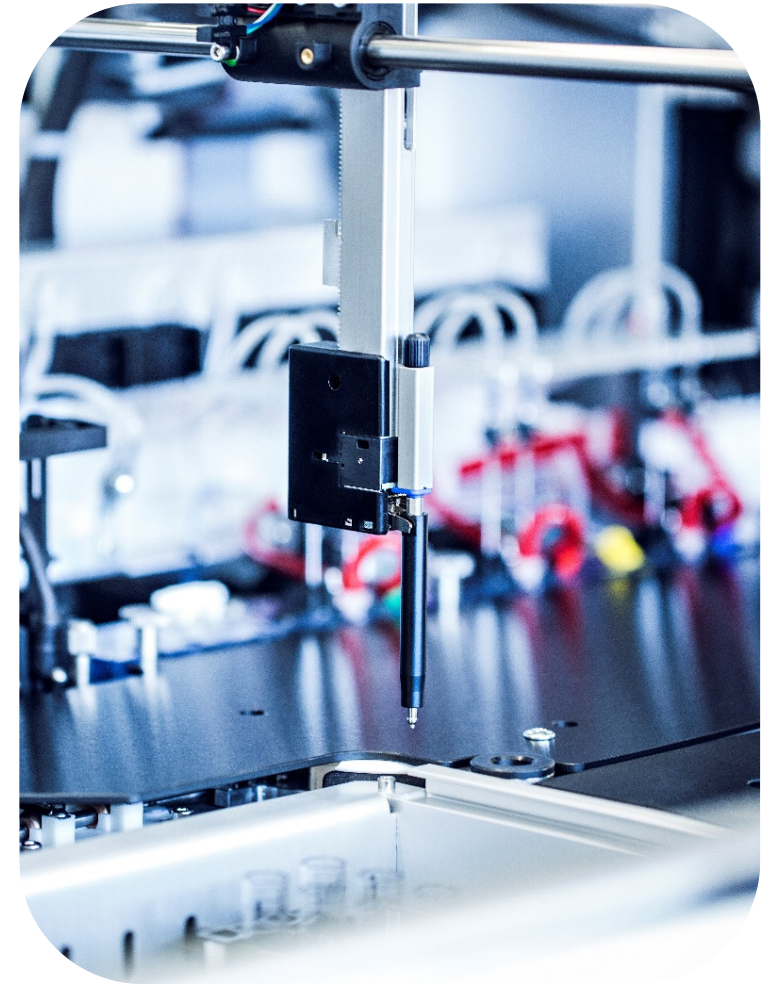
- Utilize tailwind from increasing complexity
- Expand smart consumables business

Increase proportion of recurring revenues

Drive customer diversification

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

APPENDIX



APPENDIX

KEY FIGURES AT A GLANCE¹

IFRS (€ million)	2017	2018	2019	2020	2021
Sales	207.5	187.8	214.2	250.1	287.3
Adjusted EBIT	36.4	26.2	29.3	41.7	54.3
Adjusted EBIT margin (%)	17.5	13.9	13.7	16.7	18.9
Adjusted Consolidated net income	28.9	20.2	24.1	35.2	45.1
Adjusted Earnings per share (€)	2.43	1.70	2.01	2.92	3.73
Dividend per share (€)	0.80	0.82	0.84	0.90	0.95 ²
No. of employees	1,086	1,228	1,302	1,319	1,398
Total assets	264	275	299	332	369
Equity ratio (%)	59.8	55.3	53.1	52.0	55.8
Free cash flow	14.4	1.2	-6.4	10.0	43.3

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 Subject to AGM approval

APPENDIX

ADJUSTMENTS FY/2021

EBIT

€ 000s	FY 2021	FY 2020
Adjusted EBIT	54,273	41,713
Adjustments:		
PPA amortization	-4,874	-8,036
Impairment	-1,047	0
Other	-175	0
EBIT	48,177	33,677

Consolidated net income

€ 000s	FY 2021	FY 2020
Adjusted consolidated net income	45,122	35,218
Adjusted earnings per share in € (basic)	3.73	2.92
Adjustments:		
PPA amortization	-4,874	-8,036
Impairment	-1,047	0
Other	-175	0
Taxes	932	1,253
Consolidated net income	39,958	28,435
Earnings per share in € (basic)	3.30	2.36

APPENDIX

ADJUSTMENTS Q1/2022

EBIT

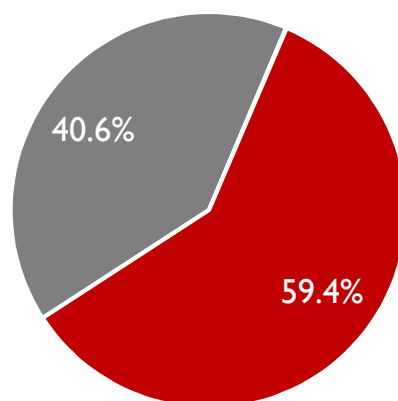
€ 000s	Q1/2022	Q1/2021
Adjusted EBIT	15,037	16,045
Adjustments:		
PPA amortization	-936	-1,917
EBIT	14,101	14,128

Consolidated net income

€ 000s	Q1/2022	Q1/2021
Adjusted consolidated net income	11,948	13,147
Adjusted earnings per share in € (basic)	0.99	1.09
Adjustments:		
PPA amortization	-936	-1,917
Taxes on income	157	319
Consolidated net income	11,169	11,549
Earnings per share in € (basic)	0.92	0.95

SHAREHOLDER STRUCTURE

(AS OF: DECEMBER 2021)



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

■ Free float

Institutional investors > 3%:

Allianz Global Investors
Ameriprise Financial
Brown Capital Management
Juno Investment Partners

SHARE

IPO	Aug. 1998
Number of shares	12,127,995
Share price (05/04/2022)	€ 107.20
Market capitalization	€ 1.3 billion

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THANK YOU
FOR YOUR
ATTENTION