

POWER

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STRATEC FY 2022 FINANCIAL RESULTS

Birkenfeld, 2023-03-30

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. FY 2022 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

FY 2022 AT A GLANCE

- **Strengthening** of the management team with the **appointment of Dr. Georg Bauer** to the **Board of Management** (effective as of 2023-01-01)
- **Sales -8.3%** at constant exchange rates to **€ 274.6 million** due to tough prior year **base of comparison** and **delivery backlogs** as result of **tense supply chain** (particularly for electronics components)
- **Adjusted EBIT margin** with **16.4%** (FY/2021: 18.9%) roughly **in-line** with initially set **target corridor**
- **Successful market launch** of a next generation **MDx system** solution for one on the market leaders in Q3 2022
- **Well-stocked** development **pipeline** and **high number** of ongoing **negotiations** about **further projects**
- **Number of employees** up by **5.9%** year-over-year to **1,481**
- **Dividend** proposal of **€ 0.97** per share (up from € 0.95 in the prior Year)
→ 19th consecutive increase



Dr. Georg Bauer (50)
Member, Board of Management
Sales

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FINANCIAL REVIEW

FINANCIALS AT A GLANCE¹

€ 000s	FY 2022	FY 2021	Change	Q4 2022	Q4 2021	Change
Sales	274,625	287,335	-4.4%	66,971	61,915	+8.2%
Adjusted EBITDA	58,582	66,606	-12.0%	10,487	8,941	+17.3%
Adjusted EBITDA margin (%)	21.3	23.2	-190 bps	15.7	14.4	+130 bps
Adjusted EBIT	45,053	54,273	-17.0%	6,986	5,583	+25.1%
Adjusted EBIT margin (%)	16.4	18.9	-250 bps	10.4	9.0	+140 bps
Adjusted consolidated net income	34,683	45,122	-23.1%	5,134	4,559	+12.6%
Adjusted basic earnings per share (in €)	2.86	3.73	-23.3%	0.42	0.38	+10.5%
Basic earnings per share IFRS (in €)	2.41	3.30	-27.0%	0.37	0.30	+23.3%

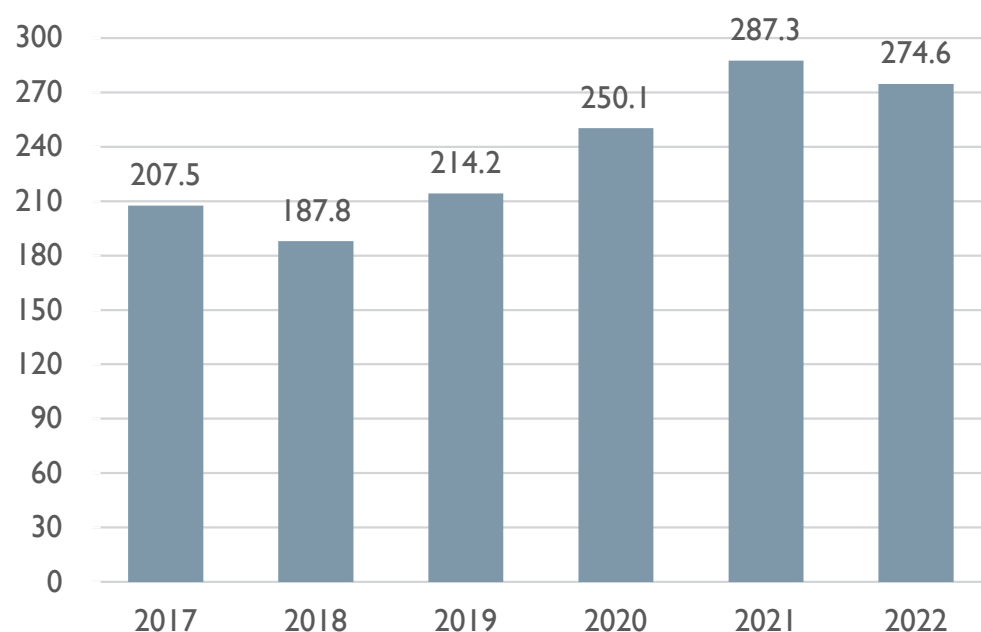
bps = basis points

¹ For comparison purposes, adjusted figures for 2022 have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions, a provision stated for expected back payments of tax (including interest payments), and other non-recurring items (including advisory expenses in connection with M&A activities). 2021 figures have been additionally adjusted to exclude an impairment loss recognized on a proprietary development project in the Diatron segment.

FINANCIAL REVIEW

SALES

Sales in € million



As of December 31

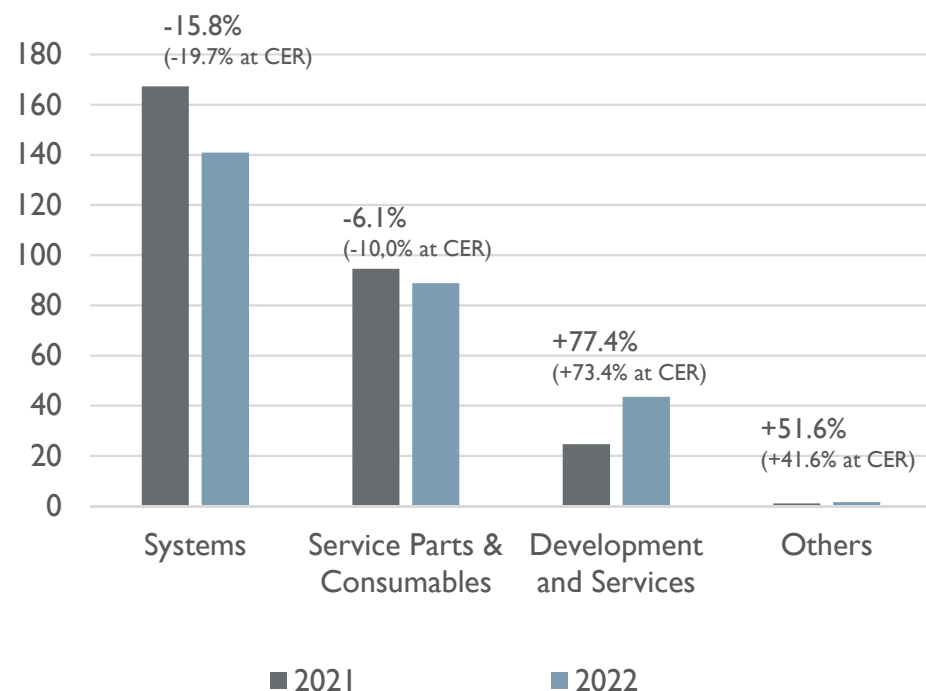
FY 2022 sales -4.4% to € 274.6 million (-8.3% in constant currency)

- (-) Strong pandemic driven prior year base of comparison for MDx product lines
- (-) Delivery backlogs within certain product lines due to tense supply chain situation
- (+) Strong growth with development and services
- (+) Positive growth rates with immunoassay, immunohematology and clinical chemistry systems

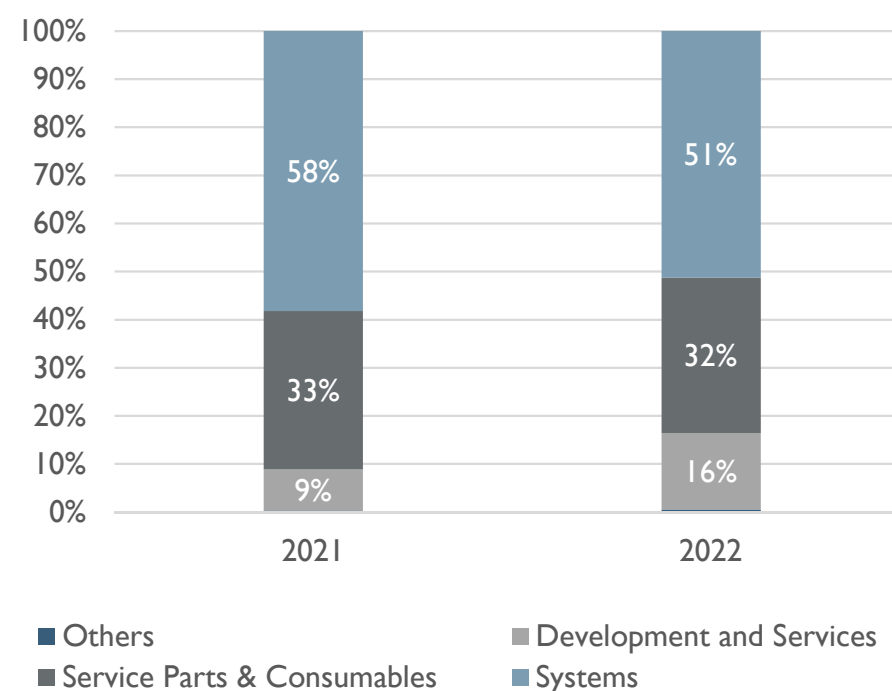
FINANCIAL REVIEW

SALES BY OPERATING DIVISIONS

Sales in € million



In % of total sales

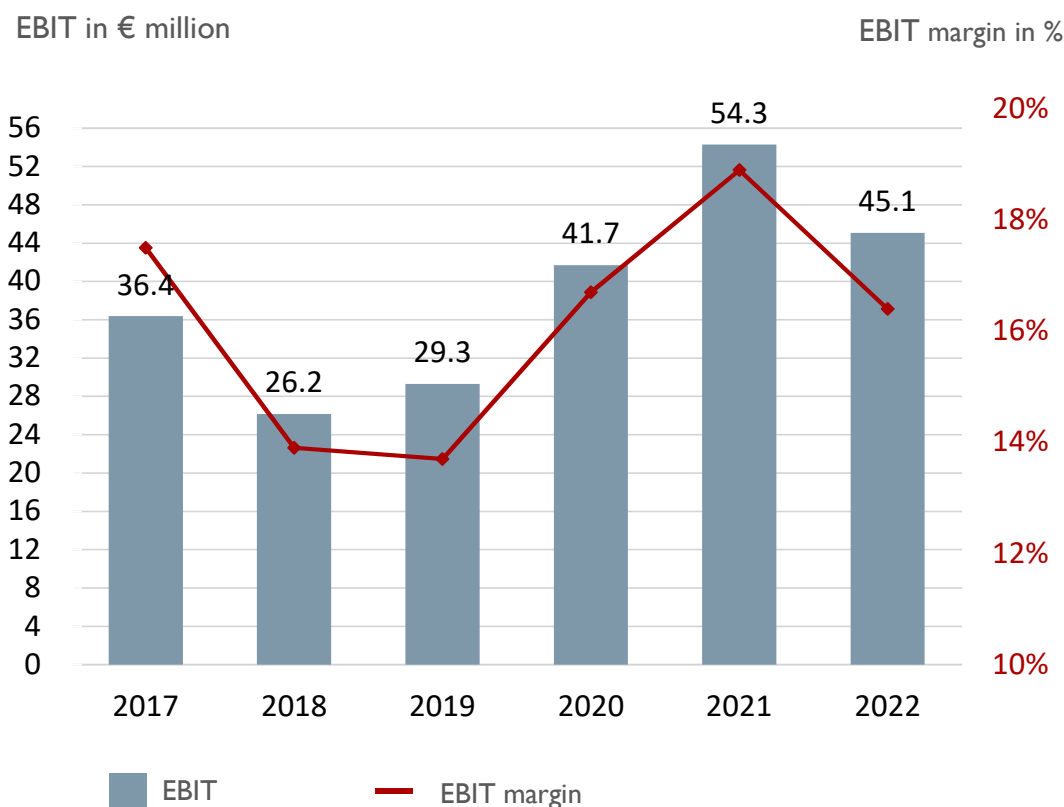


As of December 31

CER= Constant exchange rates

FINANCIAL REVIEW

ADJUSTED EBIT AND EBIT MARGIN



As of December 31

FY 2022 adjusted EBIT at € 45.1 million (-17.0% yoy)

FY 2022 adjusted EBIT margin with 16.4% roughly in-line with expectations at the beginning of 2022

Margin reduction of 250 bps yoy

- (-) Negative economies of scale
- (-) Normalization of product mix
- (-) Inflation driven rise in input costs
- (+) High earnings contribution from realized development sales

FINANCIAL REVIEW

SEGMENT PERFORMANCE

Instrumentation

€ 000s	FY 2022	FY 2021	Change	At CER
Sales	195,914	201,349	-2.7%	-7.0%
Adj. EBIT	30,359	34,296	-11.5%	
Adj. EBIT margin	15.5%	17.0%	-150 bps	

- Strong pandemic related prior year comp for molecular diagnostics solutions; strong growth with development and services sales

Smart Consumables

€ 000s	FY 2022	FY 2021	Change	At CER
Sales	23,807	19,076	+24.8%	+20.4%
Adjusted EBIT	2,512	525	+378.5%	
Adj. EBIT margin	10.6%	2.8%	+780 bps	

- Increased recognition of developments revenues with above average margin contribution

Diatron

€ 000s	FY 2022	FY 2021	Change	At CER
Sales	54,904	66,910	-17.9%	-20.5%
Adj. EBIT	12,182	19,452	-37.4%	
Adj. EBIT margin	22.2%	29.1%	-690 bps	

- Strong pandemic related prior year comp for molecular diagnostics solutions with corresponding normalization of product mix

CER = Constant exchange rates

FINANCIAL REVIEW

CASH FLOW AND NET DEBT

€ 000s	FY 2022	FY 2021	Change
Cash flow – operating activities	10,279	63,473	-83.8%
Cash flow – investment activities	-18,997	-20,127	n/a
Cash flow – financing activities	-14,105	-34,329	n/a
Free cash flow	-8,698	43,346	n/a

- Cash flow from operating activities burdened by still elevated inventory needs
- Investment ratio¹ of 6.9% of sales inline with projected corridor of 6.0% to 8.0%
- Net debt / EBITDA at 1.3 (2021: 0.8x)

€ 000s	FY 2022	FY 2021	Change
Cash at end of period	22,668	47,184	-52,0%
Equity ratio (%)	56.6	55.8	+80 bps
Net debt	76,619	52,443	+46.1%

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

AGENDA

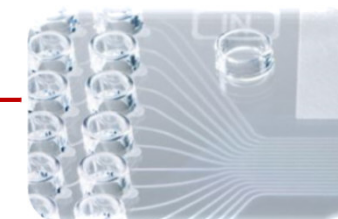
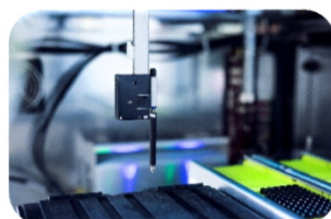
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OUTLOOK

FINANCIAL GUIDANCE FOR FISCAL YEAR 2023*

- Sales expected to grow by 8.0% to 12.0% on a constant-currency basis
 - New product launches and ramp-up of young product portfolio
- Adjusted EBIT margin of around 12.0% to 14.0% (2022: 16.4%)
 - Product mix change and input cost inflation
 - Conversion to a new system generation in the veterinary diagnostics business
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales

*In March 2023 the Board of Management has decided to initiate and promptly implement a far-reaching efficiency enhancement program. Details of the associated measures and corresponding earnings improvement potential are expected to be announced during the second quarter of 2023. Furthermore, extended price increases are being reviewed across the product portfolio. The above guidance figures do not yet account for those positive effects of the efficiency program that are already possible or for the extended price increases.



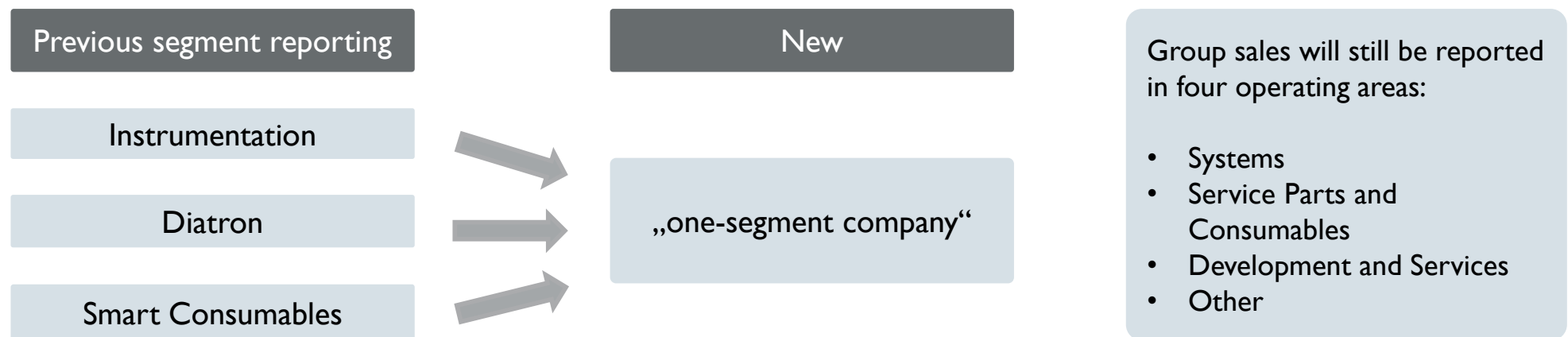
OUTLOOK

SEGMENT REPORTING

Dr. Georg Bauer has assumed responsibility for sales and business development activities of the previous business units in a centralized and cross-product manner.

Activities and target markets of the three business units (Instrumentation, Smart Consumables and Diatron) have converged significantly over the last few years.

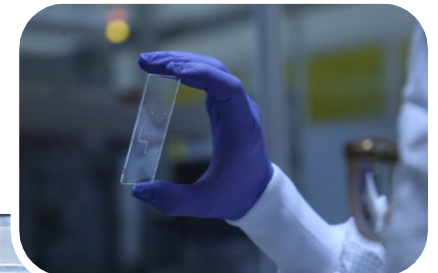
→ From the first quarter of 2023, reporting will take place in the form of an "one-segment company".



OUTLOOK

FOCUS IN 2023 AND BEYOND

- Initiate and implement efficiency enhancement program and increase company-wide efficiency to pre-pandemic levels
- Negotiate further price adjustments across the product portfolio in-light of continuing input cost inflation
- Manage and process well filled M&A pipeline according to external growth and diversification strategy
- Coordinate parallel ramp-up of newly launched systems and fix usual teething issues within common timeframes
- Execute deal pipeline regarding new development and manufacturing agreements
- Utilize new corporate structure and further join forces across sites



QUESTIONS & ANSWERS

APPENDIX

ADJUSTMENTS

EBIT

€ 000s	FY 2022	FY 2021
Adjusted EBIT	45,053	54,273
Adjustments:		
PPA amortization	-3,402	-4,874
Impairment	0	-1,047
Other ¹	-511	-175
EBIT	41,140	48,177

¹ Including consulting expenses in connection with M&A activities

Consolidated net income

€ 000s	FY 2022	FY 2021
Adjusted consolidated net income	34,683	45,122
Adjusted earnings per share in € (basic)	2.86	3.73
Adjustments:		
PPA amortization	-3,402	-4,874
Impairment	0	-1,047
Other ¹	-511	-175
Interest expenses	-352	0
Taxes	-1,195	932
Consolidated net income	29,223	39,958
Earnings per share in € (basic)	2.41	3.30

¹ Including consulting expenses in connection with M&A activities

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THANK YOU
FOR YOUR
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