

POWER

PEOPLE | INNOVATION | PARTNERSHIP

STRATEC Q1 2023 FINANCIAL RESULTS

Birkenfeld, 2023-04-28

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. Q1 2023 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

QI 2023 AT A GLANCE

- **Sales -20.7%** at constant-currency; **in-line** with **initial expectations** and provided **indicative quarterly outlook**
- **Adjusted EBIT** margin of **6.3%** as **expected below previous year**
- **FY 2023 guidance confirmed**
- Initiation of **earnings improvement program** with expected earnings **improvement potential** of **€ 10.0 million to 15.0 million** in **2024**
- Various stages of **pre-serial equipment** for **immunohematology** and **molecular diagnostic** system solutions were **delivered to the relevant partners**.
- US partner within **smart consumables** business obtained **US FDA approval** for a **novel test process** to rapidly **detect potential sepsis** and **assess the associated risks** at an early stage.
- Total number of **employees +6.8%** to **1.502**

AGENDA

1. Q1 2023 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

FINANCIAL REVIEW

FINANCIALS AT A GLANCE¹

€ 000s	Q1/2023	Q1/2022	Change
Sales	60,478	75,387	-19.8%
Adjusted EBITDA	7,292	18,459	-60.5%
Adjusted EBITDA margin (%)	12.1	24.5	-1.240 bps
Adjusted EBIT	3,816	15,037	-74.6%
Adjusted EBIT margin (%)	6.3	19.9	-1.360 bps
Adjusted consolidated net income	2,133	11,948	-82.1%
Adjusted basic earnings per share (in €)	0.18	0.99	-81.8%
Basic earnings per share IFRS (in €)	0.11	0.92	-88.0%

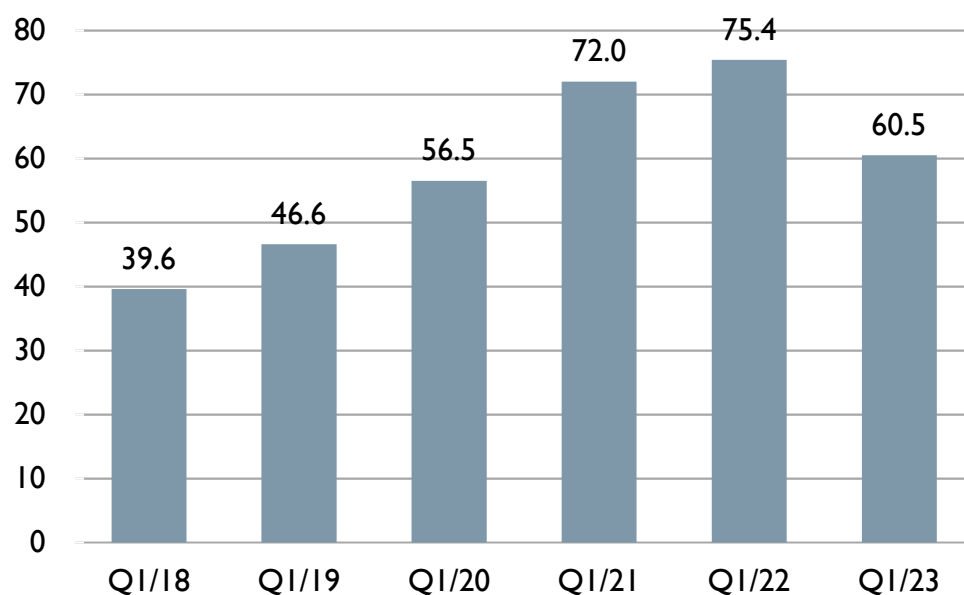
bps = basis points

¹ For comparison purposes, figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (including consulting expenses in connection with M&A activities).

FINANCIAL REVIEW

SALES Q1/2023

In € million



As of March 31

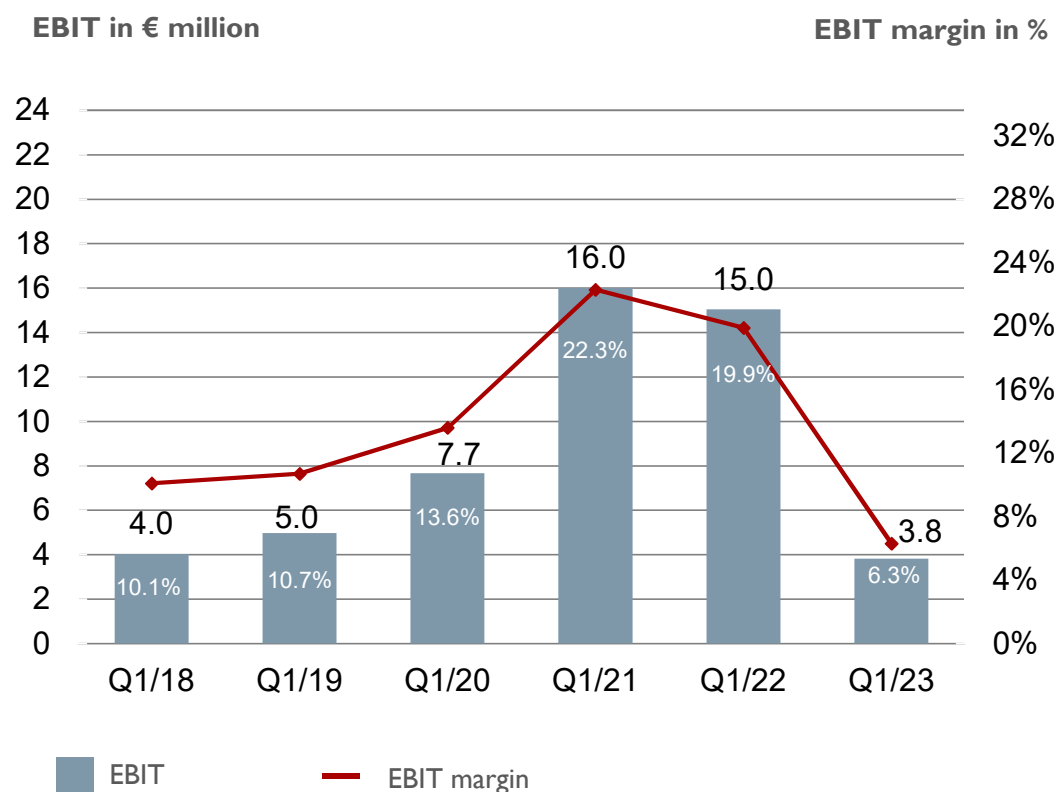
Q1/2023 sales decline of 19.8% yoy to € 60.5 million

→ -20.7% at constant-currency

- (-) Pandemic related high basis of comparison for molecular diagnostic product lines
- (-) Weaker system call-up figures due to stock optimization measures of one customer in transfusion medicine
- (+) New product launches
- (+) Higher development and services sales

FINANCIAL REVIEW

ADJUSTED EBIT AND EBIT MARGIN Q1/2023



Q1/2023 adjusted EBIT margin of 6.3% versus 19.9% in the prior year

- (-) Negative effects of scale
- (-) Adverse product mix effects
- (-) Inflation driven rise in input costs
- (-) Initially lower efficiency rates in the serial production of newly launched products

As of March 31

FINANCIAL REVIEW

CASH FLOW AND NET DEBT

€ 000s	Q1/2023	Q1/2022	Change
Cash flow – operating activities	5,976	773	+673.0%
Cash flow – investment activities	-5,128	-3,914	nm
Cash flow – financing activities	1,854	5,089	-63.6%
Free cash flow	848	-3,141	nm

- First improvements in cash flow dynamics, but still high working capital position
- Investment ratio¹ at 8.4% of sales
- Net debt / LTM EBITDA of 1.7x

€ 000s	Q1/2023	FY/2022	Change
Cash at end of period	25,351	22,668	+11.8%
Equity ratio (%)	56.6	56.6	-
Net debt	77,985	76,619	+1.8%

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

AGENDA

1. Q1 2023 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

OUTLOOK

EARNINGS IMPROVEMENT PROGRAM

Focus area	Earnings impact 2024 <small>(pre-tax)</small>
Personnel measures <ul style="list-style-type: none"> – Temporary and partial hiring freeze – Reallocation of resources – Reduction of personnel related consultancy costs, etc. 	+4.0 to +5.0 million €
Focused price adjustment strategies	+5.0 to +8.0 million €
Non-personnel cost reductions and others <ul style="list-style-type: none"> - Procurement optimizations - Product portfolio optimizations - Others 	+1.0 to +2.0 million €
TOTAL	+10.0 to +15.0 million €

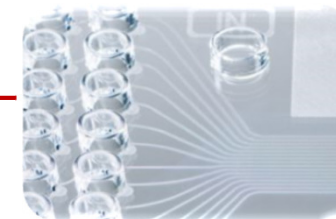
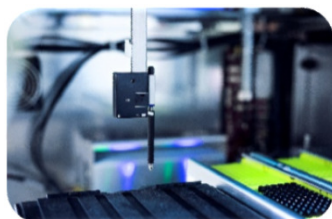
→ Effects starting to materialise from Q2 2023 onwards

OUTLOOK

CONFIRMED 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

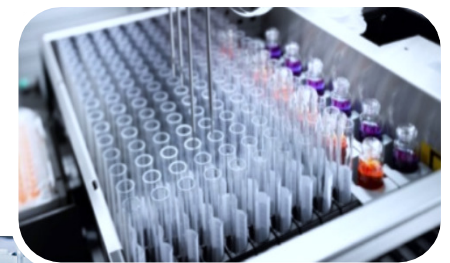
*The above guidance figures do not account for those effects of the earnings improvement program for 2023 that are already possible.



OUTLOOK

FOCUS IN 2023 AND BEYOND

- Execute on defined measures of earnings improvement 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 Q1/2023

EBIT

€ 000s	Q1/2023	Q1/2022
Adjusted EBIT	3,816	15,037
Adjustments:		
PPA amortization	-787	-936
Other ¹	-105	0
EBIT	2,924	14,101

¹ Including consulting expenses in connection with M&A activities

Consolidated net income

€ 000s	Q1/2023	Q1/2022
Adjusted consolidated net income	2,133	11,948
Adjusted earnings per share in € (basic)	0.18	0.99
Adjustments:		
PPA amortization	-787	-936
Other ¹	-105	0
Taxes on income	147	157
Interest expenses	-19	0
Consolidated net income	1,369	11,169
Earnings per share in € (basic)	0.11	0.92

¹ Including consulting expenses in connection with M&A activities

CONTACT

STRATEC SE
Gewerbestr. 37
75217 Birkenfeld
Germany

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

CONTACT

Jan Keppeler, CFA
Head of Investor Relations,
Sustainability & Corporate Communications

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



THANK YOU
FOR YOUR
ATTENTION