

GERMAN CORPORATE CONFERENCE 2024

Munich - September 25, 2024

ALL ON THE RADAR



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.

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 1.500 employees worldwide
 - Around 50% allocable to R&D
- Production sites in Germany (HQ), Switzerland, Hungary, Austria and in the United States
- High number of systems installed globally
 - Around 15,000 medium to high throughput systems
 - Around 40,000 low throughput systems
- Sales of € 261.9 million in 2023
 - CAGR sales since IPO in 1998: ~14%
- Sales split 2023:
 - Systems 44%
 - Service parts and consumables 37%
 - Development and services 19%



CORPORATE SOCIAL RESPONSIBILITY



QUALITY MANAGEMENT

Highest quality standards

- Established high-performance, certified quality management system
- Ensuring consistently high product quality
- Strong audit track record (regarding inspections by customers and regulatory authorities)

ENVIRONMENTAL RESPONSIBILITY

Combat climate change

- Greenhouse gas reduction target¹ in-line with Paris agreement
- **STRATEC reduced its total Scope 1 and 2 emissions by 57% since 2019**
- Unavoidable Scope 1 and 2 emissions fully compensated by certified emission reduction projects

SOCIAL RESPONSIBILITY

Secure diverse and inclusive work environment

- Strong policies and measures to promote an open, tolerant and discrimination-free corporate culture
- Extensive occupational health/safety policies and programs



Participant of the UN Global Compact: Further alignment of strategies and operations to the Ten Principles of the UN Global Compact on human rights, labor, environment and anti-corruption / SDGs

¹ 30% absolute reduction of scope 1 and 2 emissions by 2030 (versus 2019)

UNIQUE POSITION WITHIN THE VALUE CHAIN

STRATEC provides instrumentation, consumables, software and automation solutions

- OEM development and manufacturing
- Around 10,000 fully automated analyzer systems manufactured annually
- Wide range of intellectual property rights / broad technology pool

Long market lifecycles lead to longstanding partnerships

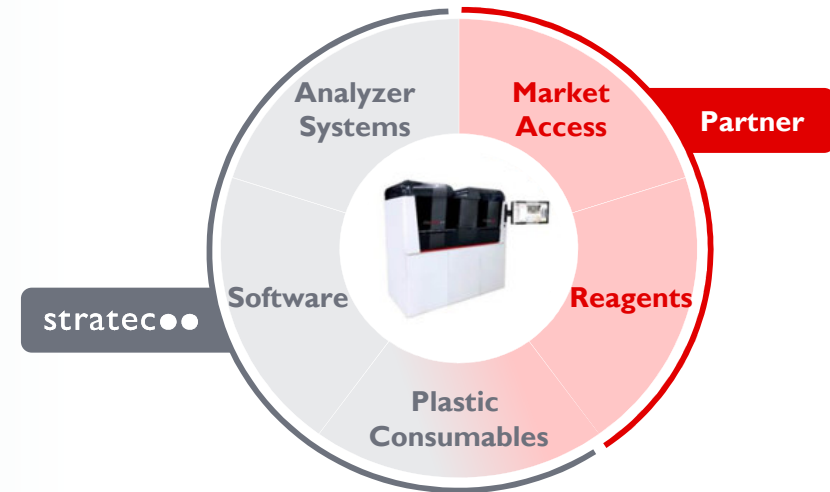
- Product lifecycles for a system typically in an area of 12 to 15 years
- Expanding installed base of systems
- Product enhancement and extension drives value / Life cycle management

Long-term contractual setup

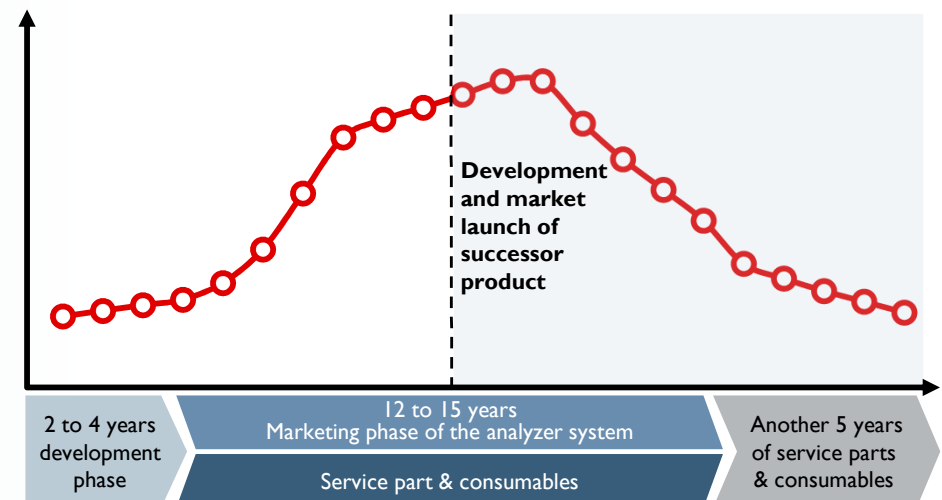
- Milestone payments during development stage (linked to agreed development budget and development targets)
- Operating sales during series production stage - minimum volume commitment by partner, firm transfer price)
- Recurring sales from service parts & consumables

→ strong commitment by both partners

Shared responsibilities



Indicative revenue characteristics of an analyzer OEM project



ACTIVE IN FAST GROWING SEGMENTS

IVD MARKET SEGMENTS / IVD MARKET: ~100 BILLION USD

Focus on market segments with above average complexity and growth

Molecular Diagnostics

- Random access analyser systems (mid-to-high throughput)
- Smart consumables (multiplexing)
- POC devices (multiplexing) with smart consumables

Immunoassay

- Random access analyzer systems (mid-to-high throughput)
- Classic plastic consumables
- Smart consumables

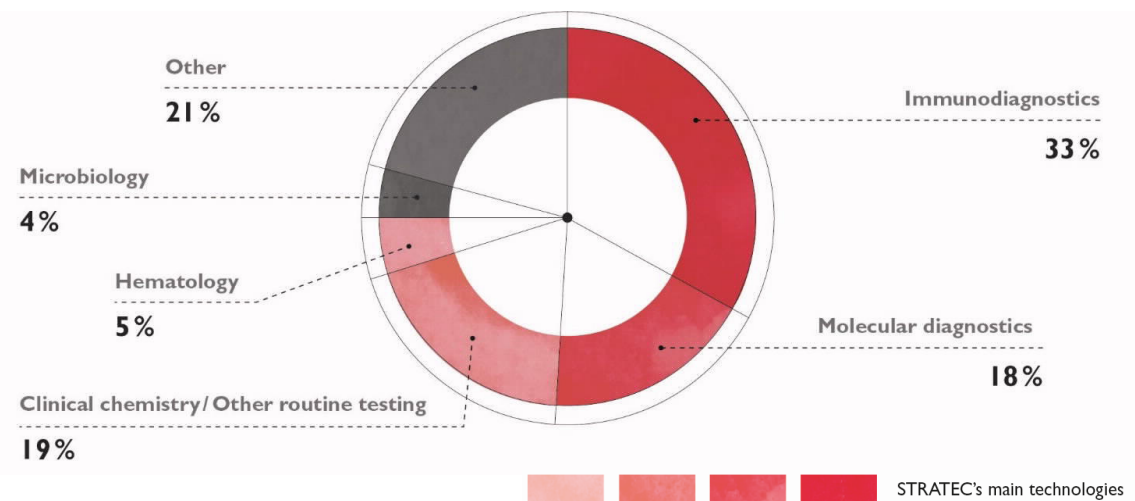
Hematology & other routine testing

- Decentralized testing solutions
- Veterinary diagnostics
- Plastics

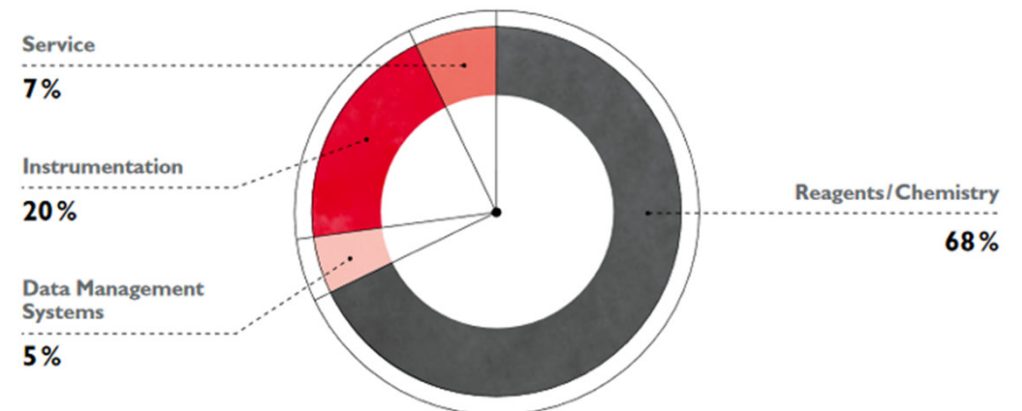
Further specialities / focus areas

- Immunochemistry
- Complex Sample Processing
- Tissue Diagnostics
- Translational Research

IVD market by technologies



IVD market by product group



Source: MarketsandMarkets Research; own estimates

BENEFITTING FROM OUTSOURCING TREND

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

Proportion of outsourced instrumentation developments over time

Past



Ongoing paradigm shift even within the „blue chips“ towards outsourcing

STRONG RECURRING REVENUE BASE

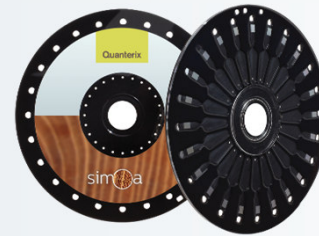
Service parts and consumables (37% of sales)

- Maintenance parts
- Spare parts
- Classic plastic consumables (eg. Pipetting tips, reaction vessels)
- Smart consumables (highly complex cartridges; microfluidics, molding, mastering and coating technologies)

Fueled by growing installed base and increasing complexity

- Continuously growing number of active systems in the lab
- Strong upward trend in the average complexity of systems

Smart consumables



SIMOA™ 24-ASSAY DISC
Quanterix



VITEK® MS
Disposable target slide
bioMérieux

Service and spare parts



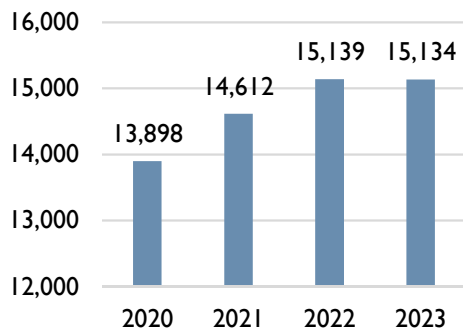
Peristaltic Pump
STRATEC

Classic consumables



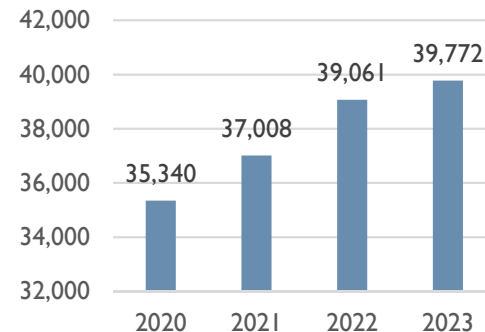
Stackable Cuvette
STRATEC

Installed base¹
STRATEC Instrumentation



■ Installed base (number of system)

Installed base¹
Diatron



Sales split 2023

Service parts and consumables
37%

Development and Services
19%



Systems
44%

¹ Estimated with the assumption of an average six year replacement cycle in the lab

STRONG LONG-TERM CUSTOMER RELATIONSHIPS

A SELECTION OF STRATEC CUSTOMERS

GLOBAL TOP 20 IVD COMPANIES		Sales 2023 (USD billion)
1.	Roche	14.2
2.	Abbott	10.0
3.	Danaher	9.6
4.	Siemens	4.8
5.	Thermo Fisher	4.4
6.	Becton Dickinson	3.6
7.	bioMerieux	3.3
8.	Sysmex	3.1
9.	QuidelOrtho	3.0
10.	Exact Sciences	2.5
11.	Illumina	2.2
12.	CH Werfen (Inova, IL, Biokit)	2.1
13.	Hologic	1.8
14.	Bio-Rad Labs	1.5
15.	Agilent Tech	1.5
16.	Revvity (formerly PerkinElmer)	1.5
17.	Shenzhen Mindray	1.4
18.	DiaSorin	1.2
19.	Natera	1.0
20.	Qiagen	1.0

... And other technology pioneers



■ STRATEC customer ■ Not a STRATEC customer

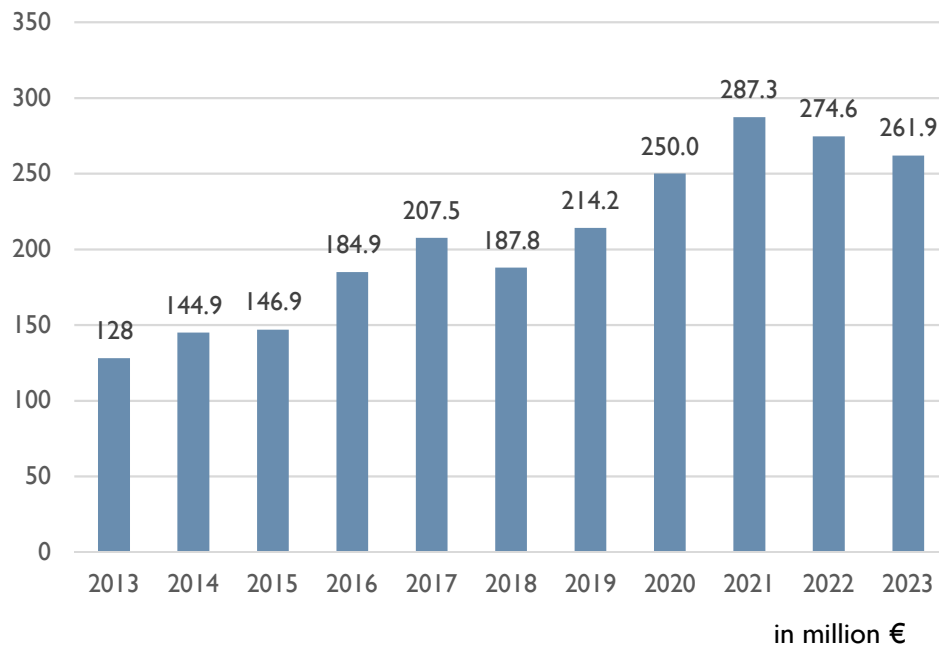
Source: IVD News / non-public companies estimated / non-reported sector sales estimated

FINANCIAL REVIEW

KEY FIGURES - TRACK RECORD

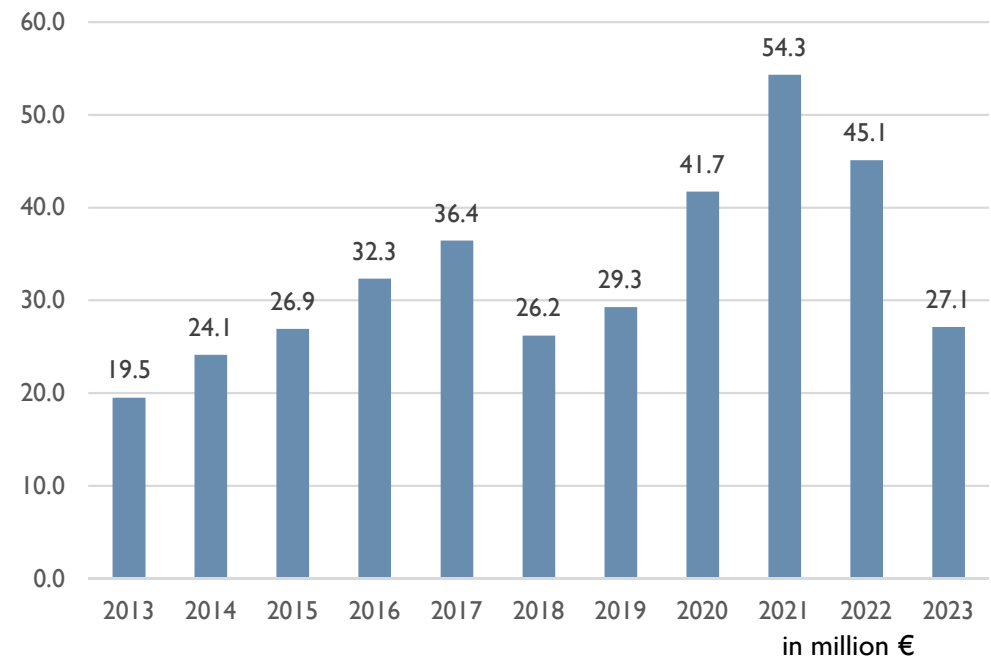
Sales

CAGR ~7%



Adjusted EBIT¹

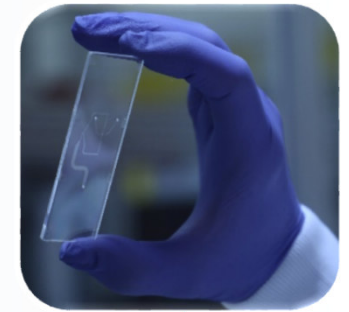
CAGR ~3%



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.

HI 2024 AT A GLANCE

- Noticeable **improved business dynamics** in the **second quarter** (sales **+5.3%** at constant currency) despite **postponement of some system deliveries** to the **second half of the year**
- **Efficiency measures** and **structural improvements** taking effect: HI/2024 adjusted **EBIT margin** up by **260 bps yoy** to **8.2%** → margin in **Q2/2024** at **9.6%**
- **Concluding development milestone** for customer **products** in the field of **transfusion diagnostics** reached
- **Well-filled development pipeline** and **promising negotiations** for **additional development cooperations**
- **Confirmation** of full year **2024 guidance**



FINANCIAL REVIEW

FINANCIALS AT A GLANCE¹

€ 000s	HI/2024	HI/2023	Change	Q2/2024	Q2/2023	Change
Sales	119,076	125,006	-4.7% (cc: -4.9%)	68,205	64,528	+5.7% (cc: +5.3%)
Adjusted EBITDA	17,318	13,897	+24.6%	10,473	6,605	+58.6%
Adjusted EBITDA margin (%)	14.5	11.1	+340 bps	15.4	10.2	+520 bps
Adjusted EBIT	9,715	6,965	+39.5%	6,570	3,149	+108.6%
Adjusted EBIT margin (%)	8.2	5.6	+260 bps	9.6	4.9	+470 bps
Adjusted consolidated net income	5,479	4,060	+35.0%	4,253	1,927	+120.7%
Adjusted basic earnings per share (in €)	0.45	0.33	+36.4%	0.35	0.15	+133.3%
Basic earnings per share IFRS (in €)	0.32	0.20	+60.0%	0.29	0.09	+222.2%

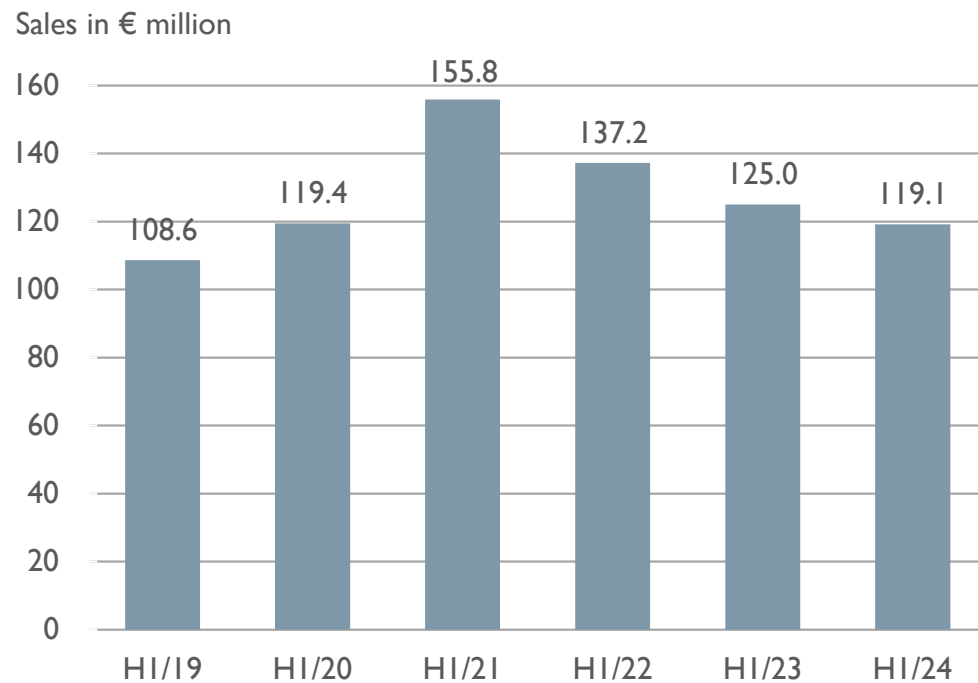
bps = basis points

cc = at constant currency

¹ To facilitate comparison, figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (including advisory expenses and restructuring expenses relating to M&A activities, as well as one-off personnel expenses).

FINANCIAL REVIEW

SALES HI/2024



As of June 30

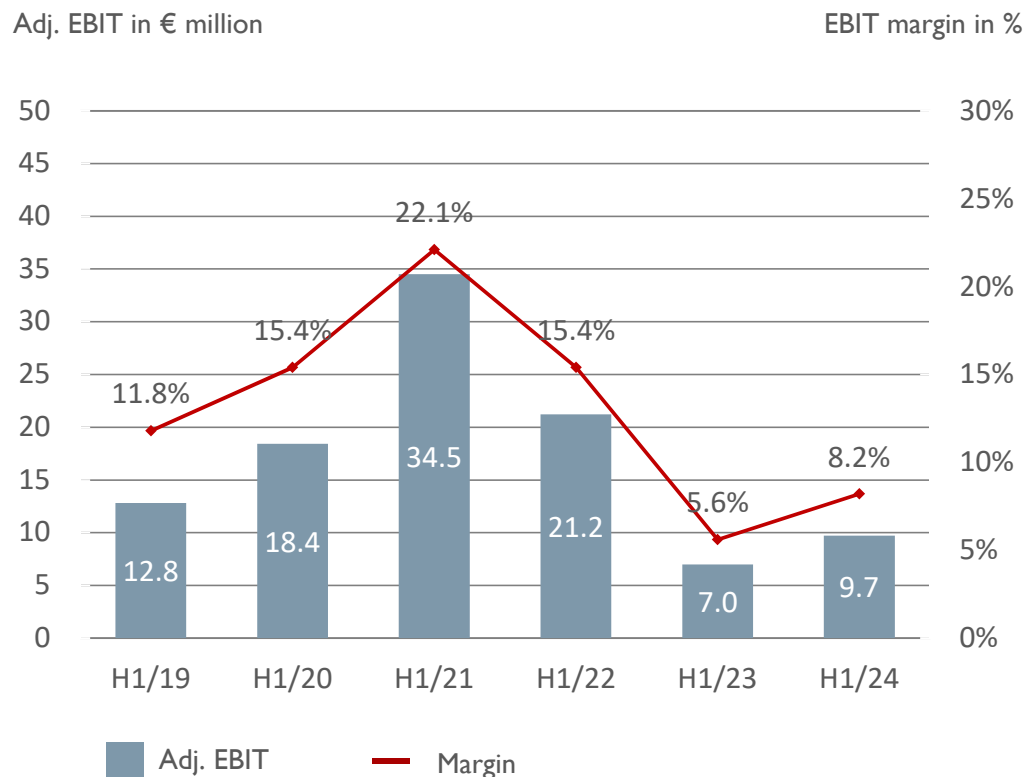
HI/2024 down by 4.9% yoy at constant currency to € 119.1 million¹

- (-) Lower pandemic-related demand for molecular diagnostics solutions
- (-) Flatter than expected ramp-up phase of recently launched MDx product
- (-) Some system deliveries, originally expected for Q2, have been postponed to the second half of the year
- (+) Healthy demand for service parts and consumables
- (+) Significant progress within development projects and corresponding revenue recognition

¹ € 6.8 million from acquisition of Natech Group

FINANCIAL REVIEW

ADJUSTED EBIT AND EBIT MARGIN H1/2024



As of June 30

Adjusted EBIT margin up by 260 bps yoy to 8.2% versus 5.6% in the prior year period

- (+) Efficiency measures and structural changes taking effect
- (+) Revenue mix → high share of service parts and consumables sales
- (+) Currency translation effects
- (-) Negative economies of scale
- (-) Still room for improvement for product mix within systems business

FINANCIAL REVIEW

CASH FLOW AND NET DEBT

€ 000s	H1/2024	H1/2023	Change
Cash flow – operating activities	17,381	3,934	+341.8%
Cash flow – investment activities	-8,773	-8,915	nm
Cash flow – financing activities	-11,627	28,536	nm
Free cash flow	+8,608	-4,981	nm

€ 000s	H1/2024	FY/2023	Change
Cash	30,161	33,532	-10.1%
Equity ratio (%)	50.9	50.0	+90 bps
Net debt	119,907	118,180	+1.5%

- Significantly improved cash flow dynamics on the back of rising profitability and reduced trade receivables position; but still inflated inventory levels
- Investment ratio¹ at 7.3% of sales versus 7.1% in H1/2023 → in-line with full year target corridor of 6.0% to 8.0%
- Net debt / LTM EBITDA of 2.7x

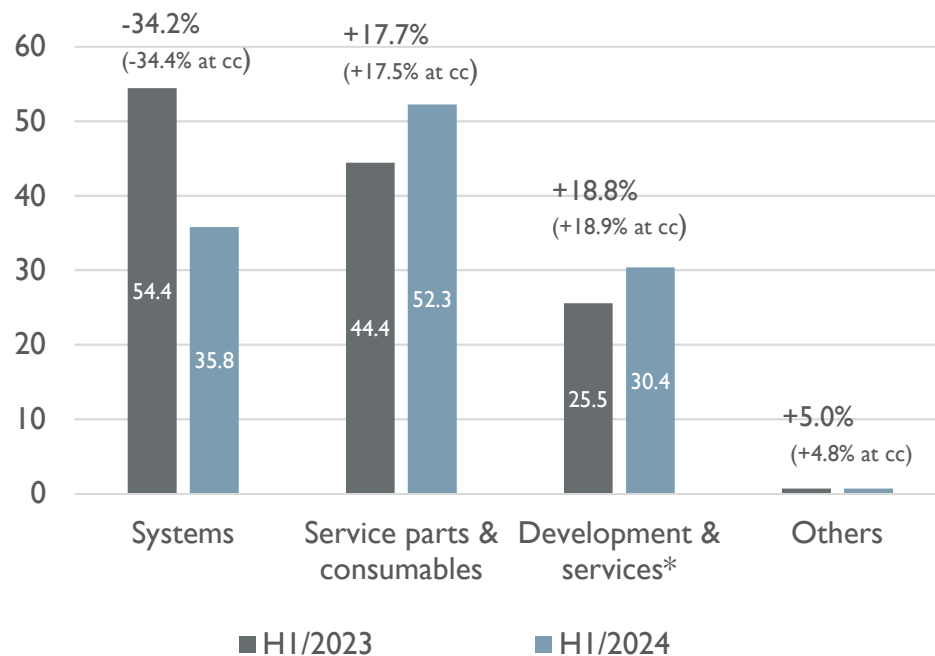
¹ Total investments in intangible and tangible assets in % of sales

LTM = Last twelve months

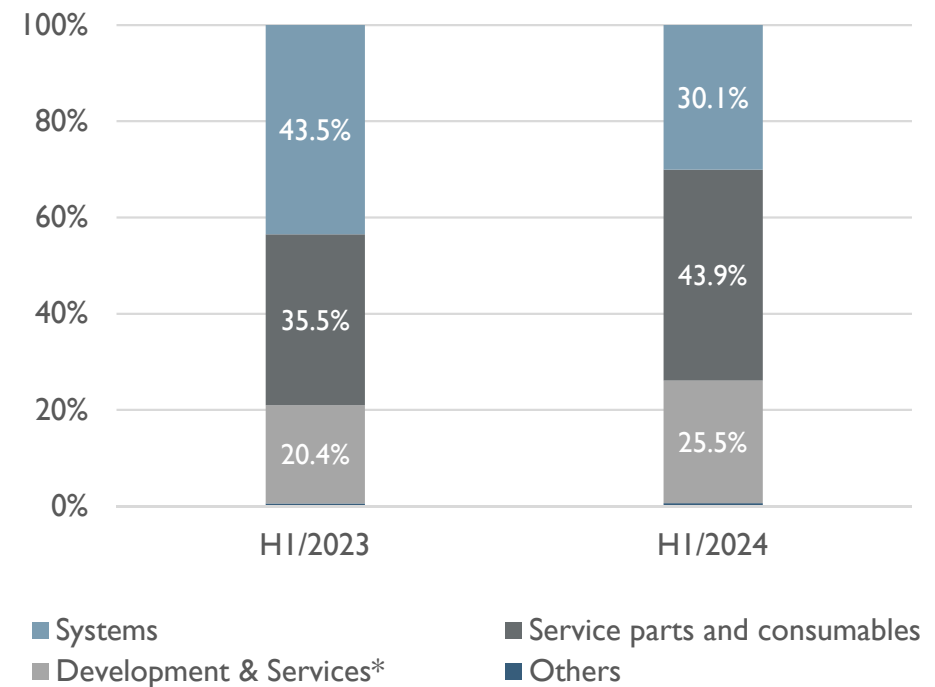
FINANCIAL REVIEW

SALES BY OPERATING DIVISIONS HI/2024

Sales in € million



In % of total sales



cc = at constant currency

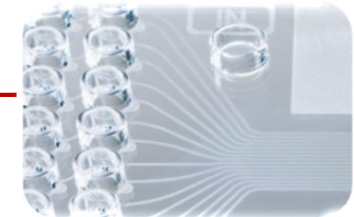
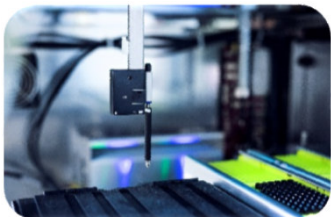
As of June 30

*including pre-series systems and all earlier generations

OUTLOOK

FINANCIAL GUIDANCE FOR FISCAL YEAR 2024

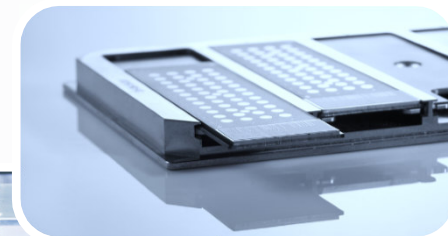
- Sales expected to remain stable or to grow slightly compared with the previous year on a constant-currency basis
- Adjusted EBIT margin of around 10.0% to 12.0% (2023: 10.3%)
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales (2023: 6.7%)



OUTLOOK

FOCUS IN 2024 AND BEYOND

- Maintaining cost discipline throughout the company given earnings improvement measures implemented
 - Reaching pre-pandemic efficiency levels e.g. due to efficiency gains and structural measures established in supply chain
- Continue to grow footprint in selected life science segments with shorter time to market and/or other market mechanics
- Manage and process M&A opportunities according to external growth and diversification strategy
- Execute deal pipeline regarding new development and manufacturing agreements
- Accelerate recognition of synergy potential with Natech Group



APPENDIX



APPENDIX

KEY FIGURES AT A GLANCE¹

IFRS (€ million)	2019	2020	2021	2022	2023
Sales	214.2	250.1	287.3	274.6	261.9
Adjusted EBIT	29.3	41.7	54.3	45.1	27.1
Adjusted EBIT margin (%)	13.7	16.7	18.9	16.4	10.3
Adjusted Consolidated net income	24.1	35.2	45.1	34.7	16.7
Adjusted Earnings per share (€)	2.01	2.92	3.73	2.86	1.37
Dividend per share (€)	0.84	0.90	0.95	0.97	0.55
No. of employees	1,302	1,319	1,398	1,481	1,522
Total assets	299	332	369	398	467
Equity ratio (%)	53.1	52.0	55.8	56.6	50.0
Free cash flow	-6.4	10.0	43.3	-8.7	-24.7

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.

APPENDIX

ADJUSTMENTS HI/2024

EBIT

€ 000s	HI/2024	HI/2023
Adjusted EBIT	9,715	6,965
Adjustments:		
PPA amortization	-1,871	-1,256
Other ¹	-120	-937
EBIT	7,724	4,772

¹ Including advisory expenses and restructuring expenses relating to M&A activities, as well as one-off personnel expenses

Consolidated net income

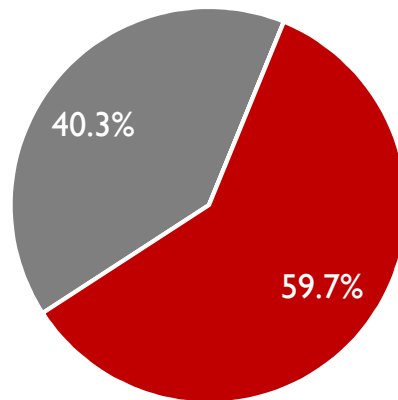
€ 000s	HI/2024	HI/2023
Adjusted consolidated net income	5,479	4,060
Adjusted earnings per share in € (basic)	0.45	0.33
Adjustments:		
PPA amortization	-1,871	-1,256
Other ¹	-120	-937
Taxes on income	434	547
Consolidated net income	3,922	2,414
Earnings per share in € (basic)	0.32	0.20

¹ Including advisory expenses and restructuring expenses relating to M&A activities, as well as one-off personnel expenses

APPENDIX

SHAREHOLDER STRUCTURE

(AS OF: JANUARY 2024)



- Fixed and family ownership (incl. their investment companies)
- Free float

Institutional investors > 3%:
 Brown Capital Management
 Invesco
 Juno Investment Partners

SHARE

IPO	Aug. 1998
Number of shares	12,157,841
Share price (Sep 6, 2024)	€ 42.50
Market capitalization	€ 517 million

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FOR YOUR
ATTENTION