

PRESS RELEASE

STRATEC REPORTS GOOD START TO THE 2019 FINANCIAL YEAR

- Consolidated sales in Q1/2019 up 17.6% year-on-year at constant currency to € 47.7 million; nominal growth of 20.3% (Q1/2018: € 39.6 million)
- Adjusted EBIT for Q1/2019 +26.2% to € 5.1 million (Q1/2018: € 4.0 million)
- Adjusted EBIT margin improves year-on-year by 60 basis points to 10.7%
- Above-average number of product launches expected
- Ongoing high volume of development activities and rising employee totals
- Financial guidance for 2019 financial year confirmed

Birkenfeld, May 24, 2019

STRATEC SE, Birkenfeld, Germany (Frankfurt: SBS; Prime Standard) today announced its financial results and major events for the period from January 1, 2019 to March 31, 2019 with the publication of its Quarterly Statement Q1|2019.

KEY FIGURES¹

€ 000s	Q1/2019	Q1/2018 ²	Change
Sales	47,675	39,641	+20.3%
Adjusted EBITDA	7,362	5,563	+32.3%
Adjusted EBITDA margin (%)	15.4	14.0	+140 bps
Adjusted EBIT	5,079	4,023	+26.2%
Adjusted EBIT margin (%)	10.7	10.1	+60 bps
Adjusted consolidated net income ³	3,836	3,357	+14.3%
Adjusted earnings per share (€) ³	0.32	0.28	+14.3%
Earnings per share (€) ³	0.12	0.09	+33.3%

bps = Basis points

¹ For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions and the associated reorganization expenses, as well as other non-recurring effects.

² Retrospectively restated for IFRS 9 and IFRS 15 and for classification of nucleic acid purification business as discontinued operation pursuant to IFRS 5. Not retrospectively restated for IFRS 16.

³ Results from continuing operations.

BUSINESS PERFORMANCE

Consolidated sales grew year-on-year by 20.3% to € 47.7 million in the first quarter of 2019 (Q1/2018: € 39.6 million). On a constant currency basis, this corresponds to growth of 17.6%. This sales growth was driven in particular by higher call-up numbers for systems in the Instrumentation segment. Thanks to recent product launches, sales in the Diatron segment also rose significantly compared with the previous year.

Adjusted EBIT increased by 26.2% to € 5.1 million in the first quarter of 2019, compared with € 4.0 million in the previous year. As a result, the adjusted EBIT margin rose year-on-year by 60 basis points to 10.7%. The margin was positively affected in particular by the higher sales volumes and associated benefits of scale. This effect was nevertheless partly offset by increased costs in connection with the full development pipeline, higher personnel expenses relating to stock appreciation rights, and the product mix. In line with expectations, the launch of a new ERP system in January and the therefore scheduled interruption to production activities also impacted negatively on the company's performance.

Due to the increase in operating profitability, adjusted consolidated net income from continuing operations also improved, in this case by 14.3% from € 3.4 million in the previous year to € 3.8 million. Adjusted earnings per share from continuing operations (basic) amounted to € 0.32, as against € 0.28 in the previous year's quarter.

To facilitate comparison, the adjusted figures are stated net of the amortization of purchase price allocations resulting from acquisitions, associated restructuring expenses, and other non-recurring items. A reconciliation of the adjusted figures with the figures reported in the consolidated income statement has been provided in the Quarterly Statement Q1|2019 also published today.

PROJECTS AND OTHER DEVELOPMENTS

Due in particular to the high volume of development activities performed in recent years, STRATEC expects an above-average number of product launches in the 2019 financial year. Consistent with this expectation, in the first quarter of 2019 a North American partner already reported CE-IVD certification for a system designed and manufactured by STRATEC. The market launches of two further systems designed by STRATEC in cooperation with partners are also scheduled to take place by the middle of the year. Furthermore, proprietary developments in the platform and module businesses are planned to be launched onto the market in the second half of the year.

On an operating level, the successful go-live of a new ERP system at the company's two largest production locations in Birkenfeld (DE) and Beringen (CH) in the first quarter of 2019 represented a major milestone. Following implementation at the Budapest (HU) and Anif (AT) locations in 2018 already, this means that all locations relevant to the STRATEC Group's production activities now have a uniform ERP system. Once the inefficiencies customary to the initial phase have been addressed, the new system will make cooperation between the locations significantly easier and enable processes to be structured more efficiently.

DEVELOPMENT IN PERSONNEL

Including personnel hired from a temporary employment agency and trainees, the STRATEC Group had a total of 1,217 employees as of March 31, 2019. This represents an increase of 9.6% compared with the previous year's reporting date. The ongoing growth in the number of employees is due in particular to the company's great need for highly qualified development employees in connection with its constantly growing development pipeline. STRATEC expects to require large numbers of additional highly qualified staff to implement the projects in its development pipeline in the years ahead as well.

FINANCIAL GUIDANCE

Based on its performance in the first quarter, which was in line with expectations, and the current order forecasts received from its customers, STRATEC confirms the financial guidance issued for the 2019 financial year. STRATEC therefore still expects to generate sales growth adjusted for exchange rate effects of at least 12% in 2019 (basis: € 187.8 million) and an adjusted EBIT margin of around 14% to 15% (2018: 13.9%).

Given the construction work underway to significantly expand capacities at its headquarters in Birkenfeld and investments in numerous development projects, STRATEC expects its investment ratio to remain at an above-average high level in 2019. The company has budgeted investments in property, plant and equipment and intangible assets corresponding to around 12% to 14% of sales for 2019 (previous year: 10.3%). However, the investment ratio will likely decline considerably from 2020 onwards once the construction measures have been completed.

QUARTERLY STATEMENT Q1|2019

The Quarterly Statement Q1|2019 of STRATEC SE is published on the company's website at www.strattec.com/financial_reports.

CONFERENCE CALL AND AUDIO WEBCAST

To comment on the publication of the results of the first quarter 2019, we will be holding a conference call in English today, Friday, May 24, 2019, at 2.00 p.m. (CEST).

You will receive the access data (telephone number, password + individual PIN) after brief registration via the following link: www.strattec.com/registration

The conference call can also be followed as an audio webcast at www.strattec.com/audiowebcast20190524 (brief registration necessary). Please note that it is not possible to submit any questions via the audio webcast. You can also use this link to follow or download the slide presentation.

ABOUT STRATEC

STRATEC SE (www.stratec.com) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. Furthermore, the company offers integrated laboratory software and complex consumables for diagnostic and medical applications. STRATEC covers the entire value chain – from development to design and production through to quality assurance.

The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of its own patented technologies.

Shares in the company (ISIN: DE000STRA555) are traded in the Prime Standard segment of the Frankfurt Stock Exchange.

FURTHER INFORMATION IS AVAILABLE FROM:

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