

PRESS RELEASE

STRATEC REPORTS RESULTS FOR FIRST NINE MONTHS OF 2022

- Sales in 9M/2022 -7.9% to € 207.7 million (9M/2021: € 225.4 million); constant currency: -11.7%
- Adjusted EBIT of € 38.1 million in 9M/2022 (9M/2021: € 48.7 million)
- Adjusted EBIT margin of 18.3% (9M/2021: 21.6%) at upper end of target corridor communicated for full year
- Significant product launch for molecular diagnostics market leader in third quarter of 2022 and well-stocked development pipeline
- Recently adjusted 2022 guidance confirmed: STRATEC expects constant-currency sales to decrease by around 5% to 8% and adjusted EBIT margin at around 16.5% to 18.5%

Birkenfeld, November 3, 2022

STRATEC SE, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard, SDAX) today announced its financial results and major events for the period from January 1, 2022 to September 30, 2022 with the publication of its Quarterly Statement 9M|2022.

KEY FIGURES¹

€ 000s	9M/2022	9M/2021	Change	Q3/2022	Q3/2021	Change
Sales	207,654	225,420	-7.9%	70,461	69,655	+1.2%
EBITDA	48,095	57,665	-16.6%	20,254	17,391	+16.5%
EBITDA margin (%)	23.2	25.6	-240 bps	28.7	25.0	+370 bps
Adj. EBIT	38,067	48,690	-21.8%	16,889	14,233	+18.7%
Adj. EBIT margin (%)	18.3	21.6	-330 bps	24.0	20.4	+360 bps
Adj. consolidated net income	29,549	40,563	-27.2%	12,870	12,016	+7.1%
Adj. earnings per share (€)	2.44	3.35	-27.2%	1.06	0.99	+7.1%
Earnings per share (€)	2.04	3.00	-32.0%	1.00	0.92	+8.7%

Adj. = adjusted
bp = basis points

¹ To facilitate comparison, the figures have been adjusted to exclude amortization from acquisition-related purchase price allocations and a tax provision recognized for expected tax back payments (including interest payments). In the previous year, the figures were also adjusted to exclude an impairment recognized on a proprietary development project in the Diatron segment.

BUSINESS PERFORMANCE

The STRATEC Group generated consolidated sales of € 207.7 million in the first nine months of 2022 (9M/2021: € 225.4 million). This corresponds to a year-on-year reduction in sales by 7.9% (constant currency: -11.7%). In keeping with expectations, this decrease was chiefly due to the previous year's high pandemic-related basis of comparison (high additional demand for molecular diagnostics solutions). Furthermore, delivery backlogs again rose further in the third quarter of 2022 due to the ongoing highly tense situation in supply chains (especially for electronics components). Given these factors, the first nine months of 2022 witnessed a significant reduction in sales in the Systems business and, to a lesser extent, in sales with Service Parts and Consumables. By contrast, sales with Development and Services reached a new record level thanks to the high volume of development services recognized.

Adjusted EBIT amounted to € 38.1 million in the first nine months of 2022, as against € 48.7 million in the previous year. The adjusted EBIT margin stood at 18.3% (9M/2021: 21.6%). The margin thus fell 330 basis points short of the previous year's level but was nevertheless at the upper end of the target corridor communicated for the full year (16.5% to 18.5%). The lower level of profitability compared with the previous year, which is consistent with expectations, was due among other aspects to negative benefits of scale, a normalization in the product mix, and higher input costs. These factors were countered by a high volume of earnings contributions from development services recognized in the third quarter of 2022.

Given the lower level of operating earnings, adjusted consolidated net income for the first nine months of 2022 also decreased, in this case from € 40.6 million to € 29.5 million. Adjusted earnings per share (basic) amount to € 2.44 (9M/2021: € 3.35).

To facilitate comparison, the key earnings figures for the first nine months of 2022 have been adjusted to exclude amortization resulting from acquisition-related purchase price allocations and a provision recognized for expected tax back payments (including interest payments) for the period from 2014 to 2021 (tax expenses: € 2.4 million; interest expenses: € 0.2 million). A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income can be found in the Quarterly Statement 9M/2022 also published today.

FINANCIAL GUIDANCE

With regard to the delivery backlogs that have arisen during the financial year, the ongoing highly tense situation in supply chains means that STRATEC no longer expects to be able to make up for these by the end of the year to the extent originally planned. On October 18, 2022, STRATEC's Board of Management therefore adjusted its full-year sales guidance for 2022 and published an ad-hoc announcement to this effect. Accordingly, STRATEC expects its constant-currency sales to decrease by around 5.0% to 8.0% in the 2022 financial year (nominal sales reduction of 1.0% to 4.0%). The adjusted EBIT margin is still forecast at an unchanged range of around 16.5% to 18.5%.

For 2022, STRATEC still expects total investments in property, plant and equipment and in intangible assets to correspond to 6.0% to 8.0% of sales (2021: 7.0%).

PROJECTS AND OTHER DEVELOPMENTS

Together with its partners, STRATEC reached significant milestones in numerous development projects and launched new products onto the market in the first nine months of 2022. One partner (a market leader in the field of in-vitro diagnostics) launched a latest-generation molecular diagnostics system solution onto the market in the third quarter of 2022. STRATEC developed both the instrumentation and the highly complex polymer-based consumables needed to perform tests for this partner and transferred these to serial production.

Based on a well-stocked development pipeline, STRATEC expects numerous new product launches for new and existing partners in the coming months and years as well. The pipeline is also benefiting from dynamic developments in terms of reaching agreements for additional development cooperations. This is indicative of the trend observable within the industry towards instrumentation solutions being outsourced to specialist partners such as STRATEC.

DEVELOPMENT IN PERSONNEL

Including personnel hired from temporary employment agencies and trainees, the STRATEC Group had a total of 1,449 employees as of September 30, 2022 (previous year: 1,406). STRATEC's team has thus continued to grow in the past twelve months (3.1% on previous year's reporting date). Given its well-stocked development pipeline and the associated high volume of development activity, STRATEC expects to have a growing need for additional highly qualified staff in future as well.

QUARTERLY STATEMENT 9M|2022

The Quarterly Statement 9M|2022 of STRATEC SE has been published on the company's website at www.stratec.com/financial_reports.

CONFERENCE CALL AND AUDIO WEBCAST

To mark the publication of the definitive results for the first nine months of 2022, STRATEC will be holding a conference call in English at 2.00 p.m. (CET) today, Thursday, November 3, 2022.

You will receive the dial-in data (telephone number, password + individual PIN) following brief registration at the following link: www.stratec.com/registration

The conference call will also be available at the same time as an audio webcast at <http://www.stratec.com/audiowebcast20221103> (brief registration required). Please note that no questions can be submitted via the audio webcast. Clicking this link also enables you 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 life sciences. Furthermore, the company offers complex consumables for diagnostic and medical applications. For its analyzer systems and consumables, 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 patented technologies.

Shares in the company (ISIN: DE000STRA555) are traded in the Prime Standard segment of the Frankfurt Stock Exchange and are listed in the SDAX select index of the German Stock Exchange.

FURTHER INFORMATION IS AVAILABLE FROM:

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