

**POWER**

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**STRATEC**  
**9M/2023 FINANCIAL RESULTS**

Birkenfeld, 2023-10-27

## 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. 9M/2023 HIGHLIGHTS
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

## 9M/2023 AT A GLANCE

- **Sales -9.1%** at constant-currency to €187.7 million
  - Sales performance still adversely affected by **excess molecular diagnostics capacities** built up during **pandemic**
  - **Market demand** does not yet break through due to **destocking effects** following global supply crisis
  - **Stockholdings** at customers expected to **return to normal levels** at the **beginning/in the middle of 2024**
- **Significant intra-year improvement in profitability in Q3/2023** with adjusted **EBIT margin of 14.8%**
  - **Substantial progress** within initiated **earnings improvement program** (current run rate ahead of schedule)
- **Financial guidance for 2023: sales guidance slightly adjusted and margin target confirmed**
- Well-stocked development pipeline **and significant expansion** of two **major development cooperations**

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# FINANCIAL REVIEW

## FINANCIALS AT A GLANCE<sup>1</sup>

€ 000s	9M/2023	9M/2022	Change	Q3/2023	Q3/2022	Change
Sales	187,680	207,654	-9.6%	62,674	70,461	-11.1%
Adjusted EBITDA	27,267	48,095	-43.3%	13,370	20,254	-34.0%
Adjusted EBITDA margin (%)	14.5	23.2	-870 bps	21.3	28.7	-740 bps
Adjusted EBIT	16,222	38,067	-57.4%	9,257	16,889	-45.2%
Adjusted EBIT margin (%)	8.6	18.3	-970 bps	14.8	24.0	-920 bps
Adjusted consolidated net income	9,742	29,549	-67.0%	5,682	12,870	-55.9%
Adjusted basic earnings per share (in €)	0.80	2.44	-67.2%	0.47	1.06	-55.7%
Basic earnings per share IFRS (in €)	0.62	2.04	-69.6%	0.42	1.00	-58.0%

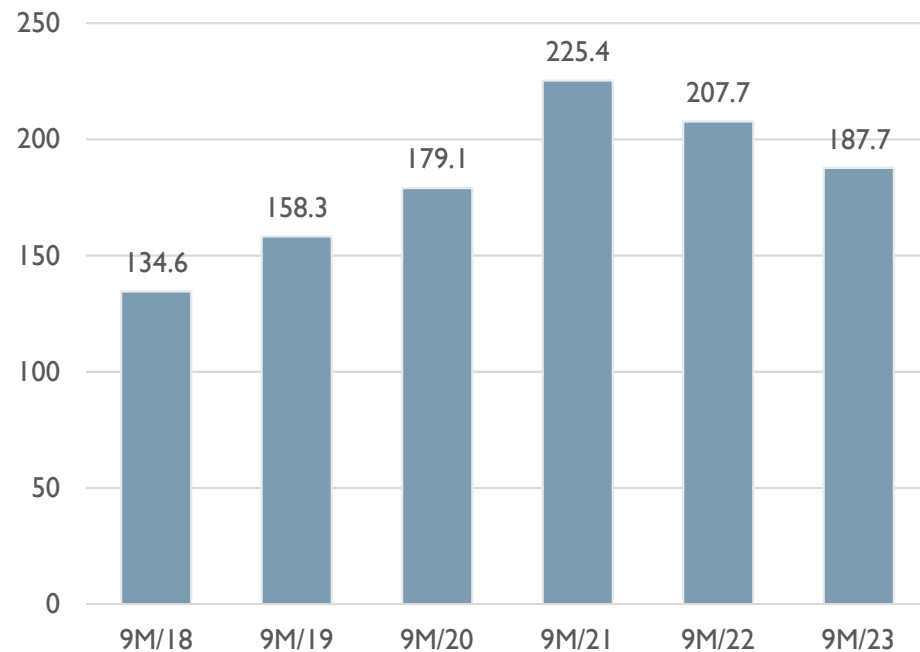
Adj. = adjusted / bps = basis points

<sup>1</sup> For comparison purposes, adjusted figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses and restructuring costs relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments).

# FINANCIAL REVIEW

## SALES 9M/2023

Sales in € million



As of September 30

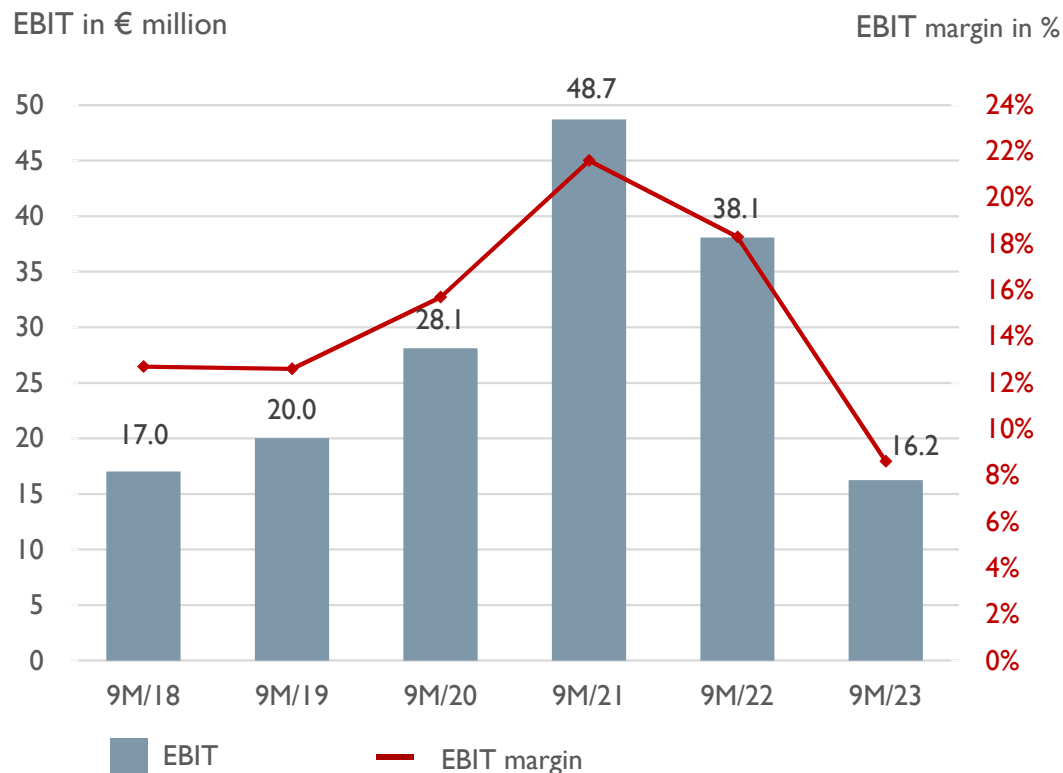
Sales in 9M/2023 -9.6% to € 187.7 million

→ -9.1% at constant currency

- (-) Pandemic related overcapacities within MDx market and still elevated inventory levels at customers
- (-) Low utilization levels within the installed base limits growth with service parts
- (+) Slight growth with development and service sales versus tough prior year base of comparison
- (+) Growing contributions from newly launched systems

# FINANCIAL REVIEW

## ADJUSTED EBIT AND EBIT MARGIN 9M/2023



9M/2023 adjusted EBIT down by 57.4% yoy to € 16.2 million, margin at 8.6%

- (-) Negative economies of scale
- (-) Product mix effects
- (+) Implemented price adjustments
- (+) Targeted measures in areas of personnel and development

Significant improvement in Q3/2023 with adjusted EBIT margin of 14.8%

As of September 30



# FINANCIAL REVIEW

## CASH FLOW AND NET DEBT

€ 000s	9M/2023	9M/2022	Change
Cash flow – operating activities	10,709	22,285	-51.9%
Cash flow – investment activities	-45,666	-16,921	n/a
Cash flow – financing activities	26,634	-16,938	n/a
Free cash flow	-34,957	5,364	n/a

€ 000s	9M/2023	FY/2022	Change
Cash	14,315	22,668	-36.8 %
Equity ratio (%)	51.0	56.6	-560 bps
Net debt	131,803	76,619	+72 %

- Operating cash flow burdened by lower operating profitability and still materially inflated inventory levels
- Cash flow from investment activities includes € 27.7 million outflow for Natech Plastics acquisition
- Investment ratio<sup>1</sup> at 7.5% of sales versus 5.8% in 9M/2022 → in-line with full year target corridor of 6.0% to 8.0%
- Net debt / EBITDA<sup>2</sup> ~3x

<sup>1</sup> Total investments in intangible and tangible assets in % of sales

<sup>2</sup> Based on EBITDA forecast for 2023

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# OUTLOOK

## EARNINGS IMPROVEMENT PROGRAM\*

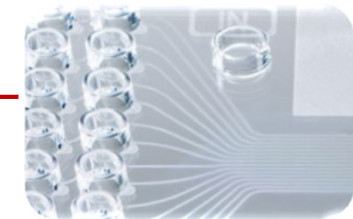
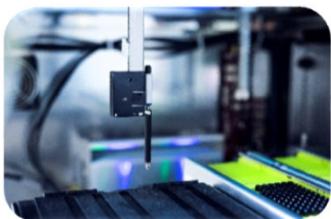
Focus area	Earnings impact 2024 (pre-tax)	Status
<b>Personnel measures</b> <ul style="list-style-type: none"> <li>– Temporary and partial hiring freeze</li> <li>– Reallocation of resources</li> <li>– Reduction of personnel related consultancy costs, etc.</li> </ul>	<b>+4.0 to +5.0 million €</b>	<ul style="list-style-type: none"> <li>– Hiring freeze implemented since March 2023</li> <li>– On track to achieve positive earnings impact of around € 4.0 million already in 2023</li> </ul>
<b>Focused price adjustment strategies</b>	<b>+5.0 to +8.0 million €</b>	<ul style="list-style-type: none"> <li>– Price increases for major products have become effective as of 1 July 2023</li> </ul>
<b>Non-personnel cost reductions and others</b> <ul style="list-style-type: none"> <li>- Procurement optimizations</li> <li>- Product portfolio optimizations</li> <li>- Others</li> </ul>	<b>+1.0 to +2.0 million €</b>	<ul style="list-style-type: none"> <li>– Extended program to optimize procurement structures and processes initiated</li> <li>– First positive effects from logistical measures on the back of improved market environment</li> </ul>
<b>TOTAL</b>	<b>+10.0 to +15.0 million €</b>	

\*Compared with the original company budget

# OUTLOOK

## UPDATED GUIDANCE FOR FISCAL YEAR 2023

- Adjustment of sales outlook 2023: Sales expected to fall slightly short on a constant-currency basis compared to previous year (previously: sales to remain stable or grow slightly)
  - Ongoing and pandemic-related period of subdued developments in the molecular diagnostics instrumentation solutions market
- Adjusted EBIT margin of around 10.0% to 12.0% (2022: 16.4%) - *confirmed*
  - Implemented price increases and further progress in the execution of earnings improvement program
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales - *confirmed*



# QUESTIONS & ANSWERS

# APPENDIX

## ADJUSTMENTS 9M/2023

### EBIT

€ 000s	9M/2023	9M/2022
<b>Adjusted EBIT</b>	<b>16,222</b>	<b>38,067</b>
<b>Adjustments:</b>		
PPA amortization	-1,713	-2,627
Other <sup>1</sup>	-1,217	0
<b>EBIT</b>	<b>13,292</b>	<b>35,440</b>

<sup>1</sup> Advisory expenses and restructuring costs in connection with M&A activities as well as one-off personnel expenses

### Consolidated net income

€ 000s	9M/2023	9M/2022
<b>Adjusted consolidated net income</b>	<b>9,742</b>	<b>25,549</b>
<b>Adjusted earnings per share in € (basic)</b>	<b>0.80</b>	<b>2.44</b>
<b>Adjustments:</b>		
PPA amortization	-1,713	-2,627
Other <sup>1</sup>	-1,217	0
Taxes on income	714	-2,020
Interest expenses	0	-183
<b>Consolidated net income</b>	<b>7,526</b>	<b>24,719</b>
<b>Earnings per share in € (basic)</b>	<b>0.62</b>	<b>2.04</b>

<sup>1</sup> Advisory expenses and restructuring costs in connection with M&A activities as well as one-off personnel expenses

## CONTACT

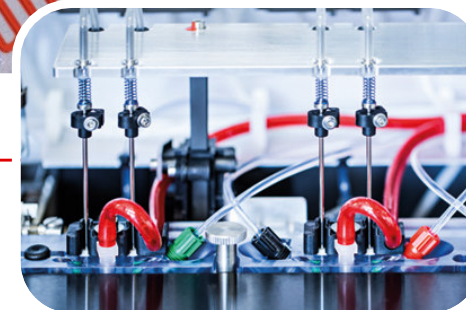
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