

STRATEC 9M 2022 FINANCIAL RESULTS

Birkenfeld, 2022-11-03

A PERFECT MATCH IN
DIAGNOSTICS

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 2022 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

9M 2022 AT A GLANCE

- **Sales -11.7%** at constant exchange rates to **€ 207.7 million** due to tough prior year **base of comparison** and **delivery backlogs** as result of **tense supply chain** (particularly for electronics components)
- **Sales outlook** for 2022 **adjusted** on 18 October as **make up of delivery backlogs takes longer** than expected
- **Adjusted EBIT** margin with **18.3%** (9M/2021: 21.6%) at the **upper end** of guided full year **target corridor**
- **Successful market launch** of a next generation **MDx system** solution for one of the market leaders in Q3 2022
- **Well-stocked development pipeline** and **high number** of ongoing **negotiations** about **further projects**
- **Number of employees** up by **3.1%** year-over-year to **1,449**



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FINANCIAL REVIEW

FINANCIALS AT A GLANCE¹

€ 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
Adjusted EBIT	38,067	48,690	-21.8%	16,889	14,233	+18.7%
Adjusted EBIT margin (%)	18.3	21.6	-330 bps	24.0	20.4	+360 bps
Adjusted consolidated net income	29,549	40,563	-27.2%	12,870	12,016	+7.1%
Adjusted basic earnings per share (in €)	2.44	3.35	-27.2%	1.06	0.99	+7.1%
Basic earnings per share IFRS (in €)	2.04	3.00	-32.0%	1.00	0.92	+8.7%

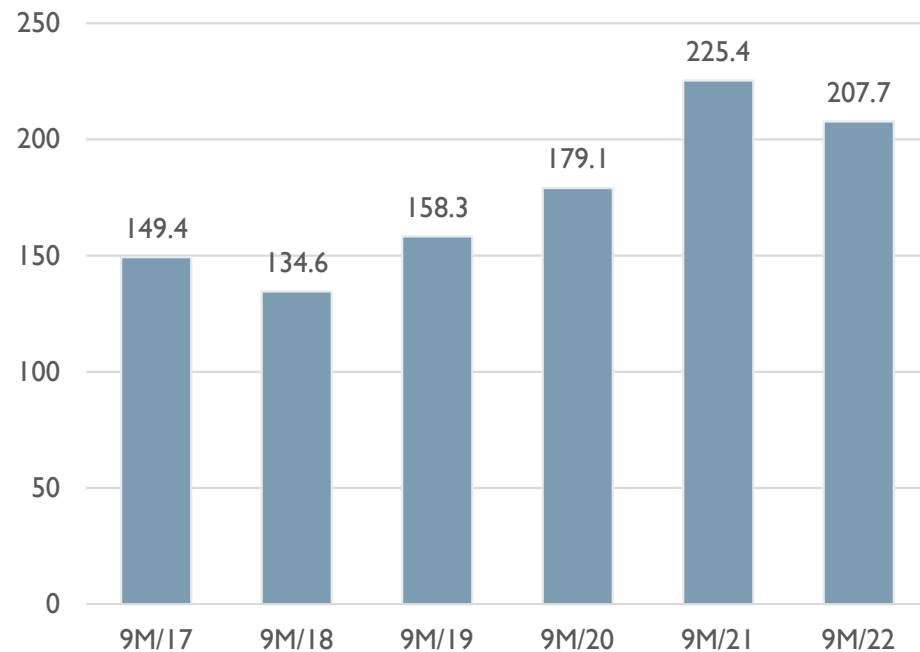
bps = basis points

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.

FINANCIAL REVIEW

SALES 9M/2022

Sales in € million



As of September 30

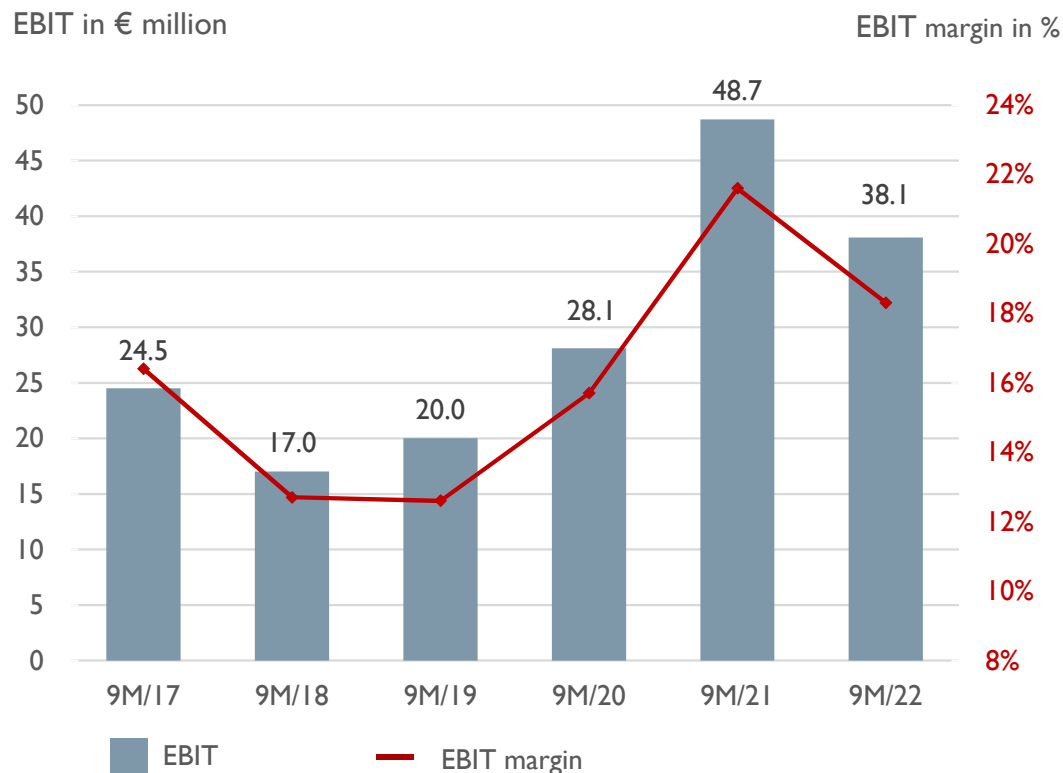
Sales in 9M/2022 -7.9% to € 207.7 million

→ -11.7% at constant currency

- (-) High prior year base of comparison (pandemic-related)
- (-) Tense supply chain and significant delivery backlogs
- (+) Strong growth with development and service sales

FINANCIAL REVIEW

ADJUSTED EBIT AND EBIT MARGIN 9M/2022



As of September 30

9M/2022 adjusted EBIT down by 21.8% yoy to € 38.1 million

9M/2022 adjusted EBIT margin at 18.3%
→ at upper end of full year target corridor

Margin decline of 330 bps yoy

- (-) Negative economies of scale
- (-) Normalization of product mix
- (-) Increased input costs and supply chain inefficiencies
- (+) High earnings contribution from recognized development services

FINANCIAL REVIEW

CASH FLOW AND NET DEBT

€ 000s	9M/2022	9M/2021	Change
Cash flow – operating activities	22,285	50,523	-55.9%
Cash flow – investment activities	-16,921	-15,343	n/a
Cash flow – financing activities	-16,938	-26,952	n/a
Free cash flow	5,364	35,180	-84.8%

€ 000s	9M/2022	FY/2021	Change
Cash	34,400	47,184	-27,1%
Equity ratio (%)	53.8	55.8	-200 bps
Net debt	69,792	52,443	+33,1%

- Operating cash flow burdened by higher inventory needs related to supply chain issues
- Cash flow from investment activities includes € 4.8 million outflow for short-term deposits
- Investment ratio¹ at 5.8% of sales versus 6.8% in 9M/2021 → slightly below full year target corridor of 6.0% to 8.0%
- Net debt / LTM EBITDA of 1.2x

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

LTM = Last twelve months

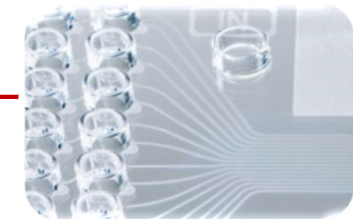
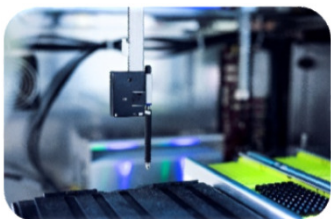
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OUTLOOK

GUIDANCE FOR FISCAL YEAR 2022

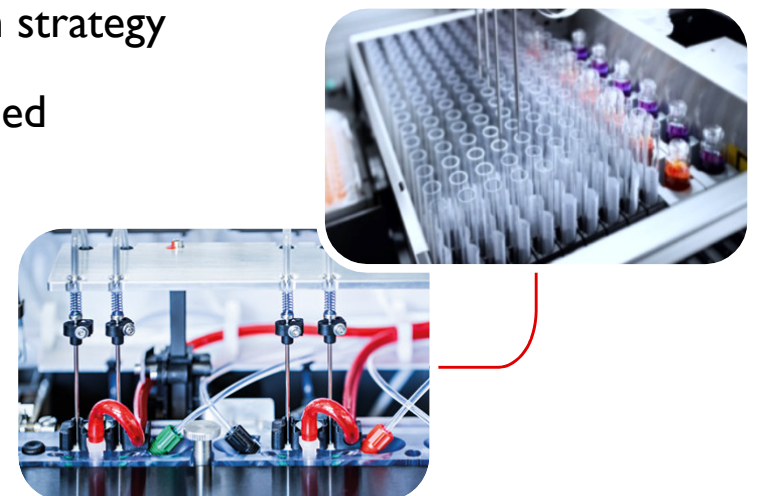
- Constant-currency sales to decrease by around 5.0% to 8.0% in the 2022 financial year (nominal sales reduction of 1.0% to 4.0%)
 - No notable recovery in the procurement situation expected for the remaining months of FY 2022
- Adjusted EBIT margin of around 16.5% to 18.5% (2021: 18.9%)
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales (2021: 7.0%)



OUTLOOK

FOCUS IN 2022 AND BEYOND

- Address supply chain issues and clear delivery backlogs
- Execute on current development pipeline and launch line-up
- Execute deal pipeline regarding new development and manufacturing agreements
- Realize tailwinds from stricter EU regulations (e.g. utilize competitive edge versus non-IVDR-compliant competitive set-ups)
- Implement measures to limit input cost inflation
- M&A remains part of the company's growth and diversification strategy
- Manage additional personnel requirements in view of a well-filled project pipeline



QUESTIONS & ANSWERS

APPENDIX

ADJUSTMENTS

EBIT

€ 000s	9M/2022	9M/2021
Adjusted EBIT	38,067	48,690
Adjustments:		
PPA amortization	-2,627	-3,907
Impairment	0	-1,049
EBIT	35,440	43,734

Consolidated net income

€ 000s	9M/2022	9M/2021
Adjusted consolidated net income	29,549	40,563
Adjusted earnings per share in € (basic)	2.44	3.35
Adjustments:		
PPA amortization	-2,627	-3,907
Impairment	0	-1,049
Taxes on income	-2,020	741
Interest expenses	-183	0
Consolidated net income	24,719	36,348
Earnings per share in € (basic)	2.04	3.00

CONTACT

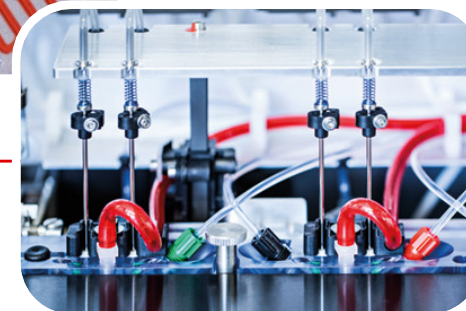
STRATEC SE
Gewerbestr. 37
75217 Birkenfeld
Germany

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

CONTACT

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

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



THANK YOU
FOR YOUR
ATTENTION