

FY 2016 Annual Results

Conference Call

April 20, 2017

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

- **2016 at a Glance**
- Performance in 2016
- Focus 2017
- Questions and Answers

2016 at a Glance

Financial Performance

- Sales: € 184.9 million (+25.9%)
- EBIT: € 32.3 million ⁽¹⁾ (+20.1%)
- EBIT margin: 17.5% ⁽¹⁾ (-80 bps)
- Net income: € 25.4 million ⁽²⁾ (+14.9%)
- Tax rate at 14.7% (2015: 18.7%)
- EPS: € 2.14 ⁽²⁾ (+14.4%)
- Equity ratio: 55.7% (2015: 82.0%)
- Proposed dividend per share: € 0.77 (previous year: € 0.75)

⁽¹⁾ figure adjusted for one-off items resulting from transaction activities and related reorganization expenses

⁽²⁾ figure additionally adjusted for financing expenses and tax expenses in connection with the acquisitions of the Diatron Group and STRATEC Consumables, for one-off items resulting from the tax audit for the 2009 to 2013 assessment periods, and for tax effects relating to reorganization expenses

2016 at a Glance

Operational Performance

- Service parts business improved to 29.0% of total sales (2015: 24.3%) – including Diatron & STRATEC Consumables
- New developments for major customer programs
- Milestones for ongoing developments achieved
- Development of three STRATEC platforms in advanced stage

Update on integration process of newly acquired units

- Integration process transformed into optimization program
- Combined business cases on the way
- Implementation of a group-wide ERP system

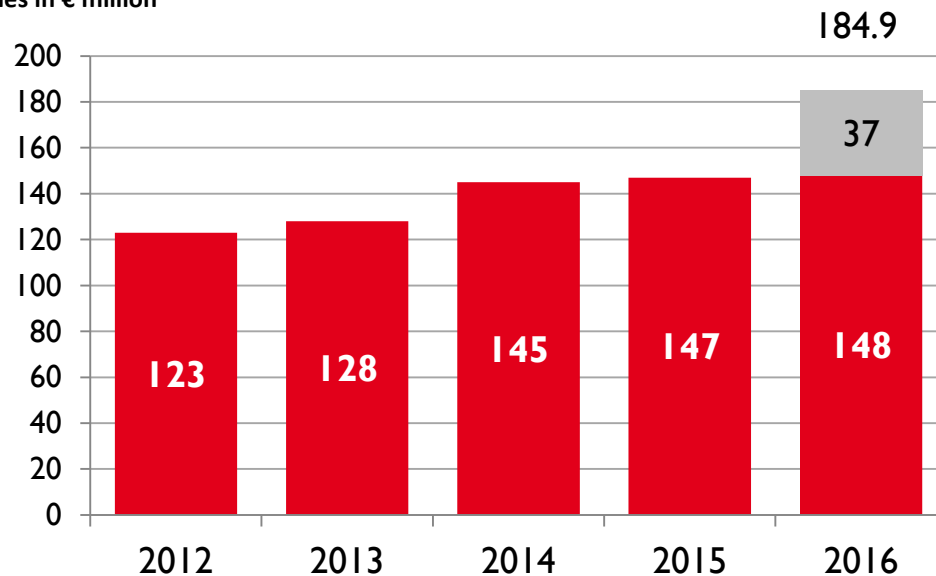
AGENDA

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Sales

Full Year Sales as of December 31

Sales in € million



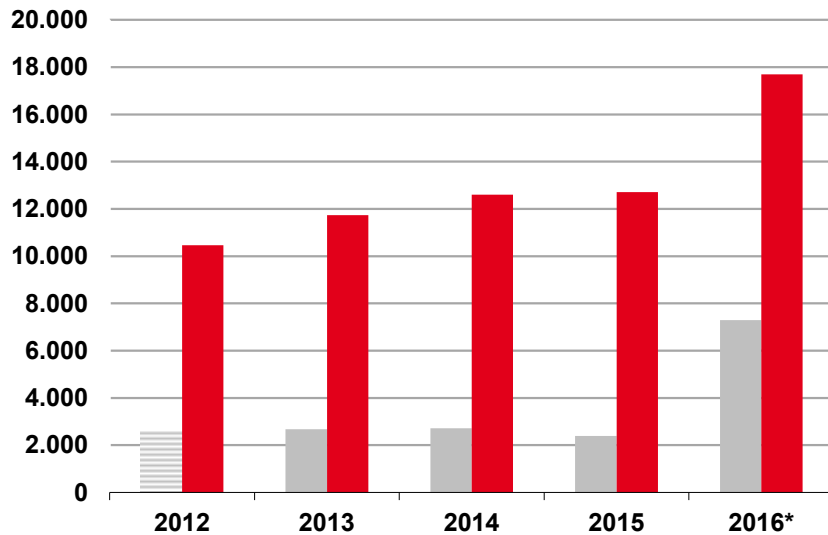
■ Annual Sales as of 12/31

- 2016: +25.9% to € 184.9 million
 - Organic: €148.1 million (+0.8%)
- Growth driven by:
 - Service parts business
 - Development projects
 - Diatron and STRATEC Consumables

Installed Base and Product Groups

As of December 31

Delivered systems & installed base

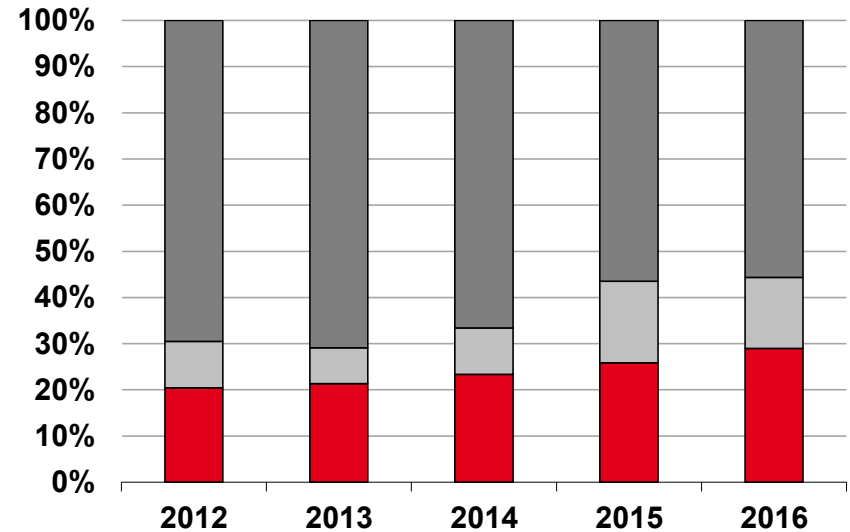


- Number of analyzer systems delivered
- Installed base (based on a 5 year average life cycle)

* 2016 includes delivered systems by Diatron

As of December 31

Relative share by product group

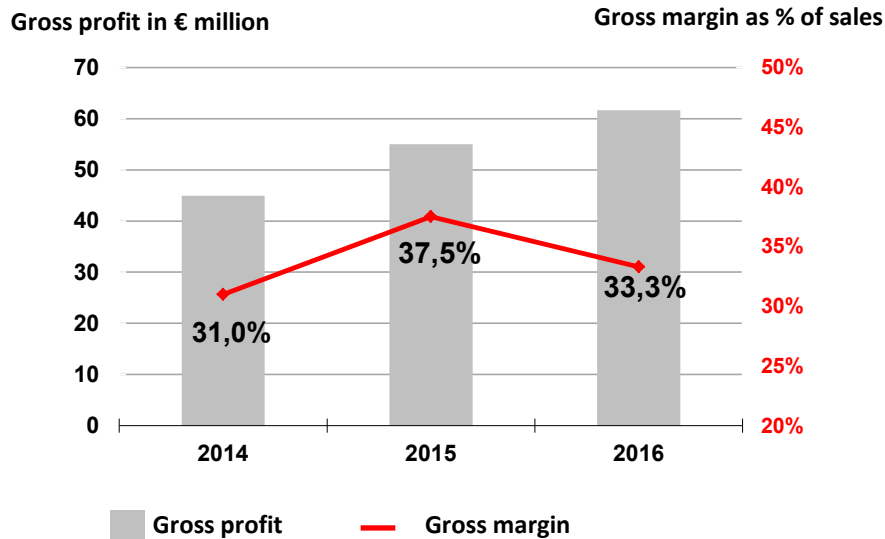


- Analyzer systems
- Development, service and consulting
- Service parts

Gross Profit / EBIT

As of December 31

Gross Profit and Gross Margin

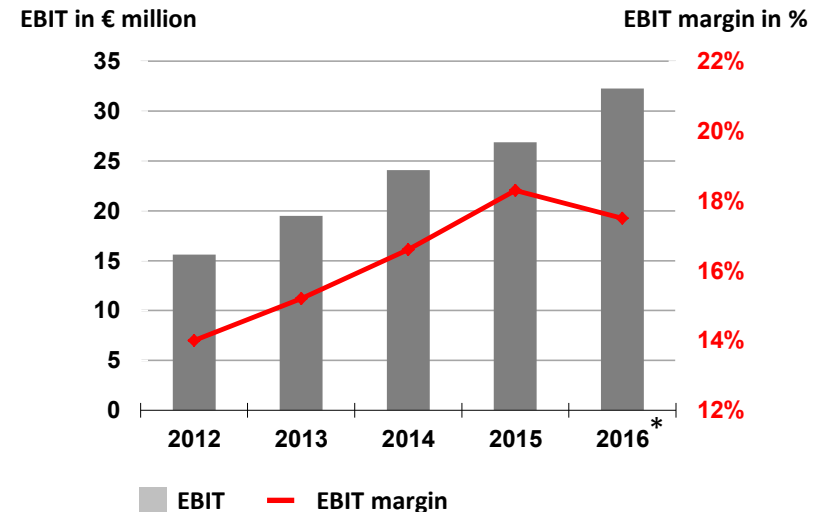


Gross margin at 33.3%

- Impact from new entities
- Lower margins at the new subsidiaries

As of December 31

EBIT and EBIT Margin



EBIT margin at 17.5%* (2015: 18.3%)

- Organic adjusted EBIT-margin at 19.3%
- Positive service parts contribution

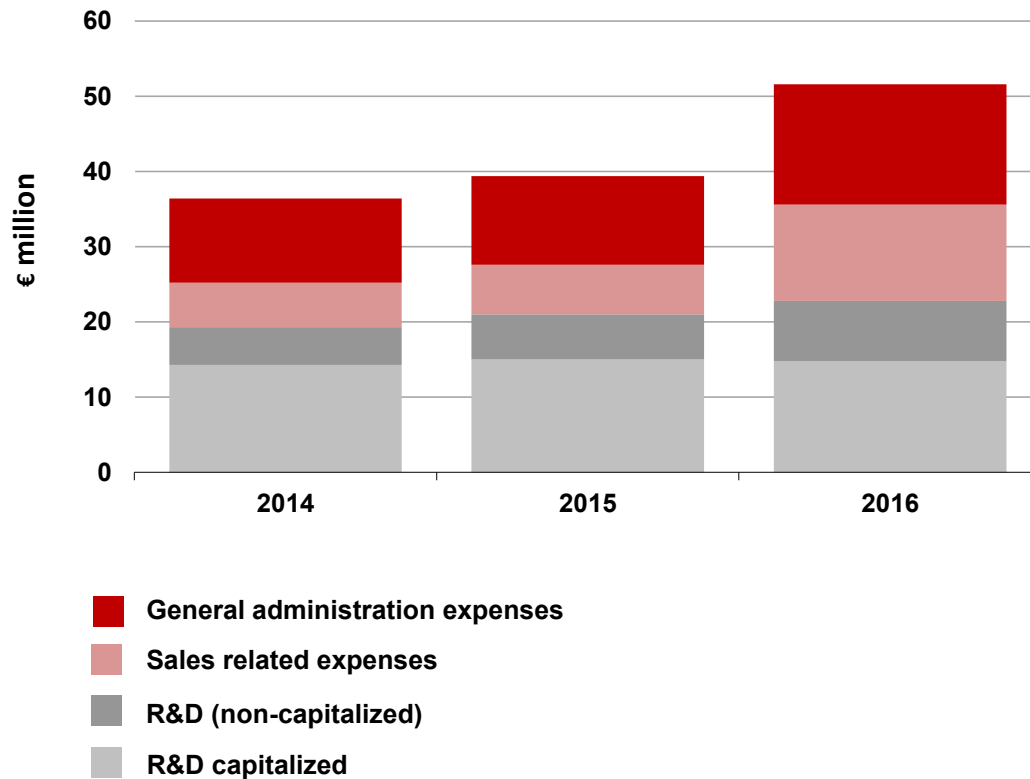
*2016 figure adjusted to exclude non-recurring items for transaction activities

EBIT Adjustments

€ 000s	01.01. – 12.31.2016
Adjusted EBIT	32,273
Adjustments	
Expenses due to company acquisitions	-1,199
Internal integration expenses	-389
Recognition of hidden reserves in inventories less reversal of an onerous contract	-823
PPA amortization	-4,807
Reorganization expenses	-851
EBIT	24,204

Cost Structure

As of December 31



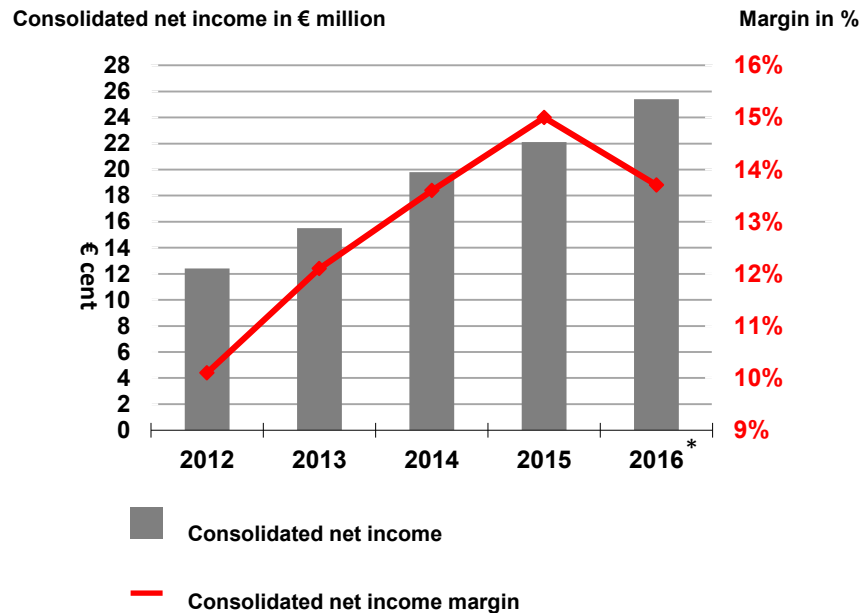
Main cost drivers

- Sales related expenses increased by 110% to € 12.8 million
 - Due to higher project support services for new systems
 - Inclusion of newly acquired companies
- R&D expenses +8.8 % to € 22.8 million
 - High number of development projects
 - Increased headcount

Net Income / EPS

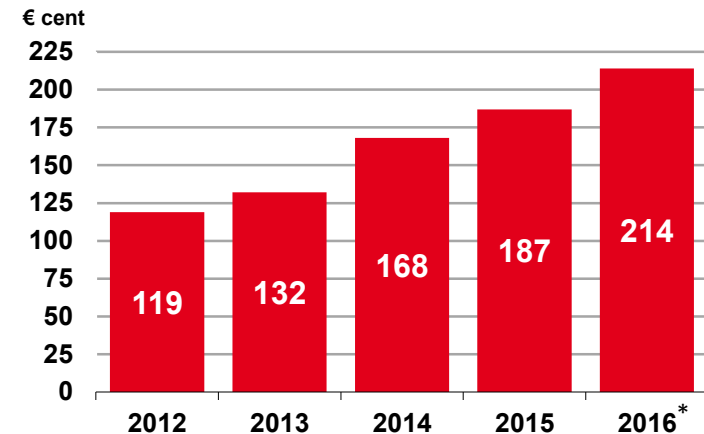
As of December 31

Consolidated Net Income



As of December 31

Earnings per Share



- EPS at € 2.14*
- Proposed dividend per share: € 0.77 (previous year: € 0.75)

*2016 figure adjusted to exclude non-recurring items for transaction activities and adjusted to exclude financing expenses and tax expenses in connection with the acquisition of the Diatron Group and non-recurring items arising from the external tax audit for the assessment periods from 2009 to 2013.

Cash Flow

As of December 31

IFRS (€ million)	2016	2015
Cash flow – operating activities	16.3	26.0
Cash flow – investment activities	-86.7	-8.7
Cash flow – financing activities	40.6	-8.7
Free cash flow	-70.4	17.3
Cash and cash equivalents at end of period	26.5	56.4

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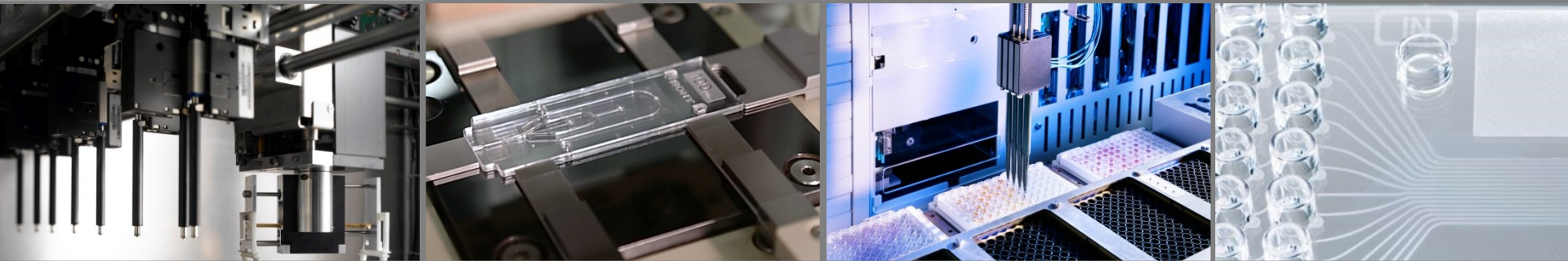
Financial Guidance

Financial Guidance

- Sales guidance for 2017: €205 million to €220 million
- Organic double digit top line growth in 2017
- Profitability in 2017 on a broadly stable level
- Guidance to be updated with H1 results in July 2017

Focus in 2017 and beyond

- Improve profitability across business (benefits of scale driven by top-line growth)
- Further realize synergies through development activities across STRATEC businesses
- Expand leading market role
- Facilitate integration process of instrument and consumables for partners
- Achieve milestones & market launches
- Accelerate development and supply agreement execution



QUESTIONS
&
ANSWERS



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Reuters:	SBSG.DE
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WKN:	STRA55

THANK **YOU**
FOR **YOUR**
ATTENTION!