

UNICREDIT / KEPLER CHEUVREUX 20TH GERMAN CORPORATE CONFERENCE 2021

18 January 2021

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. OVERVIEW AND BUSINESS MODEL
2. THE IVD MARKET
3. FINANCIALS
4. OUTLOOK AND STRATEGY

OVERVIEW AND BUSINESS MODEL



OVERVIEW AND BUSINESS MODEL

STRATEC AT A GLANCE

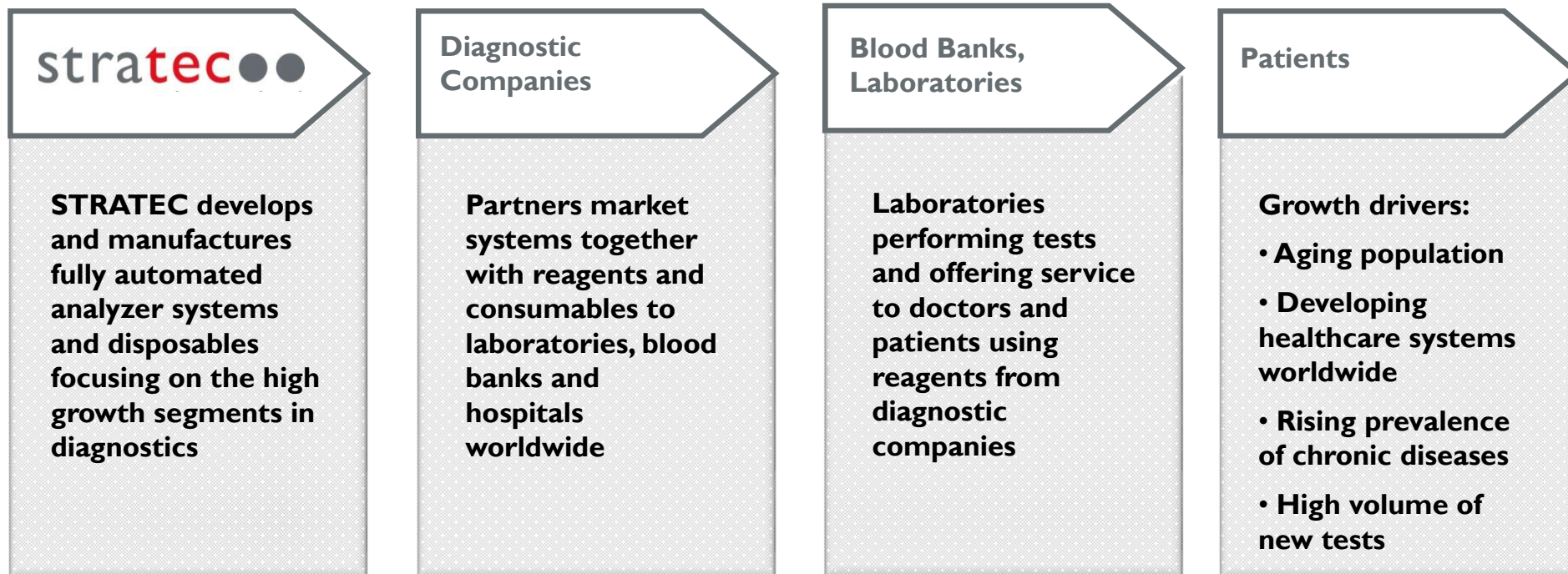
- Leading OEM player for automation solutions for the diagnostics industry and translational research
- Three decades of experience in highly regulated healthcare markets and growing technology pool
- Around 1.300 employees worldwide
 - More than 50% allocable to R&D
- Production sites in Germany (HQ), Switzerland, Hungary and Austria
- High number of systems installed globally
 - More than 13,000 medium to high throughput systems
 - More than 25,000 low throughput systems
- Sales of € 221.6 million in 2019
 - CAGR sales since IPO in 1998: ~15%
- Dividend payments raised over 16 consecutive years

SELECTED PRODUCTS



OVERVIEW AND BUSINESS MODEL

UNIQUE MARKET POSITION STRATEC IN THE IVD VALUE CHAIN



OVERVIEW AND BUSINESS MODEL

BUSINESS MODEL

STRATEC provides instrumentation, consumables, software and automation solutions

- OEM development and manufacturing
- Around 8,000 fully automated analyzer systems and modules manufactured annually
- Wide range of intellectual property rights

Extensive collaboration with partner during design phase

- STRATEC: Engineering / automation, software, QM
- Partner: System / reagent / market requirements

Systems have long market lifecycles

- Product lifecycles typically in an area of 12 to 15 years
- Leads to longstanding partnerships
- Expanding installed base of systems
- Product enhancement and extension drives value



OVERVIEW AND BUSINESS MODEL

SECURING RETURN ON INVESTMENT

Long-term agreements with partners

- Milestone payments during development stage
- Operating sales during series production stage
- Recurring sales from service parts & consumables sales

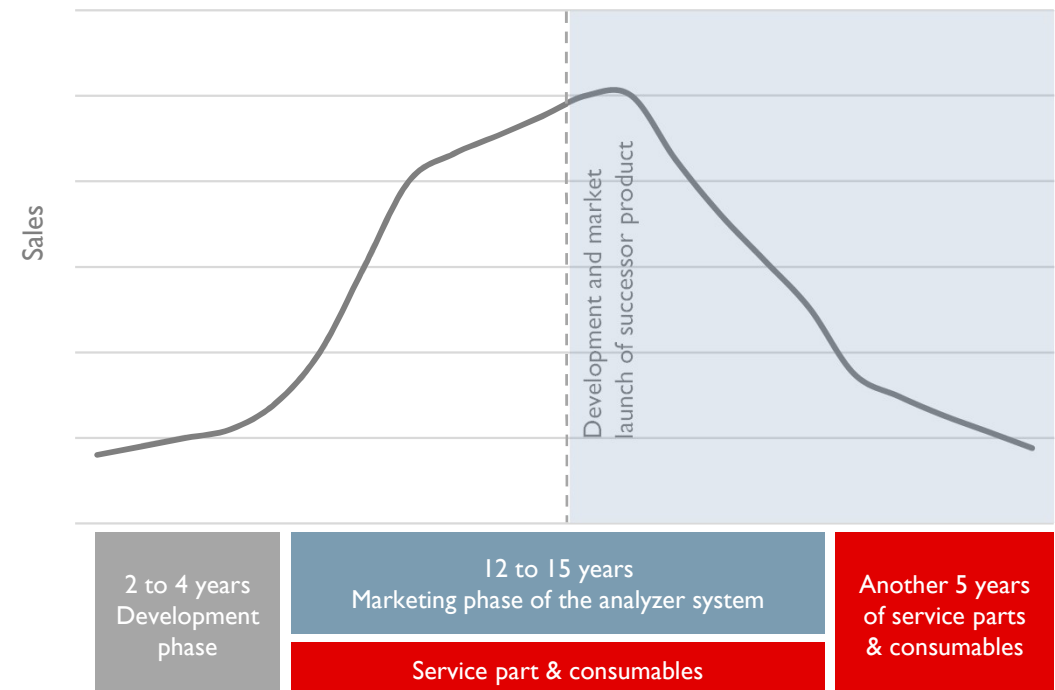
Minimum volume commitment

- Firm purchase orders
- STRATEC an integral part of partners' plans

Reliable partnership

- Shortened development time
- Integration of analyzer system and reagents
- Agreed development budget & transfer price
- High commitment by both partners

INDICATIVE SALES CHARACTERISTICS OF AN ANALYZER OEM PROJECT



OVERVIEW AND BUSINESS MODEL

UPDATE COVID-19 PANDEMIC

- Several STRATEC customers are at the forefront of containing the COVID-19 pandemic
- Significant proportion of genetic COVID-19 testing is performed on systems developed and manufactured by STRATEC
- Unbroken and unprecedented demand within certain product lines:
 - Number of molecular diagnostics analyzer shipments more than doubled yoy in 9M 2020
 - Additional demands for immunoassay solutions due to antibody screening and antigen tests
- Longer-term dynamics:
 - Increased installed base set to trigger higher demand for service parts & consumables
 - Still unprecedented demand levels and strong order trends
 - Replacement potential due to elevated utilization levels
 - Significant shift of research budgets towards infectious diseases
 - Overall increased awareness and appreciation of IVD methods

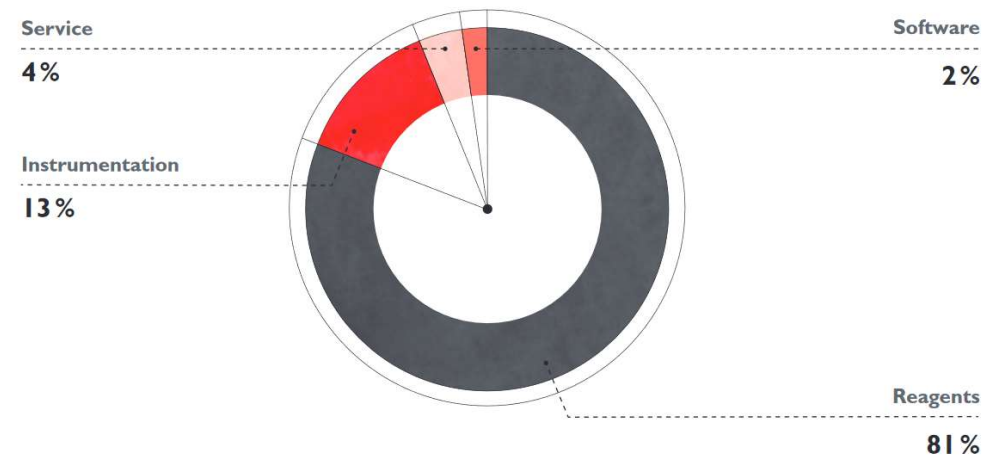
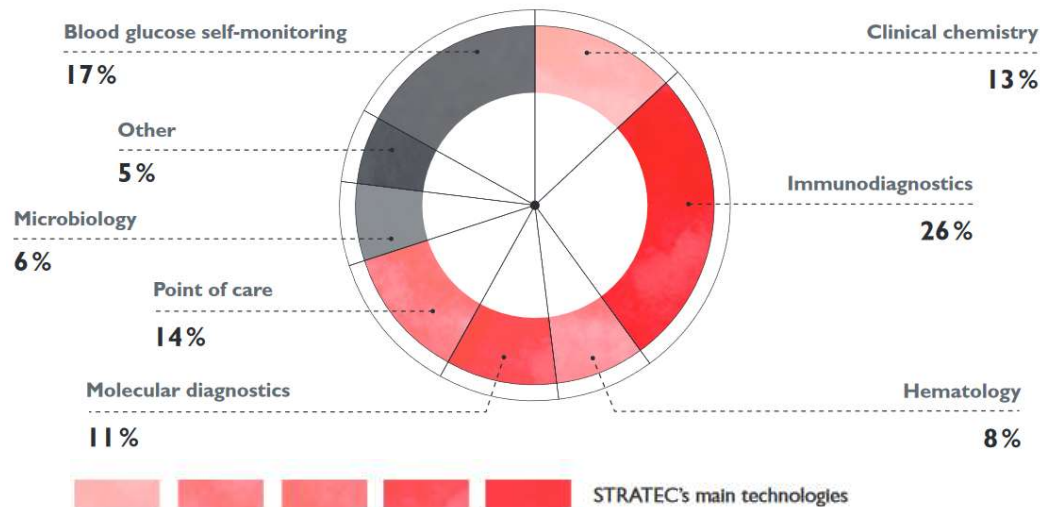


THE IVD MARKET



THE IVD MARKET

IVD MARKET SEGMENTS / IVD MARKET: ~ 70 BILLION USD IN 2019



Total instrumentation market ~ 9 billion USD

Growth drivers

- Aging world population
- Rising prevalence of chronic diseases
- Expansion in healthcare systems, especially in emerging markets
- New technologies broadening scope of IVD applications (e.g. oncology, personalized medicine or non-invasive prenatal testing)
- Increasing automation

Market growth CAGR 2018/19 - 2023/24

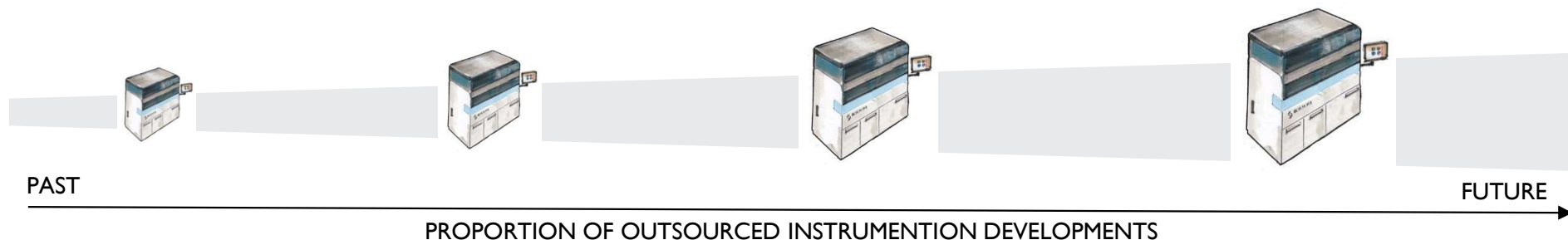
- Total IVD-Market: 4 - 5% p.a.
- Molecular Diagnostics: 7 - 9% p.a.
- Immunodiagnosics: 4 - 6% p.a.
- Point of Care: ~ 8% p.a.

Source: Kalorama: "The worldwide market for In Vitro Diagnostic Tests, 12th Edition", Aug 2019
MarketsandMarkets: "In vitro diagnostics market – forecast to 2023", Dec 2018

THE IVD MARKET

OUTSOURCED VS IN HOUSE INSTRUMENTATION MARKET

- The majority of instrumentation equipment in the IVD market is still developed in-house by diagnostics companies
- Share of outsourced developments has already increased significantly over the last couple of years
- Trend of outsourcing towards specialized players set to continue, due to:
 - Engineering of automation solutions often not core competence of diagnostics companies
 - Shorter development timeframes due to already existent technology pools
 - Guaranteed project budget and firm transfer prices
 - Keeping up with regulatory developments easier for specialized players
 - Structured processes in order to address end customer needs, such as ease of use, user experience, workflow efficiencies, remote access, serviceability and preventive maintenance



THE IVD MARKET

A SELECTION OF STRATEC CUSTOMERS

GLOBAL TOP 20 IVD COMPANIES		Sales 2019 (USD billion)
1.	Roche	11.3
2.	Abbott	7.7
3.	Danaher	6.6
4.	Siemens Healthineers	4.7
5.	Thermo Fisher	3.7
6.	Sysmex	2.8
7.	bioMerieux	2.4
8.	Ortho Clinical Diagnostics	2.0
9.	BECTON DICKINSON	1.6
10.	BIO-RAD	1.4
11.	CH Werfen	1.4
12.	Hologic	1.2
13.	Perkin Elmer	1.0
14.	Agilent Tech	0.9
15.	Grifols	0.8
16.	Diagnostica Stago	0.8
17.	Qiagen	0.8
18.	DiaSorin	0.8
19.	Quidel	0.5
20.	Fujirebio	0.4

Source: IVD News / non-public companies estimated / non-reported sector sales estimated

... AND OTHER GAME-CHANGING COMPANIES



Quanterix™



(acquired by Bio-Rad in January 2017)

■ STRATEC customer

□ Not a STRATEC customer

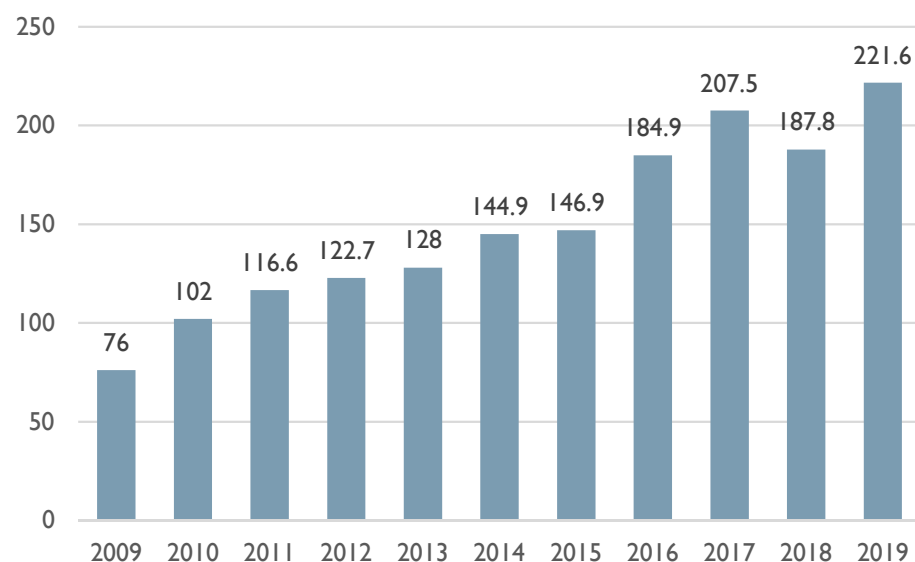
FINANCIALS



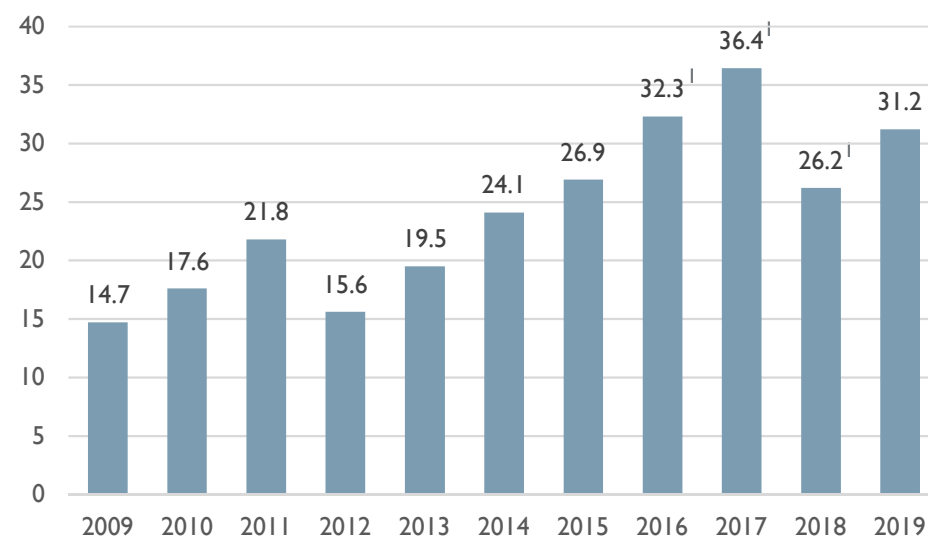
FINANCIALS

KEY FIGURES - TRACK RECORD

Sales in € million
CAGR ~11%



EBIT in € million
CAGR ~8%

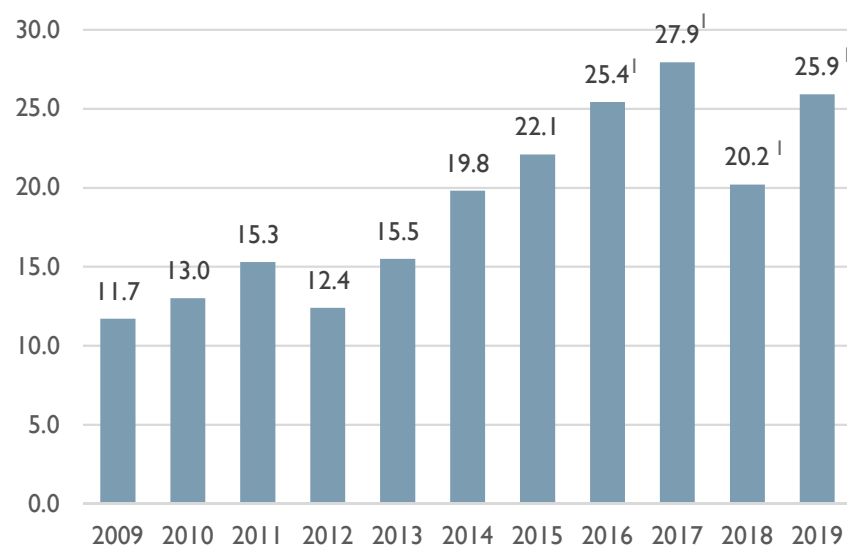


¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

KEY FIGURES - TRACK RECORD

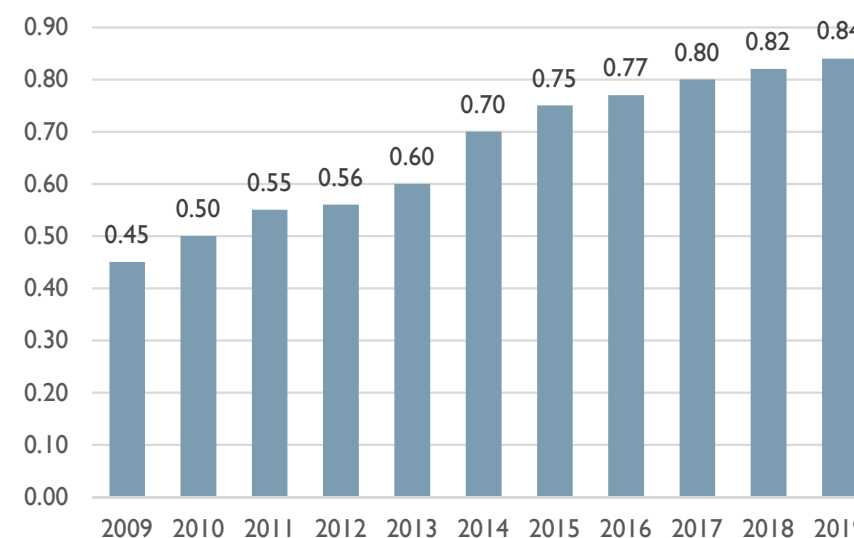
Net income in € million

CAGR ~8%



Dividend per share in €

CAGR ~6%



^l Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

FINANCIALS

9M 2020 AT A GLANCE

- Sales in 9M 2020 up organically by 13.1% yoy to € 179.1 million (9M 2019: € 158.3 million)
 - Organic growth of 22.4% in Q3 2020
- Adjusted EBIT in 9M 2020 up by 40.7% to € 28.1 million (9M 2019: € 20.0 million)
 - Adjusted EBIT in Q3 2020 up by 35.2%
- Achievement of major development milestones
 - e.g. launch of serial production for a polymer-based smart consumable in the field of flow cytometry
- New cooperation agreements concluded and several promising late stage negotiations regarding new development projects with partners
- Number of employees up by 2.6% to 1,315 → organic increase of 7.0%

FINANCIALS

9M 2020 FINANCIALS AT A GLANCE¹

€ 000s	9M/2020	9M/2019 ²	Change	Q3/2020	Q3/2019 ²	Change
Sales	179,082	158,336	+13.1%	59,715	49,732	+20.1%
Adjusted EBITDA	35,821	26,776	+33.8%	12,284	9,451	+30.0%
Adjusted EBITDA margin (%)	20.0	16.9	+310 bps	20.6	19.0	+160 bps
Adjusted EBIT	28,121	19,985	+40.7%	9,708	7,180	+35.2%
Adjusted EBIT margin (%)	15.7	12.6	+310 bps	16.3	14.4	+190 bps
Adjusted consolidated net income ³	23,765	15,931	+49.2%	8,170	5,476	+49.2%
Adjusted basic earnings per share (in €) ³	1.97	1.33	+48.1%	0.67	0.46	+45.7%
Basic earnings per share IFRS (in €) ³	1.55	0.72	+115.3%	0.54	0.24	+125.0%

bps = basis points

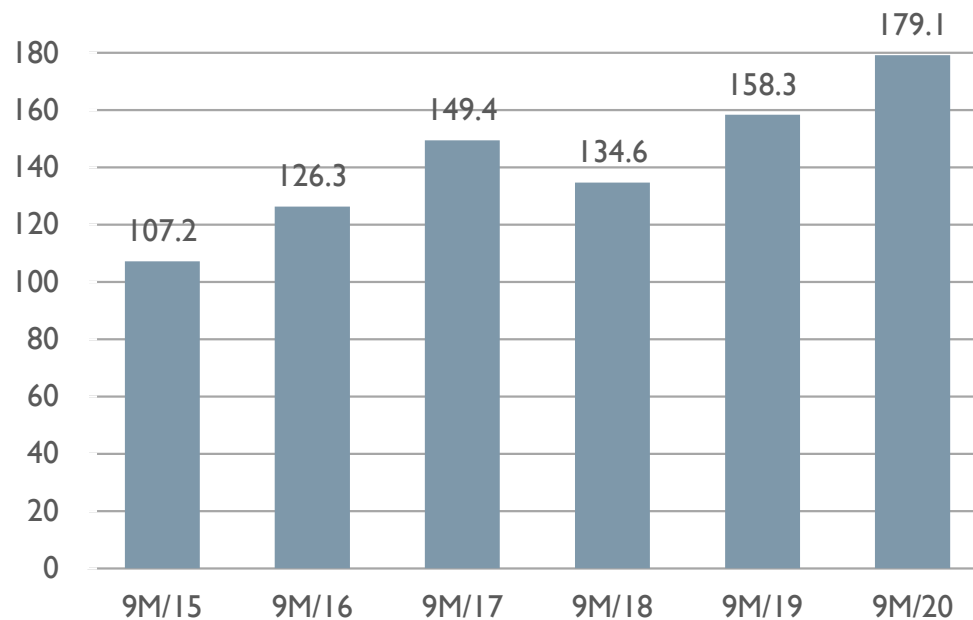
¹ To facilitate comparison, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions and associated reorganization expenses

² Retrospectively adjusted to account for the recognition of the Data Solutions business unit as a discontinued operation pursuant to IFRS 5.

³ Consolidated net income from continuing operations.

SALES 9M 2020

Sales in € million

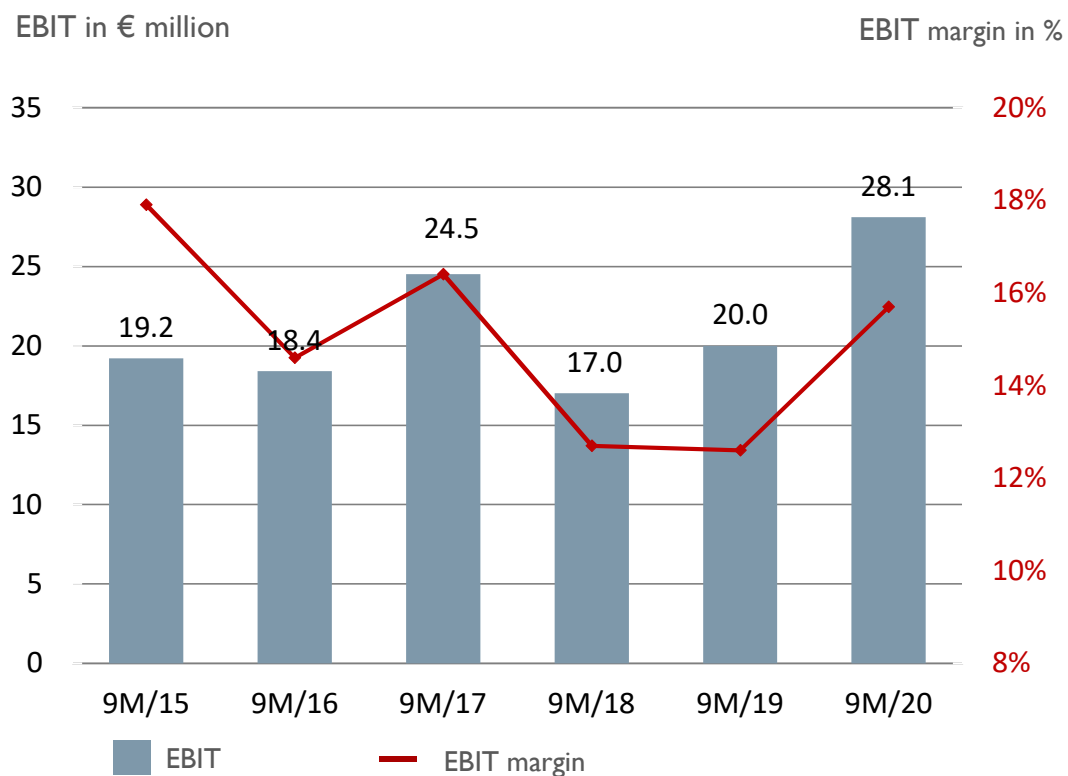


As of September 30

9M 2020 sales organically up by 13.1% yoy to € 179.1 million

- Double-digit growth with systems as well as service parts and consumables
- Continuing strong demand for MDx systems as a result of COVID-19 pandemic
- Significantly lower amount of recognized development revenues due to strong prior year comparison basis (particularly in Q2)

ADJUSTED EBIT AND EBIT MARGIN 9M 2020



As of September 30

9M 2020 adjusted EBIT up 40.7% yoy to € 28.1 million

9M 2020 adjusted EBIT margin at 15.7 %

Margin expansion of 310 bps yoy

(+) Economies of scale

(+) Positive sales and product mix

(+) Earnings improvement initiative

(-) Stock appreciation rights (negative margin effect of 280 bps)

FINANCIALS

CASH FLOW AND NET DEBT 9M 2020

€ 000s	9M/2020	9M/2019	Change
Cash flow – operating activities	18,898	11,086	+70.5%
Cash flow – investment activities	-15,041	-21,113	nm
Cash flow – financing activities	5,406	-7,228	nm
Free cash flow	3,857	-10,027	nm

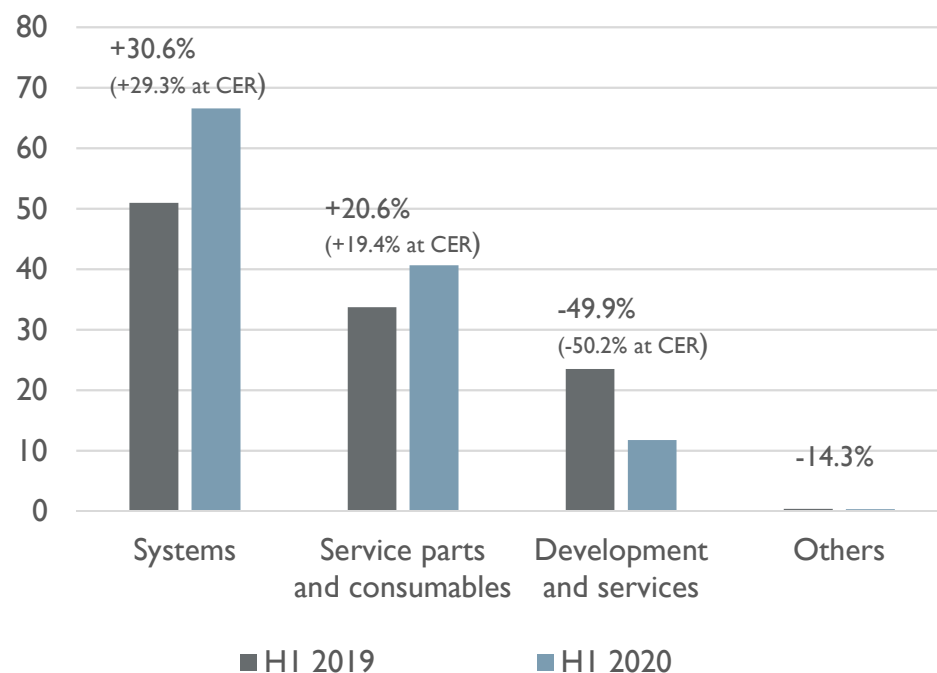
- Cash flow from operating activities up by 70.5% yoy to € 18.9 million due to increased profitability and lower cash tax payments
- Still elevated working capital levels as a result of COVID-19 pandemic
- Investment ratio¹ of 9.9% for the first nine months slightly below full year target corridor of around 10% to 12%

€ 000s	9M/2020	FY/2019	Change
Cash and cash equivalents at end of period	27,568	22,708	+21.4%
Equity ratio (%)	50.3	53.1	-280 bps
Net debt	91,124	77,254	+18.0%

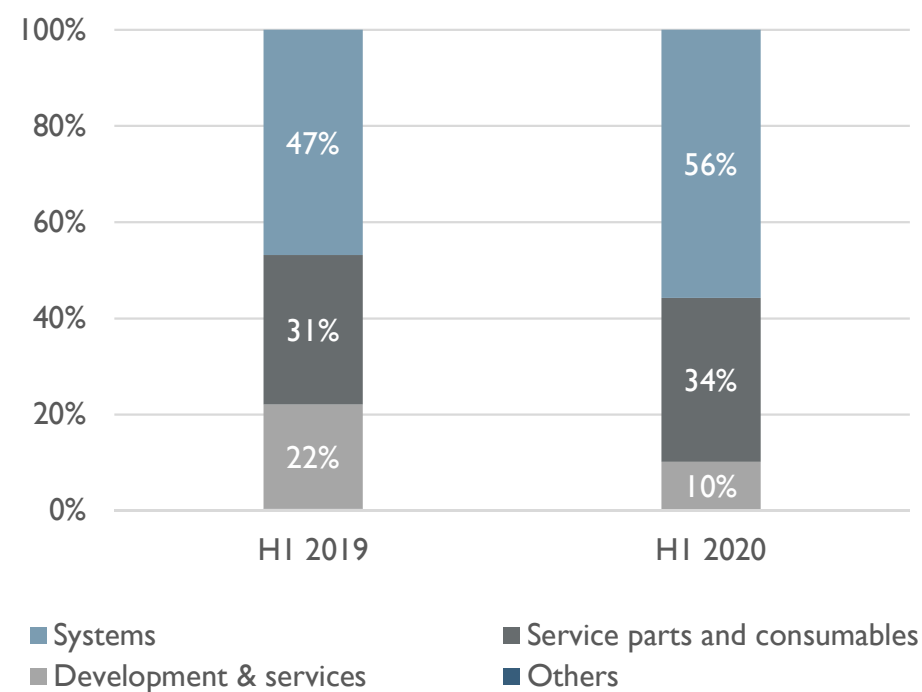
¹ Total investments in intangible and tangible assets in % of sales

SALES BY OPERATING DIVISIONS HI 2020

Sales in € million



In % of total sales



CER = Constant exchange rates

As of June 30

FINANCIALS

SEGMENT PERFORMANCE H1 2020

Instrumentation

€ 000s	H1/2020	H1/2019	Change	At CER
Sales	84,551	81,985	+3.1%	+1.9%
Adj. EBIT	12,468	11,550	+7.9%	
Adj. EBIT margin	14.7%	14.1%	+60 bps	

- Significantly lower recognition of development & services sales
- Adverse margin effect from stock appreciation rights

Smart Consumables

€ 000s	H1/2020	H1/2019	Change	At CER
Sales	6,715	5,946	+12.9%	+12.0%
Adjusted EBIT	-1,570	-2,091	nm	
Adj. EBIT margin	-23.4%	-35.2%	+1,180 bps	

- Backend loaded year expected

Diatron

€ 000s	H1/2020	H1/2019	Change	At CER
Sales	28,101	20,673	+35.9%	+35.3%
Adj. EBIT	7,515	3,345	+124.7%	
Adj. EBIT margin	26.7%	16.2%	+1,050 bps	

- Strong growth with molecular and veterinary diagnostics products
- Scale effects and strong product mix

CER = Constant exchange rates

OUTLOOK AND STRATEGY



OUTLOOK AND STRATEGY

FINANCIAL GUIDANCE FOR FY 2020

- Group sales are expected to increase by 14.0% to 18.0% (at constant exchange rates; 2019 revenue basis of € 214.2 million)
 - Additional demand due to COVID-19 pandemic expected to remain high in Q4 2020
 - **Upper end of target corridor expected**
- Adjusted EBIT margin of around 15.5% to 16.5% (2019: 13.7%)
 - Sales and product mix expected to remain strong in Q4 2020
 - **Upper end of target corridor expected**
- Investments in tangible and intangible assets of around 10% to 12% of sales
 - After the completion of construction projects for capacity expansion, investment ratio will likely decline considerably from 2021 onwards

OUTLOOK AND STRATEGY

STRATEGIC PRIORITIES

- Focus on high growth areas and segments
- Boost expertise and technology portfolio

Enable customers and STRATEC to grow above market average

Expand product/value offering

- Organically and via M&A transactions
- Without entering into competition to partners

- Utilize tailwind from increasing complexity
- Expand smart consumables business

Increase proportion of recurring revenues

Drive customer diversification

- Utilize extended platform offering
- Extend components business
- New markets (e.g. veterinary, translational research)

OUTLOOK AND STRATEGY

SELECTION OF ESG TOPICS AND LATEST ACHIEVEMENTS

- Challenges of COVID-19 pandemic successfully managed
 - Employee health top priority (new shift system, extended options for remote working, increased working hours flexibility, early and strict travel restrictions)
 - Business continuity (supply chain, production, logistics, development and business operations)
- Strong commitment to combat climate change
 - New science based reduction target (SBT) in line with Paris agreement to limit global warming to less than 2.0°C
→ **30% absolute reduction of scope 1 and 2 emissions by 2030 (versus 2019)**
 - Expanded disclosure: Scope 3 emissions to be reported from 2020 onwards
 - Compensation of unavoidable Scope 1 and 2 emission (certified emission reduction projects)
- Employer attractiveness and talent management
 - Further employee surveys conducted in 2020
 - Roll-out of new group-wide talent development program
- New ESG initiatives
 - E.g. new waste reduction program initiated in 2020 (targets to be announced in 2021)

APPENDIX



APPENDIX

KEY FIGURES AT A GLANCE¹

IFRS (€ million)	2015	2016	2017	2018	2019
Sales	146.9	184.9	207.5	187.8	221,6
Adjusted EBIT	26.9	32.2	36.4	26.2	31,2
Adjusted EBIT margin (%)	18.3	17.4	17.5	13.9	14.1
Adjusted Consolidated net income ²	22.1	25.3	28.9	20.2	25.9
Adjusted Earnings per share (€) ²	1.87	2.14	2.43	1.70	2.16
Dividend per share (€)	0.75	0.77	0.80	0.82	0,84
No. of employees	583	976	1,086	1,228	1,302
Total assets	158.9	258	264	275	299
Equity ratio (%)	82.0	55.7	59.8	55.3	53,1
Free cash flow	17.3	-70.4	14.4	1.2	-6.4

¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

² From continuing operations

APPENDIX

ADJUSTMENTS 9M 2020

EBIT

€ 000s	9M/2020	9M/2019 ¹
Adjusted EBIT	28,121	19,985
Adjustments:		
PPA amortization	-6,071	-6,774
Expenses relating to transactions and associated restructuring expenses	0	-2,230
EBIT	22,050	10,981

¹ Retrospectively adjusted

Consolidated net income

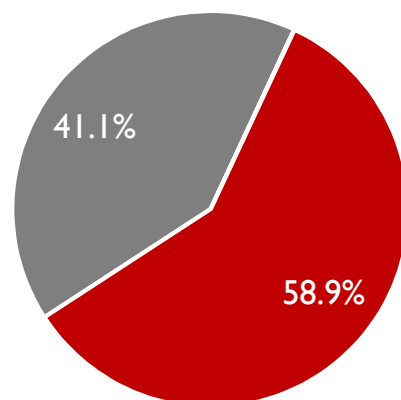
€ 000s	9M/2020	9M/2019 ¹
Adjusted consolidated net income from continuing operations	23,765	15,931
Adjusted earnings per share from continuing operations in € (basic)	1.97	1.33
Adjustments:		
PPA amortization	-6,071	-6,774
Expenses relating to transactions and associated restructuring expenses	0	-2,230
Taxes on income	946	1,676
Consolidated net income from continuing operations	18,640	8,603
Earnings per share from continuing operations in € (basic)	1.55	0.72

¹ Retrospectively adjusted

APPENDIX

SHAREHOLDER STRUCTURE

(AS OF: JUNE 2020)



■ Fixed and family ownership
(incl. their investment companies)

■ Free float

Institutional investors > 3%:

Allianz Global Investors

Ameriprise Financial

Juno Investment Partners

SHARE

IPO	Aug. 1998
Number of shares	12,102,945
Share price (01/11/2021)	€ 130.40
Market capitalization	€ 1.6 billion

CONTACT

STRATEC SE
Gewerbestr. 37
75217 Birkenfeld
Germany

Phone +49 7082 7916-991
Fax +49 7082 7916-9190
www.strattec.com

CONTACT

Marcus Wolfinger
CEO

Jan Keppeler, CFA
Head of IR & CC

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



THANK YOU
FOR YOUR
ATTENTION