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**STRATEC
FY 2020 FINANCIAL RESULTS**

Birkenfeld, 2021-03-31

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. FY 2020 AT A GLANCE
2. FINANCIAL REVIEW
3. OUTLOOK
4. Q&A
5. APPENDIX

FY 2020 AT A GLANCE

- High additional demands due to COVID-19 pandemic

Growth of 18.4% yoy at constant currency



2020 guidance “growth of 14% - 18%”

Sales up by 16.8% to € 250.1 million (new record high)

- Adjusted EBIT increased by 42.6% yoy to € 41.7 million

Adjusted EBIT margin up by 300 bps yoy to 16.7% (2019: 13.7%)



2020 guidance “around 15.5% - 16.5%”

- New market launches and achievement of major development milestones

e.g.: Significant extensions for a molecular diagnostics analyzer system of a North American partner (Q1/20)

Achieved CE conformity for KleeYa instrument (Q1/20)

Becton Dickinson received FDA Clearance for FACSDuet (Q3/20)

Start of serial production of a smart consumable for a partner in the field of flow cytometry (Q3/20)

Significant development progress for DIATRON's next generation hematology analyzer (Aquarius)

- Dividend proposal of € 0.90 per share (previous year: € 0.84)

17th consecutive dividend increase since the first dividend payment in 2004 (subject to AGM approval)



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FINANCIAL REVIEW

FINANCIALS AT A GLANCE¹

€ 000s	FY 2020	FY 2019 ²	Change	Q4 2020	Q4 2019 ²	Change
Sales	250,099	214,157	+16.8%	71,017	55,821	+27.2%
Adjusted EBITDA	51,978	38,670	+34.4%	16,157	11,894	+35.8%
Adjusted EBITDA margin (%)	20.8	18.1	+270 bps	22.8	21.3	+150 bps
Adjusted EBIT	41,713	29,259	+42.6%	13,592	9,274	+46.6%
Adjusted EBIT margin (%)	16.7	13.7	+300 bps	19.1	16.6	+250 bps
Adjusted consolidated net income ³	35,218	24,070	+46.3%	11,453	8,139	+40.7%
Adjusted basic earnings per share (in €) ³	2.92	2.01	+45.3%	0.95	0.68	+39.7%
Basic earnings per share IFRS (in €) ³	2.36	1.19	+98.3%	0.81	0.46	+76.1%

bps = basis points

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

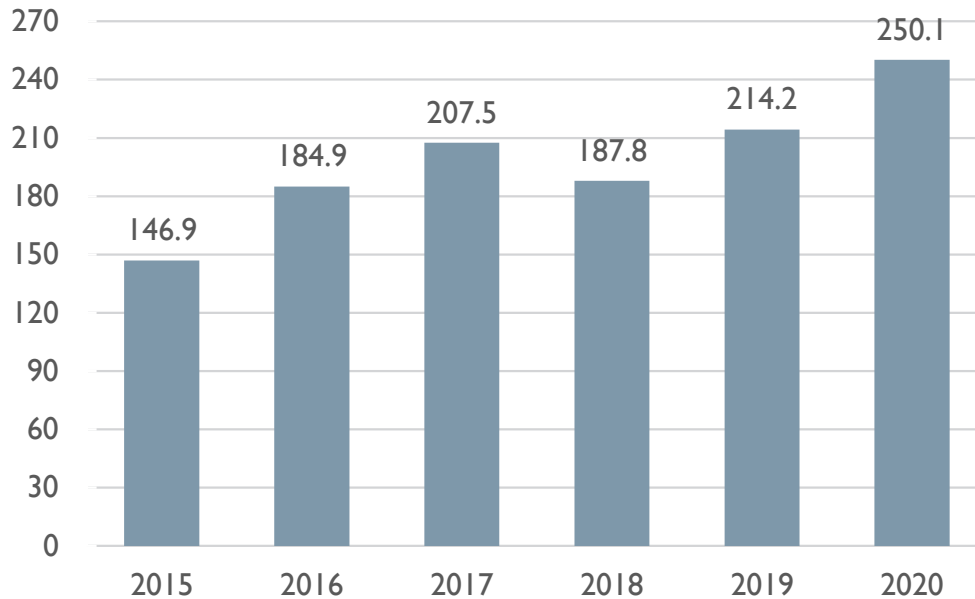
² Retrospectively adjusted to account for the recognition of the Data Solutions business unit as a discontinued operation pursuant to IFRS 5.

³ Consolidated net income from continuing operations.

FINANCIAL REVIEW

SALES

Sales in € million



As of December 31

FY 2020 sales organically up by 18.4% yoy to € 250.1 million (nominal growth of 16.8%)

- Strong additional demand for immunoassay and molecular diagnostic products a result of COVID-19 pandemic

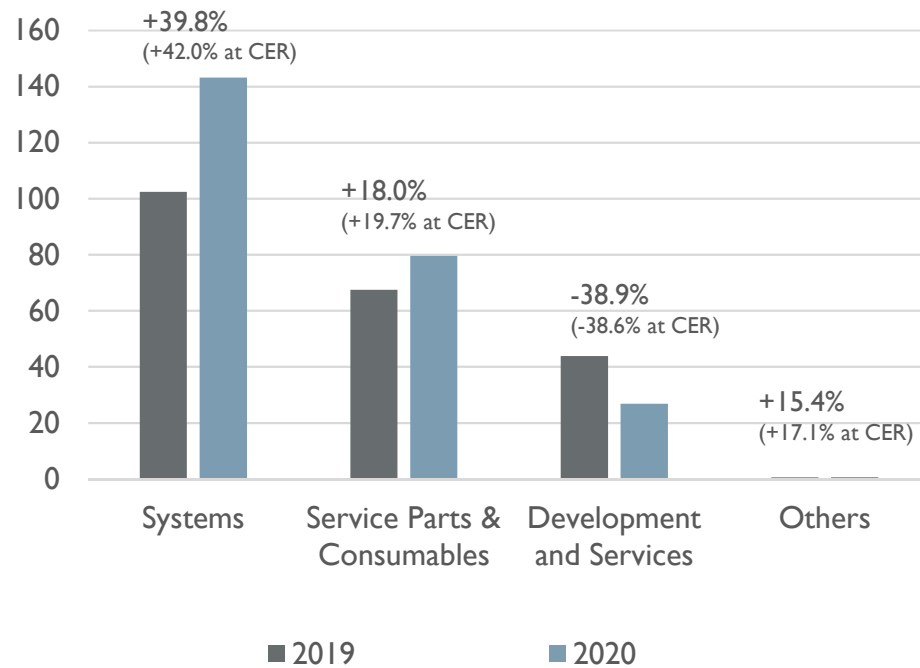


- Significantly lower amount of recognized development revenues due to high basis of comparison in the previous year (particularly in Q2 2019)

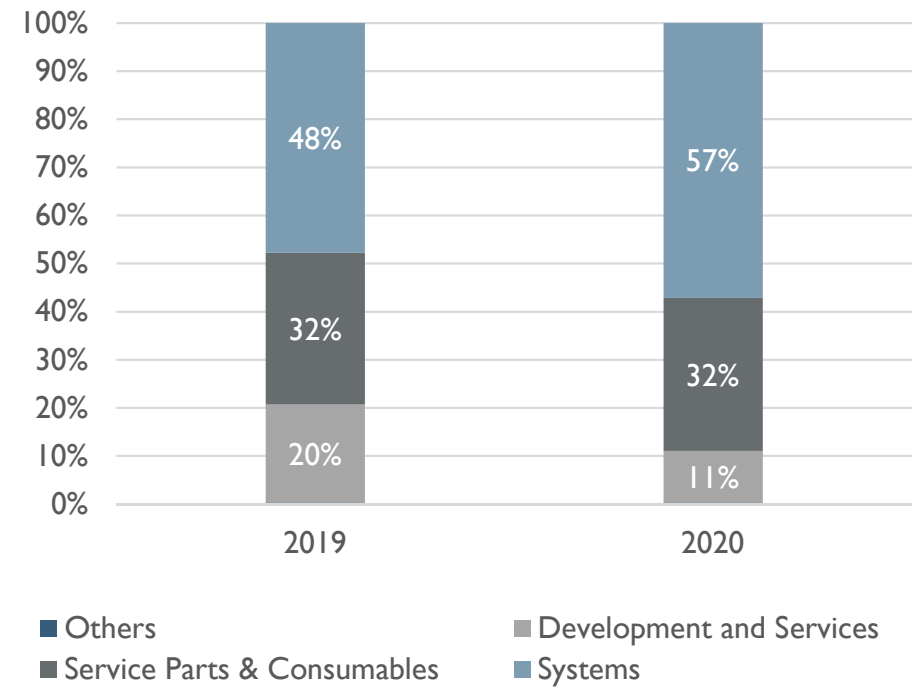
FINANCIAL REVIEW

SALES BY OPERATING DIVISIONS

Sales in € million



In % of total sales

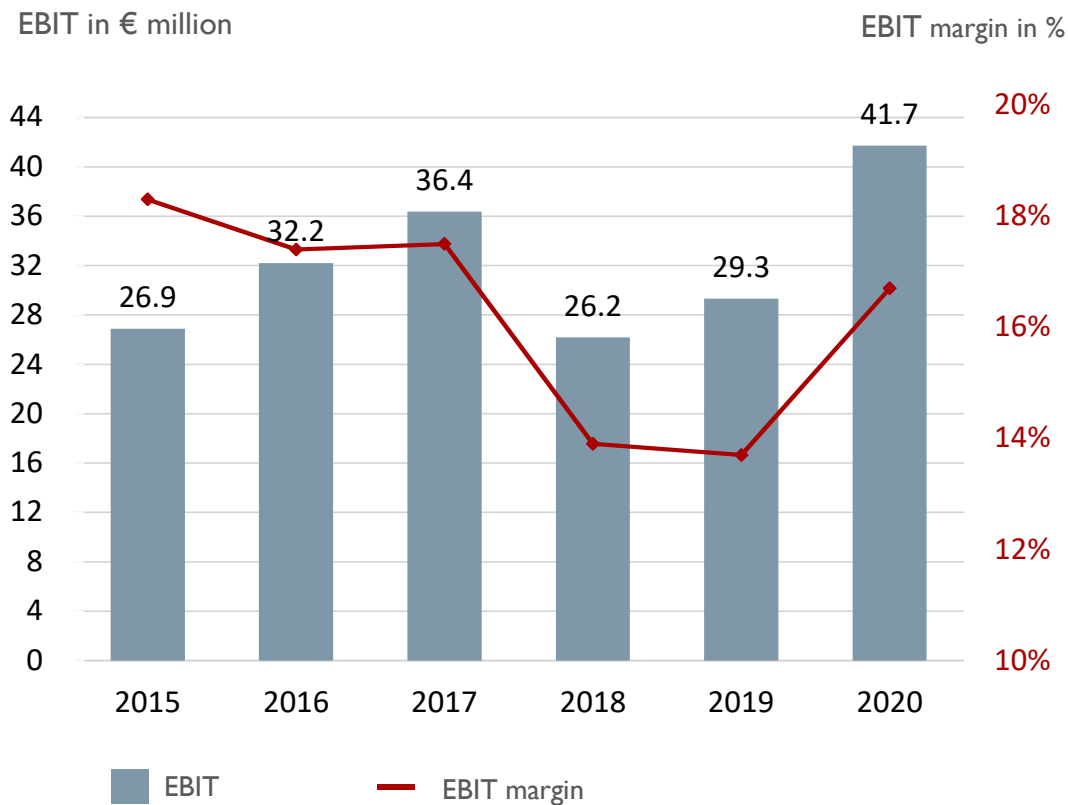


As of December 31

CER= Constant exchange rates

FINANCIAL REVIEW

ADJUSTED EBIT AND EBIT MARGIN



FY 2020 adjusted EBIT up 42.6% yoy to € 41.7 million

FY 2020 adjusted EBIT margin at 16.7 %

Margin expansion of 300 bps yoy

- (+) Economies of scale
- (+) Positive sales and product mix
- (+) Earnings improvement initiative
- (-) Stock appreciation rights (negative margin effect of 210 bps)

As of December 31

FINANCIAL REVIEW

SEGMENT PERFORMANCE

Instrumentation

€ 000s	FY 2020	FY 2019	Change	At CER
Sales	176,517	154,442	+14.3%	+16.4%
Adj. EBIT	28,277	22,151	+27.7%	
Adj. EBIT margin	16.0%	14.3%	+170 bps	

- High additional demand due to pandemic but significantly lower recognition of development & services sales
- Adverse margin effect from stock appreciation rights

Smart Consumables

€ 000s	FY 2020	FY 2019	Change	At CER
Sales	17,103	16,835	+1.6%	+2.5%
Adjusted EBIT	-1,183	-1,245	nm	
Adj. EBIT margin	-6.9%	-7.4%	+50 bps	

- Ongoing high level of advance expenses for numerous development projects and high share of low-margin development sales

Diatron

€ 000s	FY 2020	FY 2019	Change	At CER
Sales	56,479	42,880	+31.7%	+32.0%
Adj. EBIT	14,619	8,353	+75.0%	
Adj. EBIT margin	25.9%	19.5%	+640 bps	

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

CER = Constant exchange rates

FINANCIAL REVIEW

CASH FLOW AND NET DEBT

€ 000s	FY 2020	FY 2019	Change
Cash flow – operating activities	31,849	21,262	+49.8%
Cash flow – investment activities	-21,845	-27,719	n/a
Cash flow – financing activities	5,223	5,454	-4.2%
Free cash flow	10,004	-6,457	n/a

€ 000s	FY 2020	FY 2019	Change
Cash and cash equivalents at end of period	37,561	22,708	+65.4%
Equity ratio (%)	52.0	53.1	-110 bps
Net debt	82,677	77,254	+7.0%

- Cash flow from operating activities increased by 49.8% to € 31.8 million
 - Strong development in H2
 - Still elevated inventory levels to address supply chain challenges
- Higher investment spending due to significant capacity expansion at HQ (i.e. capacity expansion for development and prototyping). Construction work completed in 2020
- Investment ratio¹ of 10.2% of sales
 - ➔ 2020 guidance 10% - 12%
- Net debt / EBITDA of 1.6x

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

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OUTLOOK

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
- Additional demands for immunoassay solutions due to antibody screening and lab-based antigen tests
- Still unprecedented demand levels and strong order trends → strong business performance expected for H1 2021

Various factors set to influence H2 2021 demand levels:

- Magnitude of replacement potential triggered by elevated utilization levels of installed base
- Uplift of serological and other testing (e.g. full respiratory panels)
- Overall testing volumes and penetration of genetic versus rapid antigen tests
- Impact of significant expanded installed base on Service parts & Consumables business
- Catch up potential of non-COVID-related product lines

Expected longer-term dynamics:

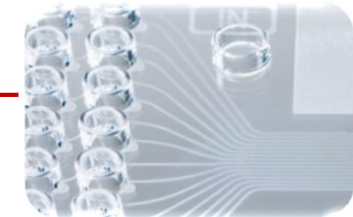
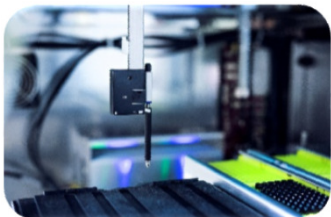
- Improved perception of IVD methods and further increase in STRATEC brand awareness
- Allocation of research budgets into infectious diseases
- Renaissance of decentralized testing capacities (more testing again in hospitals)
- Increased and sustainable public investments in healthcare infrastructures
- Sustainable additional testing demand (e.g. Long COVID, respiratory panels, other screening tests)

OUTLOOK

FINANCIAL GUIDANCE FOR FISCAL YEAR 2021¹

- Constant-currency sales growth in at least a mid single-digit percentage range
- Adjusted EBIT margin of around 17.0% to 18.0% (2020: 16.7%)
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales

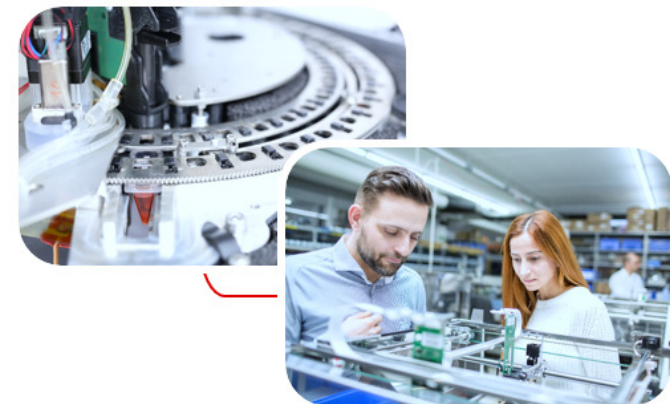
¹ Overall, the company has most recently witnessed increased order forecasts for the second half of 2021. Due to the additional forecasting uncertainty on account of the pandemic, however, these increases have not been incorporated into the above financial guidance.



OUTLOOK

FOCUS IN 2021 AND BEYOND

- Manage challenges arising from COVID-19 pandemic
 - Health of our employees still has highest priority (rollout of employee testing program started in March)
 - Deliver on received extra orders and support customers in making their contribution in the fight against the pandemic
 - Mitigate and manage supply chain risks
- Drive forward development program for next-generation MDx solution for one of the dominant market players
- Focus on potential M&A activities in-light of solid balance sheet and upcoming opportunities
- Sign further development and manufacturing agreements
 - Two bigger deals in the final negotiation stage



QUESTIONS & ANSWERS

APPENDIX

ADJUSTMENTS

EBIT

€ 000s	FY 2020	FY 2019 ¹
Adjusted EBIT	41,713	29,259
Adjustments:		
PPA amortization	-8,036	-8,997
Expenses relating to transactions and associated restructuring expenses	0	-3,074
EBIT	33,677	17,188

¹ Restated

Consolidated net income

€ 000s	FY 2020	FY 2019 ¹
Adjusted consolidated net income from continuing operations	35,218	24,070
Adjusted earnings per share from continuing operations in € (basic)	2.92	2.01
Adjustments:		
PPA amortization	-8,036	-8,997
Expenses relating to transactions and associated restructuring expenses	0	-3,074
Taxes on income	1,253	2,263
Consolidated net income from continuing operations	28,435	14,262
Earnings per share from continuing operations in € (basic)	2.36	1.19

¹ Restated

CONTACT

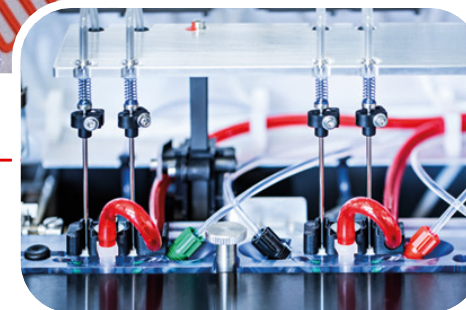
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THANK YOU
FOR YOUR
ATTENTION