

# QUARTERLY STATEMENT Q1|2017

January 1 to March 31, 2017



# STRATEC REPORTS ON FIRST QUARTER OF 2017

- Sales of € 49.5 million in Q1/2017 (+58.6%; Q1/2016: € 31.2 million)
- Organic sales growth of 21.1 %
- Adjusted EBIT margin of 13.9% in Q1/2017 (Q1/2016: 14.5%)
- Further workforce growth due to strong development activities
- Presentation of new STRATEC platforms planned at AACC 2017

## Dear shareholders, Dear partners and friends of STRATEC,

Following a very strong fourth quarter of the 2016 financial year, the STRATEC Group continued its positive performance in the first quarter of 2017. This growth was driven both by rising production figures with those analyzer systems producing the highest revenues and a high volume of development services, as well as by the activities newly added with the subsidiaries acquired in 2016.

Due to the product mix and a delay in benefits of scale taking effect, the profitability we have achieved is not yet in the expected range. Given the seasonal developments we would anticipate and the resultant change in the product mix, we expect our profitability to develop positively as the year progresses.

In the wake of the acquisitions, we implemented further organizational and structural measures in the first quarter and correspondingly expanded our capacities. By including the employees at our new locations and hiring additional personnel, especially in our development departments, we have now reached over 1,000 employees. We are making substantial progress with accessing joint customer projects in association with our newly structured business units, expanding uniform development and production platforms, and implementing a uniform, group-wide ERP system.

We are in talks with our existing partners, and potential new partners, about numerous promising projects which we intend to draw on to generate further growth and further expand our market position. Some of the development projects currently underway will be brought to market by our partners in the quarters ahead. Furthermore, we will be presenting one of the newly developed STRATEC platforms in the third quarter of 2017.

We are delighted to be able to propose what is already the thirteenth consecutive increase in our dividend, in this case to € 0.77 per share, for approval by our shareholders, who are warmly invited to attend our Annual General Meeting in Pforzheim on June 14, 2017.

We would like to thank you for the trust you have placed in us.

On behalf of the Board of Management of  
STRATEC Biomedical AG



**Marcus Wolfinger**  
Chairman of the Board of Management

## Major key figures

Key figures (€ 000s)	01.01.–03.31.2017	01.01.–03.31.2016	Change
Sales	49,510	31,218	+58.6%
EBITDA <sup>1</sup>	8,812	5,703	+54.5%
EBITDA margin (%) <sup>1</sup>	17.8	18.3	-50 bps
EBIT <sup>2</sup>	6,870	4,530	+51.7%
EBIT margin (%) <sup>2</sup>	13.9	14.5	-60 bps
Consolidated net income <sup>2</sup>	5,369	3,424	+56.8%
Earnings per share (€) <sup>2</sup>	0.45	0.29	+55.2%

bps = basis points

<sup>1</sup> 2017 figure adjusted to exclude expenses resulting from transaction activities and related reorganization expenses

<sup>2</sup> 2017 figure additionally adjusted to exclude purchase price allocation-related amortization, financing expenses and tax expenses in connection with the acquisitions of the Diatron Group and STRATEC Consumables

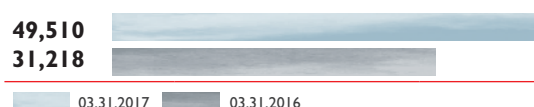
# BUSINESS PERFORMANCE

Sales for the first quarter of 2017 increased by 58.6% from € 31.2 million in the previous year to € 49.5 million. The two subsidiaries acquired in the 2016 financial year, namely Diatron and STRATEC Consumables, were not yet part of the STRATEC Group in the previous year's quarter. The organization of business units within the STRATEC Group was adjusted in the course of the acquisitions and is not entirely consistent with the previous year's structure. A like-for-like comparison of the sales performance based on the company's structure in the previous year shows that organic sales rose by 21.1% to € 37.8 million. This growth was driven in particular by development services and by an increase in the number of systems delivered to what are STRATEC's largest customers in terms of sales.

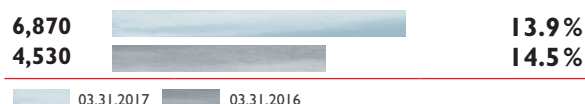
The Group generated adjusted EBIT of € 6.9 million in the first quarter of 2017. The adjusted EBIT margin came to 13.9%, as against 14.5% in the equivalent period in the previous year. This temporary reduction is particularly attributable to the high share of overall sales due to lower-margin development services and the dilution in the margin due to the new subsidiaries, as well as to a compensation component included under personnel expenses for stock appreciation rights, which took material effect for the first time in the first quarter.

This resulted in consolidated net income of € 5.4 million (+57.7%; previous year: € 3.4 million). Earnings per share amounted to € 0.45 (+55.2%, previous year: € 0.29). These earnings figures have been adjusted to exclude purchase price allocation-related amortization resulting from the acquisitions of Diatron and STRATEC Consumables and one-off items resulting from transaction activities and associated restructuring expenses.

## Comparison of sales performance (€ 000s)



## Comparison of EBIT and EBIT margin (€ 000s)

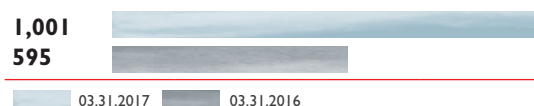


# DEVELOPMENT IN PERSONNEL

Including personnel hired from temporary employment agencies and trainees, the STRATEC Group had a total of 1,001 employees as of March 31, 2017. This corresponds to an increase of 68.2% compared with the previous year's reporting date. Of the total workforce as of March 31, 2017, 368 employees are attributable to the new subsidiaries.

To deal with large numbers of development projects, STRATEC continues to seek qualified personnel and expects to report rising employee totals in the quarters ahead, as well.

## Number of employees (03.31.)



# PROJECTS AND OTHER DEVELOPMENTS

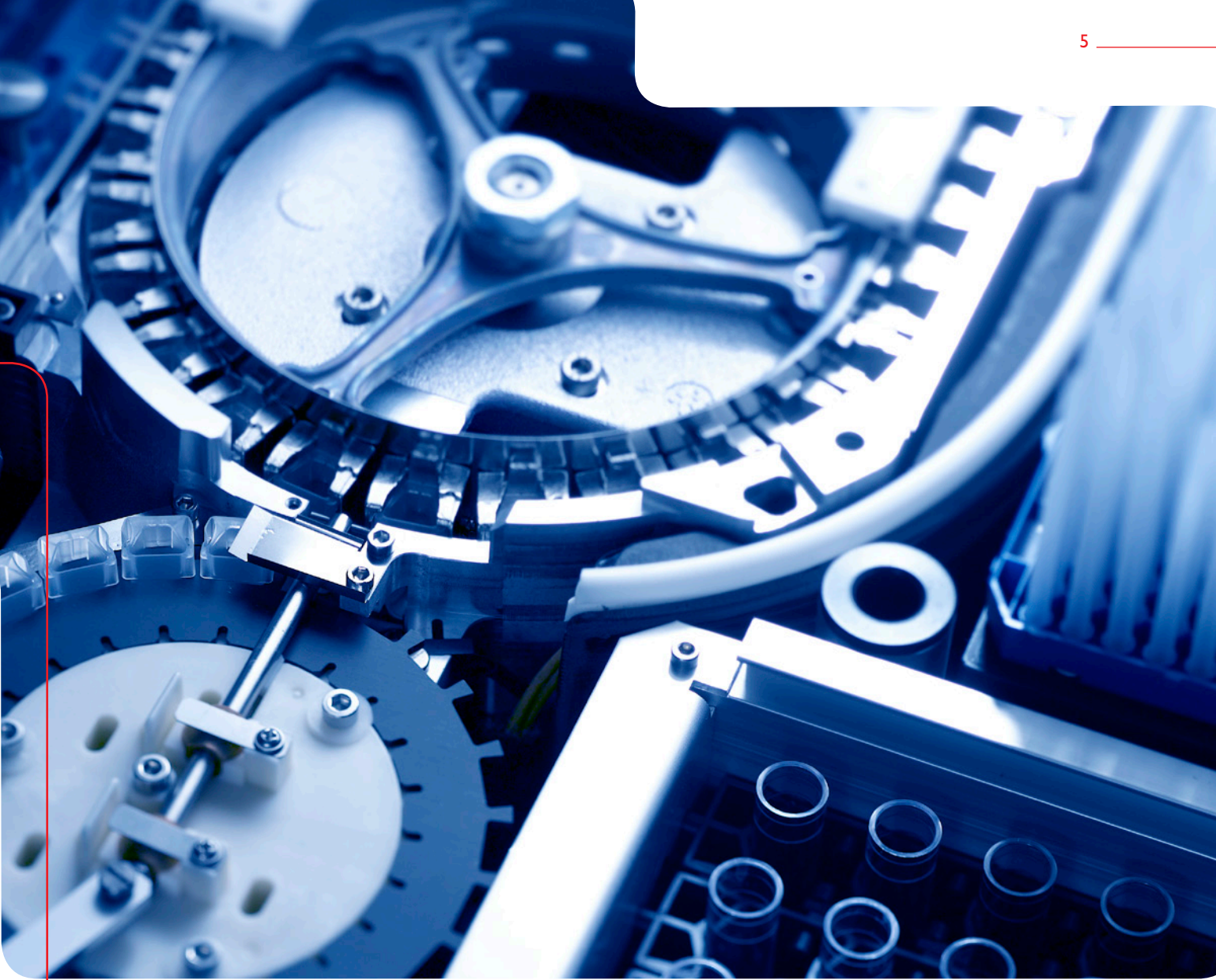
STRATEC is currently in an advanced stage of negotiations for several development and supply agreements. Furthermore, several market launches are being prepared for partners in the coming quarters. Given the measures already taken to extend capacities within the Group, STRATEC is prepared for this growth.

The STRATEC platforms in development are already the object of specific negotiations with partners with regard to further development projects and resultant cooperations. The company plans to present initial joint system solutions at the AACC fair to be held in San Diego, US, in August. STRATEC sees these projects as providing an additional basis for its future growth and further diversification.

The acquisitions of the new companies have already impacted positively on the performance of the STRATEC Group in the current financial year, especially in the form of project negotiations and contract agreements.

STRATEC will continue to focus in the current year on achieving major development milestones and market launches.





## 2017 ANNUAL GENERAL MEETING

### FINANCIAL FORECAST

At their meeting on April 11, 2017, the Board of Management and Supervisory Board of STRATEC Biomedical AG decided to propose the payment of a dividend of € 0.77 per share for the 2016 financial year for approval by the Annual General Meeting on June 14, 2017 (previous year: € 0.75 per share). Based on the current total of 11,854,305 shares with dividend entitlement, the proposal corresponds to a 2.7% increase in the distribution total to € 9.1 million (previous year: € 8.9 million). STRATEC has a continuity-based dividend policy. If approved, this year's dividend would be the thirteenth consecutive increase in the distribution to shareholders since dividends were first paid in 2004.

An update to the financial forecast is expected to be released upon the publication of the Half-yearly Financial Report on July 25, 2017. Until then, the existing forecast remains valid.

# CONSOLIDATED BALANCE SHEET

## as of March 31, 2017

### Assets

€ 000s	03.31.2017	12.31.2016
<b>Non-current assets</b>		
Goodwill	42,938	42,841
Other intangible assets	74,596	75,935
Property, plant and equipment	33,498	32,789
Financial assets	326	378
Deferred taxes	19	99
	<b>151,377</b>	<b>152,042</b>
<b>Current assets</b>		
Inventories		
• Raw materials and supplies	15,741	13,029
• Unfinished products, unfinished services	7,041	5,302
• Finished products and merchandise	4,668	6,188
	<b>27,450</b>	<b>24,519</b>
Receivables and other assets		
• Trade receivables	30,548	38,890
• Receivables from construction contracts	3,666	2,348
• Receivables from associates	23	22
• Financial assets	6,344	5,695
• Other receivables and assets	5,831	3,870
• Income tax receivables	4,107	4,081
	<b>50,519</b>	<b>54,906</b>
Cash and cash equivalents	29,130	26,500
	<b>107,099</b>	<b>105,925</b>
	<b>258,476</b>	<b>257,967</b>

## Shareholders' equity and debt

€ 000s	03.31.2017	12.31.2016
<b>Shareholders' equity</b>		
Share capital	11,861	11,861
Capital reserve	20,480	20,437
Revenue reserves	108,453	105,033
Treasury stock	-118	-118
Other equity	7,230	6,506
	<b>147,906</b>	<b>143,719</b>
<b>Non-current debt</b>		
Non-current financial liabilities	3,984	3,035
Other non-current liabilities	580	434
Provisions for pensions	1,783	1,753
Deferred taxes	14,525	14,829
	<b>20,872</b>	<b>20,051</b>
<b>Current debt</b>		
Current financial liabilities	65,370	72,793
Trade payables	9,745	7,100
Liabilities to associates	25	0
Other liabilities	11,894	12,631
Provisions	1,351	1,348
Income tax liabilities	1,313	325
	<b>89,698</b>	<b>94,197</b>
	<b>258,476</b>	<b>257,967</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Period from January 1 to March 31, 2017

€ 000s	01.01.–03.31.2017	01.01.–03.31.2016
<b>Sales</b>	<b>49,510</b>	<b>31,218</b>
Cost of sales	-33,081	-20,320
<b>Gross profit</b>	<b>16,429</b>	<b>10,898</b>
Research and development expenses	-1,896	-2,056
Sales-related expenses	-3,776	-1,534
General administration expenses	-5,831	-2,427
Other operating income and expenses	-243	-351
<b>Earnings before interest and taxes (EBIT)</b>	<b>4,683</b>	<b>4,530</b>
Net financial expenses	-275	-115
<b>Earnings before taxes (EBT)</b>	<b>4,408</b>	<b>4,415</b>
Deferred tax expenses	-1,252	-708
Deferred tax income (previous year: tax expenses)	264	-283
<b>Consolidated net income</b>	<b>3,420</b>	<b>3,424</b>
<b>Basic earnings per share in €</b>	<b>0.29</b>	<b>0.29</b>
No. of shares used as basis (basic)	11,854,305	11,843,587
<b>Diluted earnings per share in €</b>	<b>0.29</b>	<b>0.29</b>
No. of shares used as basis (diluted)	11,931,139	11,927,509



## FINANCIAL CALENDAR

# 05

**05.04.2017**

Quarterly Statement  
Q1|2017

# 06

**06.14.2017**

Annual General Meeting,  
Pforzheim, Germany

# 07

**07.25.2017**

Half-yearly Financial Report  
H1|2017

# 10

**10.26.2017**

Quarterly Statement  
9M|2017

# 11

**11.28.2017**

German Equity Forum,  
Frankfurt/Main, Germany  
(Analysts Conference)

Subject to amendment

Quarterly statements and half-yearly financial reports are neither audited nor subject to an audit review by the group auditor Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart.

## ABOUT STRATEC

STRATEC Biomedical AG ([www.stratec.com](http://www.stratec.com)) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. Furthermore, the company offers sample preparation solutions, integrated laboratory software, and complex consumables for diagnostic and medical applications. STRATEC covers the entire value chain – from development to design and production through to quality assurance.

The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of its own patented technologies.

Shares in the company (ISIN: DE000STRA555) are traded in the Prime Standard segment of the Frankfurt Stock Exchange.

## IMPRINT AND CONTACT

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