

QUARTERLY STATEMENT Q1|2019

January 1 to March 31, 2019



STRATEC REPORTS GOOD START TO THE 2019 FINANCIAL YEAR

- Consolidated sales in Q1/2019 up 17.6% year-on-year at constant currency to € 47.7 million; nominal growth of 20.3% (Q1/2018: € 39.6 million)
- Adjusted EBIT for Q1/2019 +26.2% to € 5.1 million (Q1/2018: € 4.0 million)
- Adjusted EBIT margin improves year-on-year by 60 basis points to 10.7%
- Above-average number of product launches expected
- Ongoing high volume of development activities and rising employee totals
- Financial guidance for 2019 financial year confirmed

Dear Shareholders, Partners and Friends of STRATEC,

As expected, the STRATEC Group can report a good start to 2019. Compared with the previous year, the company increased its consolidated sales for the first quarter by 17.6% on a constant currency basis. This positive performance was driven in particular by higher system sales. Consistent with expectations, the Diatron segment also developed positively in the first quarter. Furthermore, we significantly increased our adjusted EBIT, which rose year-on-year by 26.2%. Based on this strong performance in the first months and on current order forecasts from our customers, we are therefore very well on track to meet our full-year targets.

Thanks to the high volume of development activities performed in recent years, STRATEC stands to benefit from an above-average number of expected product launches in 2019. One system designed and manufactured by STRATEC was launched onto the market in the first quarter already, and further major product launches are scheduled by the middle of the year. Given the long lifecycles involved, the market launches of these products provide a further key foundation for the STRATEC Group's future sustainable growth.

Not only that, we have successfully acquired new development projects from existing and new partners in the recent past as well. This means that our development pipeline is just as full as ever. We will therefore be maintaining our development activities at a high level in the coming years too and STRATEC will be focusing once again in the current year on achieving further major development milestones.

In the first quarter of 2019, we also attracted further highly qualified employees to the STRATEC Group and once again significantly raised our employee totals compared with the previous year. To enable us to implement the large number of development projects, we expect to see further workforce growth in the years ahead as well. Work on the associated significant expansion in our building capacities at the Birkenfeld location is progressing on schedule. The first phase of construction work is still scheduled for completion in the second quarter of 2019, while the second phase should be completed in mid-2020.

We are also pleased to be able to propose what is already the fifteenth consecutive increase in our dividend, this time to € 0.82 per share (previous year: € 0.80 per share), for approval by our shareholders at our Annual General Meeting in Pforzheim on May 29, 2019.

Thank you for the trust you have placed in us.

On behalf of the Board of Management
of STRATEC SE



Marcus Wolfinger
Chief Executive Officer

Key figures¹

| € 000s | Q1 2019 | Q1 2018 ² | Change |
|---|---------|----------------------|----------|
| Sales | 47,675 | 39,641 | +20.3% |
| Adjusted EBITDA | 7,362 | 5,563 | +32.3% |
| Adjusted EBITDA margin (%) | 15.4 | 14.0 | +140 bps |
| Adjusted EBIT | 5,079 | 4,023 | +26.2% |
| Adjusted EBIT margin (%) | 10.7 | 10.1 | +60 bps |
| Adjusted consolidated net income ³ | 3,836 | 3,357 | +14.3% |
| Adjusted earnings per share (€) ³ | 0.32 | 0.28 | +14.3% |
| Earnings per share (€) ³ | 0.12 | 0.09 | +33.3% |

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, as well as other non-recurring effects.

² Retrospectively restated for IFRS 9 and IFRS 15 and for classification of nucleic acid purification business as discontinued operation pursuant to IFRS 5.

³ Not retrospectively restated for IFRS 16.

³ Results from continuing operations.

BUSINESS PERFORMANCE

Consolidated sales grew year-on-year by 20.3% to € 47.7 million in the first quarter of 2019 (Q1/2018: € 39.6 million). On a constant currency basis, this corresponds to growth of 17.6%. This sales growth was driven in particular by higher call-up numbers for systems in the Instrumentation segment. Thanks to recent product launches, sales in the Diatron segment also rose significantly compared with the previous year.

Adjusted EBIT increased by 26.2% to € 5.1 million in the first quarter of 2019, compared with € 4.0 million in the previous year. As a result, the adjusted EBIT margin rose year-on-year by 60 basis points to 10.7%. The margin was positively affected in particular by the higher sales volumes and associated benefits of scale. This effect was nevertheless partly offset by increased costs in connection with the full development pipeline, higher personnel expenses relating to stock appreciation rights, and the product mix. In line with expectations, the launch of a new ERP system in January and the therefore scheduled interruption to production activities also impacted negatively on the company's performance.

Due to the increase in operating profitability, adjusted consolidated net income from continuing operations also improved, in this case by 14.3% from € 3.4 million in the previous year to € 3.8 million. Adjusted earnings per share from continuing operations (basic) amounted to € 0.32, as against € 0.28 in the previous year's quarter.

To facilitate comparison, the adjusted figures are stated net of the amortization of purchase price allocations resulting from acquisitions, associated restructuring expenses, and other non-recurring items. A reconciliation of the adjusted figures with the figures reported in the consolidated income statement is provided below.

| € 000s | 01.01. – 03.31.2019 |
|---|---------------------|
| Adjusted EBIT | 5,079 |
| Adjustments | |
| • PPA amortization | -2,277 |
| • Expenses relating to transactions and associated restructuring expenses | -723 |
| EBIT | 2,079 |

| € 000s | 01.01. – 03.31.2019 |
|--|---------------------|
| Adjusted consolidated net income from continuing operations | 3,836 |
| Adjusted earnings per share from continuing operations in € (basic) | 0.32 |
| Adjustments | |
| • PPA amortization | -2,277 |
| • Expenses relating to transactions and associated restructuring expenses | -723 |
| • Current tax expenses | 197 |
| • Deferred tax income | 360 |
| Consolidated net income from continuing operations | 1,393 |
| Earnings per share from continuing operations in € (basic) | 0.12 |

PROJECTS AND OTHER DEVELOPMENTS

Due in particular to the high volume of development activities performed in recent years, STRATEC expects an above-average number of product launches in the 2019 financial year. Consistent with this expectation, in the first quarter of 2019 a North American partner already reported CE-IVD certification for a system designed and manufactured by STRATEC. The market launches of two further systems designed by STRATEC in cooperation with partners are also scheduled to take place by the middle of the year. Furthermore, proprietary developments in the platform and module businesses are planned to be launched onto the market in the second half of the year.

On an operating level, the successful go-live of a new ERP system at the company's two largest production locations in Birkenfeld (DE) and Beringen (CH) in the first quarter of 2019 represented a major milestone. Following implementation at the Budapest (HU) and Anif (AT) locations in 2018 already, this means that all locations relevant to the STRATEC Group's production activities now have a uniform ERP system. Once the inefficiencies customary to the initial phase have been addressed, the new system will make cooperation between the locations significantly easier and enable processes to be structured more efficiently.

DEVELOPMENT IN PERSONNEL

Including personnel hired from a temporary employment agency and trainees, the STRATEC Group had a total of 1,217 employees as of March 31, 2019. This represents an increase of 9.6% compared with the previous year's reporting date. The ongoing growth in the number of employees is due in particular to the company's great need for highly qualified development employees in connection with its constantly growing development pipeline. STRATEC expects to require large numbers of additional highly qualified staff to implement the projects in its development pipeline in the years ahead as well.

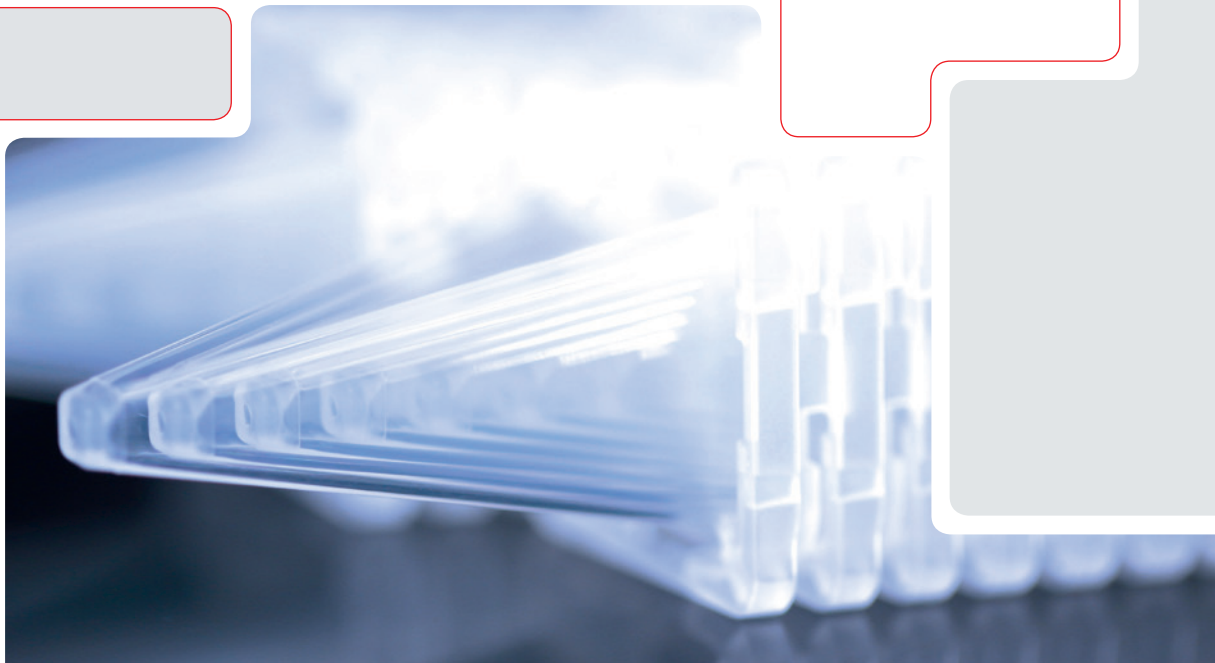
FINANCIAL GUIDANCE

Based on its performance in the first quarter, which was in line with expectations, and the current order forecasts received from its customers, STRATEC confirms the financial guidance issued for the 2019 financial year. STRATEC therefore still expects to generate sales growth adjusted for exchange rate effects of at least 12% in 2019 (basis: € 187.8 million) and an adjusted EBIT margin of around 14% to 15% (2018: 13.9%).

Given the construction work underway to significantly expand capacities at its headquarters in Birkenfeld and investments in numerous development projects, STRATEC expects its investment ratio to remain at an above-average high level in 2019. The company has budgeted investments in property, plant and equipment and intangible assets corresponding to around 12% to 14% of sales for 2019 (previous year: 10.3%). However, the investment ratio will likely decline considerably from 2020 onwards once the construction measures have been completed.

2019 ANNUAL GENERAL MEETING

In view of the company's positive business prospects, its comfortable balance sheet position, and its ongoing favorable financing costs, the Board of Management and Supervisory Board of STRATEC SE have decided to propose a dividend of € 0.82 per share for the 2018 financial year for approval by the Annual General Meeting on May 29, 2019 (distribution in previous year: € 0.80 per share). Subject to approval by the Annual General Meeting, the distribution paid to shareholders would rise for the fifteenth consecutive year since payment of the first dividend in 2004. STRATEC thus plans to maintain its continuity-based dividend policy. As the company is continuing to focus on internal and external growth opportunities, it may temporarily deviate from this approach. Such opportunities may arise due to larger-scale acquisitions or to the potential need for advance financing for major projects.



CONSOLIDATED BALANCE SHEET

as of March 31, 2019

Assets

| € 000s | 03.31.2019 | 12.31.2018 ¹ |
|--|----------------|-------------------------|
| Non-current assets | | |
| Goodwill | 41,377 | 41,245 |
| Other intangible assets | 57,527 | 57,017 |
| Property, plant and equipment | 49,742 | 39,510 |
| Non-current financial assets | 446 | 459 |
| Non-current other receivables and assets | 1,109 | 1,109 |
| Non-current contract assets | 8,492 | 8,557 |
| Deferred taxes | 225 | 201 |
| | 158,918 | 148,098 |
| Current assets | | |
| Inventories | | |
| • Raw materials and supplies | 25,860 | 23,729 |
| • Unfinished products, contract fulfilment costs | 27,575 | 21,946 |
| • Finished products and merchandise | 7,406 | 12,855 |
| | 60,841 | 58,530 |
| Receivables and other assets | | |
| • Trade receivables | 35,913 | 34,750 |
| • Receivables from associates | 13 | 22 |
| • Current financial assets | 965 | 810 |
| • Current other receivables and assets | 7,721 | 5,747 |
| • Current contract assets | 2,823 | 1,132 |
| • Income tax receivables | 1,995 | 1,418 |
| | 49,430 | 43,879 |
| Cash and cash equivalents | 25,019 | 23,816 |
| Assets held for sale | 0 | 962 |
| | 135,290 | 127,187 |
| | | |
| | | |
| Total assets | 294,208 | 275,285 |

¹ Figures not retrospectively restated to account for first-time application of IFRS 16 in 2019. The figures are therefore only conditionally comparable with those for 2019. This particularly applies to the property, plant and equipment and financial liabilities line items.

Shareholders' equity and debt

| € 000s | 03. 31. 2019 | 12. 31. 2018 ¹ |
|---|----------------|---------------------------|
| Shareholders' equity | | |
| Share capital | 11,969 | 11,969 |
| Capital reserve | 24,191 | 24,119 |
| Revenue reserves | 116,031 | 116,347 |
| Treasury stock | -89 | -89 |
| Other equity | 1,124 | -142 |
| | 153,226 | 152,204 |
| Non-current debt | | |
| Non-current financial liabilities | 74,852 | 68,933 |
| Other non-current liabilities | 221 | 417 |
| Non-current contract liabilities | 3,305 | 3,342 |
| Provisions for pensions | 3,849 | 3,811 |
| Deferred taxes | 6,974 | 7,530 |
| | 89,201 | 84,033 |
| Current debt | | |
| Current financial liabilities | 12,463 | 7,987 |
| Trade payables | 11,196 | 6,457 |
| Liabilities to associates | 13 | 0 |
| Other current liabilities | 7,543 | 5,835 |
| Current contract liabilities | 17,520 | 12,722 |
| Provisions | 1,352 | 1,348 |
| Income tax liabilities | 1,694 | 3,796 |
| Liabilities directly associated with assets held for sale | 0 | 903 |
| | 51,781 | 39,048 |
| Total shareholders' equity and debt | 294,208 | 275,285 |

¹ Figures not retrospectively restated to account for first-time application of IFRS 16 in 2019. The figures are therefore only conditionally comparable with those for 2019. This particularly applies to the property, plant and equipment and financial liabilities line items.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2019

| € 000s | 01.01. – 03.31.2019 | 01.01. – 03.31.2018 ¹ |
|--|---------------------|----------------------------------|
| Sales | 47,675 | 39,641 |
| Cost of sales | -36,552 | -30,890 |
| Gross profit | 11,123 | 8,751 |
| Research and development expenses | -1,898 | -1,901 |
| Sales-related expenses | -2,243 | -1,748 |
| General administration expenses | -4,866 | -4,115 |
| Other operating income/expenses | -37 | 208 |
| Earnings before interest and taxes (EBIT) | 2,079 | 1,195 |
| Net financial expenses | -462 | 5 |
| Earnings before taxes (EBT) | 1,617 | 1,200 |
| Current tax expenses | -873 | -899 |
| Deferred tax income | 649 | 733 |
| Earnings from continuing operations | 1,393 | 1,034 |
| Earnings from discontinued operation | -1,709 | -112 |
| Consolidated net income | -316 | 922 |
| Items that may not be reclassified to profit or loss | | |
| Changes in value of financial investments | 0 | -2,499 |
| Items that may be subsequently reclassified to profit or loss | | |
| Changes in value of financial investments | 1,266 | -1,098 |
| Other comprehensive income (OCI) | 1,266 | -3,597 |
| Comprehensive income | 950 | -2,675 |
| Basic earnings per share in € | -0,03 | 0.08 |
| From continuing operations | 0.12 | 0.09 |
| From discontinued operation | -0.14 | -0.01 |
| No. of shares used as basis (basic) | 11,964,250 | 11,915,950 |
| Diluted earnings per share in € | -0.03 | 0.08 |
| From continuing operations | 0.12 | 0.09 |
| From discontinued operation | -0.14 | -0.01 |
| No. of shares used as basis (diluted) | 12,021,057 | 12,019,162 |

¹ Retrospectively restated for IFRS 9 and IFRS 15 as well as reclassification of sales-related expenses and general administration expenses to cost of sales. Figures not retrospectively restated to account for first-time application of IFRS 16 in 2019.

CONSOLIDATED CASH FLOW STATEMENT

for the period from January 1 to March 31, 2019

| € 000s | 01.01. – 03.31.2019 | 01.01. – 03.31.2018 ¹ |
|--|---------------------|----------------------------------|
| Operations | | |
| Consolidated net income (after taxes) | -316 | 922 |
| Depreciation and amortization | 4,605 | 4,193 |
| Current income tax expenses | 873 | 899 |
| Income taxes paid less income taxes received | -3,437 | -700 |
| Financial income | -11 | -2 |
| Financial expenses | 257 | 149 |
| Interest paid | -275 | -174 |
| Interest received | 12 | 0 |
| Other non-cash expenses | 2,876 | 416 |
| Other non-cash income | -788 | -1,334 |
| Change in net pension provisions through profit or loss | 25 | 164 |
| Change in deferred taxes through profit or loss | -649 | -733 |
| - Profit/+ loss on disposals of non-current assets | -22 | -6 |
| - Increase/+ reduction in inventories, trade receivables, and other assets | -6,027 | 3,113 |
| + Increase/- reduction in trade payables and other liabilities | 12,377 | 5,126 |
| Cash flow from operating activities | 9,500 | 12,032 |
| Investments | | |
| Incoming payments from disposals of non-current assets | | |
| • Property, plant and equipment | 22 | 0 |
| • Financial assets | 30 | 0 |
| Outgoing payments for investments in non-current assets | | |
| • Intangible assets | -3,073 | -2,148 |
| • Property, plant and equipment | -3,911 | -1,856 |
| Incoming payments from disposals of companies previously consolidated less cash rendered | -871 | 0 |
| Cash flow from investing activities | -7,803 | -4,004 |
| Financing | | |
| Incoming funds from taking up of financial liabilities | 0 | 0 |
| Outgoing payments for repayment of financial liabilities | -496 | -1,118 |
| Cash flow from financing activities | -496 | -1,118 |
| Cash-effective change in cash and cash equivalents | 1,201 | 6,911 |
| Cash and cash equivalents at start of period | 24,095 | 24,137 |
| Impact of exchange rate movements | -277 | -450 |
| Cash and cash equivalents at end of period | 25,019 | 30,598 |

¹ Retrospectively restated for IFRS 9 and IFRS 15. Figures not retrospectively restated to account for first-time application of IFRS 16 in 2019.

FINANCIAL CALENDAR



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 SE (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 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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