

## PRESS RELEASE

### STRATEC reports consistent growth in first nine months of 2014

- Sales of € 105.3 million in 9M/2014 (+15.9%; 9M/2013: € 90.8 million)
- EBIT of € 17.7 million <sup>(2)</sup> in 9M/2014 (+37.7%; 9M/2013: € 12.8 million)
- EBIT margin of 16.8% <sup>(2)</sup> in 9M/2014 (+270 base points; 9M/2013: 14.1%)
- Consolidated net income of € 14.6 million <sup>(2)</sup> in 9M/2014 (+43.8%; 9M/2013: € 10.2 million)
- Earnings per share of € 1.24 <sup>(2)</sup> in 9M/2014 (+42.5%; 9M/2013: € 0.87)
- Improved EBIT margin expectations

Birkenfeld, October 22, 2014

STRATEC Biomedical AG, Birkenfeld, Germany (Frankfurt: SBS; Prime Standard, TecDAX) today announced its results for the period January 1, 2014 to September 30, 2014 upon the publication of its Interim Report as of September 30, 2014.

Key figures (€000s)	01.01.- 09.30.2014	01.01.- 09.30.2013 <sup>(1)</sup>	Changes
Sales	105,278	90,819	+15.9%
EBIT	17,685 <sup>(2)</sup>	12,847	+37.7%
EBIT margin (%)	16.8 <sup>(2)</sup>	14.1	+270 BPS
Consolidated net income	14,627 <sup>(2)</sup>	10,173	+43.8%
Earnings per share (€)	1.24 <sup>(2)</sup>	0.87	+42.5%

<sup>(1)</sup> The accounting methods used in the consolidated financial statements were amended in line with IAS 8 in the 2013 financial year. Reference is made in this respect to the information in the Annual Report 2013 in Section A of the notes to the consolidated financial statements.

<sup>(2)</sup> 2014 figure adjusted to exclude a one-off negative item resulting from recognition in the first quarter of expenses for the remaining years of the term of a management board contract for a retired member of the Board of Management and a positive non-operating item due to recognition of income for a development project discontinued in 2013. Unadjusted EBIT amounts to € 17.0 million, the corresponding EBIT margin amounts to 16.2%, consolidated net income to € 14.2 million and earnings per share to € 1.20. The actual amount of the aforementioned expense item may differ at the time of payment from the amounts presented here.

### **Financial performance**

STRATEC sustained the positive performance seen in the first half of the year in the third quarter of 2014. Sales increased by 15.9% to € 105.3 million compared with the first nine months of 2013. Alongside high-volume established systems and ongoing positive developments in the service parts business, key growth drivers included sales from newer systems. Sales growth also benefited from increasing volumes of development work, which are expected to lead to further positive developments from new market launches in the coming years.

The improvement in the EBIT margin was driven by an increased share of sales from service parts, as well as the positive development in the gross margin for high-volume systems and growth in the volume of such systems sold. Nine-month EBIT increased to € 17.7 million, up 37.7% from € 12.8 million in the previous year. This corresponds to an EBIT margin of 16.8%. Consolidated net income grew by 43.8% to € 14.6 million, and earnings per share increased 42.5% to € 1.24.

These earnings figures have been adjusted to exclude a one-off negative item resulting from recognition in the first quarter of expenses for the remaining years of the term of a management board contract for a retired member of the Board of Management and a positive non-operating item due to recognition of income for a development project discontinued in 2013. On an adjusted basis, EBIT amounted to € 17.0 million, the corresponding EBIT margin to 16.2%, consolidated net income to € 14.2 million and earnings per share to € 1.20.

Due to the expiry of a tax concession, the positive impact of lower taxes payable on revenues generated in Switzerland will be slightly less marked from the coming year onwards.

### **Development in personnel**

Including temporary employees, the STRATEC Group had a total of 554 employees as of September 30, 2014 (September 30, 2013: 544).

### **Project development, outlook and financial forecast**

In the current year, STRATEC is focusing on achieving further major development milestones, additional market launches, and finalizing negotiations for new development and production contracts.

The recovery in the service parts division has continued. This is due primarily to a slight recovery in test volumes at diagnostic laboratories in the US in particular and to initial stocking for newly delivered systems also.

Furthermore, the expansion in the company's production and development capacities is set to play a major role in the coming quarters. One example here is the planned construction of a proprietary development complex at STRATEC's location in Romania, where construction work is expected to start at the beginning of 2015. The company also plans to extend production areas at its Beringer location in Switzerland. This measure, also scheduled for 2015, will boost the STRATEC Group's production capacity by around 20%.

To optimize structures, the key focus at the US location in Newbury Park going forward will be on developing opto-mechanical components and associated prototype construction.

Our partners, who generally market our systems together with their own reagents, have currently reported only a very low level of impact related to events in connection with the Ukraine crisis and sanctions on Russia. To date, the only implications are a slight reduction in analyzer system call-up volumes at one partner.

Based on budgets that account for acceptance volume forecasts from our customers and market launches expected in the coming years, STRATEC continues to expect average annual sales growth of 8% to 12% for the years through to 2017 (based on the volume of sales generated in the 2013 financial year). Growth rates are expected to fluctuate between individual years. For 2014, STRATEC continues to expect substantial sales growth compared with the 2013 financial year; accompanied by a significant rise in its EBIT margin.

### **Conversion in accounting methods**

The business results presented here represent consolidated figures following the previously announced amendment to accounting methods pursuant to IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors). The comparative figures for the previous year have been adjusted accordingly. The amendments to accounting methods are explained in detail in the 2013 Annual Report from Page 48 onwards.

Among other factors, these voluntary amendments also involved converting the accounting method used to recognize projects, a measure resulting from a recommendation made by the German Financial Reporting Enforcement Panel (DPR) and whose implementation was completed at the end of 2013.

### **Interim Report as of September 30, 2014**

Further details can be found in our Interim Report as of September 30, 2014, which has been published today on the company's homepage at [www.stratec.com/financial\\_reports](http://www.stratec.com/financial_reports).

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

Shares in the company (ISIN: DE0007289001) are traded in the Prime Standard segment of the Frankfurt Stock Exchange and are listed in the TecDAX select index of the German Stock Exchange.

### **Further information can be obtained from:**

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