

PRESS RELEASE

STRATEC reports on first nine months of 2016

- Sales of € 126.3 million in 9M/2016 (+17.8%; 9M/2015: € 107.2 million)
- EBIT margin of 14.6%⁽¹⁾ in 9M/2016 (9M/2015: 17.9%)
- Further growth in workforce due to full development pipeline
- New development agreements signed

Birkenfeld, October 27, 2016

STRATEC Biomedical AG, Birkenfeld, Germany (Frankfurt: SBS; Prime Standard, TecDAX) today announced its financial results for the period from January 1, 2016 through to September 30, 2016 with the publication of its Quarterly Statement 9M|2016.

Major key figures

in € thousand	01.01.- 09.30.2016	01.01.- 09.30.2015	Change
Sales	126,334	107,200	+17.8%
EBITDA ⁽¹⁾	22,671	23,368	-3.0%
EBITDA margin (%) ⁽¹⁾	17.9	21.8	-390 bps
EBIT ⁽¹⁾	18,391	19,235	-4.4%
EBIT margin (%) ⁽¹⁾	14.6	17.9	-330 bps
Consolidated net income ⁽²⁾	15,251	15,916	-4.2%
Earnings per share (€) ⁽²⁾	1.29	1.35	-4.4%

bps=basis points

(1) 2016 figure adjusted for one-off items resulting from transaction activities and related reorganization expenses

(2) 2016 figure additionally adjusted for financing expenses and tax expenses in connection with the acquisitions of the Diatron Group and STRATEC Consumables, for one-off items resulting from the tax audit for the 2009 to 2013 assessment periods, and for tax effects relating to reorganization expenses

Business performance

The Group increased its sales for the first nine months of 2016 by 17.8% to € 126.3 million (previous year: € 107.2 million). This substantial growth was mostly attributable to the sales contributed by the Diatron Group and STRATEC Consumables, which have been consolidated for the first time since April 1, 2016 and July 1, 2016 respectively. The negative impact of regulatory procedures taking longer than planned and persistent turnover weakness at one customer since the beginning of the year was offset by positive call-up figures for various systems.

The Group generated adjusted EBIT of € 18.4 million. The adjustment includes expenses for the two acquisitions made in 2016 and the integration of the companies involved. To enhance efficiency, this integration also involved merging the activities of three operating units in the US at two locations on the East Coast. The EBIT margin was adjusted to exclude the associated one-off expenses and came to 14.6% at the end of the first nine months.

The temporary reduction in the margin is mainly due to lower profitability at the new subsidiaries and to the hiring of new staff in connection with numerous product developments.

The positive impact these product development measures are expected to have in the medium term is currently being impeded. This is because the delays in product approvals already mentioned have held back growth momentum, leading to a temporary delay in the materialization of the resultant benefits of scale.

The backlog of investments in the infrastructure of the new subsidiaries will be rapidly remedied through targeted capital expenditures.

The bridge financing taken up in the context of the acquisitions is planned to be exchanged for long-term follow-up financing as the fourth quarter progresses.

Development in personnel

Including the newly acquired company divisions, personnel hired from temporary employment agencies, and trainees, the STRATEC Group had a total of 981 employees as of September 30, 2016. This corresponds to an increase of 71.2% compared with the previous year's reporting date.

Of the total workforce as of September 30, 2016, 364 employees were attributable to the two new companies. In the previous year, these companies had a total of 332 employees. Taking into account the 573 employees at STRATEC in Q3 2015, and factoring in the 332 employees from the two new companies, workforce grew by 8.3% over the twelve month period. Excluding acquisitions, the number of employees at the STRATEC Group rose by 7.6%, an increase driven in particular by the build-up of additional development capacities at the Birkenfeld location.

To deal with the large number of development projects, STRATEC remains on the lookout for well-qualified personnel and expects to report rising employee totals in the quarters ahead as well.

Projects and other developments

In the period under report, STRATEC reported new contracts for development projects, including a contract with a further leading company in the IVD industry. Further development contracts have reached promising negotiating stages.

Hologic, one of STRATEC's largest customers, has reported that the market launch of its "Panther Fusion" in Europe will take place in 2017. The US market launch of this system is scheduled for 2018. The "Fusion" system represents a further expansion to the established "Panther" line. Furthermore, Hologic has also reported on increased "Panther" placement volumes in connection with its Zika virus detection test.

Consistent with the agreed project planning, the development work on an immunoassay system for small and medium-sized laboratories is progressing very successfully. Initial milestones have been reached and the partner aims to launch the system onto the market in 2018.

Alongside these projects, our partners are also preparing several market launches scheduled for the coming quarters.

Development work on proprietary platforms is also progressing successfully. In cooperation with various partners, initial diagnostics tests are already being tried out and applications are being tested for a wide variety of fields. Initial sales with these platform-based systems are expected during the second half of 2017, while the first market launch with a partner is expected to take place in the first half of 2018.

STRATEC is continuing to focus on achieving key development milestones and market launches.

Current financial forecast and outlook

The updated version of the financial forecast issued on July 23, 2016 to account for the Group's acquisitions, which foresees sales growth to between € 175 million and € 182 million for the 2016 financial year and sales of between € 205 million and € 220 million in 2017, is hereby confirmed.

Excluding the impact of the companies acquired in 2016, the average organic sales growth of around 6% originally expected for 2016 and 2017 (CAGR of around 6% for sales from 2014 to 2017 based on sales in the 2013 financial year) will largely be generated in 2017. This is because several market launches are scheduled for the 2017 financial year.

The EBIT margin is expected to develop positively upon the materialization of benefits of scale resulting from growth in the traditional business and at acquired units.

Quarterly Statement

The Quarterly Statement 9M|2016 including consolidated balance sheet, consolidated statement of comprehensive income and consolidated cash flow statement can be found as a download on the company's website at www.stratec.com/financial_reports.

About STRATEC

STRATEC Biomedical AG (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 and are listed in the TecDAX select index of the German Stock Exchange.

Further information can be obtained from:

STRATEC Biomedical AG

André Loy, Corporate Communications

Gewerbestr. 37, 75217 Birkenfeld

Germany

Tel: +49 7082 7916-190

Fax: +49 7082 7916-999

ir@stratec.com

www.stratec.com