

PRESS RELEASE

STRATEC REPORTS FIGURES FOR FISCAL YEAR 2018

- Consolidated sales in 2018 down 5.9% to € 187.8 million in organic terms, and down 9.5% in nominal terms (2017: € 207.5 million)
- Adjusted EBIT of € 26.2 million in 2018 (down 28.1%; 2017: € 36.4 million)
- Adjusted EBIT margin of 13.9% in 2018 (2017: 17.5%) and thus slightly ahead of forecast corridor
- Strong development pipeline grew substantially again in 2018
- Dividend proposal of € 0.82 per share (previous year: € 0.80 per share)
- Positive outlook for 2019: sales growth adjusted for exchange rate effects of at least 12% and an adjusted EBIT margin of around 14% to 15% expected

Birkenfeld, April 11, 2019

STRATEC SE, Birkenfeld, Germany (Frankfurt: SBS; Prime Standard) is today announcing the final audited (unqualified audit opinion) figures for the STRATEC Group in accordance with IFRS for the fiscal year ended on December 31, 2018, together with the publication of its 2018 annual report.

KEY FIGURES ¹

€ 000s	2018 ²	2017 ³	Change yoy	2018 before adoption of IFRS 9 and 15	Change yoy
Sales	187,820	207,478	-9.5%	192,403	-7.3%
Adjusted EBITDA	36,190	43,405	-16.6%	37,066	-14.6%
Adjusted EBITDA margin (in %)	19.3	20.9	-160 bps	19.3	-160 bps
Adjusted EBIT	26,157	36,369	-28.1%	25,746	-29.2%
Adjusted EBIT margin (in %)	13.9	17.5	-360 bps	13.4	-410 bps
Adjusted consolidated net income ⁴	20,238	28,855	-29.9%	19,943	-30.9%
Adjusted earnings per share (€) ⁴	1.70	2.43	-30.0%	1.67	-31.3%
Earnings per share (€) ⁴	0.93	2.24	-58.5%	0.91	-59.4%

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 In accordance with IFRS 9 and IFRS 15.

³ Not retrospectively restated to reflect IFRS 9 and IFRS 15 (modified retrospective approach). Retrospectively restated to reflect the classification of the nucleic acid preparation business as a discontinued operation in accordance with IFRS 5.

⁴ Results from continuing operations.

BUSINESS PERFORMANCE

In fiscal year 2018, STRATEC generated consolidated sales of € 187.8 million (previous year: € 207.5 million). This equates to an organic sales decline of 5.9%. This figure is within the target corridor adapted in October 2018 of an organic sales decline in the low- to mid-single-digit percentage range. In nominal terms, sales declined by 9.5%, with 2.2 percentage points of this decrease due to effects of the first-time adoption of IFRS 15 and 1.4 percentage points to exchange rate fluctuations. The subdued organic sales performance was due in particular to postponements and delays that have now been overcome. Preparations for the ERP system introduction carried out in January 2019 also had a negative impact on business performance in the context of scheduled interruptions to production. Overall, though, with a recovery in order forecasts by customers and upcoming market launches, business momentum showed a significant pick up during the fourth quarter.

In fiscal year 2018, adjusted EBIT totaled € 26.2 million compared with € 36.4 million in the previous year. This corresponds to an adjusted EBIT margin of 13.9% compared to 17.5% in the same period of the previous year. Therefore, the target of an adjusted EBIT margin of around 11% to 13% forecast in October 2018 was slightly exceeded. The better-than-expected margin development in the fourth quarter of 2018 is particularly attributable to a strong product mix. By contrast, the negative margin development for the year as a whole stems from negative economies of scale and increased expenses to process a large number of development projects.

Adjusted consolidated net income from continuing operations fell by 29.9% to € 20.2 million (previous year: € 28.9 million) due to the lower operating result. Adjusted basic earnings per share of continuing operations amounted to € 1.70 (previous year: € 2.43). Earnings per share under IFRS totaled € 0.93 compared with € 2.24 in the previous year.

For comparison purposes, the 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. A reconciliation of the adjusted figures to those shown in the consolidated statement of comprehensive income can be found in the annual report 2018, which is also published today.

FINANCIAL FORECAST

Since being founded 40 years ago, STRATEC has attached great value to sustained growth, focusing on continually developing new proprietary technologies to help attract promising and longstanding customer projects. The company leverages innovative solutions which allows its partners to service their markets with high quality products. Growth prospects for customer target markets, in particular in the area of in-vitro diagnostics, remain positive. In addition, STRATEC is benefiting from the increasing trend in the in-vitro diagnostics industry towards outsourcing the development and production of

automation solutions to specialized partners such as STRATEC. Thanks to this, as well as to a full development pipeline, the company's business outlook remains positive.

In light of an array of market launches and current customer order forecasts, STRATEC is anticipating sales growth adjusted for exchange rate effects of at least 12% in fiscal year 2019 (basis: € 187.8 million). Based on developments in the first weeks of the current financial year, strong sales growth can already be expected for the first quarter.

In terms of profitability, STRATEC expects an adjusted EBIT margin of around 14% to 15% in fiscal 2019 (2018: 13.9%).

In light of ongoing construction measures aimed at significantly expanding capacity at the company headquarters in Birkenfeld, alongside investments in a myriad of development projects, STRATEC anticipates the investment ratio to remain above average in 2019. Investments in property, plant and equipment and intangible assets amounting to around 12% to 14% of sales are planned for 2019 (previous year: 10.3%). However, the investment ratio will likely decline considerably from 2020 onwards once the construction measures have been completed.

DIVIDEND PROPOSAL

In view of the positive business prospects, comfortable balance-sheet situation, and consistently favorable financing costs, the Board of Management and the Supervisory Board will propose a dividend distribution of € 0.82 per share to the Annual General Meeting, to be held on May 29, 2019 (previous year: € 0.80 per share).

Subject to the approval of the Annual General Meeting, shareholders can therefore expect a dividend increase for the fifteenth consecutive year since the first dividend was paid in 2004. STRATEC thus intends to maintain its continuity-oriented dividend policy. As STRATEC remains focused on internal and external growth opportunities, a temporary deviation from this benchmark is possible. These opportunities may stem from major acquisitions or the need for potential pre-financing of major projects.

PROJECTS AND OTHER DEVELOPMENTS

STRATEC's development pipeline expanded significantly again in 2018. For example, in the first quarter, STRATEC signed another major development agreement with a globally operating diagnostics company. In addition, at the 2018 AACC Annual Meeting in Chicago, the most important specialist trade fair for STRATEC, new concepts as well as components of a proprietary molecular-diagnostic platform were presented. Furthermore, STRATEC is currently preparing for a plethora of upcoming market launches. These include analyzer systems for European customers as well as proprietary developments in the Diatron segment. In addition, in March 2019, a US partner attained CE-IVD certification for a system developed and produced by STRATEC.

As development capacity is currently fully utilized and many negotiations on additional development agreements are at an advanced stage, STRATEC expects headcount to rise further in the next few years, particularly in the Research & Development department. To take this growth into account, conversion and major expansion of the buildings at the Birkenfeld location was started in fiscal year 2018. Completion of the first and second construction stages remains planned for mid-2019 and mid-2020 respectively. When the construction measures covering around 15,000 square meters are complete, additional capacity will be created for research & development, prototype production, warehousing, and administration.

At operating level, the introduction of a uniform Group-wide ERP system was rigorously pursued in 2018, and a significant milestone was reached with go-live at the Birkenfeld and Beringen locations in January 2019. Consequently, all production-relevant locations now have a uniform ERP system that will considerably simplify cooperation across locations and structure processes more efficiently.

PERSONNEL

The STRATEC Group had a total of 1,228 employees including temporary employees and trainees as of December 31, 2018. This corresponds to a 13.1% increase compared with the previous year. The continuous rise in headcount remains largely attributable to the strong demand for highly-qualified employees in connection with a full development pipeline. As of December 31, 2018, the Research & Development department had 662 employees. This equates to 53.9% of the total workforce and a year-on-year increase of 21.5%. STRATEC continues to expect strong additional demand for highly-qualified employees in order to fulfill its development pipeline.

ANNUAL REPORT 2018

The 2018 annual report of STRATEC SE is published on the company's website at www.stratec.com/financial_reports.

FORTHCOMING EVENTS

The Quarterly Statement Q1|2019 will be published on May 24, 2019.

The Annual General Meeting of STRATEC SE will be held on May 29, 2019 in Pforzheim. Invitations to the Annual General Meeting will be sent to STRATEC shareholders well in advance of the Annual General Meeting.

CONFERENCE CALL AND AUDIO WEBCAST

To comment on the publication of our final figures for fiscal year 2018, we will be holding a conference call in English today, Thursday, April 11, 2019, at 2.00 p.m. (CEST).

You will receive the access data (telephone number, password + individual PIN) after brief registration via the following link: www.stratec.com/registration

The conference call can also be followed as an audio webcast at www.stratec.com/audiowebrtcast20190411 (brief registration necessary). Please note that it is not

possible to submit any questions via the audio webcast. You can also use this link to follow or download the slide presentation.

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.

FURTHER INFORMATION IS AVAILABLE FROM:

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