

PRESS RELEASE

STRATEC GENERATES DOUBLE-DIGIT SALES AND EARNINGS GROWTH IN 2019

- Sales up by 18.0% to € 221.6 million in 2019; at constant currency: +15.6% (2018: € 187.8 million)
- Adjusted EBIT for 2019 increases by 19.1% to € 31.2 million (2018: € 26.2 million)
- Adjusted EBIT margin for 2019 at 14.1% (2018: 13.9%)
- Numerous product launches and ongoing high level of development activity
- Outlook for 2020: High single-digit percentage sales growth at constant currency and adjusted EBIT margin of around 15% expected

Birkenfeld, April 2, 2020

STRATEC SE, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard) today announced its financial results and major events for the period from January 1, 2019 to December 31, 2019 with the publication of its 2019 Annual Report.

KEY FIGURES¹

€ 000s	2019	2018 ²	Change	Q4 2019	Q4 2018 ²	Change
Sales	221,641	187,820	+18.0%	60,583	53,193	+13.9%
Adj. EBITDA	40,853	36,190	+12.9%	13,832	14,230	-2.8%
Adj. EBITDA margin (%)	18.4	19.3	-90 bps	22.8	26.8	-400 bps
Adj. EBIT	31,150	26,157	+19.1%	11,070	9,113	+21.5%
Adj. EBIT margin (%)	14.1	13.9	+20 bps	18.3	17.1	+120 bps
Adj. consolidated net income ³	25,896	20,238	+28.0%	10,023	6,640	+50.9%
Adj. earnings per share (€) ³	2.16	1.70	+27.1%	0.84	0.56	+50.0%
Earnings per share (€) ³	1.34	0.93	+44.1%	0.63	0.42	+50.0%

Adj. = adjusted
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 Not retrospectively restated to reflect IFRS 16.

³ Results from continuing operations.

BUSINESS PERFORMANCE

Consolidated sales for fiscal year 2019 increased year-on-year by 18.0% to € 221.6 million (2018: € 187.8 million). On a constant-currency basis, this corresponds to growth of 15.6%. This positive sales performance was due to higher systems sales, and to increased sales with development and services, as well as with service parts and consumables. Systems sales were positively influenced both by new market launches and by strong call-up figures for products already established in the market. Sales with development and services were particularly driven by the achievement of major development targets, while business with service parts and consumables benefited from pleasing capacity utilization rates in the installed system base.

Adjusted EBIT grew by 19.1% to € 31.2 million in fiscal year 2019, as against € 26.2 million in the previous year. The adjusted EBIT margin stands at 14.1% and thus rose slightly compared with the previous year (2018: 13.9%). This key figure was positively influenced in particular by benefits of scale, as well as by measures introduced within the earnings improvement initiative launched in 2018. However, these positive factors were largely offset by a weaker sales and product mix compared with the previous year and by negative measurement items for stock appreciation rights (€ -1.0 million).

Given the operating earnings growth and a lower tax rate, adjusted consolidated net income from continuing operations rose by 28.0% to € 25.9 million (2018: € 20.2 million). Adjusted earnings per share from continuing operations (basic) for fiscal year 2019 amounted to € 2.16, as against € 1.70 in the previous year.

In the interests of comparability, key earnings figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions, associated reorganization expenses, and other non-recurring items. A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income can be found in the 2019 Annual Report also published today.

FINANCIAL GUIDANCE

Given the large numbers of products launched onto the market in recent years and its customers' current order forecasts, STRATEC expects to generate rising sales with systems and with service parts and consumables in fiscal year 2020. By contrast, in view of the exceptionally strong previous year's figure, not least due to the requirements of IFRS 15, STRATEC expects its sales with development and services to decrease.

In view of the aforementioned factors, STRATEC expects to generate constant-currency consolidated sales growth in a high single-digit percentage range in fiscal year 2020.

This increase in consolidated sales, and the resultant benefits of scale, should impact positively on profitability. For the 2020 financial year, STRATEC expects to generate an adjusted EBIT margin of around 15 % (2019: 14.1 %).

As the coronavirus (SARS-CoV-2) spreads, STRATEC is currently observing more volatile order behavior among some of its customers. Most recently, the company witnessed an upward trend in orders and order forecasts. Overall, however, the implications of the pandemic, including potential effects on the supply chain and any temporary interruptions in production arising as a result, currently

cannot be predicted in full and have therefore not been factored into the above outlook. The same applies to current plans concerning the timing of and form in which the Annual General Meeting is held.

For 2020, STRATEC has budgeted investments in property, plant and equipment and intangible assets at around 10% to 12% of sales (previous year: 12.1%). Investments in property, plant and equipment mainly relate to the construction work still underway to significantly extend the buildings at the company's headquarters in Birkenfeld. The building work is scheduled to be completed in the third quarter of 2020. As a result, the investment ratio is expected to decrease further in 2021.

PROJECTS AND OTHER DEVELOPMENTS

In fiscal year 2019, STRATEC's customers launched two systems onto the European market that will be of key importance for the STRATEC Group's future growth. Approval of these systems for the important US market is expected in 2020. One major focus will therefore be on ramping up serial production of these systems and dealing with inefficiencies customary to the initial phase.

STRATEC extended its development and deal pipeline with promising new projects once again in 2019. Group-wide development activities therefore remain at a very high level. The pipeline also includes numerous projects that are already in highly advanced stages of development. STRATEC therefore expects additional product launches in the months ahead.

DEVELOPMENT IN PERSONNEL

STRATEC significantly expanded its workforce once again in fiscal year 2019. Including personnel hired from a temporary employment agency and trainees, the STRATEC Group had a total of 1,302 employees as of December 31, 2019 (previous year: 1,228). Adjusted for the disposal of the nucleic acid purification business in early 2019, this corresponds to organic growth of 8.4% (nominal 6.0%). In light of the ongoing strong trend within the in-vitro diagnostics industry towards outsourcing the development and production of automation solutions to specialist partners such as STRATEC, the company expects to see consistent growth in its development activities in future as well. As a result, the company can also be expected to need growing numbers of highly qualified employees in the years ahead.

DIVIDEND PROPOSAL

Given the strong growth in its consolidated net income, its ongoing positive business prospects, and its solid balance sheet, STRATEC would like to enable its shareholders to participate in the company's success with a higher dividend this year as well. Pending approval by shareholders at this year's Annual General Meeting, the company currently intends to distribute a dividend to shareholders of € 0.84 per share (previous year: € 0.82 per share). Shareholders would thus benefit from the sixteenth consecutive dividend increase since payment of the first dividend in 2004.

2019 ANNUAL REPORT

The 2019 Annual Report of STRATEC SE has been published on the company's website at www.stratec.com/financial_reports.

FORTHCOMING DATES

The Quarterly Statement Q1|2020 will be published on May 14, 2020.

CONFERENCE CALL AND AUDIO WEBCAST

To mark the publication of the definitive results for the 2019 financial year, we will be holding a conference call in English at 2.00 p.m. (CEST) today, Thursday, April 2, 2020.

You will receive the dial-in data (telephone number, password + individual PIN) following brief registration at the following link: www.stratec.com/registration

The conference call will also be available at the same time as an audio webcast at www.stratec.com/audiowebcast20200402 (brief registration required). Please note that no questions can be submitted via the audio webcast. Clicking this link also enables you 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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