

PRESS RELEASE

STRATEC GENERATES NEW RECORD SALES AND EARNINGS IN 2021 FINANCIAL YEAR

- Consolidated sales at constant currency up by 16.7% to € 287.3 million in 2021; nominal +14.9% (2020: € 250.1 million)
- Adjusted EBIT for 2021 increases by 30.1% to € 54.3 million (2020: € 41.7 million)
- Adjusted EBIT margin improves by 220 basis points to 18.9% (2020: 16.7%)
- Young product portfolio, upcoming market launches, and well-filled development pipeline underpin long-term growth prospects
- 2022 guidance: Sales at previous year's level on constant-currency basis and adjusted EBIT margin of around 16.5% to 18.5% expected

Birkenfeld, March 30, 2022

STRATEC SE, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard, SDAX) today announced its financial results and major events for the period from January 1, 2021 to December 31, 2021 with the publication of its 2021 Annual Report.

KEY FIGURES¹

€ 000s	2021	2020	Change	Q4 2021	Q4 2020	Change
Sales	287,335	250,099	+14.9%	61,915	71,017	-12.8%
Adj. EBITDA	66,606	51,978	+28.1%	8,941	16,157	-44.7%
Adj. EBITDA margin (%)	23.2	20.8	+240 bps	14.2	22.8	-860 bps
Adj. EBIT	54,273	41,713	+30.1%	5,583	13,592	-58.9%
Adj. EBIT margin (%)	18.9	16.7	+220 bps	9.0	19.1	-1,010 bps
Adj. consolidated net income	45,122	35,218	+28.1%	4,559	11,453	-60.2%
Adj. earnings per share (€)	3.73	2.92	+27.7%	0.38	0.95	-60.0%
Earnings per share (€)	3.30	2.36	+39.8%	0.30	0.81	-63.0%

Adj. = adjusted
bps = basis points

¹ For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions, an impairment loss recognized on a proprietary development project in the Diatron segment in Q2/2021, and other non-recurring items.

BUSINESS PERFORMANCE

STRATEC increased its consolidated sales year-on-year by 16.7% on a constant-currency basis to € 287.3 million in the 2021 financial year (previous year: € 250.1 million; nominal +14.9%). The target value of at least 16.0% published in the most recent upward correction in the financial guidance in October 2021 was thus met. This growth was attributable both to a strong performance in the Systems business (+16.9%; constant currency: +18.9%) and to significantly higher sales with Service Parts and Consumables (+18.8%; constant currency: +20.7%). The key driver for the growth in System sales was the ongoing high volume of demand in all fields of application, supported by continually rising call-up totals for products newly launched onto the market. Sales with Service Parts and Consumables benefited on the other hand from the significant rise in the number of systems on the market and from their high capacity utilization rates. Despite an ongoing high volume of development activity, there was a reduction in sales with Development and Services (-8.3%; constant currency -7.9%). Compared with the original budgets, the recognition of sales here has in some cases been deferred to 2022. This particularly impacted the sales performance in the fourth quarter of 2021 (sales in Q4/2022: -12.8%, constant currency: -15.7%). Furthermore, due to the lead times customary in production, the Systems business was not affected to any significant extent by the Omicron wave in the fourth quarter of 2021. Against this backdrop, back orders at the end of the 2021 financial year were higher than expected.

Adjusted EBIT grew by 30.1% to € 54.3 million in the 2021 financial year, as against € 41.7 million in the previous year. As a result, the adjusted EBIT margin improved by 220 basis points to 18.9% (previous year: 16.7%). The development in the margin was positively influenced in particular by benefits of scale, a strong sales and product mix, and lower charges due to measurement items for stock appreciation rights. By contrast, the margin was negatively affected, particularly in the fourth quarter of 2021, by rising logistics and material costs. Due to the provisions of individual contracts, these can only be passed on to customers after a certain delay.

Given this operating earnings growth and an almost stable development in the tax rate, adjusted consolidated net income rose by 28.1% to € 45.1 million (previous year: € 35.2 million). Adjusted earnings per share (basic) for the 2021 financial year amounted to € 3.73, as against € 2.92 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, an impairment loss recognized on a proprietary development project in the Diatron segment, 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 2021 Annual Report also published today.

FINANCIAL GUIDANCE

Based on current orders and order forecasts received from customers, as well as upcoming product launches, STRATEC expects sales in the 2022 financial year to match the previous year's level on a constant-currency basis. For its adjusted EBIT margin, the company is forecasting a figure of around 16.5% to 18.5% (2021: 18.9%). The year-on-year decrease in the adjusted EBIT margin hereby implied is attributable to the weaker product mix assumed, as well as to a further rise in input costs in connection with the global shortage of transport capacities, commodities, and upstream products.

The short-term development in demand for product groups relevant to COVID-19 will continue to be shaped by the future course of the pandemic. Overall, STRATEC expects the high volume of global test volumes at the beginning of the year to fall to significantly lower levels during the second and third quarter of 2022. Any assessment of the further course of the pandemic, particularly from the fall onwards, and associated demand for in-vitro diagnostics products is nevertheless subject to great uncertainties.

STRATEC's budget scenario for the 2022 financial year includes a higher than normal number of assumptions and risk adjustments. Furthermore, the situation in global supply chains also remains tense and increasingly difficult to predict, with this being due not least to the war in Ukraine.

For 2022, STRATEC expects total investments in property, plant and equipment and in intangible assets to correspond to 6.0% to 8.0% of sales (2021: 7.0%).

PROJECTS AND OTHER DEVELOPMENTS

STRATEC pressed further ahead with numerous development projects in 2021 and reached major milestones. A number of development projects were completed and successfully transferred to serial production. Among others, these include STRATEC's proprietary chemi-luminescence immunoassay platform KleeYa and a newly developed smart consumable in the field of nucleic acid testing for a major North American diagnostics company.

STRATEC's development pipeline remains well filled, as a result of which a continuous stream of new product launches is expected in the months and years ahead. The market launch of a molecular diagnostics system solution which is currently in the final stage of development on behalf of one of the market leaders in this field is expected to take place in mid-2022.

Since its foundation more than 40 years ago, STRATEC has attached great value to sustainable corporate management and a responsible approach to resources. In 2021, the company made further progress in implementing its sustainability strategy. In August 2021, STRATEC joined and became a signatory to the UN Global Compact, the world's largest initiative for responsible corporate

governance. Furthermore, the STRATEC Group has reduced its greenhouse gas emissions (Scopes 1 and 2) by around 63% compared with the 2019 base year and is thus well on course to meet its science-based reduction target (“well below 2°C aligned”) for 2030.

DEVELOPMENT IN PERSONNEL

Particularly in view of its high volume of development activities and well-filled development pipelines, the STRATEC Group remains on the lookout for additional highly qualified employees. STRATEC can report a pleasing increase in its employee totals once again in the 2021 financial year. Including personnel hired from a temporary employment agency and trainees, the STRATEC Group had a total of 1,398 employees as of December 31, 2021 (previous year: 1,319). This corresponds to growth of 6.0% in the number of employees.

DIVIDEND PROPOSAL

In light of its successful 2021 financial year, its positive medium to long-term growth prospects and its very 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. The Board of Management will therefore propose a dividend distribution of € 0.95 per share (previous year: € 0.90) for approval at this year's Annual General Meeting. This would mark the eighteenth consecutive dividend increase since payment of the first dividend in 2004. The dividend increase thereby proposed is also to be viewed in connection with potential financing needs for the wide variety of growth opportunities, both internal and external, that are currently available to the STRATEC Group.

2021 ANNUAL REPORT

The 2021 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|2022 will be published on May 5, 2022.

CONFERENCE CALL AND AUDIO WEBCAST

To mark the publication of the definitive results for the 2021 financial year, STRATEC will be holding a conference call in English at 2.00 p.m. (CEST) today, Wednesday, March 30, 2022.

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/audiowebcast20220330 (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 life sciences. Furthermore, the company offers complex consumables for diagnostic and medical applications. For its analyzer systems and consumables, 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 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 SDAX select index of the German Stock Exchange.

FURTHER INFORMATION IS AVAILABLE FROM:

STRATEC SE

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