

PRESS RELEASE

STRATEC POSTS FINAL RESULTS FOR FIRST HALF OF 2023

- Consolidated sales in H1/2023 -8.9% to € 125.0 million (H1/2022: € 137.2 million); +4.4% in Q2/2023
- Adjusted EBIT margin at 5.6% (H1/2022: 15.4%)
- Further market launches for customers and strong development pipeline underpin positive medium to long-term growth prospects
- North America business further strengthened by Natech Plastics acquisition
- 2023 guidance: consolidated sales on constant-currency basis expected to remain stable or grow slightly while adjusted EBIT margin expected at around 10.0% to 12.0%

Birkenfeld, August 9, 2023

STRATEC SE, Birkenfeld, Germany, (Frankfurt: SBS; Prime Standard, SDAX) today announced its financial results and major events for the period from January 1, 2023 to June 30, 2023 with the publication of its Half-Year Financial Report H1|2023. The results are consistent with the preliminary figures already reported.

KEY FIGURES¹

| € 000s | H1/2023 | H1/2022 | Change | Q2/2023 | Q2/2022 | Change |
|------------------------------|---------|---------|----------|---------|---------|----------|
| Sales | 125,006 | 137,193 | -8.9% | 64,528 | 61,806 | +4.4% |
| Adj. EBITDA | 13,897 | 27,841 | -50.1% | 6,605 | 9,382 | -29.6% |
| Adj. EBITDA margin (%) | 11.1 | 20.3 | -920 bps | 10.2 | 15.2 | -500 bps |
| Adj. EBIT | 6,965 | 21,178 | -67.1% | 3,149 | 6,141 | -48.7% |
| Adj. EBIT margin (%) | 5.6 | 15.4 | -980 bps | 4.9 | 9.9 | -500 bps |
| Adj. consolidated net income | 4,060 | 16,679 | -75.7% | 1,927 | 4,731 | -59.3% |
| Adj. earnings per share (€) | 0.33 | 1.38 | -76.1% | 0.15 | 0.39 | -61.5% |
| Earnings per share (€) | 0.20 | 1.04 | -80.8% | 0.09 | 0.12 | -25.0% |

Adj. = adjusted / bps = basis points

¹ For comparison purposes, adjusted figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments).

BUSINESS PERFORMANCE

Consolidated sales at the STRATEC Group amounted to € 125.0 million in the first half of 2023 (H1/2022: € 137.2 million) and thus fell 8.9% (constant currency: -9.1%) short of the previous year's figure. The company's sales momentum showed a marked recovery in the second quarter of 2023 (sales Q2/2023: +4.4%; +5.0% at constant currency). It was nevertheless not possible to make up to the extent initially expected for the shortfall in sales that arose in the first quarter due to the previous year's high basis of comparison on account of the pandemic. Alongside lower demand for system solutions (including service parts), which had benefited from substantial additional demand during the pandemic, the sales performance was also adversely affected by significantly lower delivery volumes for veterinary diagnostic system solutions. Furthermore, as a result of the recovery in global supply chains customers continued to optimize their stocks. In view of these factors, Systems sales decreased year-on-year by 25.6% (constant currency: -25.8%) in the first half of 2023 and were thus slightly below the company's most recent expectations. Service Parts and Consumables reported a moderate reduction of 5.2% (constant currency: -5.4%). Significant growth of 54.3% (constant currency: +54.1%) was reported for sales with Development and Services, by contrast, which were driven by the respective project stages.

CONSOLIDATED SALES BY OPERATING DIVISION

| € 000s | H1/2023 | H1/2022 | Change | Constant-currency change |
|-------------------------------|----------------|----------------|--------------|--------------------------|
| Systems | 54,418 | 73,133 | -25.6% | -25.8% |
| Service Parts and Consumables | 44,403 | 46,832 | -5.2% | -5.4% |
| Development and Services | 25,544 | 16,558 | +54.3% | +54.1% |
| Other Activities | 641 | 670 | -4.3% | -5.3% |
| Consolidated sales | 125,006 | 137,193 | -8.9% | -9.1% |

Adjusted EBIT for the first half of 2023 amounted to € 7.0 million, as against € 21.2 million in the previous year. The adjusted EBIT margin for the first half of 2023 stood at 5.6% and was thus significantly lower than in the previous year (H1/2022: 15.4%). This reduction was caused by negative economies of scale resulting from the temporarily lower volume of sales and the marked rise in input costs due to inflation. Furthermore, the company witnessed negative sales and product mix effects compared with the exceptionally strong performance in the previous year's period due to developments in the pandemic (omicron wave in Q1/2022). The margin was also adversely affected by lower initial efficiency levels upon the start of serial production for products newly launched onto the market.

Given the lower level of operating earnings and a higher adjusted tax rate, consolidated net income for the first half of 2023 fell from € 16.7 million to € 4.1 million. Adjusted earnings per share (basic) came to € 0.33 (H1/2022: € 1.38).

For comparison purposes, the earnings figures for the first half of 2023 have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions and other non-recurring items (advisory expenses relating to M&A activities and one-off personnel expenses). In the previous year, the figures were additionally adjusted to exclude a provision for expected back payments of tax (including interest payments). A reconciliation of the adjusted figures with those reported in the consolidated statement of comprehensive income can be found in the Half-Year Financial Report H1|2023 also published today.

FINANCIAL GUIDANCE FOR 2023

On July 18, STRATEC adjusted its financial guidance for the 2023 financial year. This was triggered in particular by revised order forecasts on the part of customers (due to effects in the wake of the pandemic and steps to optimize stocks), delivery backlogs with a new system generation for a veterinary diagnostics customer, and demand for service parts remaining lower than originally planned.

Consistent with the financial guidance published on July 18, 2023, on a constant-currency basis STRATEC expects its consolidated sales to remain stable or grow slightly compared with the previous year. The acquisition of Natech Plastics, Inc., completed as of July 1, 2023, is expected to contribute around 3.0 percentage points to the aforementioned sales volumes.

The adjusted EBIT margin is expected at around 10.0% to 12.0%. The assumption that profitability will gradually improve in the second half of 2023 is based on price increases already agreed in some cases, as well as greater cost discipline in procurement, and the growing impact of measures within the efficiency enhancement program initiated in March 2023.

Moreover, the company continues to budget for investments in property, plant and equipment and intangible assets corresponding to a total of 6.0% to 8.0% of sales in the 2023 financial year (2022: 6.9%).

Given the unexpectedly swift and steep reduction in COVID-19 test volumes and the manifold knock-on effects in terms of developments in demand for in-vitro diagnostics solutions, the Board of Management expects customer order behavior to remain volatile. That is particularly true for those customers that significantly extended their installed base (number of active systems in the field) during the pandemic. The assumptions underlying the above guidance are therefore subject to greater uncertainties than usual. On the other hand, medium to long-term market dynamics remain as positive as ever and the strong development pipeline underpins the company's growth potential.

PROJECTS AND OTHER DEVELOPMENTS

STRATEC further rejuvenated its product portfolio in the second quarter of 2023 and, together with its partners, launched new solutions onto the market. One example worth mentioning here is the new version of a flow cytometry sample preparation system for a North American customer that has been extended to include additional functions and components. The extension in the system solution offers a

notably increased level of automation and makes it possible to significantly extend the range of applications.

At the beginning of June, STRATEC also signed an agreement to take over Natech Plastics, Inc. (hereinafter: "Natech"), based in Ronkonkoma, NY, USA. The transaction price for the company, which has virtually no debt, amounts to USD 30.0 million, plus a variable component (earn-out). Natech designs and manufactures smart polymer-based consumables for customers in medical technology, in-vitro diagnostics, life sciences, consumer goods, and specialist packaging solutions and has state-of-the-art production capacities for injection molding and assembly (including clean room production). With its complementary product and customer portfolios and new target markets, Natech thus represents a perfect addition to the STRATEC Group's business model and offers great potential for its further targeted diversification. With the US production site gained due to the acquisition, STRATEC is also boosting its position in the important North American market.

The abrupt end to the COVID-19 pandemic has currently produced a temporary sharp rise in the volatility of customer demand. Medium to long-term growth prospects in the in-vitro diagnostics industry are nevertheless just as positive as ever. The trend within the IVD industry to outsource automation solutions and complex consumables to specialist companies is also continuing unabated. This is reflected on the one hand in the already well-stocked development pipeline and on the other in numerous promising negotiations for additional development projects.

DEVELOPMENT IN PERSONNEL

Including personnel hired from temporary employment agencies and trainees, the STRATEC Group had a total of 1,512 employees as of June 30, 2023. This merely represents a slight increase of 2.1% in the number of employees since the balance sheet date on December 31, 2022 (employees: 1,481), one also largely attributable to foreign group companies. That is due to the plans announced in March 2023 to temporarily scale back recruitment activities in order to adapt capacities to the temporary change in demand.

HALF-YEAR FINANCIAL REPORT HI|2023

The Half-Year Financial Report HI|2023 of STRATEC SE has been published on the company's website at www.stratec.com/financial_reports.

CONFERENCE CALL AND AUDIO WEBCAST

To mark the publication of the results for the first six months of 2023, STRATEC will be holding a conference call in English at 2.00 p.m. (CEST) today, Wednesday, August 9, 2023.

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 <http://www.stratec.com/audiowebcast20230809> (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:

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