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**QUARTERLY STATEMENT Q1|2021**

January 1 to March 31, 2021

# STRATEC WITH FURTHER ACCELERATION IN SALES AND EARNINGS GROWTH IN FIRST QUARTER OF 2021

- Sales up by 32.5% at constant currency to € 72.0 million in Q1/2021; nominal +27.4% (Q1/2020: € 56.5 million)
- Adjusted EBIT in Q1/2021 rises by 109.5% to € 16.0 million (Q1/2020: € 7.7 million)
- Adjusted EBIT margin for Q1/2021 improves by 870 basis points to 22.3% (Q1/2020: 13.6%)
- Further success in pressing ahead with development pipeline
- Recently raised guidance for 2021 confirmed: Constant-currency sales growth at least in a high single-digit percentage range and adjusted EBIT margin of around 17.5% to 18.5% expected

## Dear Shareholders, Dear Partners and Friends of STRATEC,

The STRATEC Group began the 2021 financial year with new record sales and earnings. Demand for molecular and immuno-diagnostics solutions in particular remained persistently high in the first quarter. This being so, and together with measures we have implemented to enhance our efficiency, we more than doubled our adjusted EBIT in the first quarter of 2021 compared with the previous year. To account for this strong business performance and for ongoing high order volumes, on April 26, 2021 we also raised our full-year sales and earnings targets.

The COVID-19 pandemic still has most regions of the world firmly in its grip and STRATEC has continued to observe increased volatility in its customers' order behavior. In view of this, and given the high basis of comparison for the second half of the year, in our new guidance figures we have factored a higher level of risk adjustments than usual into the order forecasts received from our customers.

We successfully mastered the other challenges resulting from the COVID-19 pandemic once again in the first quarter of 2021. In particular, these included the consistent implementation of extensive measures to protect our employees and to satisfy the high volume of orders while at the same time coping with a tense situation within global supply chains.

The long-term growth prospects for our company remain just as positive as before. Due not least to the strong trend towards outsourcing in our industry, we have a well-stocked development pipeline and therefore expect numerous new product launches in the months and years ahead as well. These underpin our positive long-term growth prospects.

The first quarter of 2021 brought a further slight expansion in our workforce compared with December 31, 2020. To do

justice to the ongoing high level of demand for development services, the company plans to further increase its employee total in the years ahead.

The 2020 financial year was very successful for STRATEC. As a result, the Board of Management and Supervisory Board will propose to the Annual General Meeting on May 20, 2021 that the dividend should be raised to a new record level of € 0.90 per share (previous year: € 0.84). Subject to approval by the Annual General Meeting, this would already represent the seventeenth consecutive dividend increase.

Thank you for the trust you have placed in us.

On behalf of the Board of Management  
STRATEC SE



**Marcus Wolfinger**  
Chief Executive Officer

## Key figures<sup>1</sup>

€ 000s	Q1/2021	Q1/2020	Change
Sales	71,995	56,504	+27.4%
EBITDA	18,840	10,142	+85.8%
EBITDA margin (%)	26.2	17.9	+830 bps
Adjusted EBIT	16,045	7,658	+109.5%
Adjusted EBIT margin (%)	22.3	13.6	+870 bps
Adjusted consolidated net income	13,147	6,246 <sup>2</sup>	+110.5%
Adjusted earnings per share (€)	1.09	0.52 <sup>2</sup>	+109.6%
Earnings per share (€)	0.95	0.37 <sup>2</sup>	+156.8%

bps = basis points

<sup>1</sup> For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions.

<sup>2</sup> Result from continuing operations.

# BUSINESS PERFORMANCE

Consolidated sales increased year-on-year by 27.4% to € 72.0 million in the first quarter of 2021 (Q1/2020: € 56.5 million). On a constant-currency basis, this corresponds to sales growth of 32.5%. All segments (Instrumentation, Diatron, and Smart Consumables) generated clearly double-digit percentage sales growth. These dynamic growth rates were driven, among other factors, by persistently high additional demand for molecular and immunodiagnostic solutions due to the COVID-19 pandemic. Against this backdrop, the company reported significant growth in its Systems sales in particular, as well as strong business with Service Parts and Consumables, while Development and Services posted single-digit percentage sales growth. Due to shifting priorities, however, the pandemic continued to hold back developments in the initial phase of a number of products newly launched onto the market.

Adjusted EBIT showed substantial growth in the first quarter, rising by 109.5% from € 7.7 million in the previous year's quarter to € 16.0 million. As a result, the corresponding margin improved by 870 basis points to 22.3% (Q1/2020: 13.6%). The margin was positively influenced by benefits of scale, measures to enhance efficiency (e.g. targeted increase in production depth at Budapest location), and a strong product mix, including an above-budget performance in the Service Parts and Consumables business. Conversely, measurement items for stock appreciation rights had a negative impact on earnings of around € 0.8 million in the first quarter.

Adjusted consolidated net income for the first quarter increased by 110.5% to € 13.1 million (Q1/2020: € 6.2 million). Adjusted earnings per share (basic) therefore amounted to € 1.09, as against € 0.52 in the previous year's period.

To facilitate comparison, key earnings figures have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions. A reconciliation of the adjusted figures with the figures reported in the consolidated income statement is provided below.

€ 000s	Q1/2021	Q1/2020
<b>Adjusted EBIT</b>	<b>16,045</b>	<b>7,658</b>
<b>Adjustments</b>		
• PPA amortization	-1,917	-2,062
<b>EBIT</b>	<b>14,128</b>	<b>5,596</b>

€ 000s	Q1/2021	Q1/2020 <sup>1</sup>
<b>Adjusted consolidated net income</b>	<b>13,147</b>	<b>6,246</b>
<b>Adjusted earnings per share in € (basic)</b>	<b>1.09</b>	<b>0.52</b>
<b>Adjustments</b>		
• PPA amortization	-1,917	-2,062
• Taxes on income	319	320
<b>Consolidated net income</b>	<b>11,549</b>	<b>4,503</b>
<b>Earnings per share in € (basic)</b>	<b>0.95</b>	<b>0.37</b>

<sup>1</sup> Results from continuing operations.

# FINANCIAL GUIDANCE

Based on persistently high order volumes and updated capacity plans, STRATEC expects its sales performance to remain highly dynamic in the months ahead as well. In view of this and accounting for its performance in the first months of the financial year, which was better than originally expected, as well as for risk-adjusted orders and order forecasts for the second half of the year, on April 26, 2021 STRATEC issued an ad-hoc announcement in which it raised its guidance for the 2021 financial year:

For the 2021 financial year, STRATEC expects constant-currency sales growth at least in a high single-digit percentage range and an adjusted EBIT margin of around 17.5% to 18.5% (2020: 16.7%).

Due to the COVID-19 pandemic, STRATEC continues to observe higher volatility in its customers' order behavior: In the first quarter of 2021, the company witnessed an overall rise in order forecasts for the second half of 2021. Due to the additional forecasting uncertainty resulting from the pandemic, however, the higher order forecasts for the fourth quarter of 2021 in particular have not been incorporated in the above financial guidance.

Following the completion in 2020 of the construction measures to convert and extend buildings at the company's Birkenfeld location, STRATEC expects its investment ratio to decrease in 2021. The company still expects total investments in property, plant and equipment and intangible assets in 2021 to correspond to around 6.0% to 8.0% of sales (2020: 10.2%).

# PROJECTS AND OTHER DEVELOPMENTS

STRATEC pressed ahead with its well-stocked development pipeline once again in the first quarter of 2021 and made key progress in numerous projects. Worth mentioning here, for example, is the achievement of one of the most important development milestones in a project for a market leader in molecular diagnostics. Furthermore, STRATEC continues to observe great interest among existing and potential partners in outsourcing automation solutions to specialist partners such as STRATEC. In view of this, STRATEC entered into dialog once again in the first quarter with new and existing partners concerning numerous promising development projects. STRATEC's proprietary next-generation analyzer platform for chemiluminescence immunoassays also continues to attract considerable interest from customers. The KleeYa<sup>®</sup> instrument offers great flexibility in terms of its ability to integrate customer-specific reagents, makes it possible for potential partners to significantly reduce their development times and costs, and offers superb user friendliness for end users. STRATEC's deal pipeline also includes numerous projects that are in well-advanced stages of contract negotiations. STRATEC is therefore confident that it will be able to sign further new development cooperations by the end of the year.

## DEVELOPMENT IN PERSONNEL

The STRATEC Group further expanded its workforce once again in the first quarter of 2021. Including personnel hired from a temporary employment agency and trainees, STRATEC had 1,372 employees as of March 31, 2021. This corresponds to growth of 6.2% compared with the previous year's reporting date. Due to the high volume of development activity expected in the years ahead, STRATEC is also still on the lookout for highly qualified new employees.

# CONSOLIDATED BALANCE SHEET

as of March 31, 2021

## Assets

€ 000s	03.31.2021	12.31.2020
<b>Non-current assets</b>		
Goodwill	38,148	37,860
Other intangible assets	49,422	50,753
Right-of-use assets	9,720	10,099
Property, plant and equipment	56,615	55,370
Non-current financial assets	582	581
Non-current contract assets	19,330	19,498
Deferred taxes	1,516	1,462
	<b>175,333</b>	<b>175,623</b>
<b>Current assets</b>		
Inventories	74,674	68,025
Trade receivables	44,849	34,782
Current financial assets	1,267	2,812
Current other receivables and assets	9,151	8,247
Current contract assets	4,013	3,144
Income tax receivables	1,327	1,710
Cash and cash equivalents	45,723	37,561
	<b>181,004</b>	<b>156,281</b>
<b>Total assets</b>	<b>356,337</b>	<b>331,904</b>

## Shareholders' equity and debt

€ 000s	03.31.2021	12.31.2020
<b>Shareholders' equity</b>		
Share capital	12,103	12,103
Capital reserve	30,031	29,866
Revenue reserves	147,601	136,052
Treasury stock	-65	-65
Other equity	-6,805	-5,411
	<b>182,865</b>	<b>172,545</b>
<b>Non-current debt</b>		
Non-current financial liabilities	104,505	106,324
Non-current contract liabilities	9,638	4,373
Provisions for pensions	5,600	5,620
Deferred taxes	7,029	7,376
	<b>126,772</b>	<b>123,693</b>
<b>Current debt</b>		
Current financial liabilities	16,908	13,914
Trade payables	16,462	8,485
Current other liabilities	7,019	6,985
Current contract liabilities	2,009	1,902
Provisions	1,579	1,606
Income tax liabilities	2,723	2,774
	<b>46,700</b>	<b>35,666</b>
<b>Total shareholders' equity and debt</b>	<b>356,337</b>	<b>331,904</b>

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to March 31, 2021

€ 000s	01.01. – 03.31.2021	01.01. – 03.31.2020 <sup>1</sup>
Sales	71,995	56,504
Cost of sales	-49,233	-41,214
<b>Gross profit</b>	<b>22,762</b>	<b>15,290</b>
Research and development expenses	-1,682	-1,952
Sales-related expenses	-2,168	-3,101
General administration expenses	-4,527	-4,638
Other operating income and expenses	-257	-3
<b>Earnings before interest and taxes (EBIT)</b>	<b>14,128</b>	<b>5,596</b>
<b>Net financial expenses</b>	<b>-578</b>	<b>-276</b>
<b>Earnings before taxes (EBT)</b>	<b>13,550</b>	<b>5,320</b>
Taxes on income	-2,001	-817
<b>Earnings from continuing operations</b>	<b>11,549</b>	<b>4,503</b>
Earnings from discontinued operations	0	-2,127
<b>Consolidated net income</b>	<b>11,549</b>	<b>2,376</b>
<b>Items that may be subsequently reclassified to profit or loss:</b>		
Currency translation differences from translation of foreign operations	-1,394	-3,943
<b>Other comprehensive income (OCI)</b>	<b>-1,394</b>	<b>-3,943</b>
<b>Comprehensive income</b>	<b>10,155</b>	<b>-1,567</b>
<b>Basic earnings per share in €</b>	<b>0.95</b>	<b>0.20</b>
from continuing operations	0.95	0.37
from discontinued operations	0.00	-0.18
No. of shares used as basis (undiluted)	12,099,366	12,025,300
<b>Diluted earnings per share in €</b>	<b>0.95</b>	<b>0.20</b>
from continuing operations	0.95	0.37
from discontinued operations	0.00	-0.18
No. of shares used as basis (diluted)	12,174,774	12,070,440

<sup>1</sup> Retrospectively adjusted to account for amended cost allocation within individual functional areas.

# CONSOLIDATED STATEMENT OF CASH FLOWS

## for the period from January 1 to March 31, 2021

€ 000s	01.01. – 03.31.2021	01.01. – 03.31.2020
<b>I. Operations</b>		
Consolidated net income (after taxes)	11,549	2,376
Depreciation and amortization	4,712	7,707
Current income tax expenses	2,546	1,010
Income taxes paid less income taxes received	-2,176	-893
Financial income	-7	-13
Financial expenses	350	315
Interest paid	-340	-315
Interest received	0	13
Other non-cash expenses	3,443	2,462
Other non-cash income	-1,370	-1,738
Change in net pension provisions through profit or loss	71	157
Change in deferred taxes through profit or loss	-545	33
Profit (-)/loss (+) on disposals of non-current assets	2	0
Increase (-)/decrease (+) in inventories, trade receivables and other assets	-18,667	-12,419
Increase (+)/decrease (-) in trade payables and other liabilities	14,460	4,533
<b>Cash flow from operating activities</b>	<b>14,028</b>	<b>3,228</b>
<b>II. Investments</b>		
Incoming payments from disposals of non-current assets		
• Property, plant and equipment	0	1
• Financial assets	22	74
Outgoing payments for investments in non-current assets		
• Intangible assets	-1,354	-2,626
• Property, plant and equipment	-2,970	-4,522
<b>Cash flow from investing activities</b>	<b>-4,302</b>	<b>-7,073</b>
<b>III. Financing</b>		
Incoming funds from taking up of financial liabilities	10,000	22,000
Outgoing payments for repayment of financial liabilities	-11,292	-7,454
<b>Cash flow from financing activities</b>	<b>-1,292</b>	<b>14,546</b>
<b>IV. Cash-effective change in cash and cash equivalents (net balance of I–III)</b>	<b>8,434</b>	<b>10,701</b>
Cash and cash equivalents at start of period	37,561	22,708
Impact of exchange rate movements	-272	-552
<b>Cash and cash equivalents at end of period</b>	<b>45,723</b>	<b>32,856</b>

# FINANCIAL CALENDAR

<b>05</b> <b>05.07.2021</b> Quarterly Statement Q1 2021	<b>05</b> <b>05.20.2021</b> Virtual Annual General Meeting	<b>08</b> <b>08.06.2021</b> Half-year Financial Report H1 2021	<b>11</b> <b>11.11.2021</b> Quarterly Statement 9M 2021	<b>11</b> <b>11.23.2021</b> German Equity Forum (Virtual Analyst Conference)
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Subject to amendment.

Quarterly statements and half-year financial reports are neither audited nor subject to an audit review by the group auditor Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart.

## ABOUT STRATEC

STRATEC SE ([www.stratec.com](http://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 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 SDAX select index of the German Stock Exchange.

## IMPRINT AND CONTACT

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### Notice

Forward-looking statements involve risks: This quarterly statement contains various statements concerning the future performance of STRATEC. These statements are based on both assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we can provide no guarantee of this. This is because our assumptions involve risks and uncertainties which could result in a substantial divergence between actual results and those expected. It is not planned to update these forward-looking statements.

This quarterly statement contains various disclosures that from an economic point of view are not required by the relevant accounting standards. These disclosures should be regarded as a supplement, rather than a substitute for the IFRS disclosures.

Apparent discrepancies may arise throughout this quarterly statement on account of mathematical rounding up or down in the course of addition.

In this quarterly statement, words in the masculine include words in the feminine; in parts of the quarterly statement, the masculine form has solely been used to make the document easier to read.

This quarterly statement is available in both German and English. Both versions can be downloaded from the company's website at [www.stratec.com](http://www.stratec.com). In the event of any discrepancies between the two, the German report is the definitive version.