

Aubagne, January 27, 2022

Preliminary results 2021 of Sartorius Stedim Biotech

- Sales revenue up 52.6 percent to 2,887 million euros; underlying EBITDA margin at 35.8 percent, up from 31.7 percent a year ago
- Dynamic and profitable organic growth; pandemic-related demand as well as excellent development of acquisitions
- Number of employees rises by around 38 percent to more than 10,400
- Outlook for 2022: Sales revenue to increase by 14 percent to 18 percent with sustained high profitability
- Mid-term targets until 2025: Management confirms revenue target of 4 billion euros and raises profitability target to more than 35 percent
- Ambitious target set for continuous reduction of CO₂ emission intensity

Sartorius Stedim Biotech, a leading partner of the biopharma industry, closed fiscal 2021 with exceptionally strong growth and a jump in profitability due to the excellent development of its core business, additional demand generated by the coronavirus pandemic, and several acquisitions. According to preliminary figures, the company achieved significant double-digit percentage growth in order intake¹, sales revenue and earnings, and expects dynamic development with double-digit growth in sales revenue and sustained high profitability in the current year as well.

“Our employees have coped excellently with the second pandemic year and all its challenges. Despite strained supply chains, we were able to support our customers in their demanding projects in the development and production of biopharmaceuticals and vaccines, grew strongly, and achieved, and partly exceeded, our financial targets that were raised several times during the year. We have also made excellent progress in the expansion of our production capacities. I am especially pleased that we were able to create more than 2,800 additional jobs,” said Joachim Kreuzburg, Chairman of the Board of Directors and CEO.

Business development of the Group

According to preliminary figures for fiscal 2021, Group sales revenue rose against the prior year by 52.6 percent in constant currencies (reported: +51.1 percent) to 2,887 million euros. The major part of this growth was attributable to strong organic expansion of the core business and in all regions. In particular, business with manufacturers of biopharmaceutical medications performed very well. Beyond this, pandemic-related demand, predominantly due to coronavirus vaccine production being established and ramped up by some customers, added around 18 percentage points to sales revenue growth, while acquisitions² contributed a good 4 percentage points. The overall development was supported by expanded production capacities at several sites.

Order intake grew even slightly more dynamically than sales revenue, rising by 55.6 percent in constant currencies to 3,664 million euros (reported: +53.9 percent). Around 13 percentage points of this growth were generated by pandemic-related demand; acquisitions contributed close to 7 percentage points. While order intake was significantly above sales revenue up into the third quarter, also because some customers in the current situation placed their orders further in advance than usual, the ratio of order intake to sales revenue normalized during the second half of the year and was at the level of the company's long-term average toward the end of the year.

Earnings also grew strongly in 2021. Underlying EBITDA¹, the Group's key earnings indicator, rose very sharply by 70.9 percent to 1,033 million euros; the respective margin increased by 4.1 percentage points to 35.8 percent (previous period: 31.7 percent). The increase is attributable to economies of scale and to partially deferred cost development, for example as a result of low travel activity because of the pandemic and deferred new hires in relation to sales growth. This trend subsided due to the intensified buildup of the workforce in the second half of the reporting year, as well as to rising costs in logistics and purchasing. Relevant net profit¹ surged by 79.2 percent to 688 million euros. Underlying earnings per share were 7.46 euros (previous period: 4.16 euros)

Business development in the regions

Sartorius Stedim Biotech recorded significant growth in fiscal 2021 in all three business regions. Sales revenue in the EMEA³ region that contributed the highest share of around 42 percent to total Group sales revenue amounted to 1,199 million euros, up 57.5 percent in constant currencies (reported: +57.6 percent). The Americas region accounted for about 33 percent of total Group sales revenue, growing by 45.8 percent to 946 million euros in constant currencies (reported: +41.2 percent). Sales revenue in the Asia | Pacific region likewise saw very dynamic growth and rose 54.6 percent in constant currencies to 742 million euros (reported: +54.9 percent). As a result, this region's share of total Group sales revenue was 26 percent.

Key financial indicators

Sartorius Stedim Biotech continues to have a very sound balance sheet and financial base. As of December 31, 2021, its equity ratio stood at 43.9 percent (December 31, 2020: 51.1 percent). Despite extensive investments and two acquisitions, net debt to underlying EBITDA¹ on the reporting date was 0.4, down from 0.8 at year-end 2020 as a result of strong net cash flow. The ratio of capital expenditures (CAPEX) to sales revenue reached 11.2 percent compared to 8.3 percent in the prior-year period. Cash flow from investing activities stood at -324 million euros relative to -151 million euros in fiscal 2020.

Increase in the number of employees to more than 10,400

As of December 31, 2021, Sartorius Stedim Biotech employed a total of 10,409 people worldwide. Compared with year-end 2020, headcount thus rose by 2,843 or about 38 percent. The accelerated increase in the number of employees compared with previous years resulted from the expansion of production capacities to keep pace with the company's dynamic growth. However, buildup of workforce was deferred in relation to sales revenue development.

Outlook on further development

After two exceptional years, also due to the pandemic, Sartorius Stedim Biotech expects double-digit growth for the full year of 2022 despite its high revenue base. "We are very optimistic about our future business development. We are moving ahead at full speed in investing into capacities for further growth and are strengthening our global footprint in all areas with new employees. Following the jump in

profitability in 2021, we are aiming at achieving a similar high level of profitability in the current fiscal year. We have also set ourselves an ambitious target to continuously reduce our CO₂ emission intensity," said Kreuzburg.

Significant reduction of CO₂ emission intensity planned

As a technology partner for producers of innovative medical drugs and vaccines, Sartorius Stedim Biotech's business activities contribute directly to social sustainability goals that aim to improve the health and well-being of people. Beyond this, the company has also already undertaken a number of measures to reduce its ecological footprint, such as switching to renewable energy, optimizing packaging and increasing usage of recycling.

Now the Group has linked its ambitions in this area to a holistic target. As a high-growth company, Sartorius Stedim Biotech will be focusing on reducing its CO₂ emission intensity⁴, which specifies the output of emissions in proportion to sales revenue. Sartorius Stedim Biotech aims to reduce its CO₂ emission intensity by around 10 percent annually on average until 2030, spending over time around 1 percent of its sales revenue annually for corresponding measures.

Forecast for 2022

Sartorius Stedim Biotech expects dynamic performance for the full year of 2022 as well. Consolidated sales revenue is thus projected to increase by about 14 percent to 18 percent. Initial consolidation of the acquisitions closed or agreed upon in 2021 is estimated to contribute about 1 percentage point to this increase. Following the jump in profitability in 2021, the company expects its underlying EBITDA margin to stay at a similar high level and to reach more than 35 percent.

Regarding pandemic-related business, the company projects sales revenue for 2022 at about the previous year's level of around 500 million euros.

The margin target already includes expenses for measures to reduce the company's CO₂ emission intensity; these expenses will account for about 0.5 percent of consolidated Group sales revenue in 2022.

Investments will further increase in 2022 and are expected to reach a CAPEX ratio of about 14.5 percent. They will continue to be focused on the expansion of production capacities, for example, in Germany, the USA, and South Korea. Net debt to underlying EBITDA is expected to be about 0.2 at year-end. Possible further acquisitions are not included in these projections.

Mid-term profitability target raised for 2025

Based on the company's performance in fiscal 2021, management raised its mid-term forecast for profitability again. The underlying EBITDA margin for the Group is now expected to be more than 35 percent in 2025 (previously around 33 percent). The margin target already includes expenses of around 1 percent of Group sales revenue for measures to reduce the company's CO₂ emission intensity.

The consolidated sales revenue target for 2025 had already been substantially raised at the beginning of 2021 and remains unchanged at around 4 billion euros. Sartorius Stedim Biotech plans to achieve this sales revenue increase primarily through organic growth and additionally by acquisitions.

The mid-term targets for 2025 still do not include any pandemic-related business as management currently considers such estimates to be too uncertain.

All forecasts are based on constant currencies, as in the past years, and assume that the global economy as well as supply chains will remain stable.

Moreover, these projections assume that, on average, the profitability margins of future acquisitions will initially be somewhat below the levels of the Group's existing businesses and, after integration, reach levels comparable to these. Management points out that the dynamics and volatilities in the life science and biopharma sectors have increased over the past years and the coronavirus pandemic has further amplified these trends. Accordingly, the forecasts currently show even higher uncertainties than usual.

The figures for fiscal 2020 were restated due to the finalized purchase price allocation for acquisitions of BIA Separations and WaterSep BioSeparations.

1 Sartorius Stedim Biotech publishes alternative performance measures that are not defined by international accounting standards. These are determined with the aim of improving the comparability of business performance over time and within the industry.

- Order intake: all customer orders contractually concluded and booked during the respective reporting period
- Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items
- Relevant net profit: profit for the period after non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and the normalized tax rate
- Ratio of net debt to underlying EBITDA: quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period

2 Acquisitions of the following entities: selected life science businesses from Danaher; BIA Separations; WaterSep BioSeparations; CellGenix; and Xell

3 EMEA = Europe, Middle East, Africa

4 Greenhouse gas emissions in CO₂ equivalents

This press release contains forward-looking statements about the future development of the Sartorius Stedim Biotech Group. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such statements. Sartorius Stedim Biotech assumes no liability for updating such statements in light of new information or future events. This is a translation of the original French-language press release. Sartorius Stedim Biotech shall not assume any liability for the correctness of this translation. The original French press release is the legally binding version.

Conference call

Joachim Kreuzburg, Chairman of the Board of Directors and CEO of the Sartorius Stedim Biotech Group, will discuss the company's business results with analysts and investors on January 27, 2022, at 3:30 p.m. CET in a teleconference. You may register by clicking on the following link:

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=tQCVKK40>

Current image files

<http://www.sartorius.com/en/company/newsroom/downloads-publications>

Financial calendar

| | |
|-------------------|---|
| February 17, 2022 | Publication of Annual Report 2021 |
| March 25, 2022 | Virtual Annual Shareholders' Meeting |
| April 20, 2022 | Publication of first-quarter figures (January to March 2022) |
| July 21, 2022 | Publication of the first-half figures (January to June 2022) |
| October 19, 2022 | Publication of nine-month figures (January to September 2022) |

Preliminary key figures for the full year of 2021

| In millions of € unless otherwise specified | 2021 | 2020 ¹ | Δ in % Reported | Δ in % cc ² |
|--|---------|-------------------|--------------------|---------------------------|
| Order Intake and Sales Revenue | | | | |
| Order intake | 3,664.4 | 2,381.0 | 53.9 | 55.6 |
| Sales revenue | 2,887.0 | 1,910.1 | 51.1 | 52.6 |
| ▪ EMEA | 1,199.3 | 761.0 | 57.6 | 57.5 |
| ▪ Americas | 946.0 | 670.2 | 41.2 | 45.8 |
| ▪ Asia Pacific | 741.7 | 478.9 | 54.9 | 54.6 |
| Results | | | | |
| EBITDA ³ | 1,033.4 | 604.7 | 70.9 | |
| EBITDA margin ³ in % | 35.8 | 31.7 | | |
| Net profit ⁴ | 687.8 | 383.8 | 79.2 | |
| Earnings per share ⁴ in € | 7.46 | 4.16 | 79.2 | |

1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations

2 In constant currencies

3 Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items

4 Relevant / underlying net profit = net profit after non-controlling interest; adjusted for extraordinary items and non-cash amortization, as well as based on a normalized financial result and normalized tax rate

Reconciliation

| In millions of €, unless otherwise specified | 2021 | 2020 ¹ |
|---|----------------|-------------------|
| EBIT (operating result) | 865.4 | 471.7 |
| Extraordinary items | 26.5 | 32.7 |
| Depreciation and amortization | 141.5 | 100.3 |
| Underlying EBITDA | 1,033.4 | 604.7 |
| <hr/> | | |
| In millions of €, unless otherwise specified | 2021 | 2020 ¹ |
| EBIT (operating result) | 865.4 | 471.7 |
| Extraordinary items | 26.5 | 32.7 |
| Amortization IFRS 3 | 48.6 | 25.7 |
| Normalized financial result ² | -11.2 | -7.8 |
| Normalized income tax (26%) ³ | -241.6 | -135.8 |
| Underlying net result | 687.7 | 386.5 |
| Non-controlling interest | 0.1 | -2.7 |
| Underlying net result after non-controlling interest | 687.8 | 383.8 |
| Underlying earnings per share (in €) | 7.46 | 4.16 |

1 The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations

2 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability

3 Normalized income tax based on the underlying profit before taxes and non-cash amortization

| in millions of € unless otherwise specified | 2021 | 2020 ¹ |
|--|----------------|-------------------|
| Gross debt | 625.5 | 587.1 |
| - Cash & cash equivalents | 223.6 | 59.8 |
| Net debt | 401.9 | 527.3 |
| Underlying EBITDA (12 months) | 1,033.4 | 604.7 |
| + Pro forma EBITDA from acquisitions (12 months) | 6.1 | 15.8 |
| Pro forma underlying EBITDA | 1,039.5 | 620.5 |
| Net debt to underlying EBITDA | 0.4 | 0.8 |

| in millions of € unless otherwise specified | 2021 | 2020 ¹ |
|---|-------------|-------------------|
| Sales revenue | 2,887.0 | 1,910.1 |
| Capital expenditures | 324.0 | 159.2 |
| Capital expenditures as % of sales revenue | 11.2 | 8.3 |

¹ The figures for the reporting period 2020 were restated due to the finalization of the purchase price allocation for the acquisitions of BIA Separations and WaterSep BioSeparations

A profile of Sartorius Stedim Biotech

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a total solutions provider, the company helps its customers to manufacture biotech medications safely, rapidly and economically. Headquartered in Aubagne, France, Sartorius Stedim Biotech is quoted on the Eurolist of Euronext Paris. With its own manufacturing and R&D sites in Europe, North America and Asia and an international network of sales companies, Sartorius Stedim Biotech has a global reach. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions of complementary technologies. In 2021, the company employed more than 10,400 people, and earned sales revenue of around 2.89 billion euros according to preliminary figures.

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