

Annual Shareholder Meeting

Joachim Kreuzburg | Chairman of the Board and CEO | 03. April 2018



Disclaimer

This presentation contains statements concerning Sartorius Stedim Biotech Group's future performance. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we cannot guarantee that they will actually materialize. This is because our assumptions harbor risks and uncertainties that could lead to actual results diverging substantially from the expected ones. It is not planned to update our forward-looking statements.

Throughout this presentation, differences may be apparent as a result of rounding during addition.

Agenda

- 01 FY 2017 Results | 2018 Guidance
- 02 Dividend Proposal
- 03 Strategy and mid-term targets 2025



Another year of solid growth in revenue and profit

- ▶ Continued profitable growth in a challenging market and FX environment
- ▶ Dampening effects only of temporary nature; strong finish to the year with double-digit order growth
- ▶ Progress in our multi-year investment program; portfolio expanded through acquisition of Umetrics
- ▶ Positive outlook for 2018 and beyond

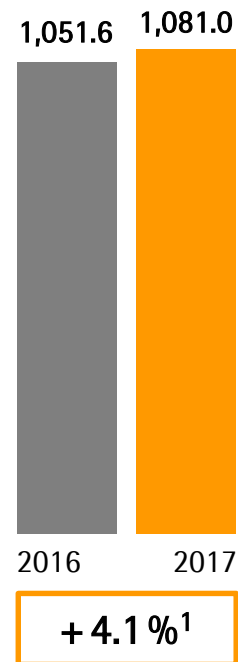


Strong order intake; earnings influenced by FX headwinds

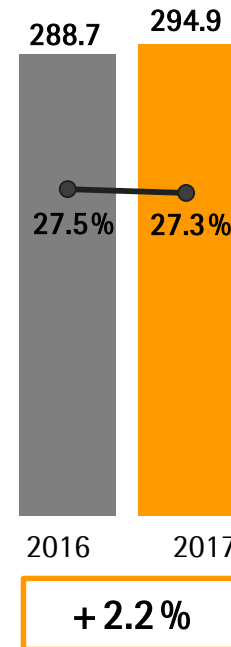
Order intake
€ in millions



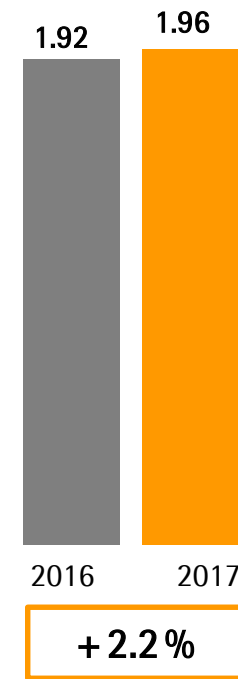
Sales revenue
€ in millions



EBITDA & margin²
€ in millions



EPS³
in €



¹ Constant currencies ² Underlying = excluding extraordinary items ³ Underlying EPS = based on net profit after non-controlling interest, adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate

Different development in the regions

Americas
in € millions



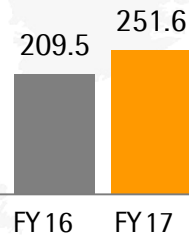
-3.5%

EMEA
in € millions



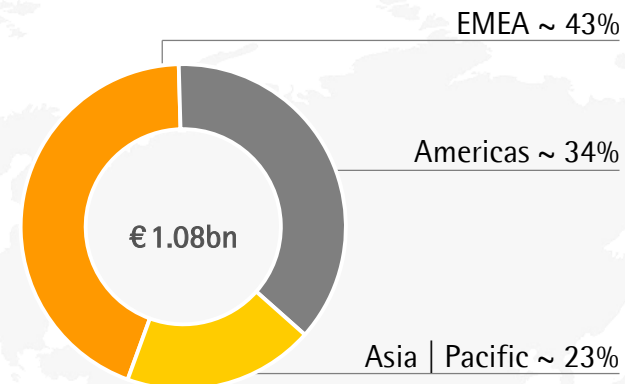
+2.2%

Asia | Pacific
in € millions



+21.4%

Sales by Regions
in %



Acc. to customers' location; growth in constant currencies

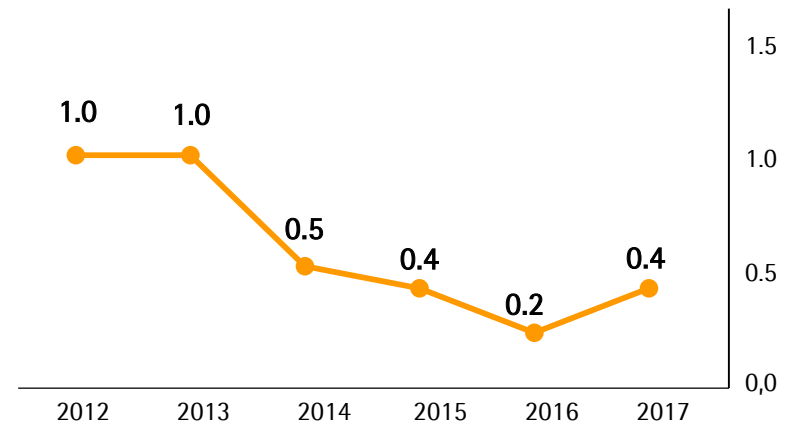
- Particularly the Americas & EMEA compare with a very high prior-year base; softer demand in the Americas and parts of Europe, additionally destocking by a few customers especially in Q3 2017
- Moreover, the Americas also influenced by transient manufacturing (Puerto Rico) and supply bottlenecks (cell culture media)
- Dynamic growth in Asia | Pacific supported by some large equipment projects

Financial position remains very strong

Key financial indicators

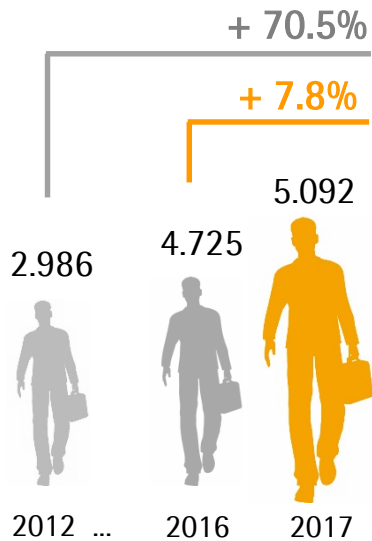
Sartorius Stedim Biotech	Dec. 31. 2016	Dec. 31. 2017
Equity ratio in %	63.9	62.6
Net debt in € millions	67.6	127.1
Net cash flow from operating activities in € millions	156.7	174.7

Net debt to underlying EBITDA

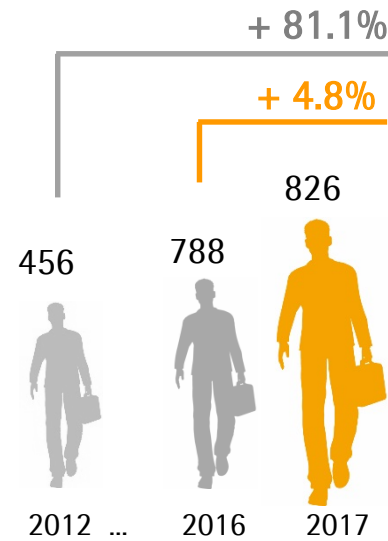


Considerable number of new jobs created again

Group

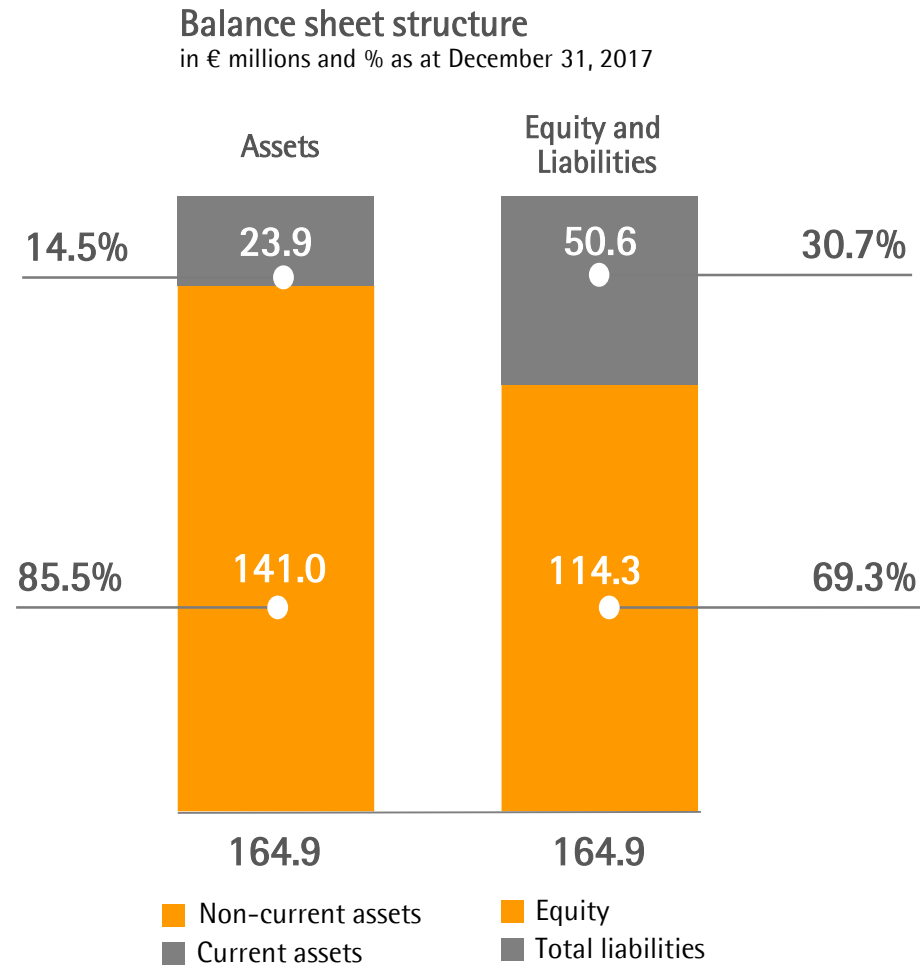


France

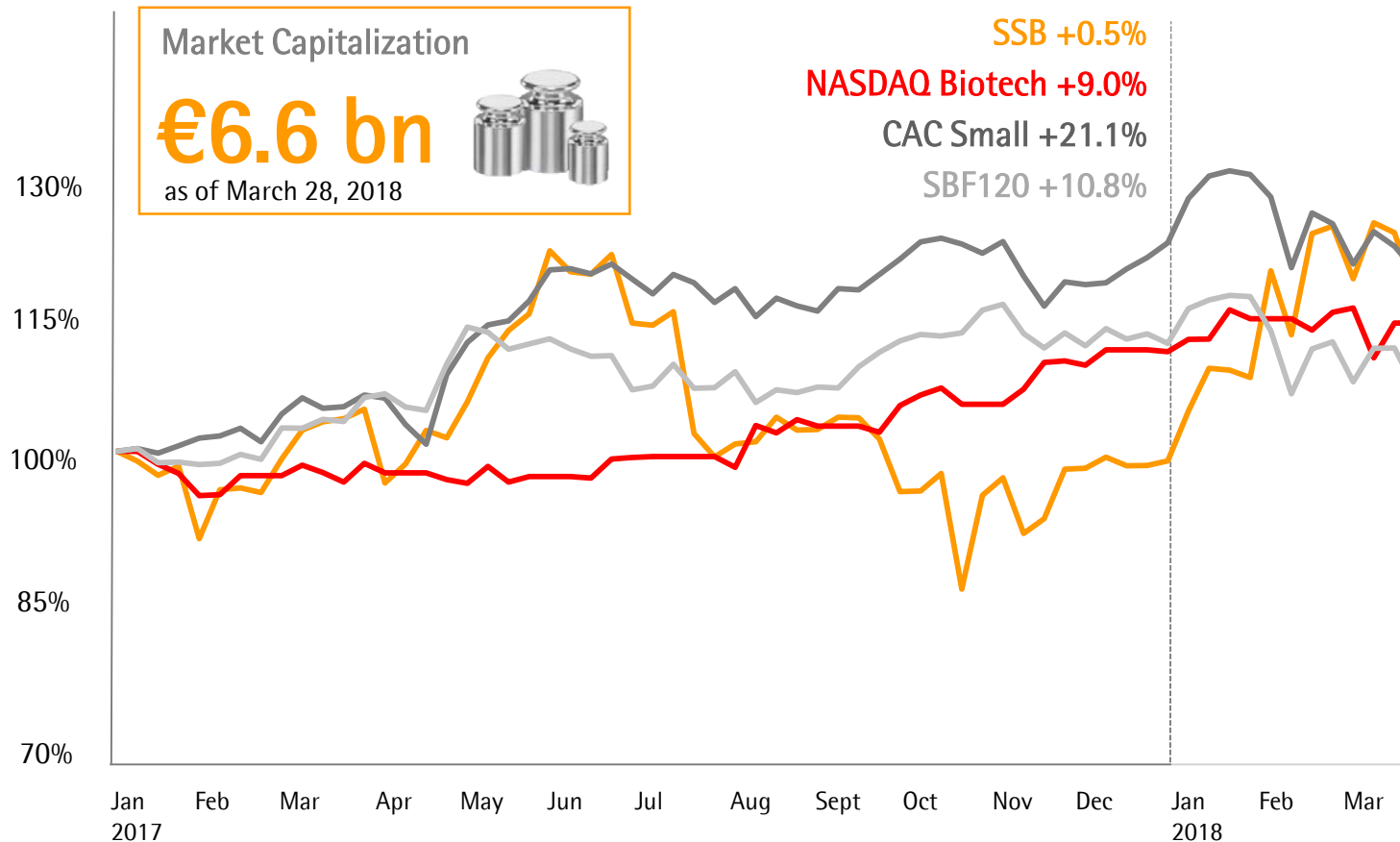


- Nearly 5,100 people; 367 new employees, thereof 36 relating to the acquisition of Umetrics

Balance sheet of the parent company



Share price now fully recovered after Q3 guidance adjustment



- After nearly quadrupling over the past five years, share price development was volatile in 2017
- Strong start into 2018: Share price rose by about 15% since beginning of January

Outlook for 2018

Sartorius Stedim Biotech	FY 2017	FY 2018 Guidance
Sales revenue growth ¹	4.1%	~ 7% - 10%
Underlying EBITDA margin	27.3%	~ +0.5pp ¹
Capex ratio	12.6%	~ 15%

¹ In constant currencies

- Growth guidance includes non-organic contribution by recent acquisition of ~ 0.5pp
- As a result from the US tax reform, SSB's tax rate is expected to decrease from 2018 onwards by 2pp to around 26%

Agenda

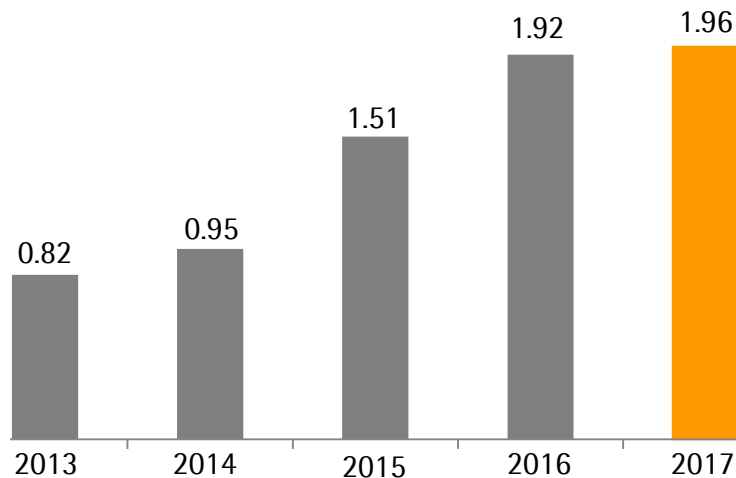
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Strong dividend increase yet again

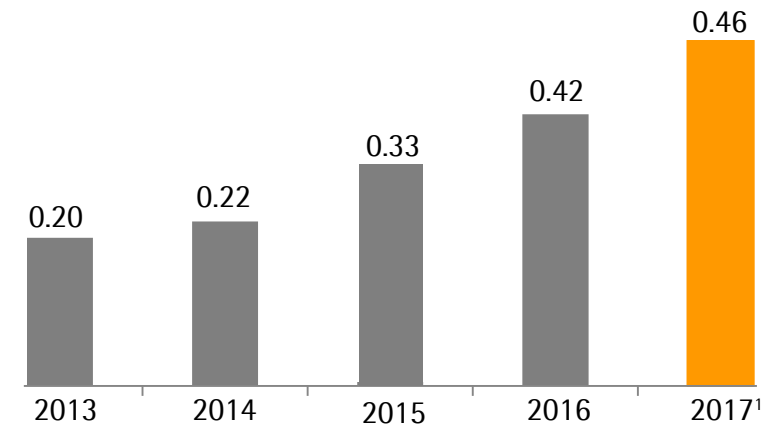
Earnings per share

in €



Dividend per share

in €



- 9th dividend increase in succession
- Total profit distributed would increase by 9.5% from €38.7mn to 42.4mn
- Payout ratio² of 23.5% (2016: 21.9%) in line with SSB's dividend policy

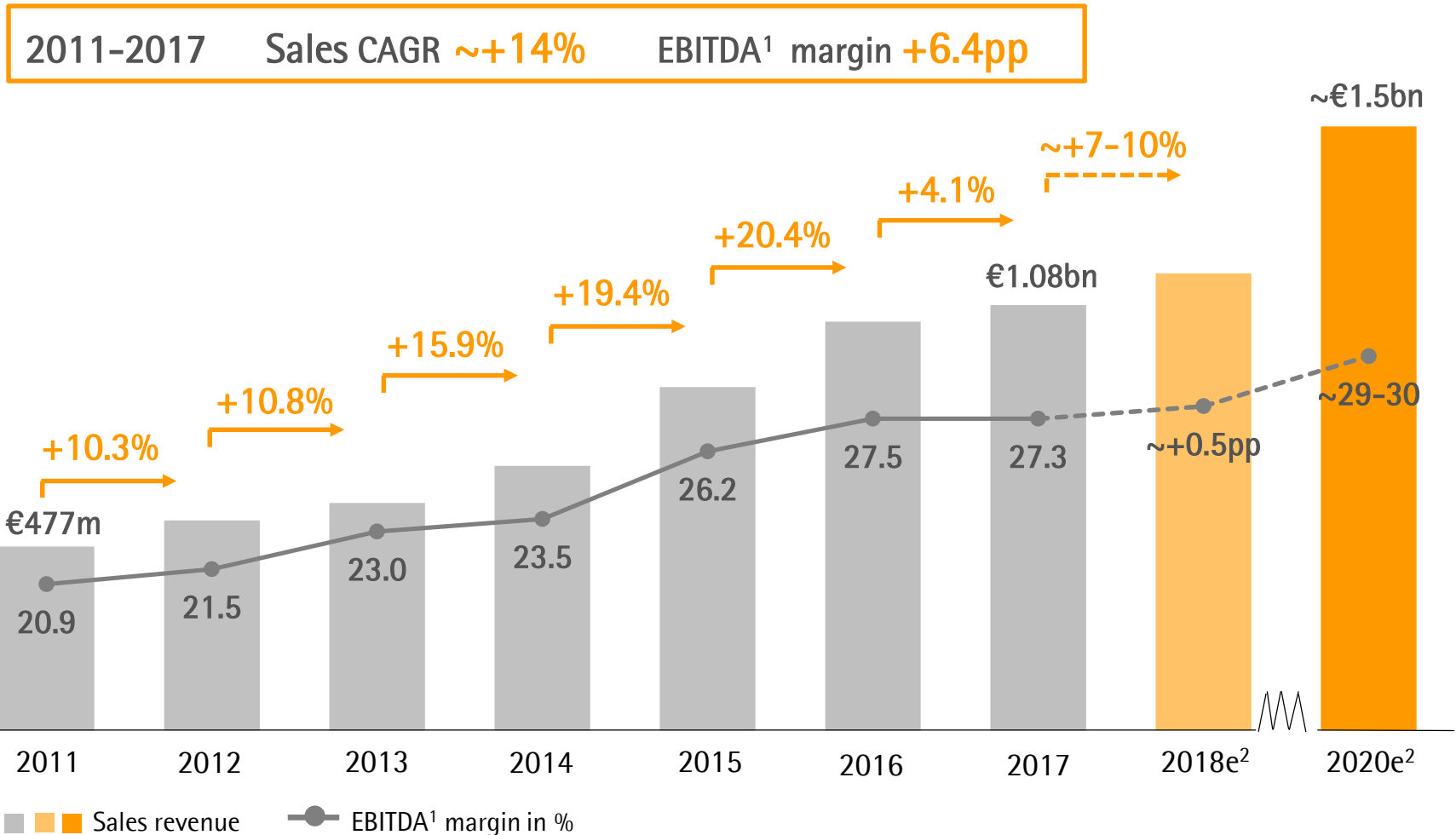
Figures for 2013-15 adjusted for stock split; rounded values ¹ Subject to approval by the AGM ² Relative to underlying net profit

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Sustainable profitable growth



On track to meet 2020 targets

Strategic initiatives

Regional

- Further increase of sales force effectiveness ✓
- Gain share in North America ✓
- Leverage market growth in Asia ✓

Portfolio

- Alliances and acquisitions ✓
- Own product development ✓

Infrastructure

- Continued capacity expansion ✓
- Drive digitalization and roll-out of efficient IT systems ✓

2020 targets

~ €1.5-1.6 bn¹
Sales revenue

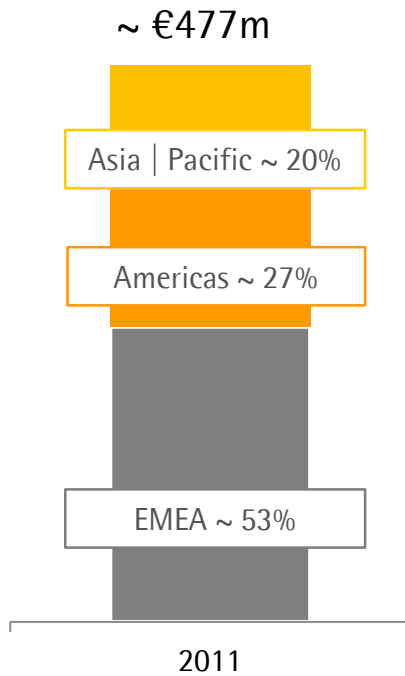
~ 4|5
Organic

~ 1|5
Acquisitions

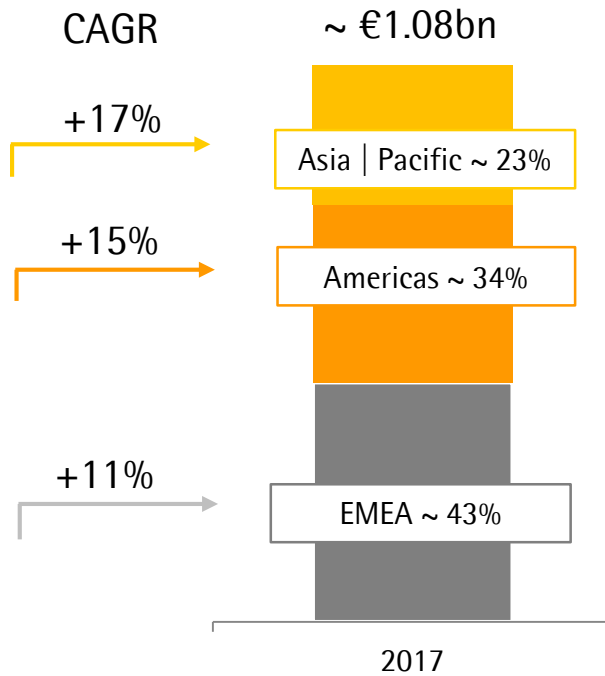
~ 29-30%¹
EBITDA² margin

Regional balance better reflecting end-markets

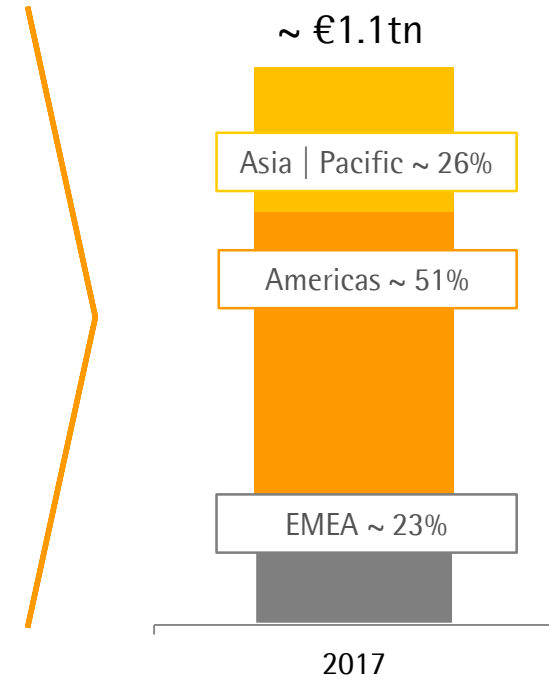
Sales by region 2011



Sales by region 2017



Global pharmaceutical market



Offering the widest portfolio covering PD, up- and downstream

Process development

Production

Small-scale single-use bioreactors Q4 2013




Cell culture media Q1 2013



Cell line development services Q3 2015  cellca

Single-use technology for sampling Q2 2014



Testing in biosafety and bioanalytics Q2 2015  bio_outsource

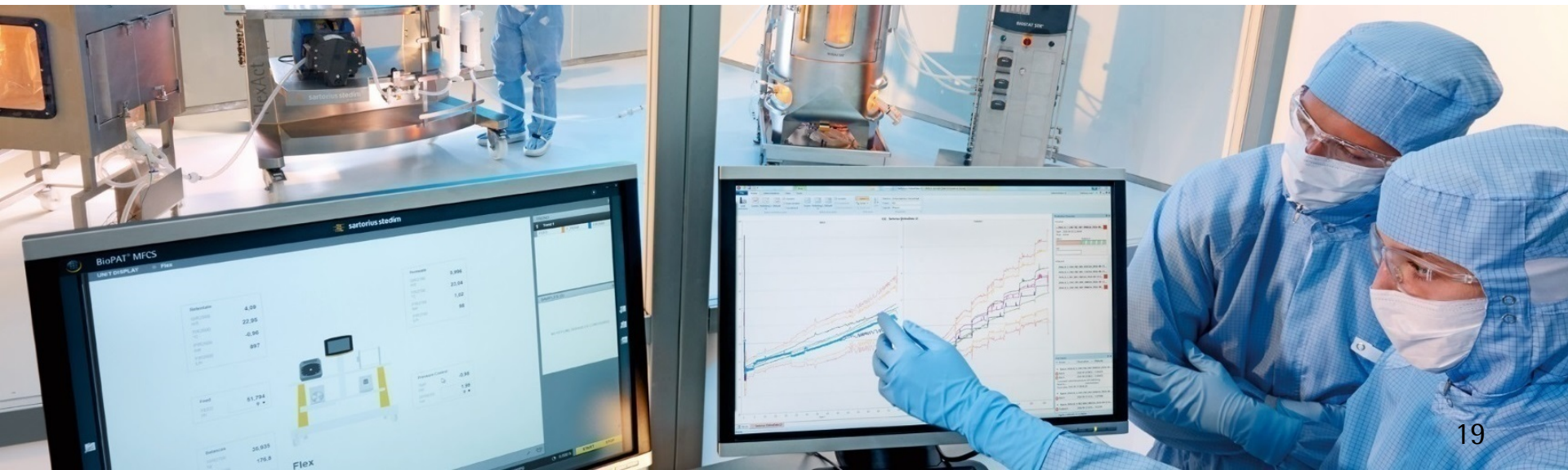
Software for bioprocess data analysis Q2 2017  UMETRICS

Single-use centrifuges Q3 2016



Strong competence in data analytics established

- Acquisition of Sweden-based software suite Umetrics
- Powerful solutions for modeling and optimizing development and manufacturing processes for biopharmaceuticals
- Digitalization of processes gain importance on customers' side
- Possible applications along the complete process chain



Infrastructure prepared for further organic growth



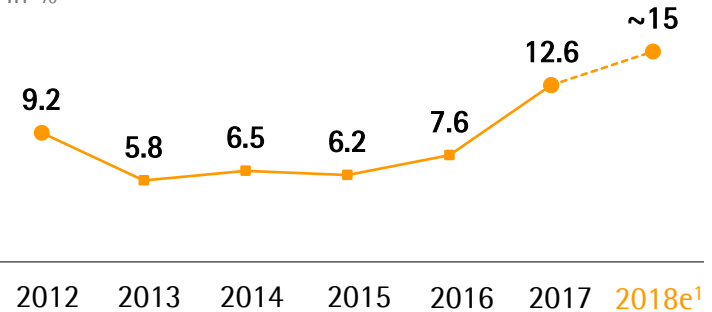
Yauco, Puerto Rico
Doubling of fluid management
and filter capacities



Goettingen, Germany
Extension of filter capacities

Capex ratio currently on an elevated level

in %



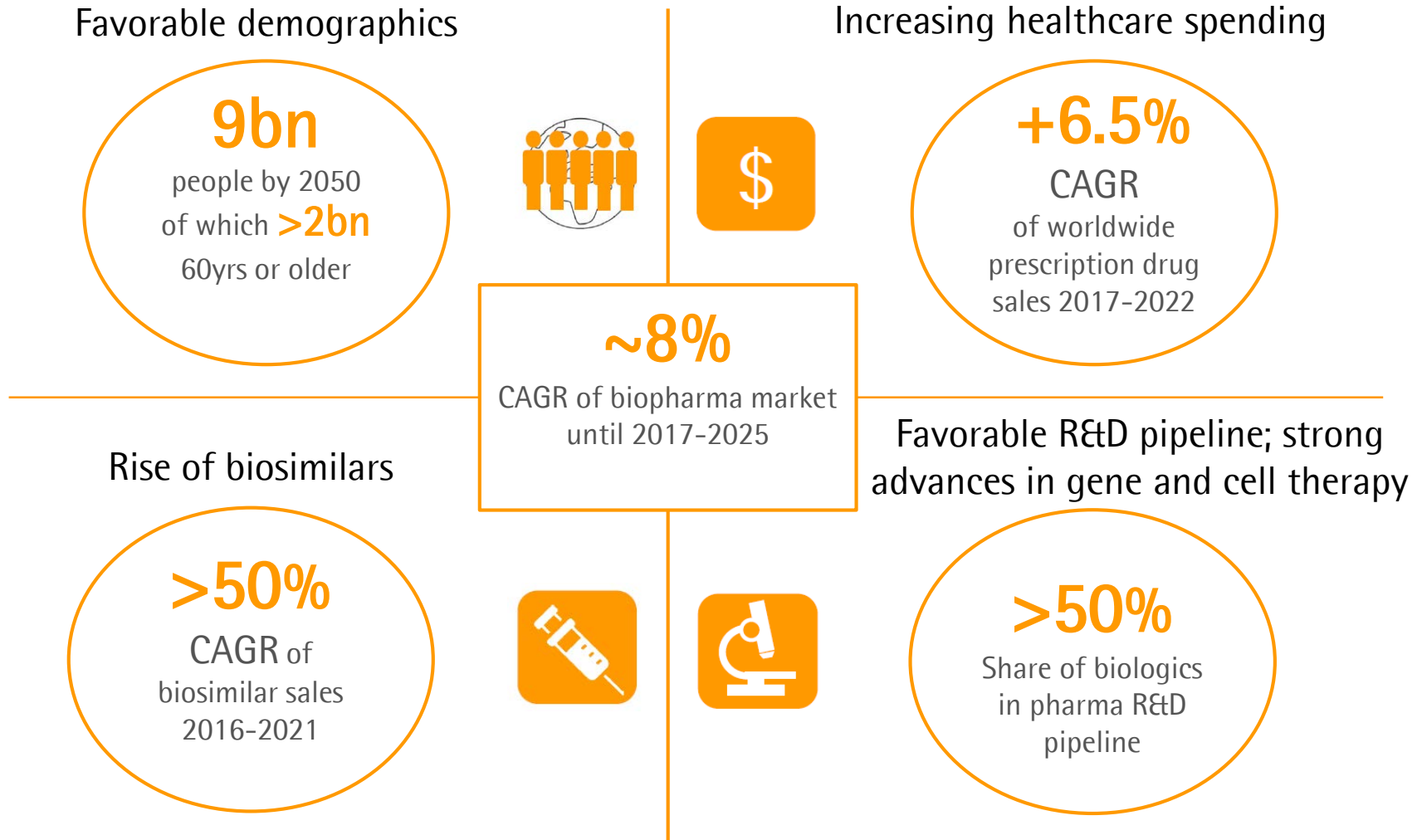
¹ Based on guidance

~15%
Capex ratio
2018¹



New ERP and extension of global IT infrastructure

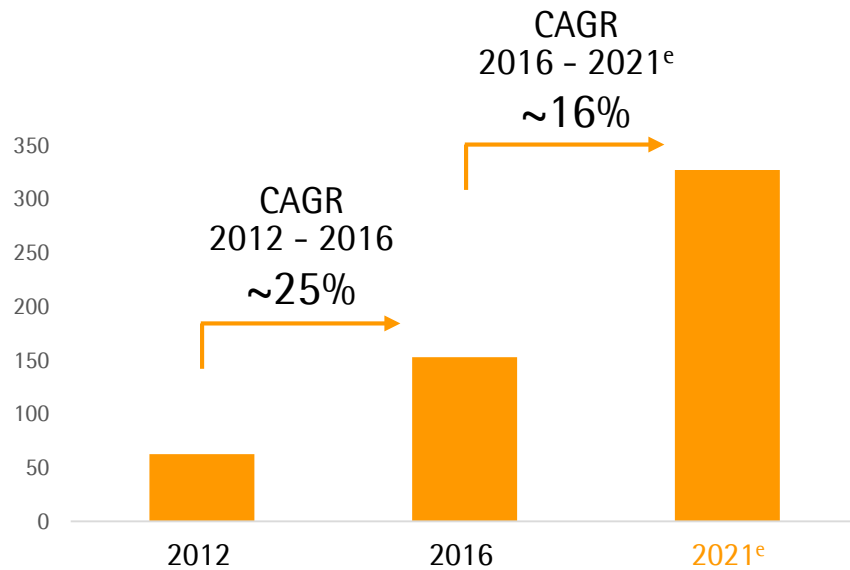
Market fundamentals remain very attractive



The Chinese market will become increasingly important

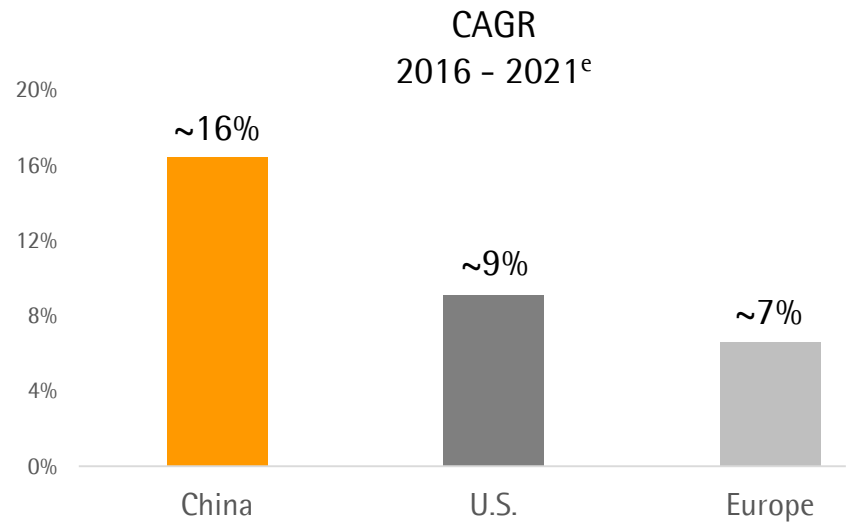
China biologics market size

RMB in bn



Global biologics market growth outlook by region in %

outlook by region in %



Acquisitions remain part of our strategy

Acquisition criteria



Portfolio
Complementary products
or technologies



Market position
Either among the Top 3 or
unique position



Integration
Management capacity;
cultural fit



Price
Fair valuation; reach SSBs`
profitability level in 2-3 years

Market environment

- Increasingly consolidated
- But many start-ups with innovative technologies

Our Sartorius 2025 targets and initiatives

Strategic initiatives

2025 targets

Regional

- Participate in strong Chinese market growth
- Continue to outgrow the important U.S. market

Portfolio

- Adding high-impact innovation, e.g. digital tools
- Enhance process development capabilities
- Expand into adjacent applications

Operations

- Accelerate workflows across the organization through digitalization
- Extend manufacturing base in Asia

~ €2.8 bn
Sales revenue

~ 30%
EBITDA margin

Thank you for your attention

