

Welcome | Bienvenue | Benvenuti | Bienvenido | Willkommen | Welcome | Bienvenue | Benvenuti

# Annual Shareholders' Meeting on **April 8, 2014**

Bienvenue | Benvenuti | Bienvenido | Willkommen | Welcome | Bienvenue | Benvenuti | Bienvenid  
Willkommen | Welcome | Bienvenue | Benvenuti | Bienvenido | Willkommen | Welcome | Bienvenue

Joachim Kreuzburg  
Chairman of the Board and CEO

April 8, 2014 | Aubagne

## Disclaimer

This presentation contains statements concerning Sartorius Stedim Biotech Groups' 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

1 >>>

FY 2013 Results

2

Dividend Proposal

3

Proposed Share Capital Measures

4

Guidance 2014

5

Long-term Prospects – SSB 2020



3  
1  
20  
2

Sales revenue<sup>1)</sup> + 11 %  
underlying EBITDA<sup>2)</sup> + 16 %  
underlying EPS<sup>3)</sup> + 16 %  
Dividends<sup>4)</sup> + 9 %

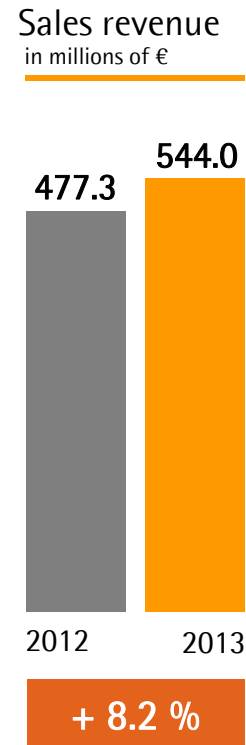
<sup>1)</sup> In constant currencies

<sup>2)</sup> Excluding extraordinary items

<sup>3)</sup> Excluding non-cash amortization and fair value adjustments of hedging instruments

<sup>4)</sup> Subject to approval by the AGM

## Dynamic Growth in Order Intake and Sales Revenue



### Order Intake

- + 13.7% in constant currencies
- Strong demand for single-use products; special growth impulses particularly in Q1 for equipment

### Sales Revenue

- + 10.8% in constant currencies
- Organic growth of 8.9% ahead of expectations fueled by both single-use products and equipment

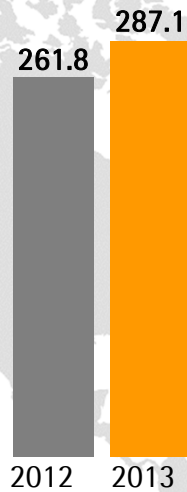
# Double-Digit Growth in Asia and Europe

**North America**  
Sales<sup>1)</sup> in millions of €



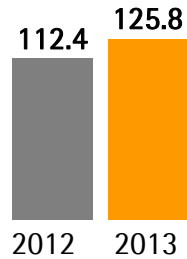
+4.4%

**Europe**  
Sales<sup>1)</sup> in millions of €



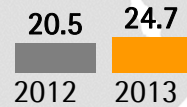
+10.3%

**Asia | Pacific**  
Sales<sup>1)</sup> in millions of €



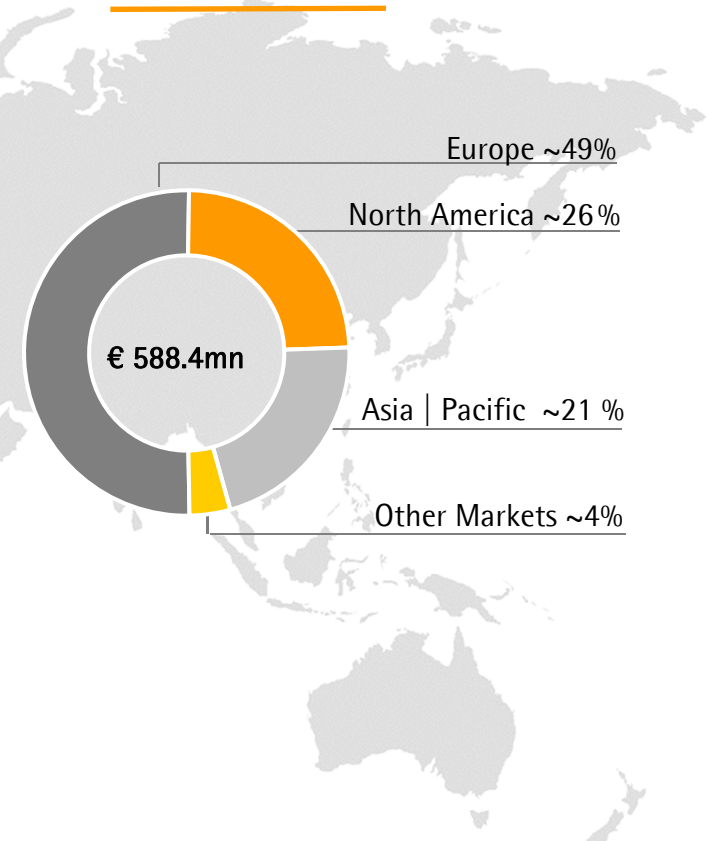
+19.0%

**Other Markets**  
Sales<sup>1)</sup> in millions of €



+20.0%

**Sales<sup>1)</sup> by Regions**  
in %

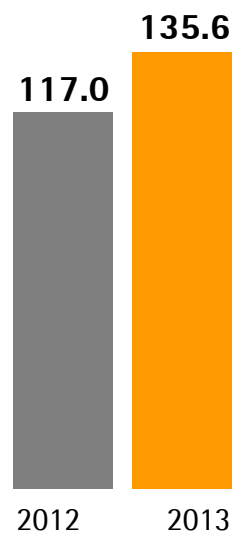


Growth in constant currencies

<sup>1)</sup> According to customers' location

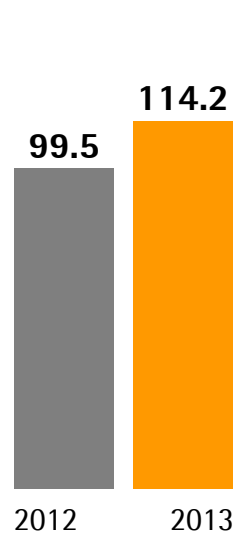
# Overproportionate Earnings Growth Yet Again

**EBITDA**  
underlying<sup>1)</sup>, in millions of €



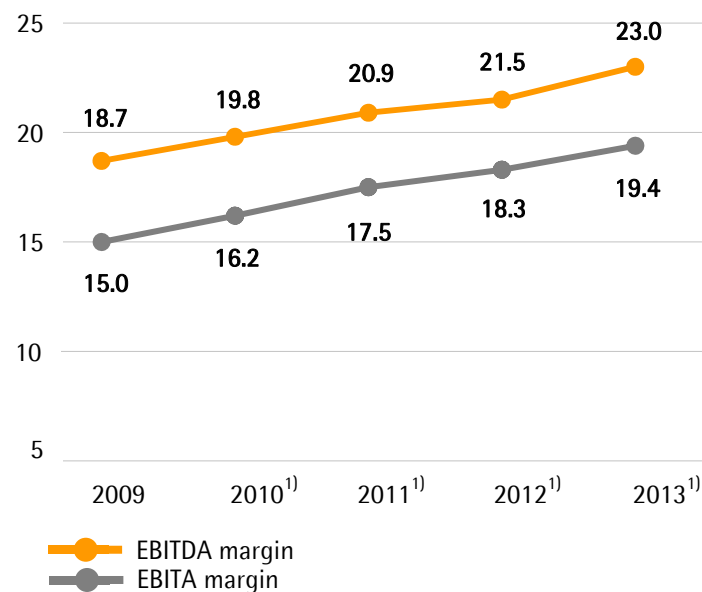
+ 15.8 %

**EBITA**  
underlying<sup>1)</sup>, in millions of €

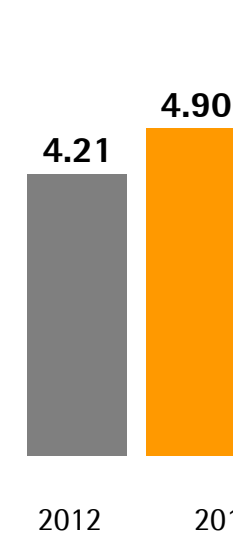


+ 14.8 %

**EBITDA | EBITA margins**  
underlying<sup>1)</sup>



**Earnings per Share<sup>1)2)</sup>**  
in €



+ 16.4 %

- Substantial gain in underlying<sup>1)</sup> EBITDA margin driven by economies of scale and consolidation of media business

<sup>1)</sup> Excluding extraordinary items <sup>2)</sup> Excluding non-cash amortization and fair value adjustments of hedging instruments

## Strong Cash Flow Performance

Sartorius Stedim Biotech in millions of € (unless otherwise specified)	FY 2012	FY 2013	Change in %
Net Cash Flow from Operating Activities	48.9	90.1	84.2
Net Cash Flow from Investing Activities <sup>1)</sup>	-32.9	-73.4	-122.9

- Net cash flow from operating activities mainly driven by higher earnings; previous year's cash flow impacted by non-periodic tax payments
- Net cash flow from investing activities include the acquisitions of the cell culture media business and TAP Biosystems
- All investments financed by operating cash flows

<sup>1)</sup> Including cash outflows related to acquisitions



## Strong Balance Sheet Despite High Investments and Acquisitions

December 31, 2013

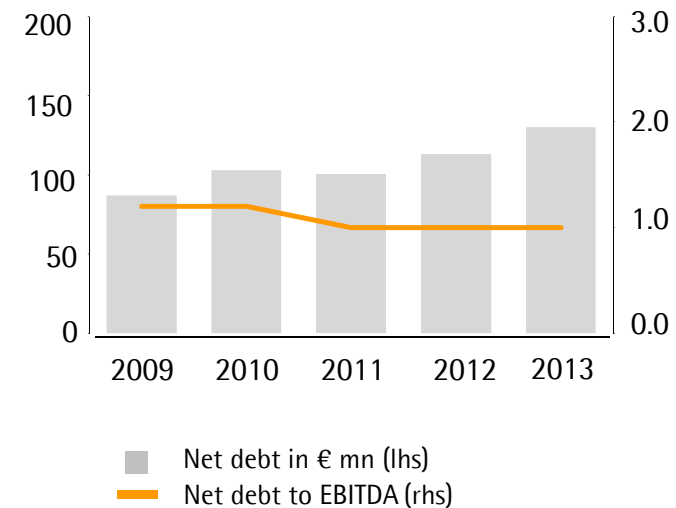
Assets			Equity and Liabilities		
Non-current Assets	€612.7mn	70.3%	Equity	€481.8mn	55.3%
Current Assets	€258.5mn	29.7%	Financial Debt	€165.6mn	19.0%
			Non-financial Debt	€223.8mn	25.7%
<b>Total</b>	<b>€871.2mn</b>	<b>100%</b>	<b>Total</b>	<b>€871.2mn</b>	<b>100%</b>

# All Key Financial Indicators at Very Comfortable Levels

## Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31 2012	Dec. 31 2013
Net debt in millions of €	113.7	130.0
Gearing ratio	0.3	0.3
Net debt to underlying <sup>1)</sup> EBITDA	1.0	1.0
Interest coverage <sup>1)</sup>	27.9	25.9

## Net Debt to EBITDA<sup>1)</sup>



<sup>1)</sup> Excluding extraordinary items

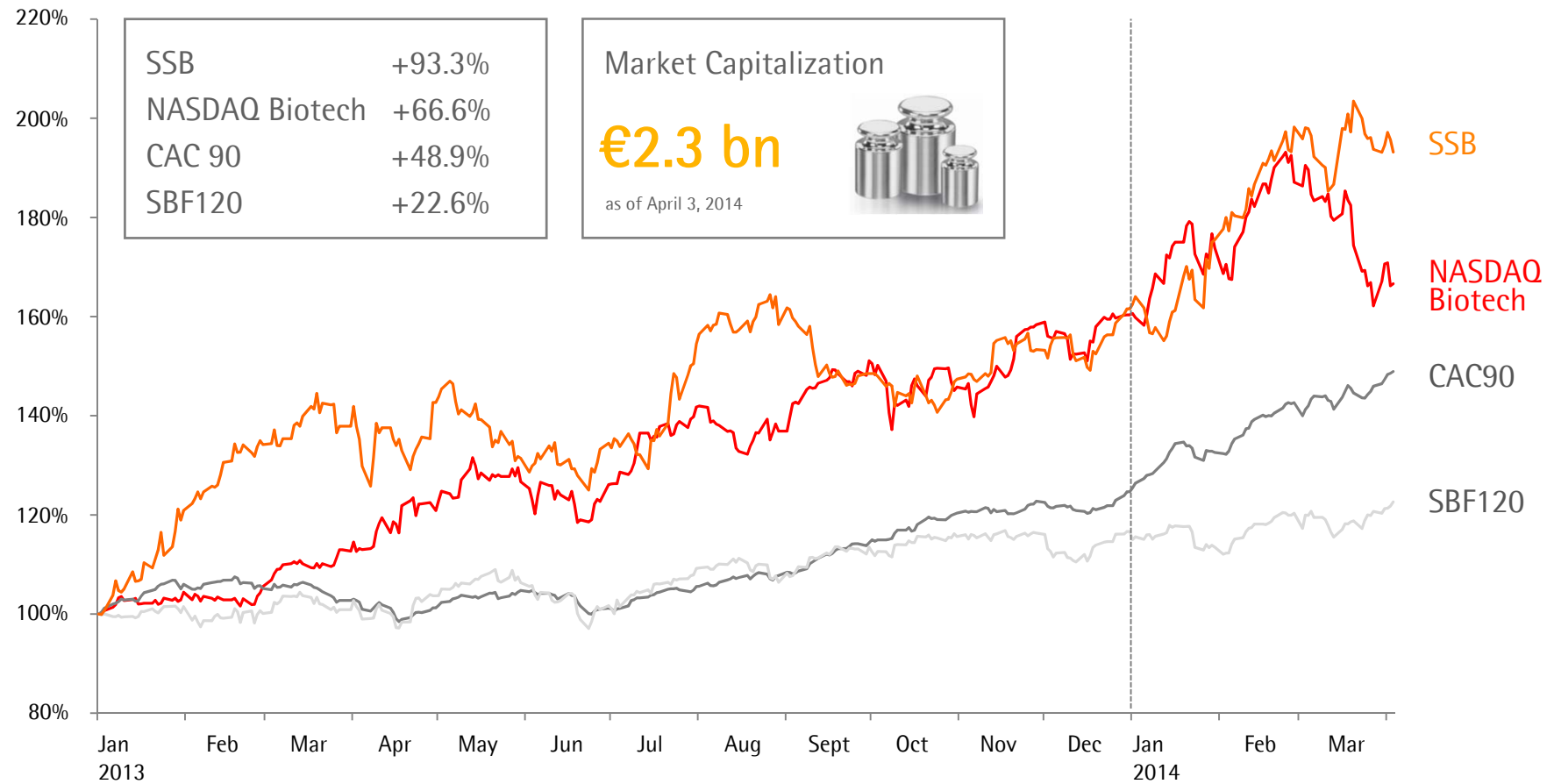
## Balance Sheet of the Parent Company

December 31, 2013

Assets			Equity and Liabilities		
Non-current Assets	€196.9mn	95.2%	Equity	€125.8mn	60.8%
Current Assets	€10.0mn	4.8%	Liabilities	€81.1mn	39.2%
<b>Total</b>	<b>€206.9mn</b>	<b>100%</b>	<b>Total</b>	<b>€206.9mn</b>	<b>100%</b>

- Significant change of balance sheet structure due to creation of holding company in fiscal year 2013

# Significant Outperformance of SSB Shares



1

FY 2013 Results

**2 >>**

**Dividend Proposal**

3

Proposed Share Capital Measures

4

Guidance 2014

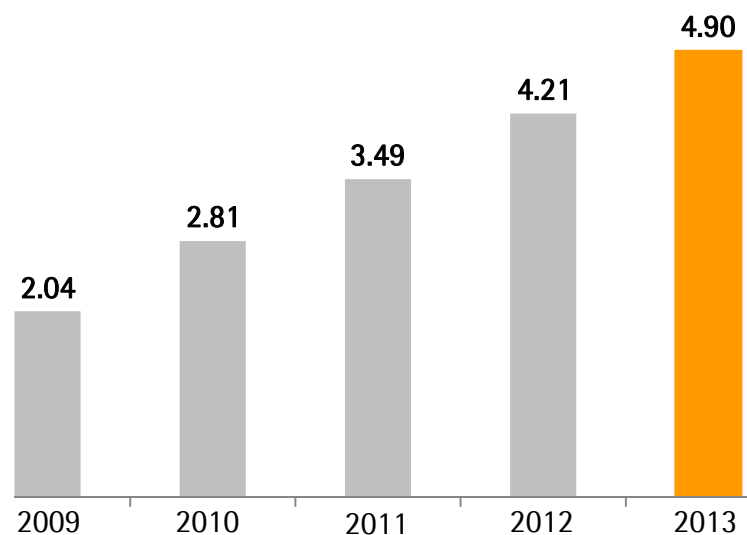
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Long-term Prospects – SSB 2020

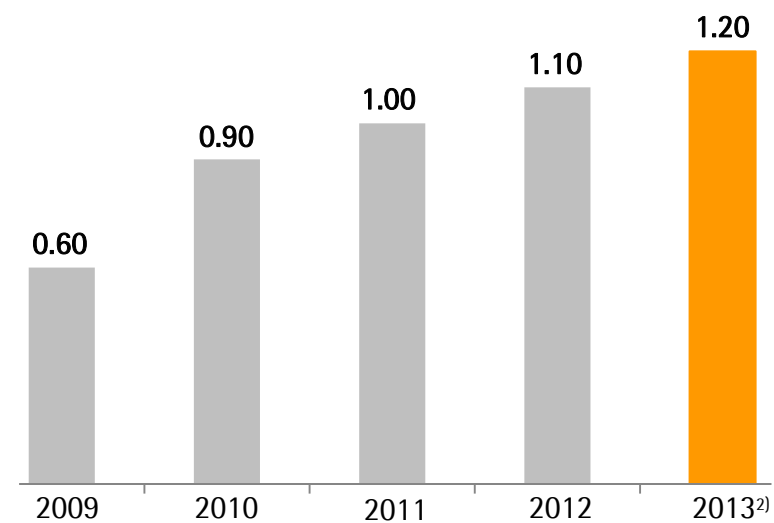


## Fifth Dividend Increase in Succession

Earnings per Share<sup>1)</sup>  
in €



Dividend  
per Share



- Dividend proposal to AGM implies an increase of 9.1% vs. prior year; payout ratio at 24.5% (2012: 26.1%)

<sup>1)</sup> Adjusted for extraordinary items; excluding amortization linked to business combinations and, for 2011 to 2013, excluding fair value adjustments of hedging instruments <sup>2)</sup> Subject to approval by the AGM

## Agenda

- 1 FY 2013 Results
- 2 Dividend Proposal
- 3 >>** Proposed Share Capital Measures
- 4 Guidance 2014
- 5 Long-term Prospects – SSB 2020



## Proposals Regarding Share Capital Measures

Resolutions submitted to the AGM for delegating authority to the Board of Directors

Resolution 12                      Increase nominal value of shares from € 0.61 to € 1.00

Resolution 13                      Option to cancel the company's ~1.7m treasury shares

Resolution 14-16, 20              Option to increase share capital by up to 2 million new shares

» Facilitate future growth and expansion of SSB

» Added flexibility for issuing the shares

» Better tax parameters



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## Positive Outlook for 2014

Sartorius Stedim Biotech Group	FY 2013	Guidance 2014
Sales revenue growth <sup>1)</sup>	10.8%	~11% - 14%
Underlying EBITDA margin <sup>2)</sup>	23.0%	~23.5% <sup>1)</sup>
Capex ratio	5.8%	~6% - 8%

- TAP acquisition and remaining sales contribution from cell culture media to add ~6 pct. points to sales growth
- Expansion of underlying EBITDA margin temporarily diluted by these acquisitions
- Continued expansion of production capacity worldwide; multi-year investment program to expand Göttingen site

<sup>1)</sup> In constant currencies <sup>2)</sup> Excluding extraordinary items




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# Excellent Position in an Attractive Market

### Attractive Biopharma Market

- Continuously expanding market**  
 Ø growth 6% - 8%;  
 high resilience to macro environment 
- Strong demographic trends**  
 Aging population, increasing  
 access to drugs in emerging countries 
- High entry barriers**  
 → Validated processes 

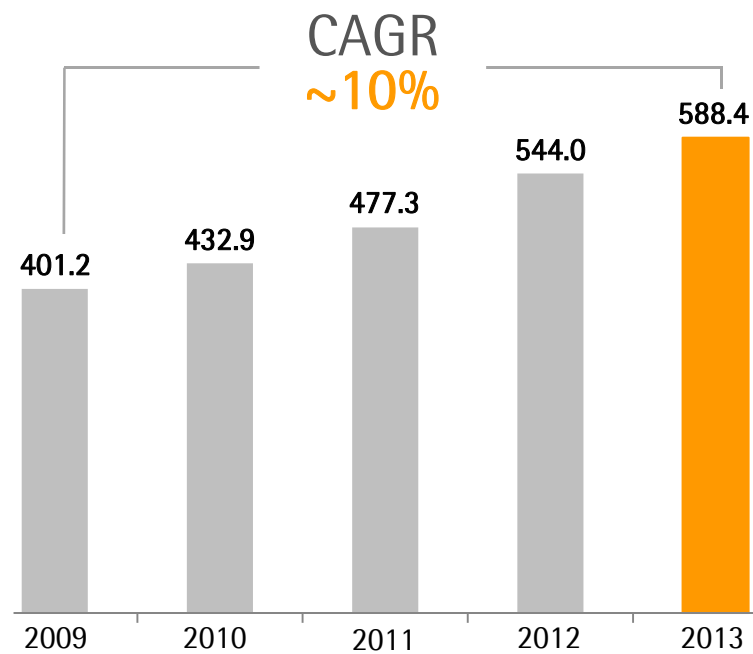


### Strong Business Model

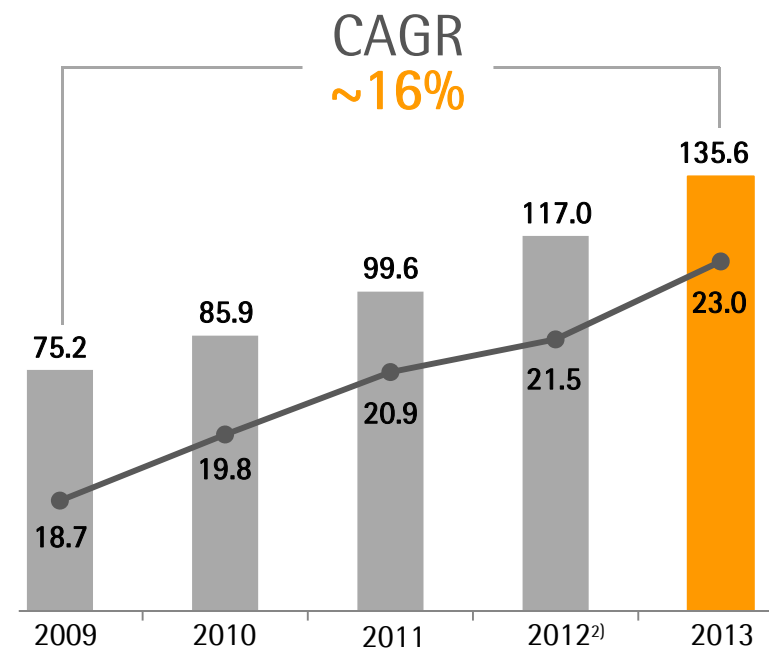
- Supplier of key production technologies**  
 Broadest portfolio in the industry 
- Focus on single-use products**  
 → 75% recurring revenues 
- Market leading positions**  
 >85% of sales from TOP 1-3 position 
- Scalable business; healthy margins** 
- Alliances and acquisitions**  
 → Proven track record 

# Strong Track Record of Profitable Growth

Sales Revenue  
in € million

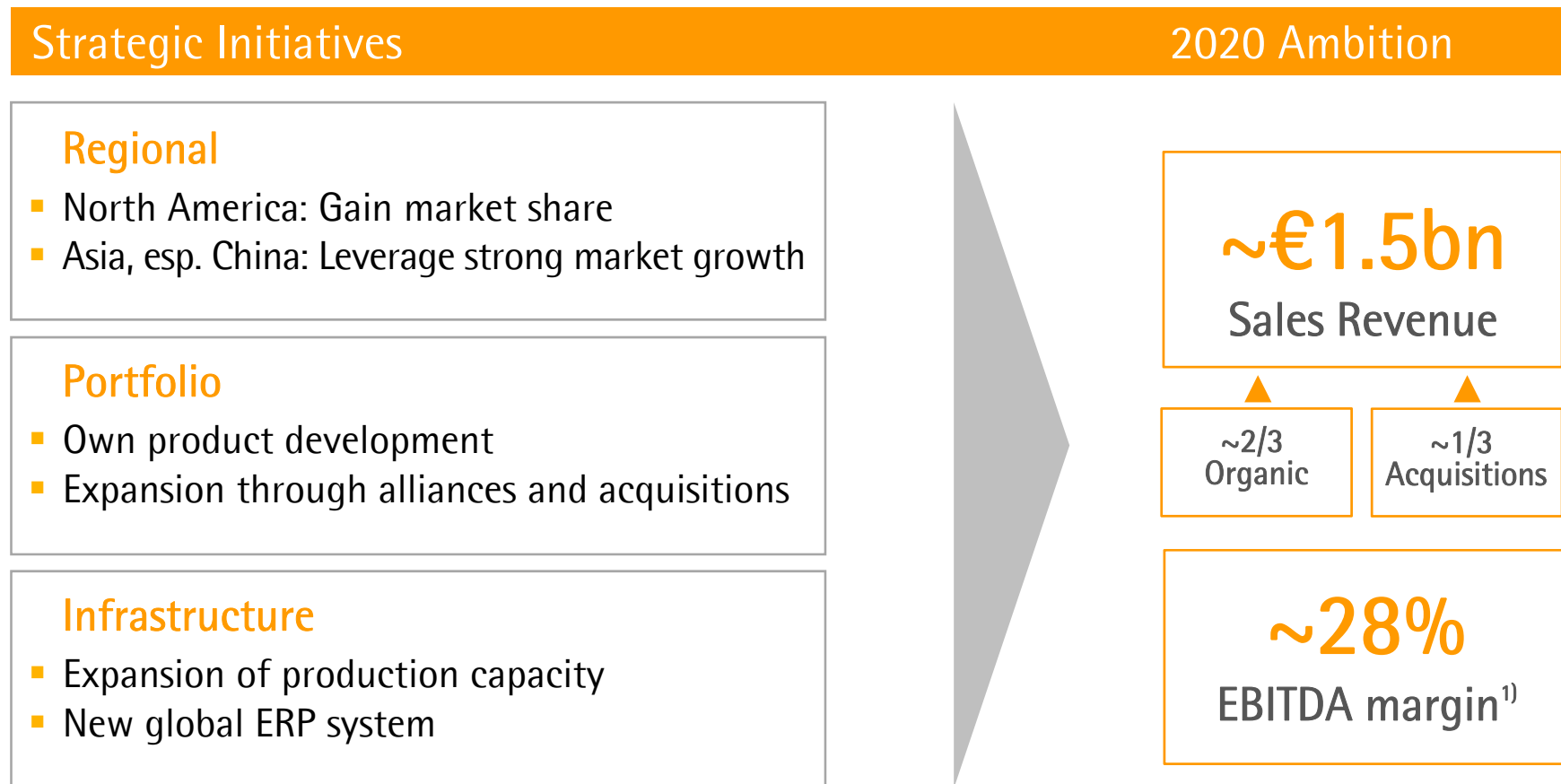


Earnings  
EBITDA & margin<sup>1)</sup>



<sup>1)</sup> Excluding extraordinary items <sup>2)</sup> Restated

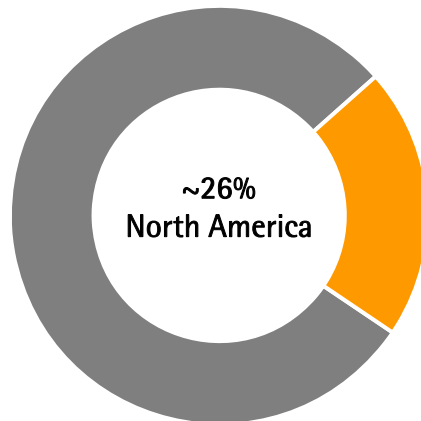
## Ambitious 2020 Targets Supported by Growth Initiatives



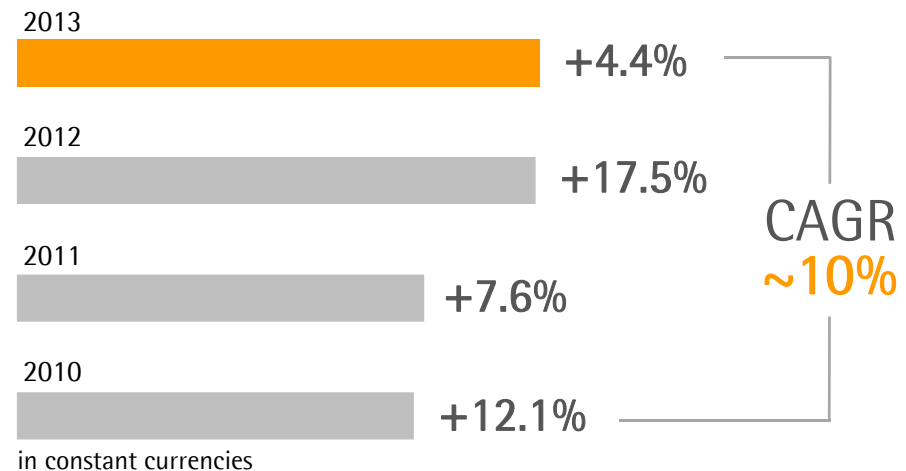
<sup>1)</sup> Excluding extraordinary items

## Growth Initiative North America: Gain Market Share

Sales share North America



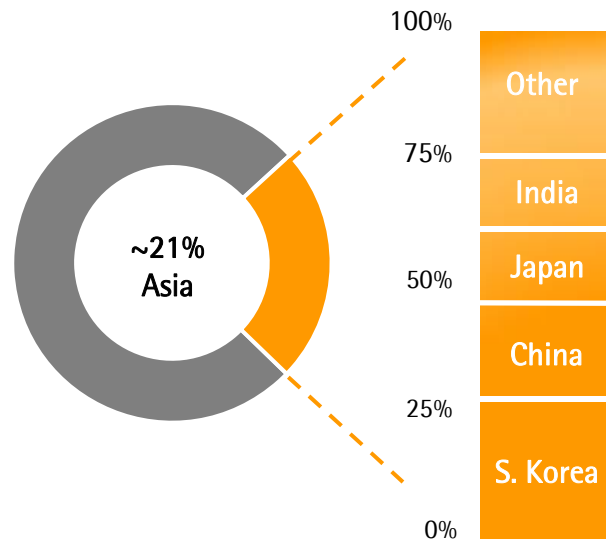
Sales revenue North America



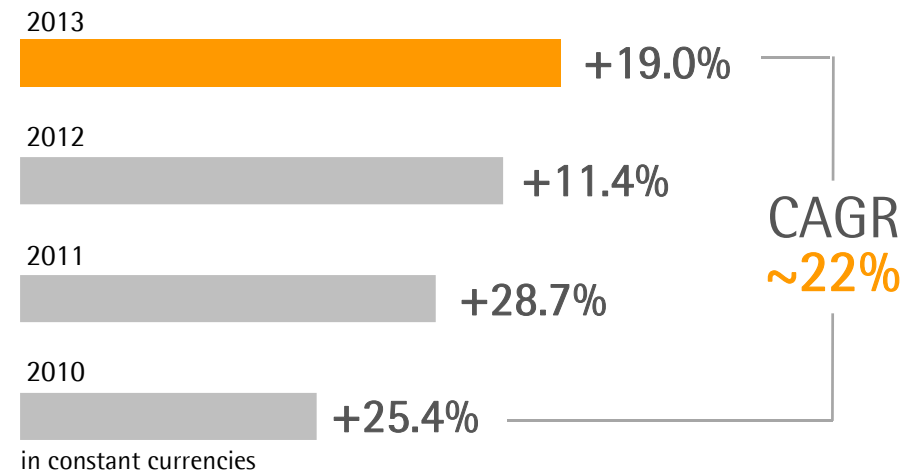
- North America the biggest single market for biopharma
- SSBs' market shares in NA significantly lower than in Europe
- Go-to-market initiative: targeted expansion of sales and technical support functions based on indepth customer analysis
- Organic growth moving forward: low double-digit range targeted

## Growth Initiative Asia: Leverage Strong Market Growth

Sales share Asia



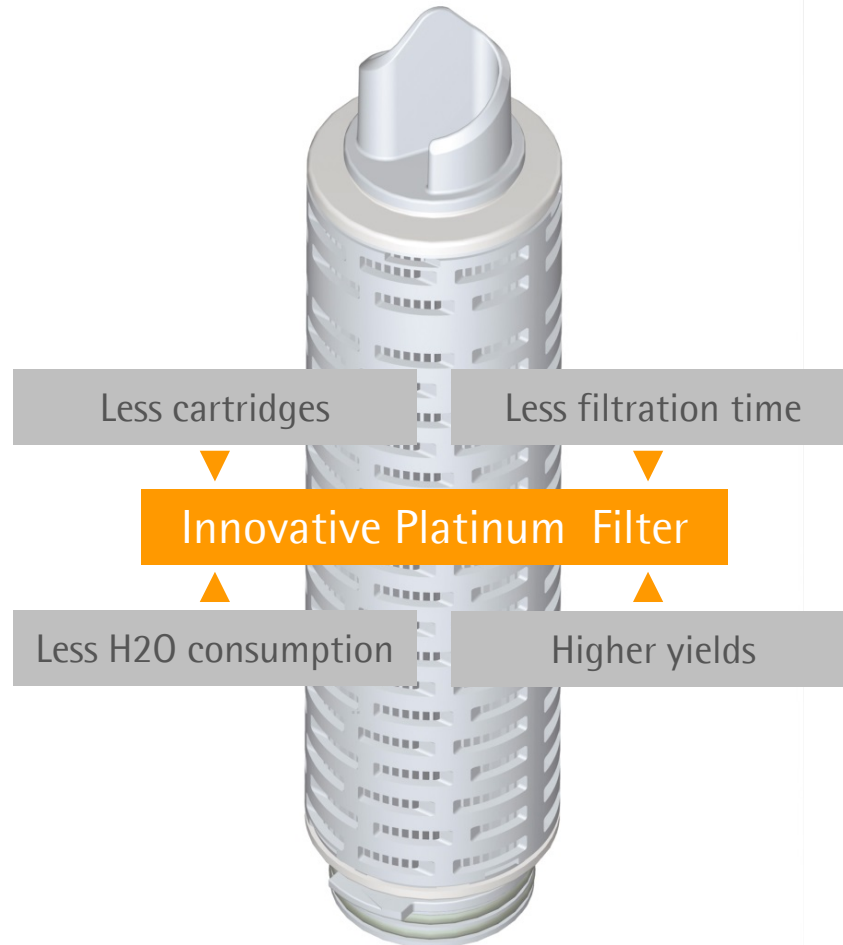
Sales revenue Asia



- China and India among the strongest growing pharma markets globally
- New sales headquarters in Shanghai opened in 2013, new application lab in 2014
- Go-to-market project initiated
- Continued double-digit organic growth projected for the next few years



## Continuous Innovation in Core Technologies



### New benchmark in pharma filtration

Significant reduction of filtration costs



**New PE Film for Single-Use Bags**

Outstanding robustness and flexibility

Full control of all critical components

Optimized cell growth performance

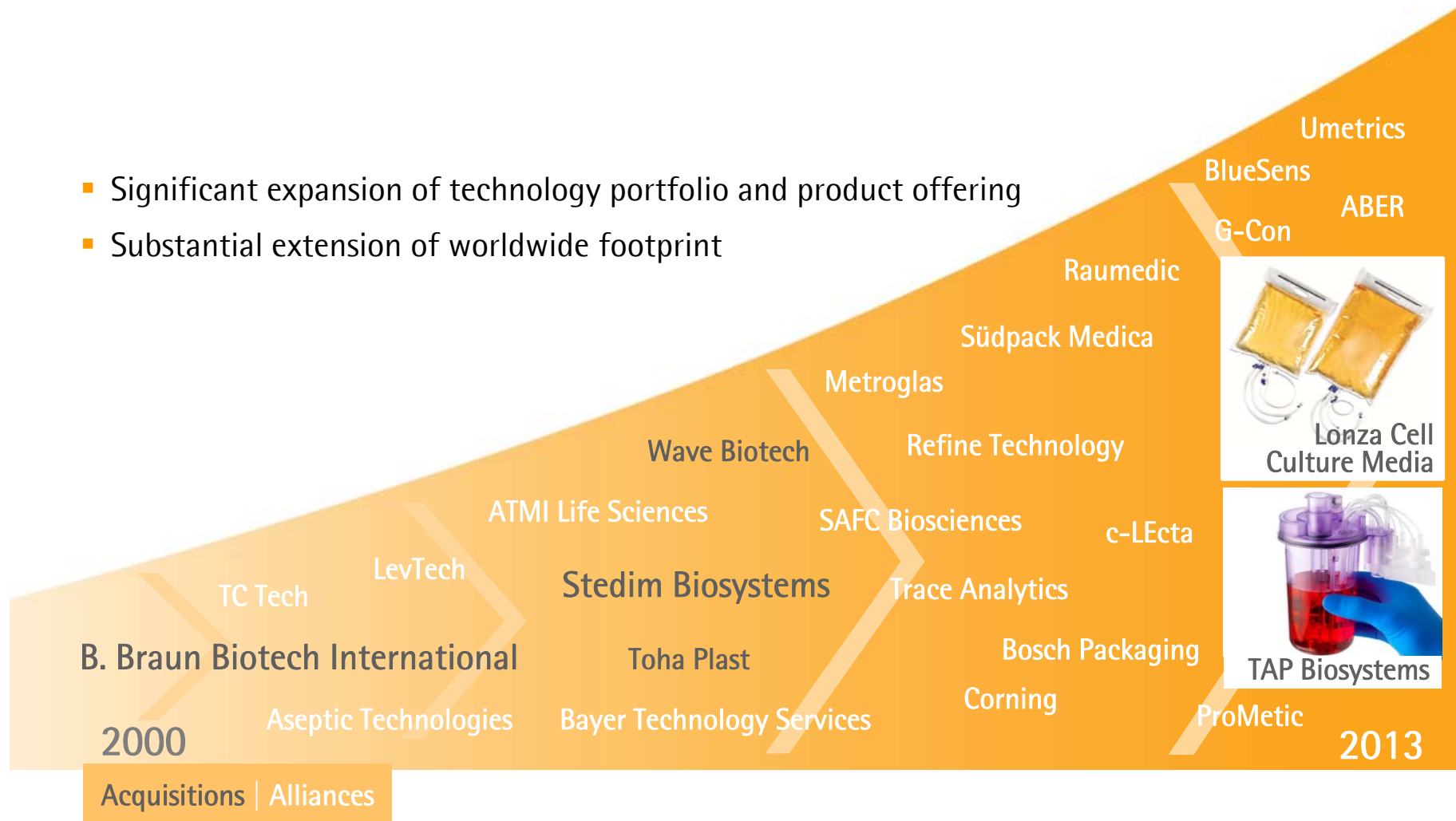
The diagram shows a line-art illustration of a single-use bioreactor bag with various ports and connections. Four grey boxes with text are overlaid on the bag, with an orange box at the top labeled 'New PE Film for Single-Use Bags'. The other boxes are 'Outstanding robustness and flexibility', 'Full control of all critical components', and 'Optimized cell growth performance'.

### New benchmark in fluid management

Pushing technological limits for single-use biopharma applications in large scale

## Complementary Alliances & Acquisitions Add to Growth

- Significant expansion of technology portfolio and product offering
- Substantial extension of worldwide footprint



## Most Recent Acquisitions Enhance Portfolio

### Cell culture media in December 2012



- Strong first-year performance
- Gradual business transition now completed
- Joint development of new cell culture media well underway

### TAP Biosystems in December 2013



- Leading supplier of small scale, multi-parallel single-use bioreactors
- Sales revenue of ~€26mn, thereof ~50% in the U.S.
- Scale-up with SSB technology

Next  
Annual Shareholders' Meeting  
**April 7, 2015, Aubagne**

Annual Shareholders' Meeting of Sartorius Stedim Biotech S.A. | April 8, 2014 | Aubagne | Annual

# Annual Shareholders' Meeting

Shareholders' Meeting of Sartorius Stedim Biotech S.A. | April 8, 2014 | Aubagne | Annual Shareholders'  
Meeting of Sartorius Stedim Biotech S.A. | April 8, 2014 | Aubagne | Annual Shareholders' Meeting of Sa

## Financial Calendar

- April 15, 2014  
Payment of dividends
- April 28, 2014  
Publication of Q1 2014 figures
- April 29, 2014  
Oddo Midcap Forum, Frankfurt | Germany
- May 13, 2014  
Gilbert Dupont Healthcare Conference, Paris
- May 28, 2014  
Société Générale Mid Cap Conference, Nice
- July 22, 2014  
Publication of half year 2014 financial report

