

Aubagne, France, July 21, 2022

Half-year results 2022 of Sartorius Stedim Biotech

- Sales revenue up 22.1 percent in constant currencies, underlying EBITDA margin 35.2 percent
- 2022 outlook confirmed: Sales revenue expected to rise by 15 to 19 percent and underlying EBITDA margin projected to be more than 35 percent
- Uncertainties due to the global political and economic situation remain high

Sartorius Stedim Biotech, a leading partner of the biopharma industry, increased sales revenue and earnings with double-digit growth rates in the first half of 2022 and confirmed its full-year outlook.

“Sartorius Stedim Biotech performed well during the first half of the year in an increasingly challenging environment. We achieved significant growth and could maintain a high profit margin despite some headwinds from currencies. Since the beginning of the year, we increased our worldwide headcount by a good 1,500, and the recent acquisitions are contributing to our business development as expected. Given the healthy underlying demand in our industry and good order situation, we confirm our full-year outlook as well as our ambitious investment program, despite higher inflation and lower corona-related demand. However, the global political and economic uncertainties, the resulting strained supply chains, and thus also the uncertainties of projections and outlooks remain high,” said Joachim Kreuzburg, Chairman of the Board of Directors and CEO.

Business development of the Group¹

In the first half of the year, Group sales revenue rose by 22.1 percent year-over-year in constant currencies (reported: +27.5 percent) to around 1,724 million euros. This good performance was mainly driven by organic growth, while acquisitions² contributed around 2 percentage points to sales revenue growth. All major product segments contributed to this positive development with clear double-digit growth rates, while business with vaccine manufacturers normalized faster than expected. All three business regions – EMEA³, Americas, and Asia | Pacific – posted double-digit percentage growth in constant currencies. The restrictions in China caused by the pandemic had a relatively minor impact on growth.

Following the extraordinarily high growth rates due to the pandemic in the first half of 2021, order intake also continued to normalize and reached 1,827 million euros, which was, as expected, slightly below the prior-year figure of 1,890 million euros (in constant currencies: -7.3 percent, reported -3.3 percent).

Following the strong growth in sales revenue, underlying EBITDA rose by 24.5 percent to 607 million euros in the first half of the year. The corresponding margin reached 35.2 percent (prior-year period: 36.1 percent). The development was influenced by positive economies of scale which were offset by negative currency effects and, as planned, higher costs due to new employees and an increase in the number of business trips. Effects from price trends and adjustments on the purchasing and customer sides largely compensated each other.

Relevant net profit reached 405 million euros, up 26.0 percent from the prior-year period. Underlying earnings per share were 4.40 euros (prior-year period: 3.49 euros).

Key financial indicators

The Sartorius Stedim Biotech Group continues to have a very sound balance sheet and financial base. As of June 30, 2022, its equity ratio stood at 48.6 percent (December 31, 2021: 43.9 percent). The ratio of net debt to underlying EBITDA was 0.5 as of the reporting date, compared with 0.4 at year-end 2021. Cash flow from investing activities stood at -180 million euros, compared with -113 million euros in the first half of 2021. The ratio of capital expenditures (CAPEX) to sales revenue reached 10.4 percent (prior-year period: 8.4 percent).

Increase in the number of employees

As of June 30, 2022, Sartorius Stedim Biotech employed a total of 11,942 people worldwide, representing a headcount increase of 1,533 from the end of December 2021.

Outlook for fiscal 2022 confirmed

The management confirms its outlook for the current fiscal year. Consolidated sales revenue is expected to increase by about 15 percent to 19 percent with non-organic growth from acquisitions projected to contribute about 2 percentage points. Regarding profitability, Sartorius Stedim Biotech continues to expect its underlying EBITDA margin to reach more than 35 percent.

The CAPEX ratio is anticipated to be about 14.5 percent and net debt to underlying EBITDA to be about 0.2 at year-end. Possible further acquisitions are not included in this projection.

All forecasts are based on constant currencies, as in the past years. In addition, 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. Moreover, the forecasts are based on the assumption of no further deterioration in the geopolitical and global economic situation, supply chains, inflation and energy supply, and no new relevant restrictions in connection with the coronavirus pandemic. Accordingly, current forecasts show even higher uncertainties than usual.

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 Acquisition of CellGenix, Xell, the Novasep chromatography division

3 EMEA = Europe, Middle East, Africa

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. Sartorius Stedim Biotech shall not assume any liability for the correctness of this release. 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 in a conference call at 3.30 p.m. CEST on July 21, 2022. You may register by clicking on the following link:

<https://media.chorusScall.eu/mediaframe/webcast.html?webcastid=PBMZ53Mz>

Further information

<https://www.sartorius.com/en/company/newsroom>

Financial calendar

October 19, 2022

Publication of nine-month figures (January to September 2022)

Key figures for the first half of 2022

in millions of € unless otherwise specified	6 months 2022	6 months 2021 ¹	Δ in %	Δ in % cc ²
Order Intake and Sales Revenue				
Order intake	1,826.7	1,889.9	-3.3	-7.3
Sales revenue	1,724.3	1,351.9	27.5	22.1
▪ EMEA ³	682.3	580.1	17.6	17.0
▪ Americas ³	592.9	419.8	41.2	29.0
▪ Asia Pacific ³	449.2	352.0	27.6	22.4
Results				
EBITDA ⁴	607.0	487.4	24.5	
EBITDA margin ⁴ in %	35.2	36.1		
Net result ⁵	484.9	274.2	76.8	
Underlying net result ⁶	405.2	321.6	26.0	
Underlying earnings per share ⁶ in €	4.40	3.49	26.0	

¹ The figures for the reporting period 2021 were restated due to the finalization of the purchase price allocation for the acquisition of BIA Separations

² cc = in constant currencies

³ According to customers' location

⁴ Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items

⁵ After non-controlling interest

⁶ Underlying net result = net result after non-controlling interest; adjusted for extraordinary items, amortization and based on a normalized financial result and normalized tax rate

Statement of reconciliation

in millions of €	6 months 2022	6 months 2021 ¹
EBIT (operating result)	518.6	416.3
Extraordinary items	5.0	7.0
Depreciation & amortization	83.4	64.1
Underlying EBITDA	607.0	487.4

in millions of €	6 months 2022	6 months 2021 ¹
EBIT (operational result)	518.6	416.3
Extraordinary effects	5.0	7.0
Amortization IFRS 3	29.9	19.9
Normalized financial result ²	-5.7	-5.1
Normalized income tax (26 %) ³	-142.4	-113.9
Underlying net result	405.4	324.2
Non-controlling interest	-0.2	-2.6
Underlying net result excluding non-controlling interest	405.2	321.6
Underlying earnings per share in €	4.40	3.49

1 The figures for the reporting period 2021 were restated due to the finalization of the purchase price allocation for the acquisition of BIA Separations.

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

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.

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