Sartorius Group

First-Half Financial Report January to June 2022

Simplifying Progress

SARTORIUS

Key Figures for the First Half of 2022

	Group				Bioprocess Solutions				Lab Products & Services			
in millions of € unless otherwise specified	6-mo. 2022	6-mo. 2021[1]	Δ in %	Δ in % cc[2]	6-mo. 2022	6-mo. 2021[1]	Δ in %	Δ in % cc[2]	6-mo. 2022	6-mo. 2021[1]	Δ in %	Δ in % cc[2]
Sales Revenue and Order Intake												
Order intake	2,168.8	2,178.8	–0.5	–4.8	1,715.9	1,803.4	–4.8	–8.9	452.9	375.5	20.6	15.0
Sales revenue	2,060.3	1,629.2	26.5	20.9	1,637.1	1,266.5	29.3	23.6	423.2	362.7	16.7	11.2
▪ EMEA[3]	793.4	682.5	16.2	15.5	651.1	539.2	20.7	20.1	142.3	143.3	–0.7	–1.8
▪ Americas[3]	726.1	519.0	39.9	27.6	571.9	405.2	41.2	28.8	154.1	113.9	35.3	23.3
▪ Asia | Pacific[3]	540.9	427.6	26.5	21.2	414.1	322.1	28.6	23.0	126.8	105.5	20.1	15.7
Results												
EBITDA[4]	697.5	555.3	25.6		585.6	460.2	27.2		111.9	95.1	17.7	
EBITDA-Margin[4] in %	33.9	34.1			35.8	36.3			26.4	26.2		
Net result[5]	333.9	259.6	28.6									
Financial data per share												
Earnings per ordinary share[5] in €	4.88	3.79	28.6									
Earnings per preference share[5] in €	4.89	3.80	28.6									
	June 30, 2022	Dec. 31, 2021										
Balance Sheet | Financials												
Balance sheet total	6,247.5	5,697.9										
Equity	2,239.8	1,720.2										
Equity ratio in %	35.9	30.2										
Net debt	1,878.9	1,732.7										
Net debt to underlying EBITDA	1.4	1.5										

1 The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations

2 cc = in constant currencies

3 Acc. to customers' loactions

4 Adjusted for extraordinary items

5 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

Key Figures for the Second Quarter of 2022

	Group				Bioprocess Solutions				Lab Products & Services			
in millions of € unless otherwise specified	**Q2 2022**[1]	Q2 2021[1,2]	Δ in %	Δ in % cc[3]	**Q2 2022**[1]	Q2 2021[1,2]	Δ in %	Δ in % cc[3]	**Q2 2022**[1]	Q2 2021[1,2]	Δ in %	Δ in % cc[3]
Sales Revenue and Order Intake												
Order intake	1,056.6	1,040.2	1.6	−3.7	826.2	850.3	−2.8	−7.8	230.3	189.9	21.3	14.8
Sales revenue	1,035.6	838.1	23.6	16.6	822.5	655.7	25.4	18.4	213.0	182.3	16.8	10.0
▪ EMEA[4]	392.1	348.1	12.6		321.2	279.0	15.1		70.9	69.2	2.5	
▪ Americas[4]	367.0	265.9	38.0		290.8	208.1	39.7		76.2	57.8	31.8	
▪ Asia | Pacific[4]	276.4	224.1	23.4		210.5	168.7	24.8		65.9	55.4	19.0	
Results												
EBITDA[5]	348.5	291.8	19.4		292.3	243.1	20.3		56.2	48.7	15.4	
EBITDA-Margin[5] in %	33.7	34.8			35.5	37.1			26.4	26.7		
Net result[6]	166.6	138.0	20.8									
Financial Data per Share												
Earnings per ordinary share[6] in €	2.44	2.02	20.8									
Earnings per preference share[6] in €	2.44	2.02	20.8									

1 Figures are not audited nor reviewed

2 The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations

3 cc = in constant currencies

4 Acc. to customers' loactions

5 Adjusted for extraordinary items

6 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

Interim Management Report

Group Basis

The Annual Report 2021 provides a detailed overview of the business activities, objectives and strategy of the Sartorius Group. The statements made therein are still valid. There were no significant changes in the first half of 2022.

Economic and Sector Report

The sectors in which the Sartorius Group is active differ in their dependence on the economy. The Bioprocess Solutions Division, for instance, operates in an environment that is largely independent of economic fluctuations. In contrast, the Lab Products & Services Division conducts some of its business activities in sectors in which development is more strongly affected by economic factors.

Ongoing Global Political and Economic Uncertainties

The slackening coronavirus pandemic and easing supply-side bottlenecks indicated a normalization of economic growth and inflation in early 2022. However, the war in Ukraine and extensive lockdowns in key business centers in China in the first half of 2022 caused a number of new negative effects. For instance, the uncertain supply of key raw materials led to substantially higher prices, and the sanctions imposed on Russia caused additional tension in supply chains. High inflation is prompting central banks worldwide to tighten their previously expansionary monetary policy more sharply and more rapidly, while national governments simultaneously have less funding available for fiscal policy support measures in view of rising debt levels.

Despite the gloomy environment, the European Union's gross domestic product (GDP) rose by an estimated 5.6% in the first quarter compared with a pandemic-related decline in the same period last year (previous year: -0.8%). While German GDP was up by 3.8% (previous year: -2.8%), the French economy picked up by 4.5% (previous year: +1.8%). The United Kingdom, a further European core market, grew 8.7% (previous year: -5.0%). The world's largest economy, the United States, showed a GDP increase of 3.5% in the first quarter (previous year: +0.5%). In the Asian-Pacific economic area, China's growth amounted to 4.8% (previous year: +18.3%). Other key countries for Sartorius likewise reflected positive development. South Korea's economic output increased by 3.0% (previous year: +2.2%), India achieved a growth rate of 4.1% (previous year: +1.7%), and macroeconomic activity in Japan was up by 0.7% (previous year: -1.7%).

Sources: OECD: Quarterly National Accounts, June 2022.

Biopharmaceutical Market Continues to Grow

The global pharma market grew by around 14% in 2021, mainly fueled by strong growth of the biopharmaceutical segment, which was up by around 29% to €350 billion. This development was due to significant additional sales of coronavirus vaccines and Covid-19 therapeutics estimated at more than €80 billion, which also led to an increase in the biopharma share of the total pharma market from 30% to 34%.

Sales revenue growth among providers of technologies for the development and production of biopharmaceuticals was especially buoyant in 2021. In the first quarter of 2022, the leading companies in this field also recorded further gains, although the reported growth rates were lower, as expected, given the exceptionally high growth in the comparable period. The base business in particular grew more robustly according to various bioprocessing suppliers, whereas sales expectations for the pandemic-related business were reduced at some of these companies.

The high level of demand for bioprocess technologies coupled with an at times tense situation with respect to the availability of some raw materials, components, services, and logistics capacities led in part to longer lead times in 2021. In view of the robust growth and high order intake, all leading biopharmaceutical suppliers invested substantially in capacity extensions. In the first half of 2022, various companies announced the completion and commissioning of a series of expansion projects, which should contribute to a further normalization of lead times.

Growth of the biopharma market fundamentally depends more on medium- to long-term trends than on short-term economic developments. In addition to the market launch of innovative biopharmaceuticals, significant impetus is provided by the world's rising demand for medications as well as the expanded range of indications for approved medicines and their further market penetration. The approval process for new medications relies on the performance of clinical studies. Due to the coronavirus pandemic, these had to be partially interrupted or could not be resumed. However, a resulting delay in the approval of new medicines for non-corona-related indications has not been apparent so far and the number of new biopharmaceutical approvals by the US Food and Drug Administration (FDA) remained at a high level both in 2021 with 30 (2020: 26) and in the first half of 2022 with 9 (H1 2021: 11).

Recovery of the Laboratory Market after the Previous Year Dampened by the Pandemic

The global laboratory market reached a volume of around €63 billion in 2021 and has been growing annually by an average of 4% to 5% according to estimates from several market observers. Market growth is related, among other factors, to the levels of research and development spending in the individual end markets, some of which depend on cyclical trends. In 2021, leading providers of laboratory instruments and consumables recorded an above-average surge in demand after growth was dampened in the previous year due to the pandemic. In addition to the base effect, the positive development in 2021 was due to the easing of coronavirus containment measures, accompanied by increasing laboratory activities in all sectors.

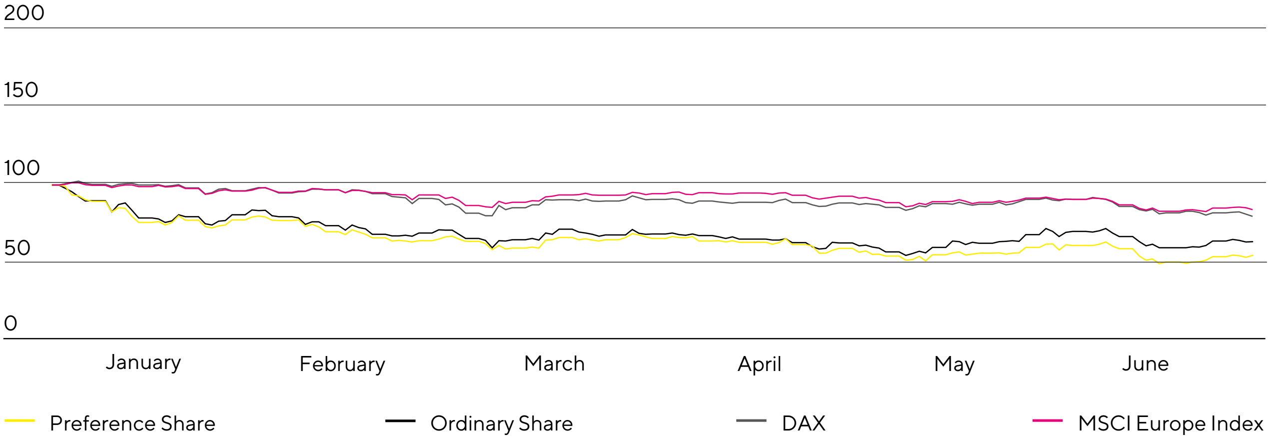
Sources: BioPlan: 18th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2021; IQVIA Institute: Global Medicine Spending and Usage Trends, April 2021; EvaluatePharma: World Preview 2021, Outlook to 2026, July 2021; SDi: Global Assessment Report 2020, June 2021; www.fda.gov

Sartorius Shares

The international stock exchanges recorded significant price losses in the first half of 2022 in the face of falling global growth expectations and increasing risks. Key leading indexes such as the DAX and MSCI Europe declined by 19.5% and 15.2%, respectively. The Sartorius shares, which had appreciated substantially in the previous year, did not manage to defy this negative trend. Thus, the preference share closed at €333.40 on June 30, 2022, which corresponds to a price decrease of 44.0% compared with the year-end price in 2021. The ordinary share price closed at €322.00 on June 30, 2020, down by 35.5%.

The market capitalization of Sartorius AG based on outstanding ordinary and preference shares declined in the period under review by around 40.1% to €22.4 billion (December 31, 2021: €37.4 billion)

Sartorius Shares in Comparison to DAX and MSCI Europe Index (indexed)
January 1, 2022 to June 30, 2022

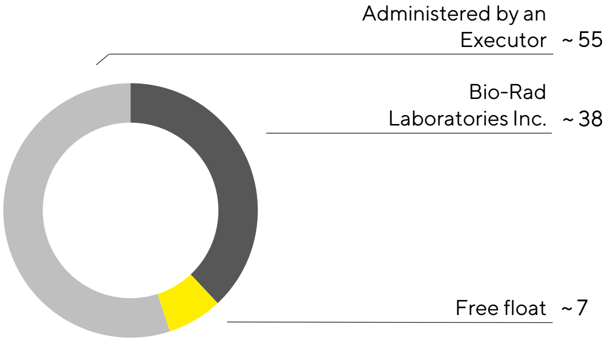


A total of 22 analysts were responsible for analyzing Sartorius shares at the end of the first half of the year. The average target price amounted to €513.68. HSBC initiated coverage of the Sartorius preference shares in the reporting period, with a price target of €341.

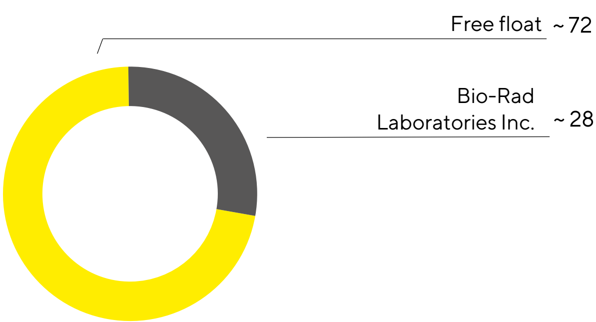
The second virtual Annual General Meeting of Sartorius AG was held on March 25, 2022. Shareholder resolutions included the disbursement of a dividend of €1.26 per preference share and €1.25 per ordinary share.

According to the information available to us, the shareholder structure remained unchanged in the first half of 2022.

Shareholder Structure: Ordinary Shares
in %, related to ~34.2 million shares outstanding



Shareholder Structure: Preference Shares
in %, related to ~34.2 million shares outstanding



Information on shareholdings and shares in free float pursuant to the disclosure requirements of Sections 33 et seq. of the German Securities Trading Act (WpHG) and the shareholders' own disclosures. These reporting obligations and own disclosures refer only to voting shares and not to non-voting preference shares.

Current information on investor relations publications, voting right notifications and analysts' estimates is available on the website.

Group Business Development

- Sartorius remains on its growth track with double-digit increases in sales and earnings
- Bioprocess Solutions division: Good order situation in core business; quick normalization of pandemic-related demand
- Lab Products & Services division: Substantial growth; bioanalytics product segment particularly dynamic
- 2022 outlook confirmed: Sales revenue expected to rise by 15% to 19% and underlying EBITDA margin projected to be about 34%

Sartorius continued to post double-digit growth in the first half of 2022 in an increasingly challenging environment. Based on constant currencies, Group sales revenue rose 20.9% to €2,060.3 million; the reported increase was 26.5%. The main driver of this very robust development was organic growth in the Laboratory as well as in the Bioprocess division, while the recent acquisitions also developed as planned, contributing close to 2 percentage points to the increase in sales. The restrictions in China caused by the pandemic had a relatively minor impact on growth.

Following the extraordinarily high growth rates in the previous year, pandemic-related demand normalized significantly in the course of the first half of 2022. Order intake reached €2,168.8 million, which was, as expected, slightly below the prior-year figure of €2,178.8 million (in constant currencies: -4.8%, reported: -0.5%). In the Bioprocess Solutions Division, in particular, the previous year was influenced by extraordinarily high demand related to the coronavirus pandemic and changed ordering patterns by some customers, who placed their orders further in advance than usual.

A detailed explanation of the forecasts for the Group and both divisions is presented on page 14.

Sales Revenue and Order Intake

in millions of €	**6-mo. 2022**	6-mo. 2021	Δ in % reported	Δ in % cc[1]
Sales revenue	2,060.3	1,629.2	26.5	20.9
Order intake	2,168.8	2,178.8	-0.5	-4.8

1 cc = in constant currencies

Sartorius increased its sales revenue by double-digits in all three business regions. Sales in the EMEA region that contributed the highest share of around 39% to total Group revenue amounted to €793.4 million, an increase of 15.5% in constant currencies (reported: +16.2%). Business in the Americas region, which accounted for around 35% of Group sales, showed the highest momentum in the reporting period, with growth of 27.6% to €726.1 million (reported: +39.9%). With a rise of 21.2% in constant currencies to €540.9 million (reported: +26.5%), sales in the Asia | Pacific region also rose strongly, and accounted for 26% of Group sales.

Increase in Underlying Earnings

The Sartorius Group uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as the key profitability indicator.

In the first half of 2022, underlying EBITDA rose by 25.6% to €697.5 million. The corresponding margin, at 33.9%, was close to the high level of the prior-year period (34.1%). The development was influenced by growth-related positive economies of scale but also 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.

Underlying EBITDA and EBITDA Margin, Group

in millions of €	6-mo. 2022	6-mo. 2021	Δ in %
Underlying EBITDA	697.5	555.3	25.6
Underlying EBITDA margin	33.9	34.1	

Consolidated EBIT increased by 26.9% to €554.7 million in the first half of 2022 (H1 2021: €437.3 million). In addition to depreciation and amortization, this figure includes extraordinary items of -€12.2 million compared with -€10.9 million in the previous year. These extraordinary items consisted primarily of expenses in connection with the most recent acquisitions as well as of expenses for various cross-divisional projects and rebranding. The consolidated EBIT margin amounted to 26.9% (H1 2021: 26.8%).

The financial result was €93.2 million for the first half of 2022, compared with -€34.5 million for the prior-year period, and includes non-cash-effective income of €98.6 million predominantly from the reporting date valuation of the share-based earn-out liability in connection with the acquisition of BIA Separations (H1 2021: -€21.0 million); this liability essentially resulted from the decrease in the respective share price.

Net profit for the first six months of 2022 increased by 81.2% to €499.6 million (H1 2021: €275.7 million). The Group's net profit after non-controlling interest totaled €371.5 million compared to €201.4 million in the prior-year period, with non-controlling interest accounting for €128.1 million (H1 2021: €74.3 million). Regarding the calculation of tax expenses, the tax rate of 27% expected for the full year was applied (H1 2021: 30%). Including the non-tax-deductible items in the above-mentioned valuation of the earn-out liability, this would yield a nominal tax rate of 22.9%.

Significant Increase in Relevant Net Profit

The relevant net profit attributable to the shareholders of Sartorius AG grew by 28.6% from €259.6 million to €333.9 million. This figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization and is based on the normalized financial result and on the normalized tax rate. Underlying earnings totaled €4.88 per ordinary share (H1 2021: €3.79) and €4.89 per preference share (H1 2021: €3.80).

in millions of €	6-mo. 2022	6-mo. 2021[1]
EBIT	554.7	437.3
Extraordinary items	12.2	10.9
Amortization	51.3	39.8
Normalized financial result[2]	-14.2	-13.7
Normalized income tax (27%)[3]	-163.1	-128.1
Underlying net result after tax	440.9	346.3
Non-controlling interest	-107.1	-86.7
Underlying earnings after taxes and non-controlling interest	333.9	259.6
Underlying earnings per share		
per ordinary share in €	4.88	3.79
per preference share in €	4.89	3.80

1 The previous year's figures have been restated due to the finalization of the purchase price allocation for the acquisition of BIA Separations.
2 Financial result adjusted for valuation effects from the subsequent measurement of contingent purchase price liabilities as well as for effects of foreign currency translation and hedging.
3 Income tax considering the average expected group tax rate, based on the underlying profit before tax.

Operating Cash Flow Influenced by Increased Inventory Levels

In the first six months of 2022, cash flow from operating activities stood at €287.2 million, down from €440.7 million a year ago. This equates to a decline of 34.8%. Higher earnings were offset by cash outflows in connection with the growth-related increase in working capital. Particularly, inventories were further increased to safeguard supply security in view of the continuing tensions in some supply chains.

Against the backdrop of exceptionally high demand, Sartorius is continuing to move ahead with the expansion of its production facilities. Its investment program covers, in particular, the accelerated expansion of production capacities at sites in Germany, Puerto Rico, and South Korea. Cash flow from investing activities rose in the reporting period by 43.2%, amounting to -€229.0 million of which payments for investments were €220.0 million (+49.4%). As expected, the ratio of capital expenditures (CAPEX) to sales in the first half of 2022 was 10.7% compared with 9.0% in the prior year period. Due to acquisition-related expenses of €65.5 million in connection with the most recent purchases of ALS Automated Lab Solutions and Novasep's chromatography division, cash flow from investing activities and acquisitions was -€294.5 million (H1 2021: -€160.0 million).

Key Balance Sheet and Financial Indicators Remain Robust

The balance sheet total of the Sartorius Group stood at €6,247.5 million and was thus €549.6 million higher than the figure of €5,697.9 million reported as of December 31, 2021. This rise is mainly attributable to the increase in property, plant and equipment as a result of the company's extensive investment program as well as to the growth-driven buildup of working capital.

In the reporting period, gross debt, which comprises liabilities to banks, including note loans ("Schuldscheindarlehen") as well as lease liabilities, rose slightly from €2,075.5 million as of December 31, 2021, to €2,111.9 million as of June 30, 2022. Net debt, defined as gross debt less cash and cash equivalents, grew from €1,732.7 million as of December 31, 2021, to €1,878.9 million as of June 30, 2022.

The ratio of net debt to underlying EBITDA decreased slightly to 1.4 for the period ended June 30, 2022, compared with 1.5 at year-end 2021, predominantly as a result of the substantial increase in earnings and despite substantial investments. This ratio is calculated as the quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period.

Equity of the Sartorius Group rose in the reporting period from €1,720.2 million as of December 31, 2021, to €2,239.8 million. The equity ratio was at a robust level of 35.9% (December 31, 2021: 30.2%).

Impact of War in Ukraine on Sartorius

To date, the war in Ukraine has not had any material direct effects on the net assets, financial position or results of operations of Sartorius owing to the limited business volume in Russia, Ukraine, and Belarus. The share of Group sales revenue attributable to these countries in 2021 totaled a good 2% and was primarily achieved in Russia with customers from the pharmaceutical industry and vaccine manufacturers. In Russia, Sartorius employs 130 people in its own subsidiaries, mainly in the production of laboratory balances destined for the Russian market and in sales. In compliance with all applicable sanctions and in line with practices of other companies engaged in the pharmaceutical and medical sector, Sartorius continues to supply Russia to a limited extent with products used in the development and manufacture of key medications and vaccines as well as in other medical applications. In the first half of 2022, sales were approximately on the previous year's level, but showed a strong downward trend. For the full year, management anticipates lower sales revenue year-on-year.

Whereas the overall direct impact of the war on the current net assets, financial position or results of operations of the Sartorius Group was limited, there are noticeable indirect effects. For instance, while the company has no critical suppliers in the countries affected, it nevertheless recorded rising logistics and energy expenses as well as an increase in procurement costs for intermediate products and raw materials.

Substantial Increase in the Number of Employees

As of June 30, 2022, the Sartorius Group employed a total of 15,795 people worldwide. Compared with December 31, 2021, head count thus rose considerably by 1,963 or around 14.2%. After the number of employees increased more slowly than planned due to the pandemic in 2021, the current significant increase in the workforce will allow the company to adequately support its continued strong growth and capacity expansion.

The number of employees in EMEA rose in the reporting period by around 13.5% to 10,248. In the Americas, Sartorius employed 3,265 people as of June 30, 2022, equaling an increase of 16.9%. The workforce in the Asia | Pacific region grew by 13.5% to 2,282 people.

Business Development of the Divisions

Bioprocess Solutions with Double-Digit Increase in Sales Revenue and Earnings

The Bioprocess Solutions Division, which offers a wide array of innovative technologies for manufacturing biopharmaceuticals, continued its good start seen at the beginning of the year and grew by 23.6% in constant currencies to €1,637.1 million (reported: +29.3%) in the first half of 2022. This includes a good 2 percentage points of non-organic growth from acquisitions. All business areas contributed to this positive development with clear double-digit growth rates, even though business with vaccine manufacturers normalized faster than expected.

Order intake also normalized after the high pandemic-related increases in the previous year and came in at €1,715.9 million. As expected, that was slightly below the previous year`s figure of €1,803.4 million (in constant currencies: -8.9%; reported: -4.8%).

Regionally, the Americas showed the highest momentum, with sales revenue up 28.8%. In EMEA, the region contributing the highest share, revenue grew by 20.1%, while the Asia | Pacific region saw strong growth of 23.0% (all rates of regional change in constant currencies).

Bioprocess Solutions

in millions of €	**6-mo. 2022**	6-mo. 2021	Δ in %	Δ in % cc[1]
Sales revenue	1,637.1	1,266.5	29.3	23.6
▪ EMEA[2]	651.1	539.2	20.7	20.1
▪ Americas[2]	571.9	405.2	41.2	28.8
▪ Asia | Pacific[2]	414.1	322.1	28.6	23.0
Order intake	1,715.9	1,803.4	-4.8	-8.9

1 cc = in constant currencies
2 Acc. to customers' loactions

Underlying EBITDA of the division rose by 27.2% to €585.6 million and the corresponding margin of 35.8% almost reached the high prior-year level of 36.3%. Positive economies of scale were offset by negative currency effects and, as planned, higher costs.

Underlying EBITDA and EBITDA Margin, Bioprocess Solutions

in millions of €	**6-mo. 2022**	6-mo. 2021	Δ in %
Underlying EBITDA	585.6	460.2	27.2
Underlying EBITDA margin in %	35.8	36.3	

Lab Products & Services with Strong Growth in Order Intake, Sales Revenue and Earnings

The Lab Products & Services Division, which specializes in equipment and technologies for life science research and pharmaceutical laboratories, grew significantly in the first half of 2022 by 11.2% in constant currencies to €423.2 million (reported: +16.7%) compared to an already good development in the previous year. The majority of the increase in sales revenue was achieved organically, while acquisitions contributed close to 1 percentage point to growth. The bioanalytics product segment, which specifically addresses customers in the high-growth biopharmaceutical industry, again developed particularly dynamically.

Order intake developed even more strongly than sales revenue, surging by 15.0% in constant currencies (reported: + 20.6%) to €452.9 million.

Lab Products & Services

in millions of €	**6-mo. 2022**	6-mo. 2021	Δ in %	Δ in % cc[1]
Sales revenue	423.2	362.7	16.7	11.2
▪ EMEA[2]	142.3	143.3	-0.7	-1.8
▪ Americas[2]	154.1	113.9	35.3	23.3
▪ Asia | Pacific[2]	126.8	105.5	20.1	15.7
Order intake	452.9	375.5	20.6	15.0

1 cc = in constant currencies

2 Acc. to customers' loactions

Sales development varied regionally. While sales in EMEA, the region with the highest share of revenue, declined by 1.8%, business developed very positively in the Americas with an increase of 23.3% and in Asia | Pacific with growth of 15.7% (all rates of regional change in constant currencies).

Underlying EBITDA of the Lab Products & Services Division rose significantly in the first half of 2022 by 17.7% to €111.9 million, while the corresponding margin reached 26.4% (H1 2021: 26.2%). A positive product mix, reflecting in particular the growing importance of the bioanalytics portfolio, as well as economies of scale offset negative currency effects and planned cost increases.

Underlying EBITDA and EBITDA Margin, Lab Products & Services

in millions of €	**6-mo. 2022**	6-mo. 2021	Δ in %
Underlying EBITDA	111.9	95.1	17.7
Underlying EBITDA margin in %	26.4	26.2	

Opportunity and Risk Report

The opportunities and risks as well as the risk management system of the Sartorius Group are described in detail on pages 70 et seq. of the Annual Report 2021. Changes with regard to the risk situation of the company resulted from the war in Ukraine in the first half of 2022. The direct impact on the net assets, financial position or results of operations of Sartorius has been insignificant so far and is also not expected to be large for the full year due to the limited business volume in Russia, Ukraine and Belarus. In addition, there are noticeable indirect effects. For instance, while the company has no critical suppliers in the countries affected, it nevertheless recorded rising logistics and energy expenses as well as an increase in procurement costs for intermediate products and raw materials.

Further explanations on the impact of the war in Ukraine on Sartorius can be found on pages 9 and 25 et seq.

Forecast Report

Recovery of the Global Economy Slows Down

According to the International Monetary Fund (IMF), the world economy should continue its recovery in the current year, albeit at a slower momentum than originally expected. Reduced growth expectations are based on the significant increase in political and economic uncertainties since the beginning of the year. The IMF now projects global GDP to grow by 3.6% (2021: +6.1%), with an increase of 3.3% (2021: +5.2%) for industrialized countries and of 3.8% (2021: +6.8%) for emerging and developing countries. Risks for economic growth continue to arise from infection events and possible coronavirus mutations, which could further exacerbate the already tense situation in global supply chains by reintroducing containment measures. The Russian war of aggression in Ukraine is also a having a dampening effect. An expansion of sanctions might result in further and sustained increases in energy and food prices and further reduce consumer purchasing power.

For the European Union, the IMF anticipates that economic output will rise by 2.9% in 2022 (2021: +5.4%). While Europe's largest economy, Germany, is likely to grow by 2.1% (2021: +2.8%), the rate of expansion in France is projected at 2.9% (2021: +7.0%). For the UK, the rate of increase is estimated at 3.7% (2021: +7.4%).

In the world's largest economy, the United States, GDP is forecast to increase by 3.7% year over year (2021: +5.7%). The Asia-Pacific economic region is likely to grow by 4.9% (2021: +6.5%). The largest increase is forecast for India, where economic activity is likely to rise by 8.2% (2021: 8.9%), whereas expectations for China have been lowered to 4.4% against the backdrop of lockdowns to fight the pandemic (2021: +8.1%). In South Korea, the IMF estimates a 2.5% expansion in the current year (2021: +4.0), while a 2.4% rise is likely in Japan (2021: +1.6%).

Sources: International Monetary Fund, World Economic Outlook Update, April 2022.

Further Growth of the Biopharmaceutical and Laboratory Market Expected

In general, the trends affecting the development of the Sartorius Group that are described on pages 83 to 85 of its 2021 Annual Report remain in place.

The growth of the pharmaceutical industry is based on strong long-term trends and is largely independent of economic cycles. According to estimates by EvaluatePharma, the global pharmaceutical market is set to grow by approximately 6% annually through 2026. The biopharma segment of the pharmaceutical market, which has been enjoying particularly strong growth for years, will continue to outperform the market according to various forecasts. Growth is expected to average around 8% to 11% per year through 2026, which would correspond to an increase in market volume to over €520 billion. The share of biological medications and vaccines in the total revenue generated by the global pharmaceutical market is forecasted to rise from 34% to 37% in this period.

Leading manufacturers of bioprocess technology expect further growth for 2022. However, due to the pandemic-related exceptionally strong development in 2021 and the resulting high prior-year comparables, growth rates are likely to be lower. In particular, pandemic-related demand is unlikely to represent a growth driver for the industry in 2022, as several bioprocessing suppliers have reduced their associated sales revenue expectations. Furthermore, delayed approval of new medications due to the interruption of clinical studies as well as possible normalization of the inventory coverage of some biopharma companies could have a dampening effect on further growth in the next few years.

According to market observers, the market for laboratory instruments and consumables is expected to grow by about 4% to 5% annually in the next few years and to reach a volume of around €71 billion in 2024. The sector is also expected to grow in the current year, but at a lower rate of increase than in 2021 due to high prior-year comparables. Demand for product groups that was particularly high in connection with coronavirus tests is likely to weaken in 2022. In relation to end markets, the pharmaceutical and biopharmaceutical industries in particular are likely to continue to provide the greatest impetus to demand given the ongoing research and approval of new medicines and the high momentum of scientific and technological innovation. For instance, Evaluate Pharma estimates that sector-specific research spending will climb annually by 4.2% during the period from 2021 to 2026. Market studies have shown that the product range of bioanalytical instruments is likely to benefit particularly from this development and will continue to post above-average growth within the laboratory market.

Sources: BioPlan: 18th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production; IQVIA Institute: Global Medicine Spending and Usage Trends, April 2021; Evaluate Pharma: World Preview 2021, Outlook to 2026, July 2021; SDi: Global Assessment Report 2020, June 2021; www.fda.gov

Outlook for Fiscal 2022 Confirmed

Group

The management confirms its outlook for the current fiscal year. Consolidated sales revenue is expected to increase by about 15% to 19%, with non-organic growth from acquisitions projected to contribute about 2 percentage points. In terms of profitability, the company continues to expect its underlying EBITDA margin to reach about 34% this year.

The CAPEX ratio is anticipated to be about 14% and net debt to underlying EBITDA to be about 1.1 at year-end. Possible further acquisitions are not included in this projection.

Divisions

For the Bioprocess Solutions division, Sartorius now anticipates, particularly due to the significantly lower demand for coronavirus vaccines compared with 2021, sales revenue from pandemic-related business for fiscal 2022 to be half of the previous year's figure, or around €250 million. This updated assumption has no impact on the forecast for sales revenue growth due to the overall good order situation. The company continues to forecast sales revenue growth of about 17% to 21%. This includes a non-organic growth contribution from acquisitions of about 2 percentage points. The division’s underlying EBITDA margin is projected to reach about 36%.

Lab Products & Services should achieve revenue growth of about 6% to 10% in 2022, with about 1 percentage point of this coming from non-organic growth contribution from acquisitions. The division’s underlying EBITDA margin is expected to be about 26%.

Outlook 2022

	Actual 2021	Guidance January 2022	Guidance February 2022	Guidance July 2022
Sartorius Group				
Sales growth[1]	49.3%	~14% - 18%	~15% - 19%	~15% - 19%
Underlying EBITDA margin	34.1%	~34%	~34%	~34%
Net debt to underlying EBITDA	1.5	~1.1[2]	~1.1[2]	~1.1[2]
CAPEX ratio	11.8%	~14%	~14%	~14%
Sartorius Divisions				
Bioprocess Solutions				
Sales growth[1]	54.7%	~16% - 20%	~17% - 21%	~17% - 21%
Underlying EBITDA margin	36.2%	~36%	~36%	~36%
Lab Products & Services				
Sales growth[1]	32.0%	~6% - 10%	~6% - 10%	~6% - 10%
Underlying EBITDA-Marge	26.1%	~26%	~26%	~26%

1 cc = in constant currencies

2 Possible acquisitions are not considered

Medium-term forecast

The mid-range targets updated in January 2022 remain unchanged and assume that for 2025, consolidated sales revenue will increase to around €5 billion at an underlying EBITDA margin of around 34%.

All figures for the 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. Furthermore, the forecasts are based on the assumption of no further deterioration in the geopolitical and global economic situation, supply chains, inflation and potential energy shortages as well as possible new relevant restrictions in connection with the coronavirus pandemic. Accordingly, current forecasts show even higher uncertainties than usual.

Condensed Interim Financial Statements

Statement of Profit or Loss

€ in millions	**Q2 2022[1]**	Q2 2021[1]	**6-mo. 2022**	6-mo. 2021
Sales revenue	1,035.6	838.1	2,060.3	1,629.2
Cost of sales	–501.9	–381.7	–988.4	–754.9
Gross profit on sales	533.7	456.4	1,071.9	874.3
Selling and distribution costs	–153.7	–142.1	–302.7	–271.1
Research and development expenses	–41.1	–34.2	–83.8	–66.4
General administrative expenses	–48.5	–42.0	–98.4	–79.0
Other operating income and expenses	–14.3	–6.7	–32.2	–20.5
Earnings before interest and taxes (EBIT)	276.0	231.4	554.7	437.3
Financial income	48.6	4.2	139.4	14.5
Financial expenses	–27.4	–18.6	–46.2	–49.0
Financial result	21.3	–14.4	93.2	–34.5
Profit before tax	297.2	217.0	647.9	402.8
Income taxes	–74.9	–66.8	–148.3	–127.2
Net profit for the period	222.4	150.1	499.6	275.7
Attributable to:				
Shareholders of Sartorius AG	165.8	111.1	371.5	201.4
Non-controlling interest	56.6	39.0	128.1	74.3
Earnings per ordinary share (€) (basic)	2.42	1.62	5.42	2.94
Earnings per preference share (€) (basic)	2.42	1.62	5.43	2.95
Earnings per ordinary share (€) (diluted)	2.42	1.62	5.42	2.94
Earnings per preference share (€) (diluted)	2.42	1.62	5.43	2.95

1 The 2nd quarter figures were not included in the auditors' review.

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations.

Statement of Comprehensive Income

€ in millions	Q2 2022[1]	Q2 2021[1]	6-mo. 2022	6-mo. 2021
Net profit for the period	222.4	150.1	499.6	275.7
Cash flow hedges	–16.1	–4.2	–20.0	–15.1
- of which effective portion of the change in fair value	–25.1	1.1	–35.3	–3.6
- of which reclassified to profit or loss	9.0	–5.4	15.3	–11.5
Income tax on cash flow hedges	5.0	1.3	6.2	4.6
Net investment in a foreign operation	29.9	–6.3	39.0	15.3
Income tax on net investment in a foreign operation	–8.0	1.7	–10.4	–4.1
Currency translation differences	57.6	–10.0	70.1	31.6
Items that may be reclassified in the profit or loss statement, net of tax	68.4	–17.6	84.8	32.3
Items that will not be reclassified in the profit or loss statement, net of tax	11.4	2.9	11.4	2.9
Other comprehensive income after tax	79.8	–14.7	96.3	35.2
Total comprehensive income	302.2	135.5	595.9	310.9
Attributable to:				
Shareholders of Sartorius AG	239.0	97.8	460.2	232.8
Non-controlling interest	63.3	37.7	135.6	78.1

1 The 2nd quarter figures were not included in the auditors' review.

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations.

Statement of Financial Position

€ in millions	June 30, 2022	Dec. 31, 2021
Non-current assets		
Goodwill	1,429.8	1,362.0
Other intangible assets	1,138.4	1,095.6
Property, plant and equipment	1,468.0	1,305.8
Financial assets	74.6	60.8
Other assets	1.5	1.6
Deferred tax assets	88.8	75.2
	4,201.1	3,901.1
Current assets		
Inventories	1,093.9	892.8
Trade receivables	531.7	424.0
Other financial assets	26.7	24.9
Current tax assets	31.6	29.0
Other assets	129.5	83.3
Cash and cash equivalents	233.1	342.8
Total assets	6,247.5	5,697.9

€ in millions	June 30, 2022	Dec. 31, 2021
Equity		
Equity attributable to Sartorius AG shareholders	1,666.1	1,260.3
Issued capital	68.4	68.4
Capital reserves	44.0	43.3
Other reserves and retained earnings	1,553.7	1,148.6
Non-controlling interest	573.7	459.9
	2,239.8	1,720.2
Non-current liabilities		
Pension provisions	60.5	75.4
Other provisions	15.9	13.3
Loans and borrowings	1,621.0	1,649.1
Lease liabilities	88.5	88.9
Other financial liabilities	373.6	421.8
Deferred tax liabilities	195.2	182.0
	2,354.6	2,430.6
Current liabilities		
Provisions	68.1	58.4
Trade payables	571.8	515.0
Loans and borrowings	375.7	311.3
Lease liabilities	26.7	26.1
Employee benefits	117.4	153.9
Other financial liabilities	104.6	169.0
Current tax liabilities	247.6	178.7
Other liabilities	141.1	134.7
Total equity and liabilities	6,247.5	5,697.9

Statement of Cash Flows

€ in millions	6-mo. 2022	6-mo. 2021
Profit before tax	647.9	402.8
Financial result	–93.2	34.5
Depreciation | amortization of intangible and tangible assets	130.6	107.0
Change in provisions	16.1	17.9
Change in receivables and other assets	–127.9	–60.1
Change in inventories	–166.3	–123.0
Change in liabilities (without loans and borrowings)	–19.3	154.9
Income taxes paid	–102.0	–94.3
Other non-cash items	1.2	1.0
Cash flows from operating activities	287.2	440.7
Capital expenditures	–220.0	–147.2
Other payments	–9.0	–12.6
Cash flow from investing activities	–229.0	–159.9
Payments for acquisitions of consolidated subsidiaries and other business operations, net of cash acquired	–65.5	–0.1
Cash flow from investing activities, acquisitions and disposals	–294.5	–160.0
Interest received	3.0	3.9
Interest paid and other financial charges	–13.3	–12.1
Dividends paid to:		
- Shareholders of Sartorius AG	–85.9	–48.2
- Non-controlling interest	–31.8	–17.5
Changes in non-controlling interest	–6.7	0.0
Loans repaid	–263.1	–197.0
Loans raised	283.4	210.0
Cash flow from financing activities	–114.2	–61.0
Net increase | decrease in cash and cash equivalents	–121.5	219.7
Cash and cash equivalents at the beginning of the period	342.8	203.4
Change in scope of consolidation	0.0	0.3
Net effect of currency translation on cash and cash equivalents	11.7	0.1
Cash and cash equivalents at the end of the period	233.1	423.6

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations.

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves
Balance at January 1, 2021	68.4	42.0	8.3
Net profit for the period	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	–12.2
Remeasurements of the net defined benefit liability	0.0	0.0	0.0
Currency translation differences	0.0	0.0	0.0
Net investment in a foreign operation	0.0	0.0	0.0
Tax effects	0.0	0.0	3.6
Other comprehensive income after tax	0.0	0.0	–8.5
Total comprehensive income	0.0	0.0	–8.5
Share-based payment	0.0	0.7	0.0
Dividends	0.0	0.0	0.0
Other changes in equity			
Balance at June 30, 2021	68.4	42.6	–0.2
Balance at January 1, 2022	68.4	43.3	–5.1
Net profit for the period	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	–16.0
Remeasurements of the net defined benefit liability	0.0	0.0	0.0
Currency translation differences	0.0	0.0	0.0
Net investment in a foreign operation	0.0	0.0	0.0
Tax effects	0.0	0.0	4.8
Other comprehensive income after tax	0.0	0.0	–11.2
Total comprehensive income	0.0	0.0	–11.2
Share-based payment	0.0	0.7	0.0
Dividends	0.0	0.0	0.0
Issue of treasury shares for the purchase of BIA Separations	0.0	0.0	0.0
Purchase price liabilities (BI Israel/CellGenix/ALS)	0.0	0.0	0.0
Non-controlling interest ALS	0.0	0.0	0.0
Other changes in equity	0.0	0.0	0.0
Balance at June 30, 2022	68.4	44.0	–16.3

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations.

Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	Equity attributable to Sartorius AG shareholders	Non-controlling interest	Total equity
–30.2	997.3	–54.3	1,031.4	348.9	1,380.3
0.0	201.4	0.0	201.4	74.3	275.7
0.0	0.0	0.0	–12.2	–2.9	–15.1
3.5	0.0	0.0	3.5	0.6	4.2
0.0	0.0	26.3	26.3	5.4	31.6
0.0	15.3	0.0	15.3	0.0	15.3
–1.0	–4.1	0.0	–1.5	0.7	–0.8
2.5	11.2	26.3	31.4	3.8	35.2
2.5	212.6	26.3	232.8	78.1	310.9
0.0	0.0	0.0	0.7	0.0	0.7
0.0	–48.2	0.0	–48.2	–17.5	–65.8
	–1.2	0.0	–1.2	–0.3	–1.4
–27.7	1,160.5	–28.0	1,215.5	409.1	1,624.6
–28.1	1,166.0	15.7	1,260.3	459.9	1,720.2
0.0	371.5	0.0	371.5	128.1	499.6
0.0	0.0	0.0	–16.0	–4.1	–20.0
13.7	0.0	0.0	13.7	2.6	16.3
0.0	0.0	61.7	61.7	8.4	70.1
0.0	39.0	0.0	39.0	0.0	39.0
–4.0	–10.4	0.0	–9.6	0.5	–9.1
9.7	28.5	61.7	88.8	7.5	96.3
9.7	400.0	61.7	460.2	135.6	595.9
0.0	0.0	0.0	0.7	0.0	0.7
0.0	–85.9	0.0	–85.9	–31.8	–117.7
0.0	64.5	0.0	64.5	3.6	68.1
0.0	–28.8	0.0	–28.8	0.8	–28.0
0.0	0.0	0.0	0.0	7.3	7.3
0.0	–5.0	0.0	–5.0	–1.6	–6.6
–18.4	1,510.9	77.4	1,666.1	573.7	2,239.8

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations.

Segment Report

According to IFRS 8, Operating Segments, the identification of reportable operating segments is based on the "management approach"; i.e., the segments are defined analogously to the internal control and reporting structure of an entity. Accordingly, the divisions called Bioprocess Solutions and Lab Products & Services are to be considered operating segments.

"Underlying EBITDA" is the key performance indicator of the operating segments of the Sartorius Group. EBITDA corresponds to earnings before interest (financial result), taxes, depreciation and amortization. "Underlying EBITDA" means EBITDA adjusted for extraordinary items. Extraordinary items are expenses and income in connection with acquisitions, restructuring activities, large Group projects and gains or losses from the disposal of fixed assets and investments which distort the sustainable profitability of a segment.

Apart from that, the recognition and measurement methods for the reportable segments conform to the general Group accounting principles.

	Sales revenue		Underlying EBITDA	
€ in millions	6-mo. 2022	6-mo. 2021	6-mo. 2022	6-mo. 2021
Bioprocess Solutions	1,637.1	1,266.5	585.6	460.2
Lab Products & Services	423.2	362.7	111.9	95.1
Total	2,060.3	1,629.2	697.5	555.3
Reconciliation to the profit before tax				
Depreciation and amortization			−130.6	−107.0
Extraordinary items			−12.2	−10.9
Earnings before interest and taxes (EBIT)			554.7	437.3
Financial result			93.2	−34.5
Profit before tax			647.9	402.8

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of BIA Separations.

Disaggregation of Revenue

Geographical Information by Segment

Under IFRS 15, revenue recognized from contracts with customers are disaggregated into the categories of the "nature of products" as well as "geographical regions" and presented in the following table. The categorization by "nature of products" corresponds to the reportable segments as the identification of the reportable segments is based, in particular, on the different products sold. Regional disaggregation of revenue is according to the customer's location.

	6-mo. 2022			6-mo. 2021		
€ in millions	Group	Bioprocess Solutions	Lab Products & Services	Group	Bioprocess Solutions	Lab Products & Services
Sales revenue	2,060.3	1,637.1	423.2	1,629.2	1,266.5	362.7
▪ EMEA	793.4	651.1	142.3	682.5	539.2	143.3
▪ Americas	726.1	571.9	154.1	519.0	405.2	113.9
▪ Asia | Pacific	540.9	414.1	126.8	427.6	322.1	105.5

Notes to the Condensed Interim Financial Statements

1. General Information

Sartorius AG is a listed joint stock corporation established according to German law and is the highest level parent company of the Sartorius Group. The corporation is recorded in the German Commercial Register of the District Court of Göttingen (HRB 1970) and is headquartered at Otto-Brenner-Str. 20 in Göttingen, Federal Republic of Germany.

The Sartorius Group is a leading international partner of life science research and the biopharmaceutical industry. With innovative laboratory instruments and consumables, the Group's Lab Products & Services Division (LPS) concentrates on serving the needs of laboratories performing research and quality control at pharma and biopharma companies and those of academic research institutes. The Bioprocess Solutions Division (BPS) with its broad product portfolio focusing on single-use solutions helps customers to manufacture biotech medications and vaccines safely and efficiently.

2. Significant Accounting Policies

The consolidated annual financial statements of Sartorius AG for the period ended December 31, 2021, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS) – as they are to be applied in the EU. In the present interim financial statements that were prepared in conformance with the requirements of IAS 34 "Interim financial reporting," basically the same accounting and measurement principles were applied on which the past consolidated financial statements of fiscal 2021 were based with the exception of those principles that were effective in 2021 for the first time.

Furthermore, all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) to be applied effective June 30, 2022, were observed. An explanation of the individual accounting and measurement principles applied is given in the Notes to the Financial Statements of the Group for the year ended December 31, 2021. The Standards applied for the first time and the amended significant accounting policies are explained in Section 3 below.

For calculation of income tax expenses, the provisions of IAS 34.30(c) were applied in the interim consolidated financial statements; i.e., the best estimate of the weighted average annual income tax rate expected for the full financial year was generally applied (27%; H1 2021: 30%). Consideration of the effects in connection with the valuation of the earn-out liabilities mainly in connection with the acquisition of BIA Separations that are not relevant for tax purposes leads to a nominal rate of 22.9% (H1 2021: 31.6%).

3. Accounting Rules Applied for the First Time in the Current Fiscal Year

Standards to Be Applied for the First Time in 2022

The Group initially applied the following new accounting rules for the reporting period:

- Amendments to IFRS 3, IAS 16, and IAS 37 and Annual Improvements to IFRS Standards: 2018-2020 Cycle (issued in May 2020), Amendments to IFRS 1, IFRS 9, IAS 41, and IFRS 16

The application of the new rules did not have a material impact on the consolidated interim financial statements.

4. Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions based on the conditions and expectations as of the reporting date. Actual results may differ from these estimates, however. The significant judgments and estimates have remained the same as those applied to the consolidated financial statements for the year ended December 31, 2021. However, the general level of uncertainty that is inherent in accounting estimates and assumptions remains higher than usual as a result of the conflict between Russia and the Ukraine that has been escalating since February as well as the ongoing COVID-19 pandemic crisis.

In the first half of 2022, the Group achieved again double-digit revenue growth. Despite the geopolitical developments, the Group did not experience significant difficulties on the supply side and continuity of production operations has been secured. The biopharma industry that is of high relevance for the Group is to a large extent independent of economic fluctuations. This was demonstrated once again in the reporting period and is especially true for the Bioprocess Solutions Division, a total solutions provider for the biopharma industry, that continued to experience demand in connection with the production of coronavirus vaccines and Covid-19 therapeutics, although on a lower level in comparison with the prior-year interim reporting period. The Lab Products & Services Division also recorded double-digit revenue growth in the first half of 2022.

Conflict between Russia and Ukraine

In February 2022, the conflict between Russia and Ukraine escalated, and this conflict is still ongoing. The European nations and the Western world condemn this war. Since the beginning of the war, the EU and the US have imposed sanctions on Russia that restrict reciprocal trade. The war has also caused distortions in markets, especially markets for energy and raw materials, the prices of which have increased significantly in the last months. Furthermore, the transportation and logistics sector is affected seriously by the consequences of the conflict.

The Group currently employs some 130 employees in Russia. No employees are located in Belarus and the Ukraine. The pharmaceutical industry decided as a majority to continue to operate to the extent possible in Russia for humanitarian reasons. To date, Sartorius has positioned itself accordingly and continues to supply critical products for the production of pharmaceutical and medical products under consideration of the restrictions resulting from the sanctions. Although certain product groups are affected by the sanctions, the Group's sales revenue in Russia in the first half of 2022 is on the level achieved in the prior-year comparative period. Nevertheless, revenue is assumed to decrease in the foreseeable future due to recent developments. The extent of the impact depends on further geopolitical developments and is currently not readily quantifiable. However, it needs to be emphasized that the Group's business in Russia, Belarus and the Ukraine is not of a critical size in relation to the Group as a whole; it accounts for a good 2% of total sales in 2021. Furthermore, no critical suppliers of the Group are located in Russia, Belarus and the Ukraine. The Group is therefore primarily affected by the indirect consequences of the conflict, for example, increasing energy prices or the impact on the worldwide transportation and logistics sector. The Group is monitoring these indirect consequences and currently assumes that it will be able to maintain its profitability on the current level through appropriate countermeasures, such as price increases.

The Group does not own material non-current assets in Russia, Belarus and the Ukraine. The default risks in relation to trade receivables in Russia are limited due to the immaterial volume of trade receivables on the reporting date and intense management of receivables as well as changes to payment terms (e.g., delivery against prepayments). Cash held in Russia of a low two-digit-million euro value is currently subject to restrictions regarding its use outside Russia. In particular, distributions of cash are currently impossible.

To date, the direct and indirect consequences of the conflict between Russia and the Ukraine do not lead to changes in the material accounting estimates and assumptions compared with the consolidated financial statements for 2021. In particular, no indications of impairment of non-current assets were identified as of June 30, 2022.

5. Scope of consolidation

A list of the companies included in the scope of consolidation for the Group financial statements is provided in our 2021 Annual Report. In the current fiscal year, the following entities were included for the first time in the consolidated financial statements of the Group:

- ALS Automated Lab Solutions GmbH, Jena, Germany

- Novasep Equipment Solutions S.A.S., Pompey, France

The Group obtained control over ALS Automated Lab Solutions GmbH on January 3, 2022, in the course of a business combination. The entity Novasep Equipment Solutions S.A.S. was acquired on February 7, 2022, in the course of the acquisition of the chromatography business of Novasep. The entity was renamed Sartorius Chromatography Equipment S.A.S. subsequent to the acquisition. For further information on these acquisitions, see Section 6.

In the current fiscal year, the entity Essen Instruments Inc., Michigan, USA was merged into Sartorius BioAnalytical Instruments Inc., Delaware, USA. In addition, Essen BioScience K.K., Tokyo, Japan was liquidated in the current fiscal year.

6. Business Combinations

Acquisition of Automated Lab Solutions GmbH

On January 3, 2022, the Group acquired the majority of shares and voting rights in ALS Automated Lab Solution GmbH and strengthens thereby its bioanalytics portfolio of the LPS Division with an additional complementary element. This laboratory technology company based in Jena, Germany, develops, manufactures, and markets solutions for the automated analysis, selection, and isolation of cells. With these solutions, ALS enables life science customers to significantly reduce time to result and cost in cell line development and antibody discovery. Other application areas are the development of cell and gene therapeutics as well as rare single cell molecular diagnostics in cancer and prenatal research. The company employed some 30 employees as of the acquisition date.

The purchase price allocation is as follows:

€ in millions	Final purchase price allocation
Other intangible assets	19.2
Property, plant and equipment	5.4
Inventories	1.5
Trade receivables	0.4
Other assets	0.1
Cash and cash equivalents	5.0
Deferred taxes - net	–7.1
Loans and borrowings	–2.5
Other liabilities	–2.7
Net assets acquired	19.3
Purchase price	25.6
Non-controlling interest	7.3
Goodwill	13.5

The purchase price for the acquired stake of 62.5% of ALS Automated Lab Solutions GmbH amounted to approx. €25.6 million and was paid in cash. Expenses of €0.1 million directly attributable to the acquisition were already recognized as other expenses in profit or loss in 2021. Non-controlling interests are measured at their proportionate share of the net assets.

The material intangible assets to be recognized separately relate to technologies with limited useful life (€18.1 million). Goodwill is attributable to synergies, e.g., from the integration of the acquired business into the sales and distribution network of the Group and the expansion of the bioanalytics portfolio of the Lab Products & Services Division, as well as intangible assets not recognizable separately, such as the know-how of the workforce acquired. Goodwill is not deductible for tax purposes.

The parties agreed on put and call options according to which the acquisition of the remaining 37.5% of the shares is planned in 2026. The exercise price of the options depends on the future sales revenues of the acquired business. For its obligation to purchase the remaining shares, the Group recognized a financial liability amounting to €30.9 million at the acquisition date. Subsequent to the acquisition, the liability is measured at amortized cost according to the effective interest rate method. Any changes are recognized directly in equity. At the reporting date of June 30, 2022, the liability was measured at €30.9 million. Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €1.7 million (decrease of approximately €2.1 million).

Acquisition of chromatography business of Novasep

On February 7, 2022, the Group closed the acquisition of the Novasep chromatography division. As of the acquisition date, approximately 100 employees were taken on as part of the Group workforce. The majority of these currently work at the acquired entity Novasep Equipment Solutions in Pompey in northern France, with some in the USA, China, and India. The chromatography business acquired comprises batch and intensified chromatography systems, and primarily focuses on applications for smaller molecules, such as oligonucleotides, peptides, and insulin. It is complementary to the Group's chromatography offering and will be integrated in the Bioprocess Solutions Division.

The purchase price allocation is as follows:

€ in millions	Final purchase price allocation
Other intangible assets	26.9
Property, plant and equipment	1.0
Inventories	7.5
Trade receivables	12.0
Other assets	0.8
Cash and cash equivalents	8.1
Loans and borrowings	–0.3
Trade payables and payments received for orders	–14.2
Other liabilities	–4.0
Net assets acquired	38.6
Purchase price	53.0
Goodwill	14.4

The purchase price for the acquired chromatography business amounted to approx. €53.0 million and was paid in cash. Expenses directly attributable to the acquisition of €6.3 million were recognized in other expenses through profit or loss, mostly in prior years. The material intangible assets recognized separately relate mainly to technologies (€17.0 million) and customer relationships (€9.4 million) with limited useful lives. Goodwill is attributable to synergies, e.g., from the integration of the acquired business into the Bioprocess Solutions Division and the expansion of the chromatography product portfolio, as well as intangible assets not recognizable separately, such as the know-how of the workforce acquired. Goodwill is not deductible for tax purposes.

ALS Automated Lab Solutions GmbH and the acquired chromatography business of Novasep contributed sales revenues of approximately €3.0 million and €13.8 million, respectively, since the acquisition dates. The respective contributions to the Group’s net result are immaterial. Due to the early acquisition dates at the beginning of the year, there would be no material effect on the Group sales revenues and net result for the first half of 2022 if the acquisitions had been completed as of January 1, 2022.

7. Financial Instruments

The following table presents the carrying amounts and fair values of the Group's financial instruments as of June 30, 2022, and December 31, 2021, according to IFRS 9.

€ in millions	Category acc. to IFRS 9	Carrying amount June 30, 2022	Fair value June 30, 2022	Carrying amount Dec. 31, 2021	Fair value Dec. 31, 2021
Investments in non-consolidated subsidiaries	n/a	34.1	34.1	31.6	31.6
Financial assets	Equity instruments at fair value through profit or loss	4.5	4.5	4.5	4.5
Financial assets	Debt instruments at fair value through profit or loss	26.1	26.1	17.3	17.3
Financial assets	Measured at amortized cost	9.8	9.8	7.4	7.4
Financial assets (non-current)		74.6	74.6	60.8	60.8
Amounts due from customers for contract work (contract assets)	n/a	12.9	12.9	4.1	4.1
Trade receivables	Measured at fair value through other comprehensive income	226.1	226.1	180.9	180.9
Trade receivables	Measured at amortized cost	292.7	292.7	239.0	239.0
Trade receivables		531.7	531.7	424.0	424.0
Receivables and other assets	Measured at amortized cost	23.6	23.6	23.4	23.4
Derivative financial instruments in hedge relationships[1]	n/a	3.2	3.2	1.5	1.5
Other financial assets (current)		26.7	26.7	24.9	24.9
Cash and cash equivalents	Measured at amortized cost	233.1	233.1	342.8	342.8

€ in millions	Category acc. to IFRS 9	Carrying amount June 30, 2022	Fair value June 30, 2022	Carrying amount Dec. 31, 2021	Fair value Dec. 31, 2021
Loans and borrowings	Financial liabilities at cost	1,996.8	1,956.4	1,960.4	1,986.6
Trade payables	Financial liabilities at cost	291.5	291.5	283.0	283.0
Trade payables | payments received for orders (contract liabilities)	n/a	280.4	280.4	232.0	232.0
Trade payables		571.8	571.8	515.0	515.0
Derivative financial instruments in hedge relationships[1]	n/a	32.5	32.5	11.5	11.5
Other financial liabilities	Financial liabilities at fair value through profit or loss	126.7	126.7	292.8	292.8
Other financial liabilities	Financial liabilities at cost	318.9	306.1	286.5	286.9
Other financial liabilities		478.2	465.3	590.8	591.2

1 The amounts include the non-designated part of the contracts, which totals €0.1 million. (December 31, 2021: -€0.6 million)

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are measured on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are measured on the basis of input factors, which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are measured on the basis of input factors that cannot be derived from observable market data.

The financial instruments recognized at fair value as of June 30, 2022, relate especially to contingent considerations in connection with the acquisitions of BIA Separations, WaterSep BioSeparations, and Xell, which are all classified as financial liabilities. Since the valuations depend, among other factors, on the predicted sales performance of the acquired businesses, the valuations are regarded as Level 3 inputs. The valuations are performed under consideration of updated valuation parameters as of the reporting date.

In connection with the acquisition of BIA Separations, the parties agreed on three tranches of earn-out payments based on the sales performance of BIA Separations over the five fiscal years subsequent to the acquisition. Depending on this sales performance, the sellers are entitled to receive additional shares in Sartorius Stedim Biotech S.A. The valuation of this liability considers the expected future sales performance and the assumed number of shares to be transferred as well as the present value of the expected future share prices at the expected settlement dates. As of the reporting date on June 30, 2022, the fair value of the remaining contingent consideration liability was measured at €121.6 million. The change since December 31, 2021 (value: €288.2 million) mainly reflects the decline of the share price of Sartorius Stedim Biotech S.A. as well as the settlement of the first tranche that was reported as a current liability in the 2021 consolidated financial statements (value upon settlement in first half of 2022: €68.1 million). Furthermore, the discount rates applied to calculate the present value of the future obligation were adjusted to reflect the market rates on June 30, 2022. The difference between the valuation as of December 31, 2021, and the reporting date that is not related to the settlement amount described above amounts to €98.5 million and was recognized in the financial result.

The key input parameters for the valuation of the financial liability are the sales revenue expectations for the next few years as well as the share price of Sartorius Stedim Biotech S.A. at the respective valuation date. The valuation results are less sensitive to realistic changes in other valuation parameters, e.g., the discount rates applied. Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date by approximately €20.6 million (decrease by approximately €17.8 million). If the share price had been 10% higher (lower) at the reporting date, the liability would have been €12.2 million higher (€12.2 million lower). The actual future outcomes may differ from these sensitivities, which are determined by changing only the respective key input parameter in isolation.

In connection with the acquisition of WaterSep BioSeparations, the parties agreed on an earn-out component that depends on the future sales revenue in the years of 2021 to 2023 and is due in 2024. This contingent consideration was measured at a fair value of €3.2 million on the reporting date of June 30, 2022. In connection with the acquisition of Xell, the sellers were granted two additional earn-out components, which are due in 2024 and 2026 and depend on future sales revenues with Xell products in the years 2022 to 2025. On the reporting date of June 30, 2022, the fair value of the financial liability amounts to €1.9 million. Assuming 10% higher (lower) sales revenues in each of the four relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €1.0 million (decrease of approximately €1.1 million).

The remaining financial instruments recognized at fair value on the reporting date are mainly trade receivables that are part of a portfolio that is "held-to-collect-and-sell", as well as derivatives in the form of forward contracts. These trade receivables are valued in the same way as trade receivables measured at amortized cost due to their short contractual maturities and immaterial credit risks. The derivatives were measured on the basis of their quoted exchange rates and market yield curves (Level 2).

The financial investments measured at fair value are measured on the basis of the most recent reliable indicators available as of the reporting date, e.g., on the basis of the most recent financing round, updated investor's information or historical cost of acquisition. No material changes to the fair values were recognized on the reporting date.

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks and those related to note loans ("Schuldscheindarlehen"), were measured on the basis of the market interest rate curve, taking the current indicative credit spreads into account (Level 2). The liabilities for the acquisition of non-controlling interests in Automated Lab Solutions GmbH (see Section 6) and Sartorius CellGenix GmbH, which are reported under "Other financial liabilities at cost", are measured using the effective interest rate method, with any changes recognized directly in equity. At the reporting date, the liability for the latter entity was measured at €170.7 million. Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €8.7 million (decrease of approximately €8.8 million).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts on account of their predominantly short-term maturity or unchanged cost of acquisition. The maximum credit loss risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which a change occurs. In the current reporting period, there were no transfers between the levels.

8. Related Companies and Persons

The Group companies included in the consolidated financial statements carry out business activities and transactions in related party relationships as defined by IAS 24. In particular, this concerns transactions with non-consolidated subsidiaries; these transactions are generally concluded according to the customary market terms.

In the reporting period, sales revenue of €0.0 million (H1 2021: €0.0 million) was generated by sales to these companies; there were receivables from loans and borrowings as well as trade receivables, both totaling €11.8 million (H1 2021: €0.9 million). A long-term service contract exists with an affiliate for which expenses of €9.4 million (H1 2021: €5.0 million) were incurred in the reporting period.

For further details, also on related companies and persons, see page 224 in our 2021 Annual Report.

9. Other Disclosures

In the interim reporting period, no material asset impairments were identified. Generally, asset impairment tests need to be performed annually for goodwill and other assets with indefinite useful lives.

In the reporting period, the Annual Shareholders' Meeting of Sartorius AG approved dividends totaling €85.9 million, of which €42.8 million are for ordinary shares and €43.1 million for preference shares. The dividend was paid in the first half of 2022.

The condensed consolidated financial statements of the Group were authorized for issue by the Executive Board on July 20, 2022. Independent, certified auditors performed an audit review of this consolidated six-month report. The figures of the individual second quarter in the statement of profit or loss, as well as the statement of comprehensive income, were not part of this review.

10. Material Events After the Reporting Date

No material events occurred after the reporting date.

Independent Auditors' Review Report

To Sartorius Aktiengesellschaft, Göttingen

We have reviewed the condensed interim consolidated financial statements of Sartorius Aktiengesellschaft AG – comprising the profit and loss statement and the statement of comprehensive income, the statement of financial positions (balance sheet), the consolidated statement of cash flows, the statement of changes in equity and notes to condensed interim consolidated financial statements – together with the interim group management report of Sartorius Aktiengesellschaft, Göttingen, for the period of January 1 to June 30, 2022, that are part of the half-year report according to Section 115 of WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting," as adopted by the EU, and of the interim group management report in accordance with the requirements of WpHG applicable to the interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institute of Public Auditors in Germany, the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting," as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting," as adopted by the EU , or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of WpHG applicable to interim group management reports.

Hanover, July 21, 2022

KPMG AG
Wirtschaftsprüfungsgesellschaft

Schmidt
Wirtschaftsprüfer
German Public Auditor

Hartke
Wirtschaftsprüferin
German Public Auditor

Responsibility Statement of the Legal Representatives

Declaration of the Executive Board

We declare to the best of our knowledge that the condensed interim consolidated financial statements for the first half ended June 30, 2022, present a true and fair view of the actual net worth, financial situation and profitability of the Group in accordance with the accounting standards to be applied in preparing these statements. We also certify that the progress of the Group's business, including its business performance and its situation, are represented accurately in the Group interim report in all material respects and describe the most important opportunities and risks of the Group's projected development for the remaining six months of the financial year.

Göttingen, July 21, 2022

Sartorius AG

The Executive Board

Dr. Joachim Kreuzburg

Rainer Lehmann

Dr. René Fáber

John Gerard Mackay

Financial Schedule

Publication of nine-month figures for 2022	October 19, 2022
Publication of preliminary results for fiscal 2022	January 2023
Annual press conference | Göttingen, Germany	January 2023
Publication of Annual Report 2022	February 2023
Annual General Shareholders' Meeting | Göttingen, Germany	March 2023
Publication of first-quarter figures for 2023	April 2023

Contacts

Sartorius AG
Otto-Brenner-Straße 20
37073 Göttingen

Phone: 0551.308.0
www.sartorius.com

Petra Kirchhoff
Head of Corporate Communications & IR
Phone: 0551.308.1686
petra.kirchhoff@sartorius.com

Petra Müller
Head of Investor Relations
Phone: 0551.308.6035
petra.mueller2@sartorius.com

Forward-looking Statements Contain Risks

This Sartorius Group Interim Report for the period from the beginning of January to the end of June 2022 contains various statements concerning the Sartorius 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 apply. 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 the entire report, differences may be apparent as a result of rounding during addition.