

Göttingen, Germany, October 19, 2022

Sartorius with continued growth in a challenging environment

- Figures for the first nine months of 2022: Sales revenue up 16.6 percent in constant currencies, underlying EBITDA up 21.4 percent, underlying EBITDA margin at 33.8 percent
- Both divisions with double-digit growth; as expected, swift normalization of demand in the Bioprocess Solutions division
- Overall market situation characterized by innovations and strong growth drivers
- Outlook for 2022 specified: Sales revenue growth now expected to be in the lower half of the previous range of 15 to 19 percent; projection for underlying EBITDA margin unchanged at about 34 percent
- Uncertainties due to the global political and economic situation currently remain high

The life science group Sartorius closed the first nine months of 2022 in both divisions with double-digit sales revenue and earnings growth and specified its outlook for the current fiscal year.

“In the first nine months, Sartorius achieved significant growth in a challenging environment. Both divisions recorded double-digit sales revenue increases and, despite unfavorable trends on the cost and currency side, very good profit margins. The lab division developed very dynamically, with a particularly positive performance of the bioanalytics business. The development of the bioprocessing business was characterized by significant sales revenue growth and at the same time, as expected, a swift normalization of demand following two years influenced by strong special effects due to the pandemic. We expanded the division’s portfolio with the acquisition of Albumedix, adding an important component for the manufacture of innovative biopharmaceuticals, particularly regarding modalities such as cell therapies, viral therapies and vaccines. We are specifying our full-year outlook for 2022 within the range projected so far, but the global political and economic uncertainties remain high,” said Executive Board Chairman and CEO Joachim Kreuzburg.

Business development of the Group¹

In the first nine months, Group sales revenue recorded a year-over-year increase of 16.6 percent in constant currencies (reported: +23.2 percent) to 3,113 million euros. This performance was driven by organic growth in both divisions, while acquisitions,² as expected, contributed close to 2 percentage points to growth. All three business regions – EMEA,³ the Americas, and Asia | Pacific – recorded significant growth, with the Americas region posting the strongest gain. The restrictions in China caused by the pandemic as well as business limitations in Russia dampened growth to a limited extend.

Following an exceptionally strong prior-year figure due to the pandemic, order intake, as expected, declined in the first nine months and reached 3,121 million euros (in constant currencies: -9.5 percent, reported: -5.0 percent). In the Bioprocess Solutions division, in particular, the first nine months of 2021 had been influenced by high demand from vaccine manufacturers and changed ordering patterns by some customers, who had placed orders larger in size and further in advance than usual.

Underlying EBITDA increased by 21.4 percent to 1,051 million euros in the first nine months. The corresponding margin of 33.8 percent was close to the high level of the prior-year period (34.3 percent). This development was positively influenced by economies of scale from sales revenue growth, but diluted by currency effects and, as planned, higher costs resulting from the recruitment of new employees as well as other normalized cost positions. Price effects on the procurement and customer sides largely offset each other.

Relevant net profit reached 501 million euros, representing a significant increase of 23.1 percent from the first nine months of 2021. Underlying earnings were 7.32 euros (prior-year period: 5.94 euros) per ordinary share and 7.33 euros (prior-year period: 5.95 euros) per preferred share.

Key financial indicators

The Sartorius Group continues to have a very sound balance sheet and financial base. Its equity ratio stood at a robust level of 35.4 percent as of September 30, 2022 (December 31, 2021: 30.2 percent), despite the acquisition of Albiomedix, which was completed at the end of September 2022. The ratio of net debt to underlying EBITDA was 1.7 as of the reporting date, compared with 1.5 at the end of 2021. Cash flow from investing activities stood at -362 million euros, compared with -254 million euros in the first nine months of 2021. The ratio of capital expenditures (CAPEX) to sales revenue reached 11.3 percent (prior-year period: 9.6 percent).

Increase in the number of employees

As of September 30, 2022, Sartorius had a total of 16,038 employees worldwide, representing a rise in headcount of 2,206 from the end of 2021. Following a significant increase in the first six months of the year, the number of new hires slowed down considerably with the beginning of the second half of 2022, as planned.

Business development of the Bioprocess Solutions division

The Bioprocess Solutions division, which offers a wide array of innovative technologies for the manufacture of biopharmaceuticals and vaccines, achieved sales revenue of 2,471 million euros in the first nine months. This corresponds to a year-over-year increase of 17.7 percent in constant currencies (reported: +24.3 percent) and includes about 2 percentage points of non-organic growth from acquisitions. All business areas recorded double-digit growth, while coronavirus-related business declined significantly from the prior-year period.

Following an exceptionally strong prior-year figure due to the pandemic, order intake, as expected, declined in the first nine months, reaching 2,452 million euros (in constant currencies: -14.4 percent, reported: -10.3 percent). The first nine months of 2021 had been influenced by high demand from vaccine manufacturers and changed ordering patterns by some customers, who had increased the size of their orders and placed them further in advance than usual.

The division's underlying EBITDA rose by 21.7 percent to 881 million euros. Despite negative currency effects and planned increased costs, the resulting margin of 35.7 percent almost reached the high level of the previous year (36.5 percent) due to positive economies of scale.

Business development of the Lab Products & Services division

Sales revenue of the Lab Products & Services division, which specializes in technologies for life science research and pharmaceutical laboratories, recorded a very dynamic development in the first nine months, climbing by 12.5 percent in constant currencies (reported: +19.0 percent) to 642 million euros. Close to 1 percentage point came from non-organic growth. The bioanalytics product segment expanded particularly strongly. Order intake posted even higher growth than sales revenue, increasing by 14.6 percent in constant currencies (reported: +21.0 percent) to 669 million euros.

The division's underlying EBITDA rose by 19.8 percent to 170 million euros, and the corresponding margin expanded to 26.5 percent (prior-year period: 26.3 percent). A positive product mix and economies of scale more than compensated for negative currency effects and planned higher costs.

Outlook for fiscal 2022 specified

Based on the results of the first nine months, management specifies its outlook for the current fiscal year. Consolidated sales revenue growth is now expected to be in the lower half of the range of around 15 percent to 19 percent projected so far, with non-organic growth from acquisitions anticipated to contribute about 2 percentage points. Regarding profitability, Sartorius continues to expect its underlying EBITDA margin to reach about 34 percent.

For the Bioprocess Solutions division, the company forecasts sales revenue growth to be in the lower half of the range of about 17 percent to 21 percent projected so far. This includes a non-organic growth contribution from acquisitions of about 2 percentage points. The division's underlying EBITDA margin is still projected to reach about 36 percent. Lab Products & Services is now expected to achieve revenue growth in the upper half of the range of about 6 percent to 10 percent projected so far in 2022, with about 1 percentage point of this coming from the non-organic growth contribution from acquisitions. The division's underlying EBITDA margin is still expected to be about 26 percent.

The CAPEX ratio is anticipated to be about 14 percent and net debt to underlying EBITDA is now anticipated to be about 1.6 at year end (previously about 1.1) following the closing of the Albumedix acquisition. 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 higher uncertainties than usual.

¹ Sartorius 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, and ALS Automated Lab Solutions

3 EMEA = Europe, Middle East, Africa

This press release contains forward-looking statements about the future development of the Sartorius 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 assumes no liability for updating such statements in light of new information or future events.

Conference call

The Executive Board Chairman and CEO of Sartorius AG, Joachim Kreuzburg, and Executive Board member and CFO, Rainer Lehmann, will discuss the company's results with analysts and investors during an earnings call at 3:30 p.m. CEST on October 19, 2022. You may register via the following link:

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=z5CKkF4u>

Further information

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

Financial calendar

January, 26, 2023	Publication of preliminary figures (January to December 2022)
April, 20, 2023	Publication of the first-quarter figures (January to March 2023)
July 21, 2023	Publication of the first-half figures (January to June 2023)
October 19, 2023	Publication of nine-month figures (January to September 2023)

A profile of Sartorius

The Sartorius Group is a leading international partner of life sciences research and the biopharmaceutical industry. With innovative laboratory instruments and consumables, the group's Lab Products & Services division concentrates on serving the needs of laboratories performing research and quality control at pharmaceutical and biopharmaceutical companies and those of academic research institutes. The Bioprocess Solutions division, with its broad product portfolio focusing on single-use solutions, helps customers manufacture biotech medications and vaccines safely and efficiently. The company is growing at double-digit rates on average per year and regularly expands its portfolio through the acquisition of complementary technologies. In fiscal 2021, the company generated sales revenues of around 3.45 billion euros. At the end of 2021, nearly 14,000 employees were working for customers around the globe at the group's 60 or so production and sales sites.

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Key Performance Indicators for Nine Months 2022

In millions of € (unless otherwise specified)	Sartorius Group				Bioprocess Solutions				Lab Products & Services			
	9-mo. 2022	9-mo. 2021 ¹	Δ in % Reported	Δ in % cc ²	9-mo. 2022	9-mo. 2021 ¹	Δ in % Reported	Δ in % cc ²	9-mo. 2022	9-mo. 2021 ¹	Δ in % Reported	Δ in % cc ²
Order Intake and Sales Revenue												
Order intake	3,121.1	3,286.2	-5.0	-9.5	2,451.8	2,733.0	-10.3	-14.4	669.4	553.2	21.0	14.6
Sales revenue	3,112.9	2,526.9	23.2	16.6	2,470.9	1,987.4	24.3	17.7	642.1	539.4	19.0	12.5
▪ EMEA ³	1,157.9	1,038.8	11.5	10.4	943.3	829.6	13.7	12.7	214.7	209.2	2.6	1.4
▪ Americas ³	1,130.1	825.4	36.9	22.5	896.8	654.1	37.1	22.7	233.3	171.3	36.2	21.8
▪ Asia Pacific ³	824.9	662.7	24.5	18.7	630.8	503.8	25.2	19.2	194.1	158.9	22.1	16.9
Earnings												
EBITDA ⁴	1,051.5	866.4	21.4		881.5	724.4	21.7		170.0	141.9	19.8	
EBITDA margin ⁴ in %	33.8	34.3			35.7	36.5			26.5	26.3		
Relevant net profit ⁵	501.2	407.0	23.1									
Net profit ⁶	525.7	307.8	70.8									
Financial Data per Share												
Earnings per ordinary share ⁵ in €	7.32	5.94	23.2									
Earnings per preference share ⁵ in €	7.33	5.95	23.1									

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

2 In constant currencies abbreviated as "cc"

3 According to the customer's location

4 Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and 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

6 After non-controlling interest

Key Performance Indicators for The Third Quarter of 2022

In millions of € (unless otherwise specified)	Sartorius Group				Bioprocess Solutions				Lab Products & Services			
	Q3 2022	Q3 2021 ¹	Δ in % Reported	Δ in % cc ²	Q3 2022	Q3 2021 ¹	Δ in % Reported	Δ in % cc ²	Q3 2022	Q3 2021 ¹	Δ in % Reported	Δ in % cc ²
Order Intake and Sales Revenue												
Order intake	952.4	1,107.4	-14.0	-18.9	735.9	929.6	-20.8	-25.2	216.5	177.8	21.8	13.9
Sales revenue	1,052.6	897.7	17.3	8.7	833.8	721.0	15.6	7.1	218.8	176.7	23.8	15.1
▪ EMEA ³	364.5	356.3	2.3		292.2	290.3	0.6		72.3	65.9	9.7	
▪ Americas ³	404.0	306.4	31.9		324.8	248.9	30.5		79.2	57.4	37.9	
▪ Asia Pacific ³	284.0	235.1	20.8		216.7	181.7	19.3		67.3	53.4	26.1	
Earnings												
EBITDA ⁴	354.0	311.1	13.8		295.9	264.2	12.0		58.1	46.9	23.9	
EBITDA margin ⁴ in %	33.6	34.7			35.5	36.6			26.5	26.5		
Relevant net profit ⁵	167.3	147.4	13.5									
Net profit ⁶	154.2	106.4	45.0									
Financial Data per Share												
Earnings per ordinary share ⁵ in €	2.45	2.15	13.5									
Earnings per preference share ⁵ in €	2.45	2.15	13.5									

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- 4 Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items
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Statement of Profit or Loss

€ in millions	Q3 2022	Q3 2021	9 months 2022	9 months 2021
Sales revenue	1,052.6	897.7	3,112.9	2,526.9
Cost of sales	- 496.5	- 410.0	- 1,484.9	- 1,164.9
Gross profit on sales	556.2	487.7	1,628.1	1,362.0
Selling and distribution costs	- 165.0	- 145.4	- 467.7	- 416.5
Research and development expenses	- 38.4	- 34.0	- 122.3	- 100.4
General administrative expenses	- 49.8	- 40.4	- 148.2	- 119.3
Other operating income and expenses	- 30.5	- 28.8	- 62.8	- 49.3
Earnings before interest and taxes (EBIT)	272.4	239.1	827.2	676.4
Financial income	47.5	5.1	186.9	19.6
Financial expenses	- 38.1	- 29.7	- 84.4	- 78.7
Financial result	9.4	- 24.6	102.6	- 59.1
Profit before tax	281.8	214.5	929.7	617.4
Income taxes	- 73.3	- 70.3	- 221.6	- 197.4
Net profit for the period	208.5	144.2	708.1	419.9
Attributable to:				
Shareholders of Sartorius AG	154.2	106.4	525.7	307.8
Non-controlling interest	54.3	37.9	182.4	112.1
Earnings per ordinary share (€) (basic)	2.25	1.55	7.68	4.49
Earnings per preference share (€) (basic)	2.25	1.55	7.69	4.50
Earnings per ordinary share (€) (diluted)	2.25	1.55	7.68	4.49
Earnings per preference share (€) (diluted)	2.25	1.55	7.69	4.50

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Statement of Comprehensive Income

€ in millions	Q3 2022	Q3 2021	9 months 2022	9 months 2021
Net profit for the period	208.5	144.2	708.1	419.9
Cash flow hedges	- 30.6	- 6.3	- 50.6	- 21.4
- of which effective portion of the change in fair value	- 49.3	- 6.8	- 84.6	- 10.4
- of which reclassified to profit or loss	18.6	0.5	33.9	- 11.0
Income tax on cash flow hedges	9.2	1.9	15.4	6.5
Net investment in a foreign operation	29.3	11.8	68.3	27.0
Income tax on net investment in a foreign operation	- 7.8	- 3.1	- 18.3	- 7.2
Currency translation differences	58.0	21.0	128.2	52.6
Items that may be reclassified in the profit or loss statement. net of tax	58.1	25.2	142.9	57.5
Items that will not be reclassified in the profit or loss statement. net of tax	0.0	0.0	11.5	2.9
Other comprehensive income after tax	58.1	25.2	154.4	60.4
Total comprehensive income	266.6	169.4	862.5	480.3
Attributable to:				
Shareholders of Sartorius AG	208.6	129.3	668.8	362.1
Non-controlling interest	58.1	40.1	193.7	118.2

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Statement of Financial Position

	Sep. 30, 2022 € in mn	Dec. 31, 2021 € in mn
Assets		
Non-current assets		
Goodwill	1,750.1	1,362.0
Other intangible assets	1,369.7	1,095.6
Property, plant and equipment	1,604.2	1,305.8
Financial assets	74.9	60.8
Other assets	1.6	1.6
Deferred tax assets	93.7	75.2
	4,894.2	3,901.1
Current assets		
Inventories	1,213.6	892.8
Trade receivables	544.3	424.0
Other financial assets	29.1	24.9
Current tax assets	41.8	29.0
Other assets	132.6	83.3
Cash and cash equivalents	235.1	342.8
	2,196.6	1,796.8
Total assets	7,090.8	5,697.9
	Sep. 30, 2022 € in mn	Dec. 31, 2021 € in mn
Equity and liabilities		
Equity		
Equity attributable to Sartorius AG shareholders	1,877.2	1,260.3
Issued capital	68.4	68.4
Capital reserves	44.3	43.3
Other reserves and retained earnings	1,764.5	1,148.6
Non-controlling interest	632.5	459.9
	2,509.7	1,720.2
Non-current liabilities		
Pension provisions	61.0	75.4
Other provisions	18.2	13.3
Loans and borrowings	1,585.8	1,649.1
Lease liabilities	93.4	88.9
Other financial liabilities	294.7	421.8
Deferred tax liabilities	238.9	182.0
	2,292.0	2,430.6
Current liabilities		
Provisions	74.7	58.4
Trade payables	582.5	515.0
Loans and borrowings	870.3	311.3
Lease liabilities	27.7	26.1
Employee benefits	150.1	153.9
Other financial liabilities	206.5	169.0
Current tax liabilities	236.8	178.7
Other liabilities	140.6	134.7
	2,289.1	1,547.2
Total equity and liabilities	7,090.8	5,697.9

Statement of Cash Flows

€ in millions	9 months 2022	9 months 2021
Profit before tax	929.7	617.4
Financial result	- 102.6	59.1
Depreciation amortization of intangible and tangible assets	198.3	167.3
Change in provisions	22.6	22.0
Change in receivables and other assets	- 127.2	- 129.3
Change in inventories	- 255.0	- 217.1
Change in liabilities (without loans and borrowings)	- 15.0	242.4
Income taxes paid	- 203.1	- 123.4
Other non-cash items	1.9	0.2
Cash flows from operating activities	449.5	638.5
Capital expenditures	- 350.8	- 242.3
Other payments	- 11.5	- 11.5
Cash flow from investing activities	- 362.3	- 253.9
Payments for acquisitions of consolidated subsidiaries and other business operations, net of cash acquired	- 541.3	- 141.7
Cash flow from investing activities, acquisitions and disposals	- 903.6	- 395.5
Interest received	4.9	5.0
Interest paid and other financial charges	- 26.9	- 24.8
Dividends paid to:		
- Shareholders of Sartorius AG	- 85.9	- 48.2
- Non-controlling interest	- 31.8	- 17.5
Changes in non-controlling interest	- 3.6	0.0
Loans repaid	- 623.6	- 206.7
Loans raised	1,096.0	200.8
Cash flow from financing activities	329.1	- 91.5
Change in cash and cash equivalents	- 125.0	151.5
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	17.3	0.7
Cash and cash equivalents at the end of the period	235.1	356.0

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Reconciliation

€ in millions	9 months 2022	9 months 2021 ¹
EBIT	827.2	676.4
Extraordinary effects	26.1	22.7
Amortization	76.3	63.7
Normalized financial result ²	- 23.1	- 20.9
Normalized income tax (27%) ³	- 244.8	- 200.3
Underlying net result after tax	661.8	541.7
Non-controlling interest	- 160.6	- 134.6
Underlying earnings after taxes and non-controlling interest	501.2	407.0
Underlying earnings per share		
per ordinary share in €	7.32	5.94
per preference share in €	7.33	5.95

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2 Financial result excluding fair value adjustments of hedging instruments and effects related to accounting of share-based earn-outs and non-periodic expenses and income

3 Income tax considering the average group tax rate, based on the underlying profit before tax