

Aubagne, France, January 26, 2023

Preliminary results 2022 of Sartorius Stedim Biotech

- Sales revenue of 3,493 million euros, in constant currencies¹ up 13.2 percent organically¹ and up 15.1 percent including acquisitions (reported: up 21.0 percent)
- Underlying EBITDA¹ at 1,221 million euros, resulting margin at 35.0 percent
- As expected noticeable normalization of demand
- Outlook for 2023: Sales revenue growth in the low single-digit percentage range, excluding Covid-19-related business in the mid to high single-digit range; underlying EBITDA margin around prior-year level
- Uncertainties due to the global political and economic situation remain high
- Outlook for 2025 fundamentally confirmed, sales revenue target raised to around 4.4 billion euros due to inflation-based changes in price levels; profitability target unchanged at more than 35 percent

Following extraordinary growth in 2020 and 2021, Sartorius Stedim Biotech, a leading partner of the biopharma industry, again outperformed the market in fiscal 2022. According to preliminary figures, the company recorded double-digit percentage growth in sales revenue and earnings year-over-year. For fiscal 2023, Sartorius Stedim Biotech projects further growth and continued high profitability.

“After two exceptionally dynamic years, we delivered another year of strong results. Despite the challenging operating environment, our growth was broad-based across the portfolio and the geographies, and we see us a good year ahead of our mid-term plan. Not surprisingly, 2023 will show a trend back towards our underlying growth path. For the current year, we expect moderate sales revenue growth and aim to maintain our profit margin at around the high prior-year level. As we look ahead, we find the fundamental growth drivers in our markets fully intact. Demand for biopharmaceuticals is on the rise in all indication areas and regions, and at the same time the biotech industry is in an extraordinarily innovative phase. We are excellently positioned to support our customers in their endeavors and to seize the opportunities that arise from this. Substantial investments into capacities and acquisitions that expand our capabilities will therefore remain part of our growth strategy. While our basic assessment of mid-term market trends has not changed, we are raising our 2025 sales revenue forecast to around 4.4 billion euros to reflect changes in price levels caused by inflation. At the same time, we confirm our profitability target of an EBITDA margin of more than 35 percent,” said Joachim Kreuzburg, Chairman of the Board of Directors and CEO.

Business development of the Group¹

Sales revenue rose by 15.1 percent in constant currencies (organic: +13.2 percent; reported: +21.0 percent) year-over-year to 3,493 million euros in fiscal 2022, driven by significant organic growth. As expected, the contribution from acquisitions² was around 2 percentage points. All product areas recorded growth, while

the Covid-19-related business declined significantly from the prior year. All three business regions – EMEA³, the Americas, and Asia | Pacific – expanded significantly, with the Americas region posting the strongest gain. The restrictions in China caused by the pandemic as well as the strong reduction of the business in Russia impacted growth to a relatively minor extent.

Following two exceptionally strong years due to the pandemic, order intake¹ as expected recorded a year-over-year decline against the backdrop of demand normalization and a significantly lower Covid-19-related business, reaching 3,315 million euros (in constant currencies: -13.0 percent, reported: -9.5 percent). Excluding the Covid-19-related business, order intake would have grown slightly. The development of the previous two years had been positively influenced by high demand from coronavirus vaccine manufacturers and changed ordering patterns by some customers, who had placed orders larger in size and further in advance than usual.

Underlying EBITDA rose by 18.2 percent to 1,221 million euros in 2022. The resulting margin was 35.0 percent, compared to 35.8 percent in the prior year. The 2021 margin had been positively influenced by a partially delayed cost development, for example as a result of deferred new hires in relation to sales revenue growth because of the pandemic and low business travel activity. As planned, these cost positions normalized in 2022 and had a dampening effect on profitability. Price effects on the procurement and customer sides largely offset each other.

Relevant net profit¹ reached 797 million euros, representing an increase of 15.8 percent from the prior year. Underlying earnings per share were 8.64 euros (prior year: 7.46 euros).

Key financial indicators

Sartorius Stedim Biotech continues to have a very sound balance sheet and financial base. Equity was 2,514 million euros as of December 31, 2022, corresponding to an equity ratio¹ of 49.6 percent (December 31, 2021: 1,733 million euros and 43.9 percent, respectively), and gross debt was 1,136 million euros (December 31, 2021: 626 million euros). Net debt stood at 1,029 million euros, resulting in a ratio of net debt to underlying EBITDA¹ of 0.8 (December 31, 2021: 402 million euros and 0.4, respectively). Cash flow from investing activities was -442 million euros, compared with -324 million euros in 2021. The ratio of capital expenditures (CAPEX) to sales revenue was 12.3 percent (prior year: 11.2 percent).

Increase in the number of employees

As of December 31, 2022, Sartorius Stedim Biotech had a total of 11,934 employees worldwide, 1,525 more than at the end of 2021. Following a significant increase in the first six months of 2022, the pace of new hires slowed down as the second half of the year began, as planned.

Outlook for fiscal 2023

Following the exceptionally strong previous years, Sartorius Stedim Biotech expects further growth in 2023 despite demand normalization and anticipated further declines in the Covid-19-related business. Consolidated sales revenue is expected to increase by an amount in the low single-digit percentage range. Excluding the Covid-19-related business, the increase would be in the mid to high single-digit percentage range. Acquisitions are anticipated to contribute around 1 percentage point to growth. The Group's underlying EBITDA margin should be around the level of the prior year (35.0 percent).

The company will continue its comprehensive capacity expansion program in 2023. The CAPEX ratio should be at roughly 12.5 percent and the ratio of net debt to underlying EBITDA at about 0.5. Possible acquisitions are not included in this projection.

Medium-term sales revenue target for fiscal 2025 updated

Based on the unchanged strong fundamental growth trends in its markets and the resulting positive prospects for the company, Sartorius Stedim Biotech confirms its fundamental growth projections. In light of increased inflation and associated price adjustments, the company therefore is making a mathematical adjustment to its medium-term sales revenue forecast and now expects sales revenue of around 4.4 billion euros in 2025 (previously around 4 billion euros). Sartorius Stedim Biotech plans to achieve this sales revenue increase primarily through organic growth and additionally by acquisitions.

The forecast for the Group's underlying EBITDA margin in 2025 remains unchanged at more than 35 percent. The margin target includes expenses of around 1 percent of Group sales revenue for measures to reduce the company's CO₂ emission intensity.

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 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 Stedim Biotech publishes alternative performance measures that are not defined by international accounting standards. These are determined with the aim of improving the comparability of business performance over time and within the industry.

- Constant currencies: Figures given in constant currencies eliminate the impact of changes in exchange rates by applying the same exchange rate for the current and the previous period
- Organic: Organic growth figures exclude the impact from changes in exchange rates and changes in the scope of consolidation
- 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 amortization, as well as based on the normalized financial result and the normalized tax rate
- Equity ratio: Equity in relation to the balance sheet total
- 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 Acquisitions of CellGenix, Xell, the Novasep chromatography division, and Albedimex

3 EMEA = Europe, Middle East, Africa

This press release contains forward-looking statements about the future development of the Sartorius Stedim Biotech Group. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such statements. Sartorius Stedim Biotech assumes no liability for updating such statements in light of new information or future events. Sartorius Stedim Biotech shall not assume any liability for the correctness of this release. The original French press release is the legally binding version.

Conference call

Joachim Kreuzburg, Chairman of the Board of Directors and CEO of the Sartorius Stedim Biotech Group, will discuss the company's business results with analysts and investors in a conference call at 3.30 p.m. CEST on January 26, 2023. You may register by clicking on the following link:

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=CeBr4sGd>

Further information

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

Financial calendar

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)

Preliminary key figures for the full year of 2022

In millions of € unless otherwise specified	2022	2021	Δ in % Reported	Δ in % cc ¹
Order Intake and Sales Revenue				
Order intake	3,314.8	3,664.4	-9.5	-13.0
Sales revenue	3,492.7	2,887.0	21.0	15.1
▪ EMEA	1,318.8	1,199.3	10.0	9.2
▪ Americas	1,277.8	946.0	35.1	21.4
▪ Asia Pacific	896.2	741.7	20.8	16.7
Results				
EBITDA ²	1,221.4	1,033.4	18.2	
EBITDA margin ² in %	35.0	35.8	-0.8pp	
Net profit ³	796.6	687.8	15.8	
Earnings per share ³ in €	8.64	7.46	15.8	

1 In constant currencies

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

3 Relevant / underlying net profit = net profit after non-controlling interest; adjusted for extraordinary items and amortization, as well as based on a normalized financial result and normalized tax rate

Reconciliation

In millions of €, unless otherwise specified	2022	2021
EBIT (operating result)	995.2	865.4
Extraordinary items	46.3	26.5
Depreciation and amortization	179.9	141.5
Underlying EBITDA	1,221.4	1,033.4
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In millions of €, unless otherwise specified	2022	2021
EBIT (operating result)	995.2	865.4
Extraordinary items	46.3	26.5
Amortization IFRS 3	60.7	48.6
Normalized financial result ¹	-20.6	-11.2
Normalized income tax (26%) ²	-281.2	-241.6
Underlying net result	800.4	687.7
Non-controlling interest	-3.8	0.1
Underlying net result after non-controlling interest	796.6	687.8
Underlying earnings per share (in €)	8.64	7.46

1 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability

2 Normalized income tax based on the underlying profit before taxes and amortization

in millions of € unless otherwise specified	2022	2021
Gross debt	1,135.7	625.5
- Cash & cash equivalents	107.1	223.6
Net debt	1,028.6	401.9
Underlying EBITDA (12 months)	1,221.4	1,033.4
+ Pro forma EBITDA from acquisitions (12 months)	11.7	6.1
Pro forma underlying EBITDA	1,233.1	1,039.5
Net debt to underlying EBITDA	0.8	0.4

in millions of € unless otherwise specified	2022	2021
Sales revenue	3,492.7	2,887.0
Capital expenditures	430.6	324.0
Capital expenditures as % of sales revenue	12.3	11.2

A profile of Sartorius Stedim Biotech

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a total solutions provider, the company helps its customers to manufacture biotech medications safely, rapidly and economically. Headquartered in Aubagne, France, the shares of Sartorius Stedim Biotech S.A. are quoted on the Euronext Paris. With its own manufacturing and R&D sites in Europe, North America and Asia and an international network of sales companies, Sartorius Stedim Biotech has a global reach. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions of complementary technologies. In 2022, the company employed roughly 12,000 people, and earned sales revenue of around 3.5 billion euros, according to preliminary figures.

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