

SARTORIUS

Simplifying Progress

Conference Call Preliminary FY 2022 Results

Joachim Kreuzburg, Rainer Lehmann

Sartorius | Sartorius Stedim Biotech | January 26, 2023



Overview

- Sales revenue +15%cc to €4.2bn: both divisions show double-digit growth
- Underlying EBITDA +20% to €1.4bn; margin of 33.8% close to high prior-year level
- Outlook 2023: low single-digit sales growth, high single-digit excluding Covid business; underlying EBITDA margin around prior-year level
- Ambition 2025: fundamentally confirmed; sales revenue target increased for inflation to ~€5.5bn, margin target unchanged
- Uncertainties remain high due to global geopolitical and economic situation



Agenda

Sartorius Group
Preliminary FY 2022 results |
FY 2023 outlook | Ambition 2025

Sartorius Stedim Biotech Group
Preliminary FY 2022 results |
FY 2023 outlook | Ambition 2025

Questions & Answers



Strong double-digit sales growth, margin close to high prior-year level

Sartorius Group in millions of € unless otherwise specified	FY 2021	FY 2022	▲ in %	▲ in % cc ¹
Sales revenue	3,449	4,175	+21.0	+15.0
Order intake	4,268	4,007	-6.1	-10.1
Underlying EBITDA ²	1,175	1,410	+20.0	
Underlying EBITDA ² margin in %	34.1	33.8	-0.3pp	
Underlying EPS ³ (ord.) in €	8.08	9.57	+18.4	
Underlying EPS ³ (pref.) in €	8.09	9.58	+18.4	

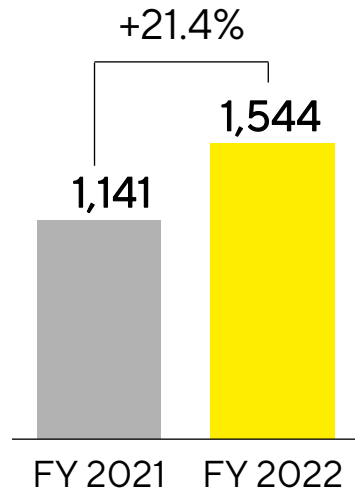
- Strong organic sales growth; acquisitions contribute close to 2pp; Covid-related sales significantly down to ~€220m
- OI reflects normalizing demand and substantially lower Covid business; excl. Covid business OI growth is slightly positive
- Strong underlying EBITDA margin close to prior year despite expected catch-up of costs and slight FX-related headwinds

1 Constant currencies 2 Underlying = excluding extraordinary items 3 Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and normalized tax rate

High growth across all geographies; Americas expand the fastest

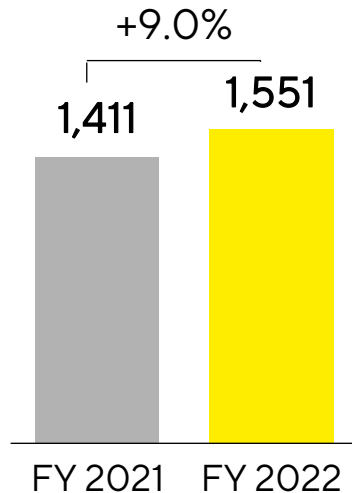
Americas

€ in millions



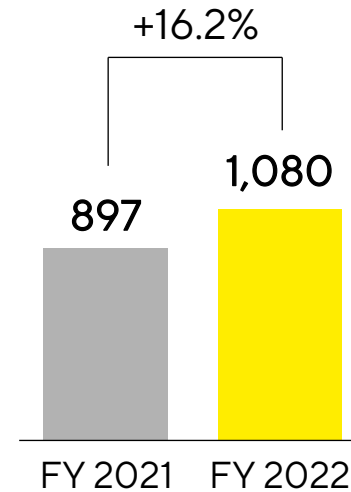
EMEA

€ in millions



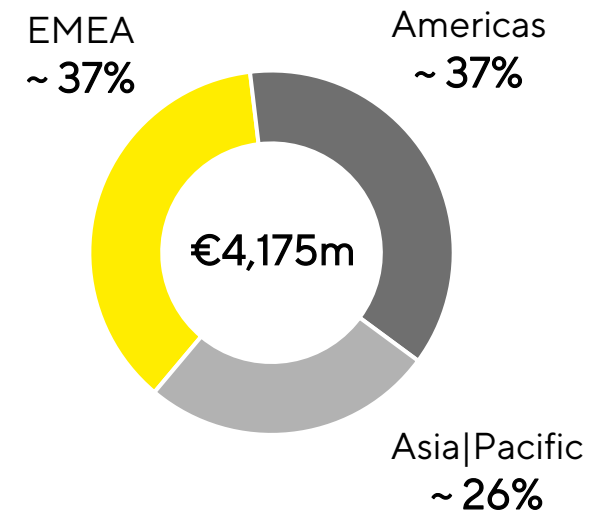
Asia|Pacific

€ in millions



Sales by Region

in %



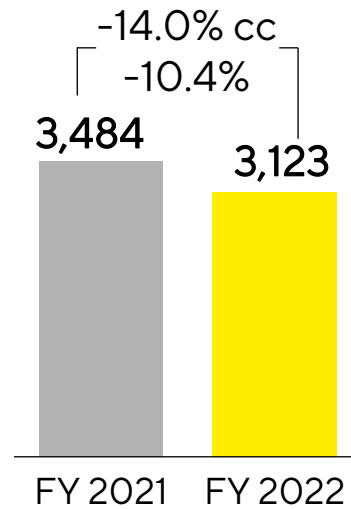
- The Americas contribute most to strong sales revenue growth
- Good growth in EMEA despite tough comparables; strong reduction of business in Russia
- Partial lockdowns in China with no significant impact on growth in Asia|Pacific

Acc. to customers' location; growth in constant currencies

Bioprocess Solutions: Double-digit increase in sales revenue and earnings; order intake continues to normalize

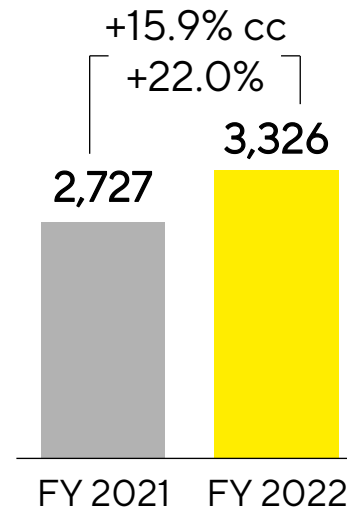
Order Intake

€ in millions



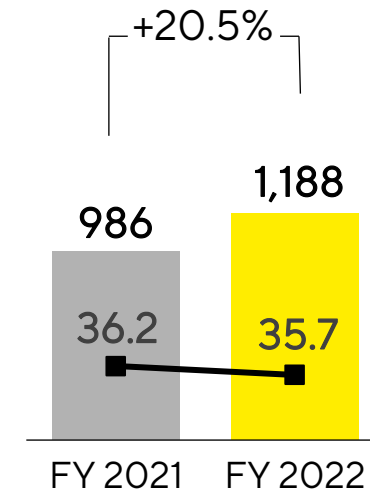
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions

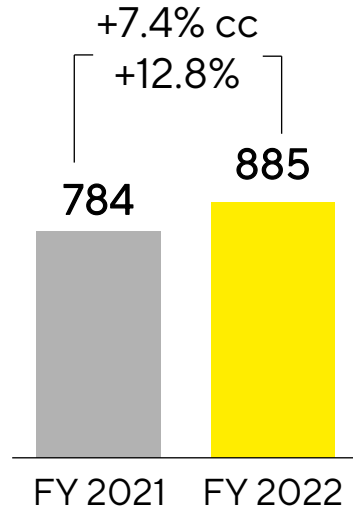


- Acquisitions contribute around 2pp to sales growth, Covid-related sales significantly down to ~€200m
- OI reflects normalizing demand and substantially lower Covid business; excluding Covid business OI growth is slightly positive
- Strong underlying EBITDA margin despite expected catch-up of costs

Lab Products & Services: Dynamic growth fueled by Bioanalytics business

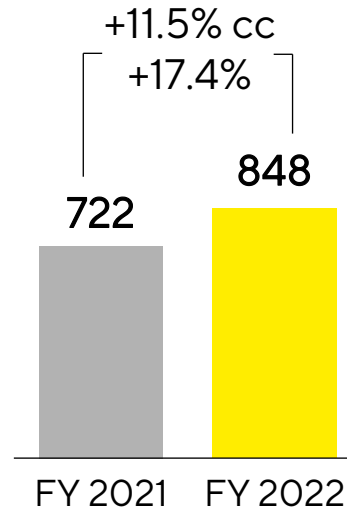
Order Intake

€ in millions



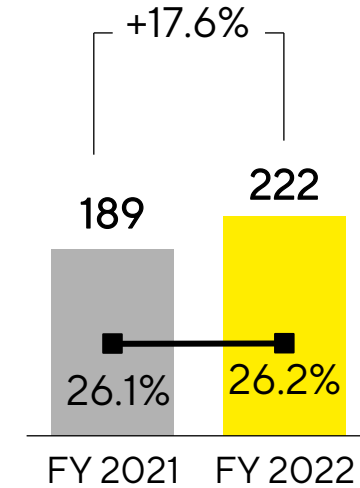
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- Acquisitions contribute around 1pp to sales growth; Covid-related sales down to ~€20m
- Very dynamic development of Bioanalytics portfolio in all regions
- EBITDA margin slightly up despite expected catch-up of costs and some FX-related headwinds

Strong cash flow, high investments, growth-related build-up of working capital

Sartorius Group in millions of € unless otherwise specified	FY 2021	FY 2022	▲ in %
Underlying EBITDA	1,175	1,410	+20.0
Extraordinary items	-41	-60	-48.3
Financial result	-235	117	n.m.
Underlying net profit ^{1,2}	553	655	+18.4
Reported net profit ²	319	678	+112.6
Operating cash flow	873	734	-15.9
Investing cash flow ³	-570	-1,130	-98.4
CAPEX ratio (in %)	11.8	12.5	+0.7pp

- Higher inventories to support supply security effect cash flow
- Financial result influenced by valuation of BIA Separation's earn-out liability
- Investing cash flow reflects substantial CAPEX program and acquisitions of ALS, Novasep and Alumedix

1 Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and a normalized tax rate 2 After non-controlling interest 3 Net cash flow from investing activities and acquisitions

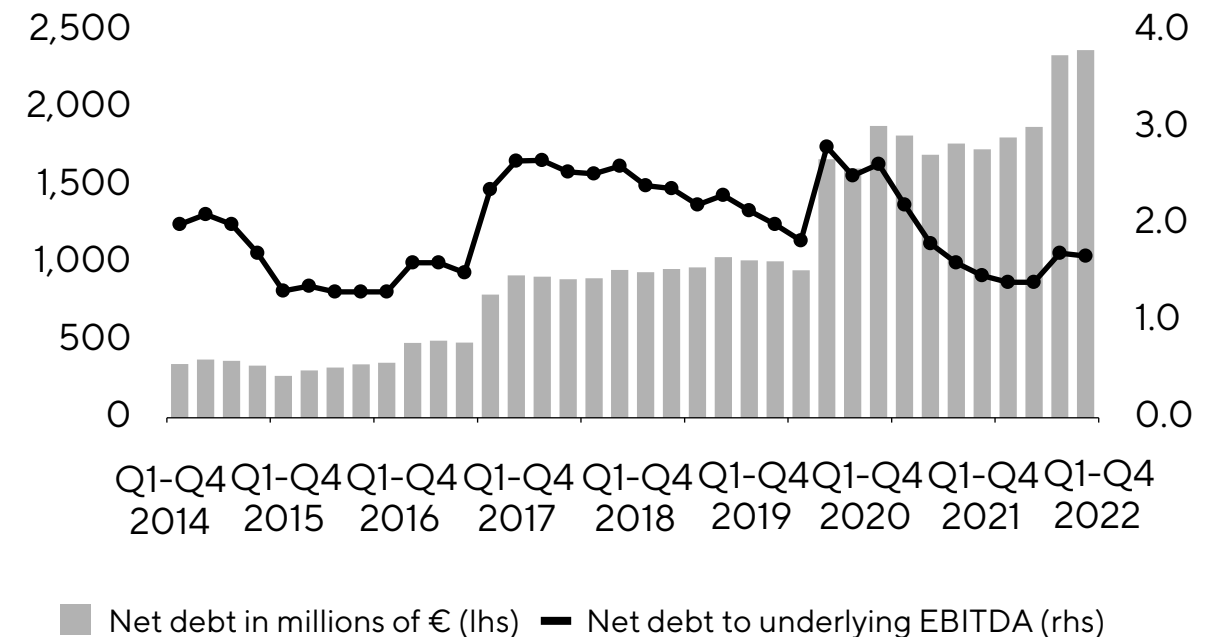
Very sound balance sheet and financial KPI

Key Financial Indicators

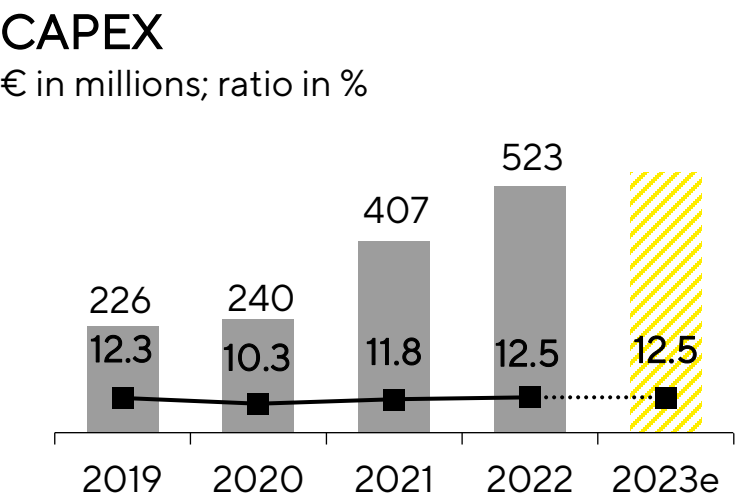
Sartorius Group	Dec. 31, 2021	Dec. 31, 2022
Equity ratio in %	30.2	38.1
Net debt in millions of €	1,733	2,375
Net debt underlying EBITDA ¹	1.5	1.7

¹ Includes underlying pro forma EBITDA of acquisitions completed in 2021 and 2022

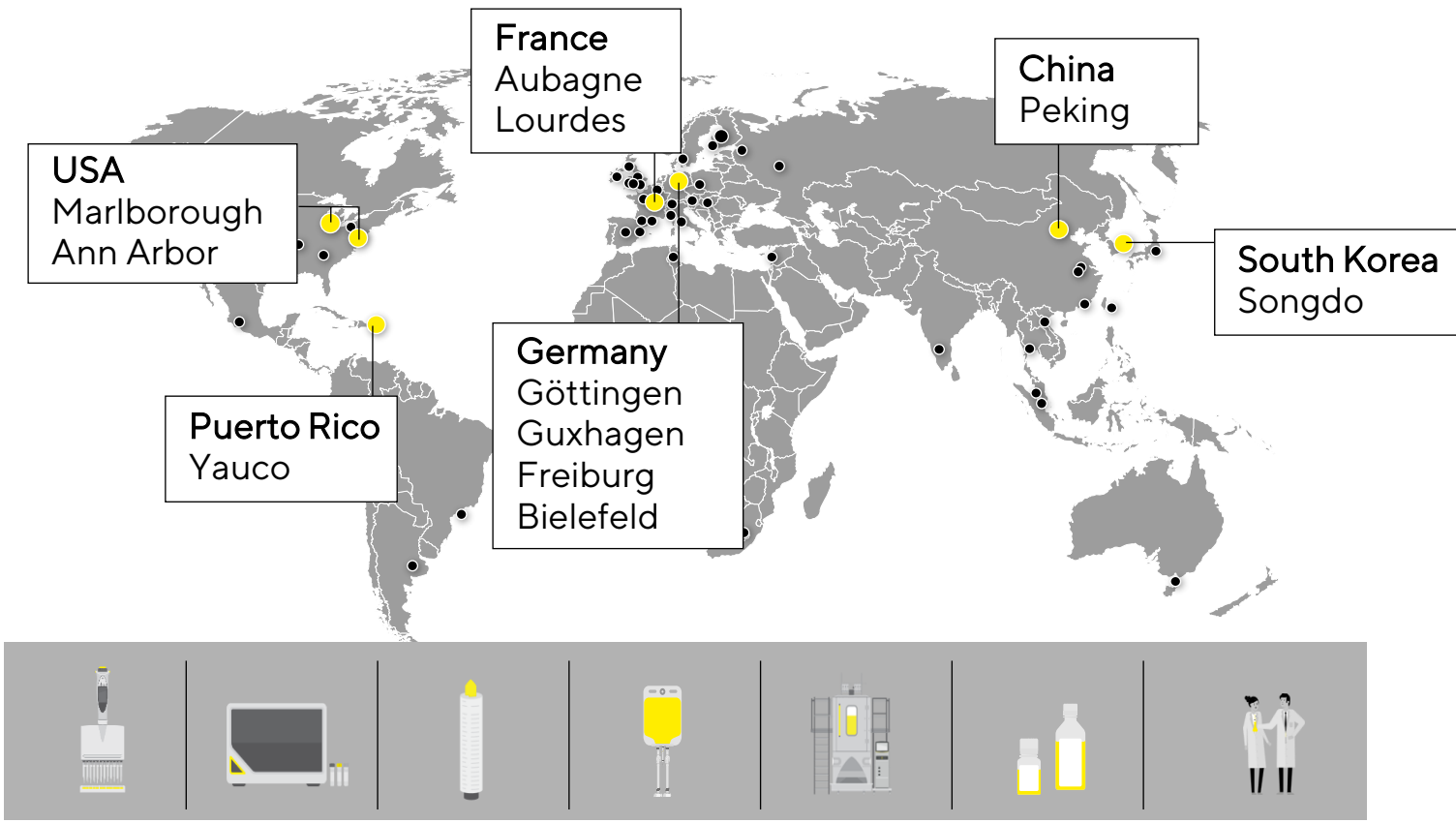
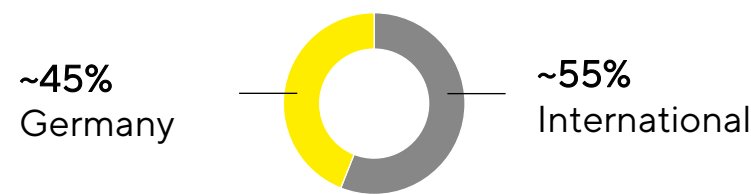
Net Debt and Net Debt to Underlying EBITDA



Substantial CAPEX investment program across all regions and product areas to support growth ambitions



2022: €523m invested



Expansion projects proceeding according to plan



Ann Arbor, Michigan, USA
Bioanalytics products and services



Göttingen, Germany
Product development, membrane production, filtration



Songdo, South Korea
Cell culture media, bags, filtration, laboratories, training



Yauco, Puerto Rico, USA
Cell culture media, bags, filtration



Aubagne, France
Clean rooms, product development, laboratories, offices, storage



Peking, China
Bags

Outlook 2023: moderate top-line growth due to demand normalization and low Covid business; strong market fundamentals fully intact

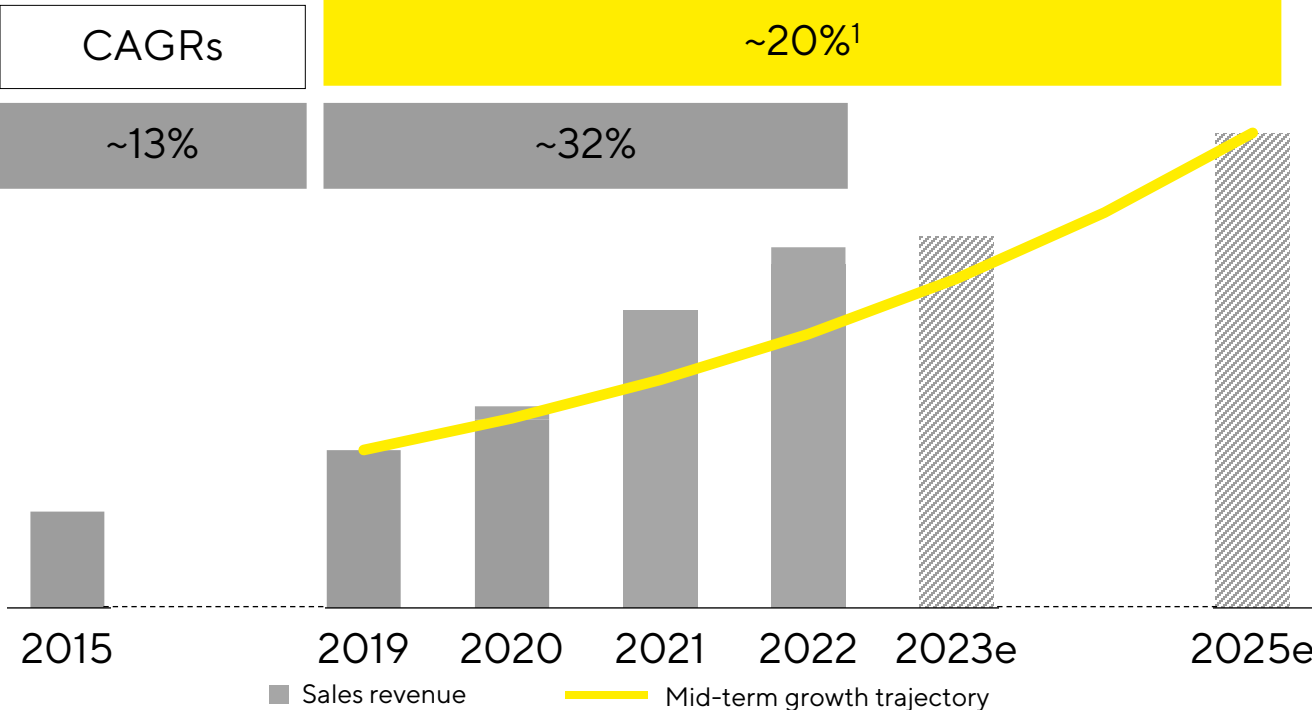
Guidance 2023 ¹	Sales revenue growth (in %)	Underlying EBITDA margin
Sartorius Group	Low single-digit	Around prior-year level
excluding Covid-related business thereof from acquisitions	High single-digit ~1pp	
Bioprocess Solutions	Low single-digit	Around prior-year level
excluding Covid-related business thereof from acquisitions	High single-digit ~1pp	
Lab Products & Services	Mid single-digit	Around prior-year level
excluding Covid-related business	High single-digit	

- Covid-related business expected to become marginal
- Margin targets include expenses for reduction of CO₂ emission intensity of around 1% of sales
- CAPEX ratio expected at around 12.5%
- Net debt to underlying EBITDA anticipated at around 1.5

¹ In constant currencies

Running around one year ahead of our mid-term plan

Recent business development vs. mid-term growth trajectory



- Sales revenues in 2021 and 2022 substantially impacted by direct and indirect Covid effects
- Thus growth 2019-2022 significantly exceeds fundamental market growth
- Strong market fundamentals fully intact, projected growth 2019-2025 well above previous periods and initial expectations

¹ Including inflationary adjustments

Ambition 2025: revenue targets updated for inflation effects on price levels; profitability unchanged

	BPS	LPS	Sartorius Group
Sales revenue	~ €4.2bn previously ~€3.8bn	~ €1.3bn previously ~€1.2bn	~ €5.5bn previously ~€5.0bn
EBITDA margin	~ 36% unchanged	~ 28% unchanged	~ 34% unchanged

- 2025 revenue targets do not contain any potential Covid sales
- Margin targets include expenses for reduction of CO₂ emission intensity of around 1% of sales.

2025 targets are based on current currency exchange rates; EBITDA excluding extraordinary items

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Questions & Answers



Strong double-digit sales growth; margin close to high prior-year level

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	FY 2021	FY 2022	▲ in %	▲ in % cc ¹
Sales revenue	2,887	3,493	+21.0	+15.1
Order intake	3,664	3,315	-9.5	-13.0
Underlying EBITDA ²	1,033	1,221	+18.2	
Underlying EBITDA ² margin in %	35.8	35.0	-0.8pp	
Underlying EPS ³ in €	7.46	8.64	+15.8	

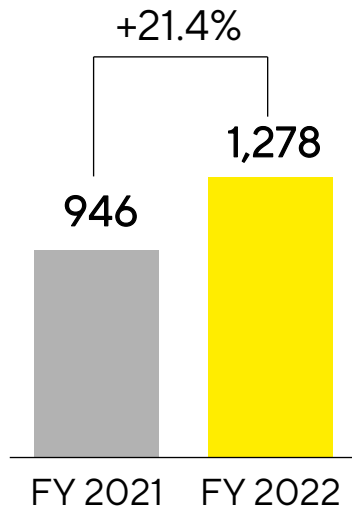
- Acquisitions contribute around 2pp to sales growth; Covid-related sales significantly down to ~€210m
- OI reflects normalizing demand and substantially lower Covid business; excl. Covid business OI growth is slightly positive
- Strong underlying EBITDA margin despite expected catch-up of costs

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High growth across all geographies; Americas expand the fastest

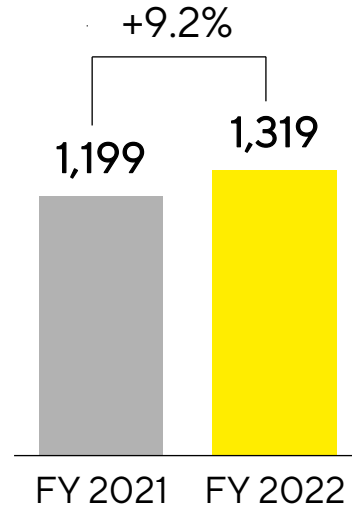
Americas

€ in millions



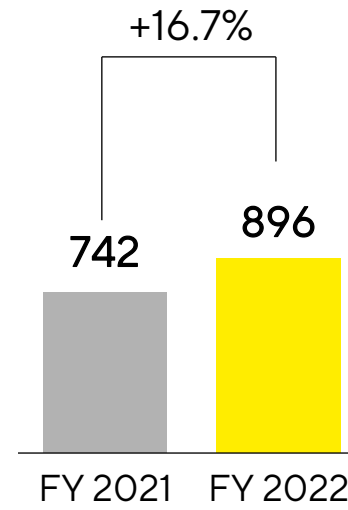
EMEA

€ in millions



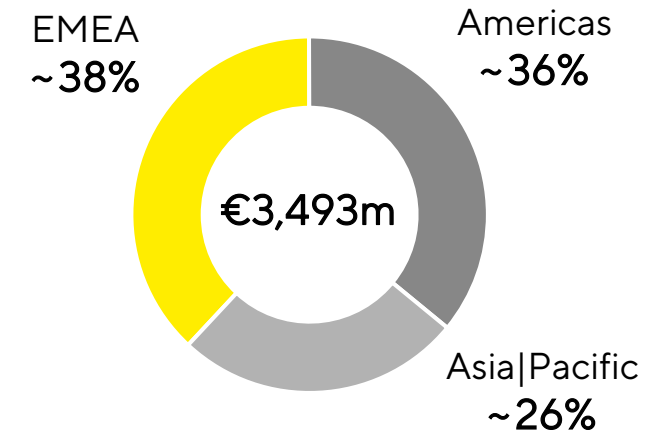
Asia|Pacific

€ in millions



Sales by Region

in %



- The Americas contribute most to strong sales revenue growth
- Good growth in EMEA despite tough comparables; strong reduction of business in Russia
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Acc. to customers' location; growth in constant currencies

Strong cash flow, high investments, growth-related build-up of working capital

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	FY 2021	FY 2022	▲ in %
Underlying EBITDA	1,033	1,221	+18.2
Extraordinary items	-26	-46	-75.0
Financial result	-219	135	n.m.
Underlying net profit ^{1,2}	688	797	+15.8
Reported net profit ²	414	876	+111.4
Operating cash flow	702	612	-12.8
Investing cash flow ³	-465	-958	-105.8
CAPEX ratio (in %)	11.2	12.3	+1.1pp

- Higher inventories to support supply security effect cash flow
- Financial result influenced by valuation of BIA Separations' earn-out liability
- Investing cash flow reflects substantial CAPEX program and acquisitions of Novasep and Albumedix

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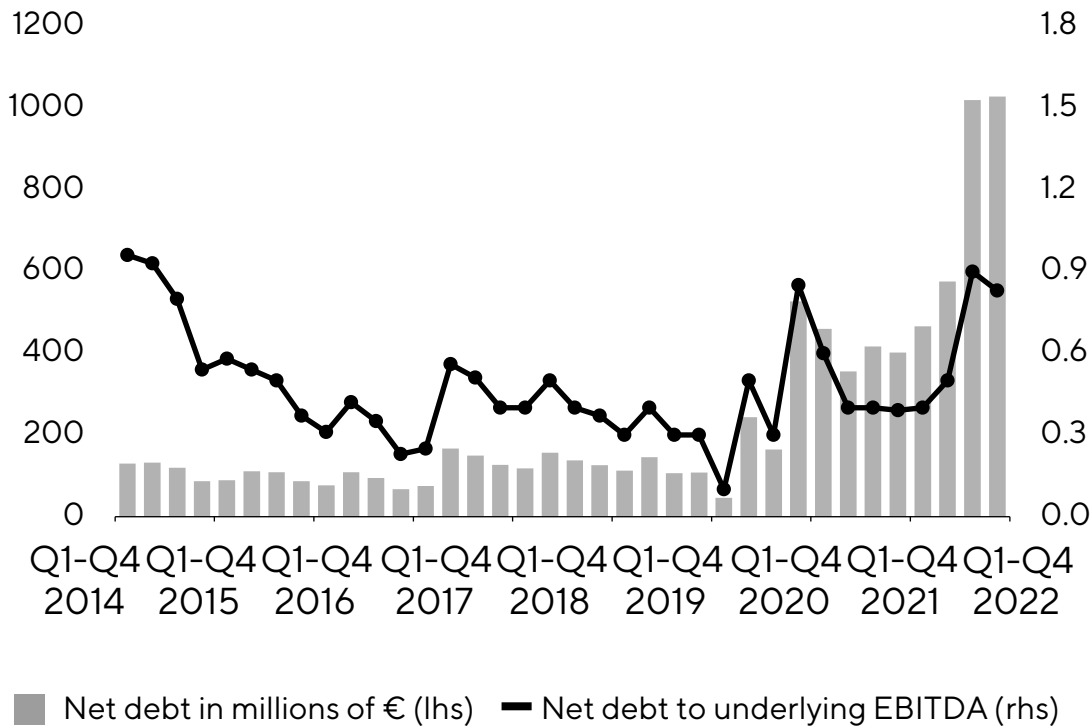
Very sound balance sheet and financial KPI; debt ratio remains low

Key Financial Indicators

Sartorius Stedim Biotech Group	Dec. 31, 2021	Dec. 31, 2022
Equity ratio in %	43.9	49.6
Net debt in millions of €	402	1,029
Net debt underlying EBITDA ¹	0.4	0.8

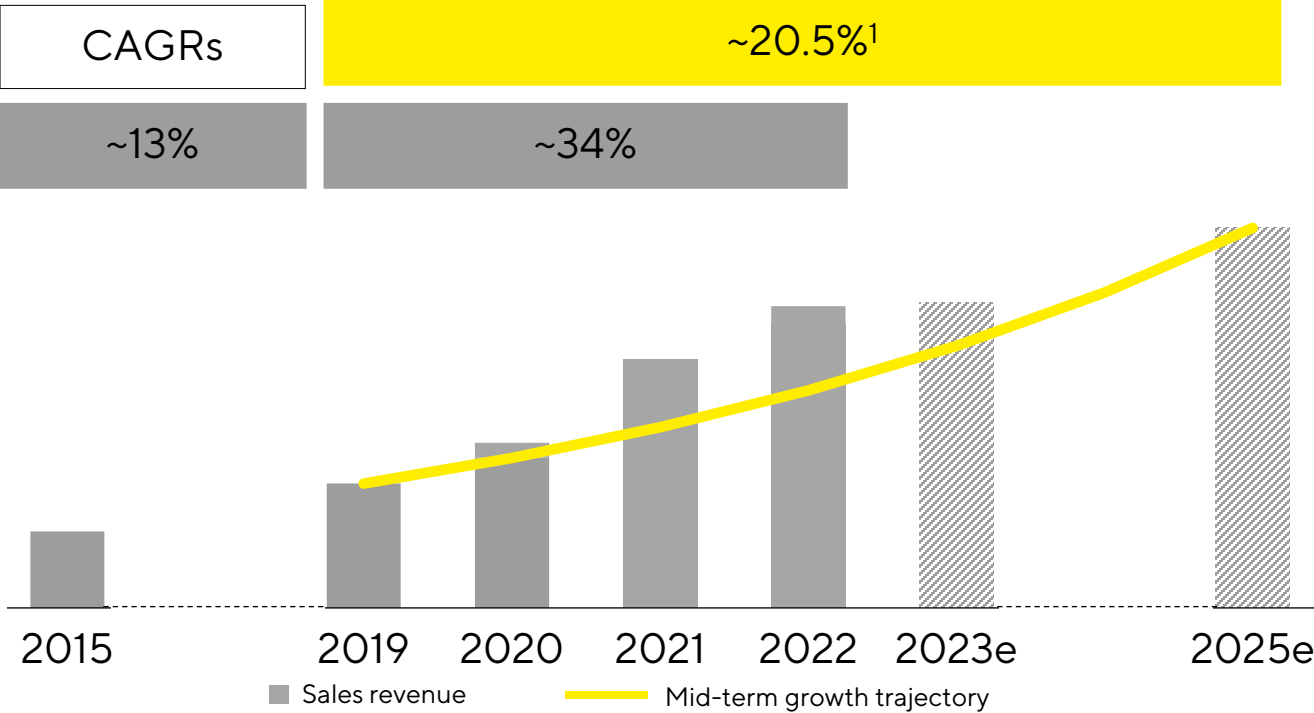
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Net Debt and Net Debt to Underlying EBITDA



Running around one year ahead of our mid-term plan

Recent business development vs. mid-term growth trajectory



- Sales revenues in 2021 and 2022 substantially impacted by direct and indirect Covid effects
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¹ Including inflationary adjustments

Outlook 2023: moderate top-line growth due to demand normalization and low Covid business; strong market fundamentals fully intact

Guidance 2023 ¹	Sales revenue growth (in %)	Underlying EBITDA margin
Sartorius Stedim Biotech Group	Low single-digit	Around prior-year level
excluding Covid-related business thereof from acquisitions	Mid to high single-digit ~1pp	

- Covid-related business expected to become marginal
- Margin target includes expenses for reduction of CO₂ emission intensity of approx. 1% of sales
- CAPEX ratio expected at around 12.5%
- Net debt to underlying EBITDA anticipated at around 0.5

¹ In constant currencies

Ambition 2025: revenue target updated for inflation effects on price levels; profitability unchanged

Sartorius Stedim Biotech

Sales
revenue

€4.4bn

previously ~€4.0bn

EBITDA
margin

>35%

unchanged

- 2025 revenue target does not contain any potential Covid sales
- The margin target includes expenses for reduction of the company's CO₂ emission intensity of around 1% of sales

2025 targets are based on current currency exchange rates; EBITDA excluding extraordinary items

Questions & Answers



Disclaimer

This presentation contains statements concerning the future performance of the Sartorius and the Sartorius Stedim Biotech Groups. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we cannot guarantee that they will actually materialize. This is because our assumptions harbor risks and uncertainties that could lead to actual results substantially diverging from the expected ones. It is not planned to update our forward-looking statements.

Throughout this presentation, differences may be apparent as a result of rounding during addition.
