

Disclosure of inside information according to Article 17 MAR

Sartorius lowers forecast for 2023

Based on continuing general weak demand dynamics, Sartorius expects sales revenue to develop below expectations in the second half of the year and thus adapts its guidance for both divisions as well as for the Group for fiscal 2023. The main factors likely to dampen Sartorius' business development are the longer-than-expected lasting reduction in inventories among biopharma customers following the Covid-19 pandemic as well as the relatively low investment activities of customers due to available production capacities.

Accordingly, management now expects Group sales revenue to decline in the low to mid-teens percentage range in fiscal 2023; excluding Covid-19-related business, revenue would decline in the mid to high single-digit percentage range (previously: revenue growth in the low single-digit percentage range; excluding Covid-19-related business in the high single-digit percentage range). Acquisitions are expected to contribute around 1 percentage point to the sales revenue development, with the planned Polyplus acquisition not being included in this guidance.

Due to lower volume expectations, Sartorius expects an underlying EBITDA margin of around 30 percent, after previously forecasting a margin at about the prior-year level (PY: 33.8 percent).

The CAPEX ratio in 2023 is now projected at around 15 percent (previously around 12.5 percent) and the ratio of net debt to underlying EBITDA at around 2.2 (previously 1.5). Possible acquisitions, including the proposed Polyplus transaction, are not included in this projection.

For its Bioprocess Solutions division sales revenue is anticipated to decrease in the low to mid-teens percentage range; excluding Covid-19-related business in the high single-digit to low teens percentage range (previously: revenue growth in the low single-digit percentage range; without Covid-19-related business revenue growth in the high single-digit percentage range). Acquisitions are expected to contribute around 1 percentage point to the sales revenue development. The underlying EBITDA-margin is expected to be around 31 percent (previously around prior-year level; PY: 35.7 percent).

For its Lab Products & Services division Sartorius expects a low single-digit negative to stable sales revenue development; excluding Covid-19-related business, a range of low single-digit sales revenue decline to low single-digit sales revenue growth is anticipated (previously: revenue growth in the mid-single digit percentage range, excluding Covid-19-related business revenue growth in the high single-digit percentage range). The underlying EBITDA margin should be around 26 percent as previously forecasted (PY: 26.2 percent).

Sartorius views the current demand normalization after the pandemic as a phase that only temporarily overshadows the highly positive growth drivers of the life science and biopharma markets. Accordingly, the company does not change its medium-term targets until 2025.

Management also points out that the dynamics and volatilities in the industry have increased significantly in recent years. In addition, uncertainties due to the changed geopolitical situation, such as the emerging decoupling tendencies of various countries, are playing an increasing role. This results in increased uncertainty when forecasting business figures.

All forecast figures are based on constant currencies.

Sartorius will publish its half-year figures for 2023 as scheduled on July 21, 2023.

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.

- Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items
- 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

Göttingen, June 16, 2023

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