

Sartorius Stedim Biotech lowers forecast for 2023

Based on continuing general weak demand dynamics, Sartorius Stedim Biotech expects sales revenue to develop below expectations in the second half of the year and thus adapts its guidance for fiscal 2023. The main factors likely to dampen business development of Sartorius Stedim Biotech 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 sales revenue to decline in the low to mid-teens percentage range in fiscal 2023; excluding Covid-19-related business, sales revenue would decline in the high single-digit to low teens percentage range (previously: sales revenue growth in the low single-digit percentage range; excluding Covid-19-related business in the mid to 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 Stedim Biotech expects an underlying EBITDA margin of around 30 percent, after previously forecasting a margin at around the prior-year level (PY: 35.0 percent).

The ratio of capital expenditures (CAPEX) to sales revenue in 2023 is now projected at around 15 percent (previously: roughly 12.5 percent) and the ratio of net debt to underlying EBITDA at around 1.1 (previously: about 0.5). Possible acquisitions, including the proposed Polyplus transaction, are not included in this projection.

Sartorius Stedim Biotech 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 a greater role. This results in higher uncertainty when forecasting business figures.

All forecast figures are based on constant currencies.

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

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.

- 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

- 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

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