

Aubagne, France, April 20, 2023

## First-quarter results 2023 of Sartorius Stedim Biotech

- Sales revenue of 726 million euros, in constant currencies<sup>1</sup> -18.4 percent organically<sup>1</sup> and -17.2 percent including acquisitions<sup>2</sup> (reported: -15.8 percent)
- Underlying EBITDA<sup>1</sup> at 220 million euros, resulting margin at 30.3 percent
- Full-year outlook confirmed; uncertainties remain high due to the global political and economic situation

After the Covid-19-related business and inventory buildup by customers had triggered strong additional growth momentum in previous years, demand normalization at Sartorius Stedim Biotech continued throughout the first quarter of 2023, as expected, and led to a decline in sales revenue and earnings in the first three months of the year. For the full year, company management continues to expect moderate growth in sales revenue and a profit margin around the high prior-year level.

“Given the volatile environment and challenging comparisons, the first three months of the year were intense. As expected, destocking activities by customers continued and the Covid-19-related business has become marginal. While we adjusted our short-term capacities to current demand and have a strict eye on cost, our expectation remains unchanged that the normalization effects will play no significant role in the second half of the year. We therefore confirm our outlook for the full year 2023 though the economic environment also in our sector is currently highly uncertain,” said René Fáber, CEO of Sartorius Stedim Biotech. “At the same time, we initiated an important acquisition in the first quarter with the proposed takeover of the French company Polyplus, and continued with our ambitious investment program, underlying our confidence in the strong fundamentals of the biopharma market. Innovative therapies are gaining traction, customers’ pipelines are healthy, and we are well positioned to support them in their efforts to bring novel medications to market.”

### **Business development<sup>1</sup>**

As expected, normalization of demand, which has been ongoing since the third quarter of 2022, continued in the first quarter of 2023 in all regions, while Covid-19-related sales revenue almost declined entirely. In the first three months, Sartorius Stedim Biotech generated sales revenue of 726 million euros, which corresponds to a decrease of 17.2 percent in constant currencies (organic: -18.4 percent; reported: -15.8 percent) compared with the exceptionally high level of the prior-year period. Excluding the Covid-19-related business, the decline was in the upper single-digit percentage range.

Following an exceptionally strong prior-year period, order intake<sup>1</sup> reached 601 million euros (in constant currencies: -37.5 percent, reported: -36.7 percent), mainly due to the reduction of inventories that customers had built up during the pandemic.

Underlying EBITDA decreased by 27.5 percent to 220 million euros in the first three months of the year as a result of the sales revenue drop and a higher cost base. The resulting margin was 30.3 percent, compared with 35.2 percent in prior-year period. Price effects on the procurement and customer sides largely offset each other.

Relevant net profit<sup>1</sup> was 131 million euros, compared with 203 million euros in the first quarter of 2022. Underlying earnings per share stood at 1.43 euros (prior-year period: 2.21 euros). The number of employees worldwide was 11,581 on March 31, 2023, compared with 11,934 at the end of 2022.

### Key financial indicators

Sartorius Stedim Biotech continues to have a very sound balance sheet and financial base. Equity was 2,454 million euros as of March 31, 2023, corresponding to an equity ratio<sup>1</sup> of 48.2 percent (December 31, 2022: 2,514 million euros and 49.6 percent, respectively), and gross debt was 1,307 million euros (December 31, 2022: 1,136 million euros). Net debt stood at 1,213 million euros, resulting in a ratio of net debt to underlying EBITDA<sup>1</sup> of 1.1 (December 31, 2022: 1,029 million euros and 0.8, respectively). Cash flow from investing activities was -116 million euros, compared with -77 million euros in the first quarter of 2022. The ratio of capital expenditures (CAPEX) to sales revenue was 16.0 percent (prior-year period: 8.9 percent).

### Outlook for fiscal 2023

The management confirms its outlook for the current fiscal year. Accordingly, 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, with the proposed purchase of Polyplus not being included in the projection. The Group's underlying EBITDA margin should be around the level of the prior year (35.0 percent).

The company is continuing its comprehensive mid-term 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, including the proposed acquisition of Polyplus, 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 significantly increased over the past years. Moreover, the forecasts are based on the assumption of no deterioration in the geopolitical and global economic situation, particularly with regard to supply chains and trade barriers. Accordingly, current forecasts show higher uncertainties than usual.*

<sup>1</sup> 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 the Novasep chromatography division and Albedix

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

René Fáber, 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 April 20, 2023. You may register by clicking on the following link: <https://media.choruscall.eu/mediaframe/webcast.html?webcastid=yQc2mAvC>

### Further information

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

### Financial calendar

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 Stedim Biotech

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a provider of innovative solutions, the company based in Aubagne, France, helps its customers to manufacture biotech medications safely, rapidly and economically. The shares of Sartorius Stedim Biotech S.A. are quoted on the Euronext Paris. The company has a strong global reach with manufacturing and R&D sites as well as sales entities in Europe, North America and Asia. Sartorius Stedim Biotech delivers significant organic growth and regularly expands its portfolio through acquisitions of complementary technologies. In fiscal 2022, the company generated sales revenue of around 3.5 billion euros. At the end of 2022, around 12,000 employees were working for customers around the globe.

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## Key Performance Indicators for the First Quarter of 2023

in millions of € unless otherwise specified	Q1 2023	Q1 2022 <sup>1</sup>	Δ in % Reported	Δ in % cc <sup>2</sup>
<b>Order Intake and Sales Revenue</b>				
Order intake	601.3	949.7	-36.7	-37.5
Sales revenue	726.1	862.5	-15.8	-17.2
▪ EMEA	296.8	348.6	-14.8	-16.2
▪ Americas	258.2	293.7	-12.1	-15.6
▪ Asia   Pacific	171.1	220.2	-22.3	-21.1
<b>Results</b>				
Underlying EBITDA <sup>3</sup>	220.1	303.7	-27.5	
Underlying EBITDA margin <sup>3</sup> in %	30.3	35.2		
Underlying net profit <sup>4</sup>	131.4	203.4	-35.4	
Earnings per share <sup>4</sup> in €	1.43	2.21	-35.4	
Net profit <sup>5</sup>	111.1	270.2	-58.9	

1 The previous year's figures have been slightly restated due to finalization of the purchase price allocation for the acquisition of the Novasep Chromatography Division at the beginning of 2022

2 cc = constant currency

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

4 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

5 After non-controlling interest

## Reconciliation

in millions of €	Q1 2023	Q1 2022 <sup>1</sup>
EBIT (operating result)	153.7	261.3
Extraordinary items	17.8	1.9
Depreciation & amortization	48.6	40.6
<b>Underlying EBITDA</b>	<b>220.1</b>	<b>303.7</b>

In millions of €, unless otherwise specified	Q1 2023	Q1 2022 <sup>1</sup>
EBIT (operating result)	153.7	261.3
Extraordinary items	17.8	1.9
Amortization   IFRS 3	16.8	14.8
Normalized financial result <sup>2</sup>	-10.3	-2.7
Normalized income tax (26%) <sup>3</sup>	-46.3	-71.6
<b>Underlying net result after taxes</b>	<b>131.8</b>	<b>203.7</b>
Non-controlling interest	-0.4	-0.3
<b>Underlying net result after taxes and non-controlling interest</b>	<b>131.4</b>	<b>203.4</b>
Underlying earnings per share (in €)	1.43	2.21

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

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

In millions of €, unless otherwise specified	Q1 2023	Q1 2022 <sup>1</sup>
Gross debt	1,306.8	631.1
- Cash and cash equivalents	94.0	165.1
<b>Net debt</b>	<b>1,212.8</b>	<b>466.0</b>
Underlying EBITDA (12 months)	1,137.8	1,105.5
+ Pro forma EBITDA (12 months)	7.3	10.9
<b>Pro forma underlying EBITDA (12 months)</b>	<b>1,145.0</b>	<b>1,116.4</b>
<b>Ratio of net debt to underlying EBITDA</b>	<b>1.1</b>	<b>0.4</b>

  

In millions of €, unless otherwise specified	Q1 2023 € in mn	Q1 2022 <sup>1</sup> € in mn
Sales revenue	726.1	862.5
Capital expenditures	115.8	77.2
<b>Capital expenditures as % of sales revenue</b>	<b>16.0</b>	<b>8.9</b>

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## Statement of Profit or Loss

€ in millions	Q1 2023	Q1 2022 <sup>1</sup>
Sales revenue	726.1	862.5
Cost of sales	-351.6	-407.9
<b>Gross profit on sales</b>	<b>374.5</b>	<b>454.5</b>
Selling and distribution costs	-115.3	-109.7
Research and development costs	-35.4	-33.3
General administrative expenses	-37.5	-40.9
Other operating income and expenses	-32.6	-9.4
<b>Earnings before interest &amp; taxes (EBIT)</b>	<b>153.7</b>	<b>261.3</b>
Financial income	15.3	87.5
Financial expenses	-20.4	-11.0
<b>Financial result</b>	<b>-5.1</b>	<b>76.5</b>
<b>Profit before tax</b>	<b>148.6</b>	<b>337.8</b>
Income taxes	-37.1	-67.4
<b>Net profit for the period</b>	<b>111.4</b>	<b>270.5</b>
Attributable to:		
Shareholders of Sartorius Stedim Biotech	111.1	270.2
Non-controlling interest	0.4	0.3
Earnings per share (€)	1.21	2.93
Diluted earnings per share (€)	1.21	2.93

- 1 The previous year's figures have been slightly restated due to finalization of the purchase price allocation for the acquisition of the Novasep Chromatography Division at the beginning of 2022

## Statement of Comprehensive Income

€ in millions	Q1 2023	Q1 2022 <sup>1</sup>
<b>Net profit for the period</b>	<b>111.4</b>	<b>270.5</b>
Cash flow hedges	3.3	-3.4
- of which effective portion of changes in fair value	-2.6	-7.9
- of which reclassified to profit or loss	5.9	4.6
Income tax on cash flow hedges	-1.0	1.0
Foreign currency translation differences	-17.7	5.1
<b>Items that are or may be reclassified subsequently to profit or loss</b>	<b>-15.4</b>	<b>2.7</b>
<b>Items that will not be reclassified in profit or loss</b>	<b>0.0</b>	<b>0.0</b>
<b>Other comprehensive income for the period</b>	<b>-15.4</b>	<b>2.7</b>
<b>Total comprehensive income for the period</b>	<b>96.0</b>	<b>273.2</b>
Attributable to:		
Shareholders of Sartorius Stedim Biotech	96.0	272.9
Non-controlling interest	0.1	0.3

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## Statement of Financial Position

	March 31, 2023 € in mn	Dec. 31, 2022 € in mn
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	1,135.3	1,136.4
Other intangible assets	870.6	876.8
Property, plant and equipment	1,355.3	1,292.0
Financial assets	24.6	24.9
Other assets	2.5	2.5
Deferred tax assets	62.2	61.6
	<b>3,450.4</b>	<b>3,394.2</b>
<b>Current assets</b>		
Inventories	1,060.9	1,024.8
Trade receivables	362.0	404.6
Other financial assets	19.0	31.4
Current tax assets	25.9	14.0
Other assets	84.5	89.4
Cash and cash equivalents	94.0	107.1
	<b>1,646.2</b>	<b>1,671.2</b>
<b>Total assets</b>	<b>5,096.7</b>	<b>5,065.4</b>
	March 31, 2023 € in mn	Dec. 31, 2022 <sup>1</sup> € in mn
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity attributable to SSB S.A. shareholders	2,420.3	2,449.3
Share capital	18.4	18.4
Reserves	231.5	231.5
Retained earnings (including net profit)	2,170.3	2,199.4
Non-controlling interest	34.1	64.9
	<b>2,454.4</b>	<b>2,514.2</b>
<b>Non-current liabilities</b>		
Pension provisions	31.9	31.7
Other provisions	12.8	12.3
Loans and borrowings	1,020.3	1,020.6
Lease liabilities	91.9	91.1
Other financial liabilities	156.6	181.2
Deferred tax liabilities	177.2	178.3
	<b>1,490.8</b>	<b>1,515.3</b>
<b>Current liabilities</b>		
Provisions	21.7	25.7
Trade payables	454.9	485.6
Loans and borrowings	174.9	4.5
Lease liabilities	19.7	19.5
Employee benefits	91.3	74.1
Other financial liabilities	65.3	119.7
Current tax liabilities	215.3	209.6
Other liabilities	108.3	97.1
	<b>1,151.5</b>	<b>1,035.9</b>
<b>Total equity and liabilities</b>	<b>5,096.7</b>	<b>5,065.4</b>

## Statement of Cash Flows

€ in millions	Q1 2023	Q1 2022 <sup>1</sup>
Profit before tax	148.6	337.8
Financial result	5.1	-76.5
Depreciation   amortization of fixed assets	48.6	40.6
Change in provisions	-3.3	2.8
Change in receivables and other assets	51.4	-40.5
Change in inventories	-46.4	-64.8
Change in liabilities (excl. loans and borrowings)	6.6	1.6
Interest received	0.8	1.2
Income taxes paid	-46.2	-31.3
Other non-cash items	0.5	0.7
<b>Cash flow from operating activities</b>	<b>165.6</b>	<b>171.7</b>
Capital expenditures	-115.8	-77.2
Other payments	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-115.8</b>	<b>-77.2</b>
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	0.0	-45.1
<b>Cash flow from investing activities and acquisitions</b>	<b>-115.8</b>	<b>-122.3</b>
Interest paid and other financial charges	-5.3	-2.4
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech S.A.	-132.7	0.0
- Non-controlling interest	-1.2	-1.1
Changes in non-controlling interest	-87.4	0.0
Loans and borrowings repaid	-6.7	-111.8
Loans and borrowings raised	170.5	12.3
Purchases   sales of own shares	-0.6	-5.6
<b>Cash flow from financing activities</b>	<b>-63.5</b>	<b>-108.7</b>
Net increase   decrease in cash and cash equivalents	-13.8	-59.3
Cash and cash equivalents at the beginning of the period	107.1	223.6
Currency translation effects on cash and cash equivalents	0.7	0.7
<b>Cash and cash equivalents at the end of the period</b>	<b>94.0</b>	<b>165.1</b>

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