Sartorius Stedim Biotech Group

Agenda

Overview | Strategy

Mid-term Growth Prospects

9M 2023 Results | FY 2023 Guidance

Appendix
Partner of Life Science research and the biopharmaceutical industry

Our mission

We empower scientists and engineers to simplify and accelerate progress in life science and bioprocessing, enabling the development of new and better therapies and more affordable medicine.

Good health and well-being at the focus of Sartorius Stedim Biotech’s business activities
Sartorius Stedim Biotech at a glance

€ ~€3.49bn
Sales revenue 2022

~20%
Sales CAGR\(^1\) 2012-2022

~35.0%
EBITDA margin\(^2\) 2022

>25
countries,
headquartered in Aubagne, France

~11,900
Employees 12/2022

Four strong pillars drive above-average growth

- **Pharma market**
  - CAGR 4-7%

- **Biopharma market**
  - CAGR ~10%

- **Single-use penetration**
  - Double-digit growth

- **Market share gains**
  - Esp. in North America

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1 In constant currencies  2 Excluding extraordinary items
Covering most steps of the biopharmaceutical manufacturing process

- Differentiated by the range and completeness of the portfolio
- Excellent positioning in key single-use technologies
- Internationally recognized supplier enabling innovation in bioprocessing through own R&D and partnerships
Generating revenue throughout the lifecycle of a biopharma drug

- Wide product range of equipment and consumables for all stages (from pre-commercial to large-scale manufacturing); optimal scalability
- Engineering support with excellent application knowhow and understanding of the entire bio-production process
- Production process of each individual drug is subject to validation by health authorities (e.g. FDA, EMA) and part of the drug approval
Integrated services and technologies for all types of biopharmaceuticals

- ~ 95% of revenue generated with bio/pharma customers
- Antibodies are most relevant; strong position in vaccines as well
- SSB provides solutions for the development and production of all biotechnologically derived drugs and cell derivatives
- These also include new modalities such as cell and gene therapies and viral vectors
New modalities are coming to the market and offer growth opportunities

Protein-based therapies
- mAbs
- Bi-/Multi-specifics
- Bioconjugates | ADCs
- Recombinant proteins and peptides
- Protein-based vaccines

Viral-based therapies
- Viral vectors for gene therapy
- Virus and viral vector vaccines
- Oncolytic viruses
- Novel modalities (e.g., mRNA, DNA, Exosomes)

Advanced therapies
- Cell therapy (e.g., iPSC, MSC)
- Gene-modified cell therapy (CAR-T)

Unmet needs
- Process intensification
- Yields
- Robust manufacturing

Share of molecules in R&D pipeline; source: GlobalData, November 2022
Expected market CAGR 2021-2026, Sartorius estimates excluding Corona vaccines and therapeutics
Attractive market environment offers strong growth opportunities

**Growing and aging population**
- >9.5 billion people by 2050\(^1\)
- World population over age 65 in 2050: ~1.6bn

**Biologics are gaining importance\(^2\)**
- Sales share of biologics in 2028: ~41%
- Sales share of biologics in 2022: ~37%

\(~10\%\) CAGR biopharma market 2022 – 2026

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\(^1\) United Nations: World Population Prospects, 2022
\(^2\) Evaluate Pharma: World Preview 2022, Outlook to 2028, August 2022
Sustainable profitable growth

Sales CAGR ~20%
EBITDA\(^1\) margin +14.3pp

~€544


~€1.05bn

~€3.49bn

+10.0%
+15.9%
+19.4%
+20.4%
+4.1%
+13.7%
+18.8%
+34.6%
+52.6%
+15.1%


Sales growth and CAGR in constant currencies
1 Excluding extraordinary items

Sartorius Stedim Biotech Group
Regionalizing our supply chain and manufacturing; increasing our global capacity

**Germany | Göttingen, Guxhagen**
Production capacities increasing

**China and South Korea**
Capacities will be created in selected areas

**Puerto Rico and USA**
Capacities will be ramped up for selected areas

- Separation
- Instruments and systems
- Separation
- Fluid management
- Cell culture media
- Cell culture media
- Fluid management
- Customer interaction
## M&A strategy – adding innovation, enhancing focus

<table>
<thead>
<tr>
<th>2017</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Umetrics</td>
<td>Biological Industries</td>
<td>Life Science assets¹</td>
<td>BIA Separations</td>
<td>WaterSep</td>
<td>CellGenix</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Xell</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Chrom. assets from Novasep</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Albumedix</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Polyplus</td>
</tr>
</tbody>
</table>

1  Acquired from Danaher

### Acquisition criteria

- **Portfolio:** Complementary products or technologies
- **Market position:** Either among the Top 3 or unique selling point
- **Integration:** Management capacity; cultural fit
- **Price:** Fair valuation; reach Sartorius’ profitability level in 2-3 years
Polyplus acquisition closed

**Portfolio**

<table>
<thead>
<tr>
<th>Transfection reagents</th>
<th>Plasmids</th>
<th>Other reagents</th>
</tr>
</thead>
<tbody>
<tr>
<td>PEI Pro</td>
<td>e-Zyvec</td>
<td>LNP production</td>
</tr>
<tr>
<td>FectoVIR</td>
<td>Xpress Biologics</td>
<td>In-vivo RNA &amp; DNA delivery</td>
</tr>
</tbody>
</table>

**Polyplus**

- **HQ in Strasbourg, France; sites in Belgium, USA, China**
- **~270 employees**
- **GMP manufacturing**
- **Founded 2001**

**Sales split**

- Transfection
- Plasmids
- Other reagents

**Profitability**

Significantly above SSB margin
Unique combined portfolio for cell & gene therapies (CGT)

Sartorius Stedim Biotech Group

Biological Industries | CellGenix | Xell | Albumedix | Polyplus
---|---|---|---|---
Cell culture media | Growth factors and cytokines | Media and supplements | Recombinant Albumin | Transfection reagents and plasmid DNA

Up & downstream solutions

Cell line development, plasmid design & manufacturing and testing services
A high-growth, increasingly relevant market segment

~30% of biopharma pipeline is focusing on CGT\(^1\)

Number of commercial processes is expanding rapidly

~60 approved CGT globally\(^1\)

~10–20 CGT approvals expected p.a. by 2025\(^2\)

Polyplus spec’d into significant portion of approved & pipeline CGT

>6,000 CGT candidates in development\(^1\)

Strong growth projections
CAGRs 2022–2026\(^3\)

Cell therapy
~30%

Gene therapy
~20%

Biopharma market
~10%

Other biologics
~70%

CGT
~30%

1 Source: GlobalData, July 2023
2 FDA
3 Sartorius’ estimates excluding Corona vaccines and therapeutics
Recent acquisitions make us an even more relevant partner across the biopharma production workflow

- Expanded portfolio in areas where we used to have a limited offering (e.g., media, purification)
- Focus on innovative technologies especially for cell and gene therapies

**Downstream processing**
Chromatography systems for smaller biomolecules and innovative systems for continuous manufacturing processes

**Cell and gene therapies**
Cell culture media and components for the production of cell and gene therapies and vaccines

- **Novasep Chromatography-Business**  
  February 2022
- **CellGenix**  
  July 2021
- **Xell**  
  August 2021
- **Albumedix**  
  September 2022
- **Polyplus**  
  July 2023

→ Tapping growth opportunities in both established as well as emerging areas
## Competitive product offering

<table>
<thead>
<tr>
<th>Category</th>
<th>Sartorius</th>
<th>Merck</th>
<th>Danaher</th>
<th>Thermo Fisher</th>
<th>Top 3 Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filtration</td>
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<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td>All player with approx. equal market shares</td>
</tr>
<tr>
<td>Fluid Management</td>
<td><img src="#" alt="Yellow" /></td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td>1. Sartorius 2. Thermo Fisher 3. Merck</td>
</tr>
<tr>
<td>Fermentation</td>
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<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td>1. Sartorius 2. Thermo Fisher 3. Danaher</td>
</tr>
<tr>
<td>Purification</td>
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<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td>1. Danaher</td>
</tr>
<tr>
<td>Cell Culture Media</td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td><img src="#" alt="Gray" /></td>
<td>1. Thermo Fisher 2. Merck</td>
</tr>
</tbody>
</table>

Pie charts indicate completeness of product offering
Sartorius Stedim Biotech Group

Pioneer and leader in the growing single-use technology market

Single-use market penetration expected to increase from ~35% to ~75%

Single-use products offer advantages over conventional stainless-steel devices

- Capex|Opex reduction over entire lifecycle
- Reduced risk of cross-contamination
- Higher flexibility; advantageous for biosimilars

Source: Andrew Sinclair et al., 2008; Sartorius
Single-use allows manufacturers to mitigate investment risks

- Construction of stainless-steel based facilities takes longer and is more complex compared to single-use
- Therefore, investment in stainless-steel facilities has to start in early clinical phase II
- The construction of single-use facilities may start in clinical phase III, reducing investment risks of our clients

<table>
<thead>
<tr>
<th>Clinical Phase I</th>
<th>Clinical Phase II</th>
<th>Clinical Phase III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probability that candidate advances to next stage</td>
<td>~60%</td>
<td>~30%</td>
</tr>
<tr>
<td>Probability of approval</td>
<td>~10%</td>
<td>~15%</td>
</tr>
</tbody>
</table>

Data based on: Wong et al. (2018): Estimation of clinical trial success rates and related parameters
More than half of 2022 SSB sales were generated with the Top 50 customers

Largest customer accounts for approx. 5% of SSB sales revenue

Limited dependence on individual accounts

Long-term business relationships with leading global (bio-) pharma companies

Sales to Top 50 customers in 2022, € in millions

- More than half of 2022 SSB sales were generated with the Top 50 customers
- Largest customer accounts for approx. 5% of SSB sales revenue
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U.S. remains most important market; China with highest growth rates

Biologics market growth forecast

2020

- U.S.: ~119
- Europe: ~46
- China: ~38
- ROW: ~47

~€250bn

2024

- U.S.: ~167
- Europe: ~58
- China: ~67
- ROW: ~72

~€365bn

CAGR

- ~9% U.S.
- ~6% Europe
- ~15% China

Source: Evaluate Pharma, July 2021; Daedal Research, December 2020; Sartorius
The U.S. and Asia are a focus of the regional growth strategy

Markets
- U.S.: Highly innovative market, further potential for market share gains
- Asia: Strong growth in China, Korea and other countries
- China is developing into an innovative biopharma hub and plays an important role in global biosimilar development and production

Initiatives
- Targeted strengthening of sales and service capacities
- Expansion of the regional production network and local value creation

Sales development by region
Sales share 2022 | CAGR 2012-2022

- Asia | Pacific: ~26% | ~23%
- Europe: ~38% | ~18%
- Americas: ~36% | ~21%
Biosimilars: Strong growth, big opportunities

- Major blockbuster biologics are going off-patent
- Time-to-market is key as only the first providers are most likely profitable
- Several approvals in Asia and Europe; U.S. at the beginning
- For now, relatively small market but with strong growth
- Single-use is the preferred platform for biosimilars

Biosimilars will outperform the biologics market\(^1\)

Growing number of approved biosimilars\(^2\)

\(^1\) Source: Sartorius estimates
\(^2\) FDA and EMA
High innovation dynamics in Biopharma

Development of new drugs and vaccines must be accelerated, e.g. through more automation.

Increased efficiency possible in the production of ‘classic’ biopharmaceuticals and biosimilars.

New tools and methods required e.g. for novel cell and gene therapies.

Future drug manufacturing is more automated, intensified and scalable.
Analytical technologies to improve process economics and safety

- Bioprocess sensors, analyzers and software
- Collect, monitor and control quality-critical parameters
- Analyze data to obtain a better process understanding
- Use knowledge for process development, optimization and automation
- Allows customers to increase time-to-market, to reduce COGS, to improve process robustness and product quality
- Intention to upgrade Umetrics software suite with advanced analytics technologies such as AI and machine learning
- Data analytics just at the beginning in biomanufacturing with high potential
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**Top and bottom line impacted by temporarily weak demand**

<table>
<thead>
<tr>
<th>Sartorius Stedim Biotech Group</th>
<th>9M 2022</th>
<th>9M 2023</th>
<th>△ in %</th>
<th>△ in % cc&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>2,603</td>
<td>2,069</td>
<td>-20.5</td>
<td>-19.0</td>
</tr>
<tr>
<td>Order intake</td>
<td>2,601</td>
<td>1,760</td>
<td>-32.4</td>
<td>-31.0</td>
</tr>
<tr>
<td>Underlying EBITDA&lt;sup&gt;2&lt;/sup&gt;</td>
<td>912</td>
<td>594</td>
<td>-34.9</td>
<td></td>
</tr>
<tr>
<td>Underlying EBITDA&lt;sup&gt;2&lt;/sup&gt; margin in %</td>
<td>35.0</td>
<td>28.7</td>
<td>-6.3pp</td>
<td></td>
</tr>
<tr>
<td>Underlying EPS&lt;sup&gt;3&lt;/sup&gt; in €</td>
<td>6.58</td>
<td>3.47</td>
<td>-47.3</td>
<td></td>
</tr>
</tbody>
</table>

- Marginal Covid-related business; M&A contribute ~2pp to sales growth; excl. Covid, decline slightly below 13%
- OI up q-o-q; but impacted by destocking, low production levels, and muted investment activities; demand recovery visible since end of Q3, but progressing slower than expected
- Underlying EBITDA margin decreases mainly due to volume and product mix effects

Prior-year figures slightly adjusted due to finalization of purchase price allocation for the acquisition of Albumedix Ltd. 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
Navigating through volatility: Temporary decline in perspective

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>Sales ex Covid</td>
<td>Covid-19-related sales</td>
<td>Order intake</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>Sales ex Covid</td>
<td>Covid-19-related sales</td>
<td>Order intake</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>Sales ex Covid</td>
<td>Covid-19-related sales</td>
<td>Order intake</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>Sales ex Covid</td>
<td>Covid-19-related sales</td>
<td>Order intake</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

vs. 9M 19 vs. 9M 20

Sales revenue
- +92% vs. 9M 19
- +48% vs. 9M 20

Order intake
- +53% vs. 9M 19
- +6% vs. 9M 20
All regions influenced by destocking and low investments, mainly in the USA and China

- Lower sales in the Americas driven by destocking
- EMEA below prior year due to very high comps; Russia weighs on top line with ~4pp and close to 2pp for the whole Group
- Sales in Asia|Pacific significantly impacted by weak China business

Acc. to customers’ location; growth in constant currencies
High investing cash flow; now strong focus on internal cash generation

<table>
<thead>
<tr>
<th>Sartorius Stedim Biotech Group in millions of € unless otherwise specified</th>
<th>9M 2022</th>
<th>9M 2023</th>
<th>△ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA</td>
<td>912</td>
<td>594</td>
<td>-34.9</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>-13</td>
<td>-76</td>
<td>&gt; -100</td>
</tr>
<tr>
<td>Financial result</td>
<td>116</td>
<td>-0.5</td>
<td>&gt; -100</td>
</tr>
<tr>
<td>Underlying net profit&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>607</td>
<td>320</td>
<td>-47.3</td>
</tr>
<tr>
<td>Reported net profit&lt;sup&gt;2&lt;/sup&gt;</td>
<td>686</td>
<td>270</td>
<td>-60.6</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>397</td>
<td>410</td>
<td>+3.3</td>
</tr>
<tr>
<td>Investing cash flow&lt;sup&gt;3&lt;/sup&gt;</td>
<td>-804</td>
<td>-2,618</td>
<td>&gt; -100</td>
</tr>
<tr>
<td>Capex ratio (in %)</td>
<td>11.1</td>
<td>17.9</td>
<td>+6.8pp</td>
</tr>
</tbody>
</table>

- Extraordinary items driven by acquisitions and integrations, structuring measures and corporate projects
- Financial result influenced by non-cash relevant valuation of BIA Separation’s earn-out liability and higher interest expenses
- Investing cash flow mainly reflects acquisition of Polyplus and substantial capex program

Prior-year figures slightly adjusted due to finalization of purchase price allocation for the acquisition of Albumedix Ltd. 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
Balance sheet reflects Polyplus acquisition; significant deleveraging projected

Key financial indicators

<table>
<thead>
<tr>
<th>Sartorius Stedim Biotech Group</th>
<th>Dec. 31, 2022</th>
<th>Sept. 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio in %</td>
<td>49.6</td>
<td>33.0</td>
</tr>
<tr>
<td>Net debt in millions of €</td>
<td>1,029</td>
<td>3,695</td>
</tr>
<tr>
<td>Net debt</td>
<td>underlying EBITDA(^1)</td>
<td>0.8</td>
</tr>
</tbody>
</table>

\(^1\) Includes underlying pro forma EBITDA of acquisitions completed in the last 12 months
Outlook 2023 updated on October 12

- Covid-related business expected to be marginal
- Margin targets include expenses for reduction of CO₂ emission intensity of around 1% of sales
- Capex ratio expected to be ~18%
- Net debt to underlying EBITDA anticipated to be ~4.5

All figures in constant currencies
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Corporate responsibility & further financial information

To Sartorius, sustainability means operating responsibly over the long term – with respect to business partners, employees and society as well as to natural resources. Learn more about our commitment:

- SRI Presentation
- Sustainability Report 2022

Please click below for further financial information:

- Earnings Release 9M 2023
- Half Year Report H1 2023
- Earnings Release Q1 2023
- Universal Registration Document FY 2022
Reasons to invest

Biopharma market fueled by long-term growth drivers

Leading market positions; mission-critical portfolio; high brand awareness

Global presence

High entry barriers, low price-sensitivity and consolidated competitive landscape

Diversified revenue base and high share of recurring revenues provide low volatility

Strong sustainability and ESG positioning

1 In constant currencies
Sartorius Stedim Biotech Group

Share price performance

<table>
<thead>
<tr>
<th>ISIN</th>
<th>FR0013154002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker</td>
<td>DIM</td>
</tr>
<tr>
<td>Number of share</td>
<td>92,180,190</td>
</tr>
</tbody>
</table>

Indices

- SBF 120
- CAC Next 20
- CAC Large 60
- CAC All-Tradable
- CAC All Shares
- CAC Healthcare
- MSCI Europe
- STOXX Europe 600

Market cap.

€17.6bn (as of October 17, 2023)
A sampling of the product portfolio
Contacts and Financial calendar

- **November 6, 2023**
  Capital Markets Tutorial | Virtual

- **November 9, 2023**
  Societe Generale European ESG Conference | Virtual

- **November 15, 2023**
  Jefferies Healthcare Conference | London

- **December 12, 2023**
  BNP Paribas Exane DILS Conference | Virtual

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Disclaimer

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