

Aubagne, October 19, 2023

Nine-month results 2023 of Sartorius Stedim Biotech

- Sales revenue of 2,069 million euros, in constant currencies¹ -20.6 percent organically¹ and -19.0 percent including acquisitions² (reported: -20.5 percent)
- Underlying EBITDA¹ at 594 million euros, resulting margin at 28.7 percent
- First signs of demand recovery noticeable towards the end of the third quarter; however, industry normalization and soft business climate take longer than expected
- Full-year 2023 outlook adapted on October 12; uncertainties remain high due to global political and economic situation

Despite initial signs of recovery towards the end of the third quarter, longer-than-expected soft demand continued to impact the business development of Sartorius Stedim Biotech in the first nine months of 2023. The company recorded a decline in sales revenue and profitability after pandemic-related extraordinary business and additional inventory buildup by customers had triggered strong above average growth in previous years. Based on updated business expectations until year-end, management adapted its guidance for fiscal 2023 on October 12.

“The timeline for market normalization has continuously expanded in the first nine months of the year: Customers are reducing inventories at a slower pace than initially assumed, while their investment activity and partially production levels remain muted. Signs of recovery in demand have become visible, and while they are progressing slower than anticipated, we expect the situation to continue to improve in the final quarter. Considering the strong fundamental growth drivers of our markets, we expect profitable growth in 2024 and beyond,” said René Fáber, CEO of Sartorius Stedim Biotech.

Business development¹

The longer-than-expected normalization of demand continued in all regions, with a recovery trend toward the end of the third quarter. After exceptionally strong growth in prior years due to the pandemic, Sartorius Stedim Biotech recorded consolidated sales revenue of 2,069 million euros in the first nine months of 2023, which corresponds to a decline of 19.0 percent in constant currencies (organic: -20.6 percent; reported: -20.5 percent). This includes a growth contribution from acquisitions of around 2 percentage points. Excluding the Covid-19-related business, the decline was slightly below 13 percent in constant currencies. Main drivers were ongoing inventory reductions after the end of the pandemic, relatively low production levels at some customers, the largely discontinued business in Russia, and an overall muted investment activity of customers, primarily in China and the USA.

The temporarily weaker market environment was also reflected in order intake, which decreased by 31.0 percent in constant currencies (reported: -32.4 percent) to 1,760 million euros in the first nine

months. In line with progress made by customers in reducing their inventories, there were signs of a slight recovery in order intake at the end of the third quarter.

Underlying EBITDA decreased by 34.9 percent to 594 million euros due to lower volume development and product mix effects. The resulting margin was 28.7 percent (prior-year period: 35.0 percent). Price effects on the procurement and customer sides largely offset each other.

Relevant net profit totaled 320 million euros, compared with 607 million euros in the prior-year period. Underlying earnings per share were 3.47 euros (prior-year period: 6.58 euros). The number of employees worldwide stood at 10,849 on September 30, 2023, compared with 11,934 at the end of 2022.

Key financial indicators

Equity was 2,629 million euros as of September 30, 2023. Following the financing of the Polyplus acquisition, the equity ratio¹ stood in line with expectations at 33.0 percent (December 31, 2022: 2,514 million euros and 49.6 percent, respectively), and gross debt was 3,794 million euros (December 31, 2022: 1,136 million euros). Net debt stood at 3,695 million euros, resulting in a ratio of net debt to underlying EBITDA¹ of 4.0 (December 31, 2022: 1,029 million euros and 0.9, respectively). Cash flow from investing activities, excluding acquisitions, stood at -377 million euros, compared with -289 million euros in the prior-year period. The ratio of capital expenditures (capex) to sales revenue was 17.9 percent (prior-year period: 11.1 percent).

Outlook for fiscal 2023 adapted on October 12

Based on preliminary nine-month results, company management lowered its guidance for the fiscal year 2023 on October 12. Against the backdrop of a slower-than-anticipated industry recovery, Sartorius Stedim Biotech now forecasts a sales revenue decline of around 19 percent; excluding Covid-19-related business a decline of around 14 percent. Acquisitions are expected to contribute around 2 percentage points to the sales revenue development.

Due to lower volume expectations and product mix effects, the underlying EBITDA margin is expected to be slightly above 28 percent.

The capex ratio is projected at around 18 percent for 2023, with a ratio of net debt to underlying EBITDA at around 4.5.

The company confirms its fundamentally positive medium- and long-term market outlook and continues to see itself in a strong competitive position. For 2024, management expects profitable growth and will issue quantitative guidance with the release of the 2023 full-year figures next January. Its mid-term ambition is currently under review, and an update will also be provided in January 2024.

All forecast figures are based on constant currencies, as in the past years. Management 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.

1 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 Polyplus, the Novasep chromatography division and AlbuMedix

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 12.30 p.m. CEST on October 19, 2023. Please click on the link to register:

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=zhpcEBhZ>

Further information and media content:

www.sartorius.com/newsroom

Key Performance Indicators for the Nine Months of 2023

in millions of € unless otherwise specified	9 months 2023	9 months 2022 ¹	Δ in %	Δ in % cc ²
Order Intake and Sales Revenue				
Order intake	1,759.6	2,601.2	-32.4	-31.0
Sales revenue	2,068.7	2,602.7	-20.5	-19.0
▪ EMEA ³	804.3	989.6	-18.7	-18.4
▪ Americas ³	798.9	927.3	-13.8	-12.4
▪ Asia Pacific ³	465.6	685.8	-32.1	-28.7
Results				
EBITDA ⁴	594.0	911.9	-34.9	
EBITDA margin ⁴ in %	28.7	35.0		
Underlying net profit ⁵	319.9	606.6	-47.3	
Earnings per share ⁵ in €	3.47	6.58	-47.3	
Net profit ⁶	269.9	685.6	-60.6	

1 Prior-year figures have been slightly adjusted due to finalization of purchase price allocation for the acquisition of Alumedix Ltd.

2 cc = constant currency

3 According to customer location

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

5 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

6 After non-controlling interest

Reconciliation between EBIT and underlying EBITDA

In millions of € unless otherwise specified	9 months 2023	9 months 2022 ¹
EBIT (operating result)	343.6	773.0
Extraordinary items	75.9	13.4
Depreciation and amortization	174.6	125.6
Underlying EBITDA	594.0	911.9

In millions of € unless otherwise specified	9 months 2023	9 months 2022 ¹
EBIT (operating result)	343.6	773.0
Extraordinary items	75.9	13.4
Amortization IFRS 3	72.5	43.6
Normalized financial result ²	-58.3	-9.2
Normalized income tax (26%) ³	-112.8	-213.4
Underlying net result after taxes	320.9	607.4
Non-controlling interest	-1.0	-0.8
Underlying net result after taxes and non-controlling interest	319.9	606.6
Underlying earnings per share (in €)	3.47	6.58

1 Prior-year figures have been slightly adjusted due to finalization of purchase price allocation for the acquisition of Alumedix Ltd.

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	9 months 2023	9 months 2022 ¹
Gross debt	3,794.0	1,165.6
-Cash & cash equivalents	99.3	145.5
Net debt	3,694.7	1,020.1
Underlying EBITDA (12 months)	903.5	1,179.8
+ Pro forma EBITDA from acquisitions (12 months)	22.5	17.6
Pro forma underlying EBITDA (12 months)	926.0	1,197.5
Ratio of net debt to underlying EBITDA	4.0	0.9
in millions of € unless otherwise specified	9 months 2023	9 months 2022 ¹
Sales revenue	2,068.7	2,602.7
Capital expenditures	370.8	288.7
Capital expenditures as % of sales revenue	17.9	11.1

1 Prior-year figures have been slightly adjusted due to finalization of purchase price allocation for the acquisition of Albumedix Ltd.

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 2022, the company generated sales revenue of around 3.5 billion euros. Currently, around 11,000 employees are working for customers around the globe.

Contact

Petra Kirchhoff

Head of Corporate Communications & Investor Relations

+49 (0)551 308 1686

petra.kirchhoff@sartorius.com

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