

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

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.

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Key Performance Indicators for Nine Months 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	

Key Performance Indicators for Q3 2023

in millions of € unless otherwise specified	Q3 2023	Q3 2022 ¹	Δ in %	Δ in % cc ²
Order Intake and Sales Revenue				
Order intake	617.3	774.5	-20.3	-15.9
Sales revenue	666.9	878.4	-24.1	-20.0
▪ EMEA ³	252.9	307.3	-17.7	
▪ Americas ³	273.4	334.5	-18.3	
▪ Asia Pacific ³	140.7	236.6	-40.5	
Results				
EBITDA ⁴	178.3	305.0	-41.5	
EBITDA margin ⁴ in %	26.7	34.7		
Underlying net profit ⁵	78.4	201.5	-61.1	
Earnings per share ⁵ in €	0.85	2.19	-61.1	
Net profit ⁶	25.7	200.6	-87.2	

1 The previous year's figures have been slightly restated due to finalization of the purchase price allocation for the acquisition of Albumedix 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 The previous year's figures have been slightly restated due to finalization of the purchase price allocation for the acquisition of Albumedix 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

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Statement of Profit or Loss

In millions of €	Q3 2023	Q3 2022 ¹	9 months 2023	9 months 2022 ¹
Sales revenue	666.9	878.4	2,068.7	2,602.7
Cost of sales	-386.0	-417.4	-1,088.4	-1,241.3
Gross profit on sales	281.0	461.0	980.4	1,361.4
Selling and distribution costs	-110.2	-115.7	-333.6	-333.5
Research and development costs	-28.4	-28.9	-92.5	-93.9
General administrative expenses	-39.5	-38.9	-112.0	-115.4
Other operating income	10.4	24.0	26.7	59.6
Other operating expenses	-36.4	-47.1	-125.3	-105.3
Earnings before interest & taxes (EBIT)	76.9	254.4	343.6	773.0
Financial income	-10.8	36.2	77.4	160.9
Financial expenses	-30.6	-22.3	-77.9	-44.6
Financial result	-41.4	13.9	-0.5	116.3
Profit before tax	35.5	268.3	343.0	889.3
Income taxes	-9.2	-67.1	-72.2	-202.9
Net profit for the period	26.3	201.2	270.9	686.4
Attributable to:				
Shareholders of Sartorius Stedim Biotech	25.7	200.6	269.9	685.6
Non-controlling interest	0.6	0.6	1.0	0.8
Earnings per share (€)	0.28	2.18	2.93	7.44
Diluted earnings per share (€)	0.28	2.18	2.93	7.44

¹ The previous year's figures have been slightly restated due to finalization of the purchase price allocation for the acquisition of Albumedix Ltd

Other operating income and expenses are reported separately since fiscal 2022. The previous year's figures have been restated accordingly.

Statement of Comprehensive Income

In millions of €	Q3 2023	Q3 2022 ¹	9 months 2023	9 months 2022 ¹
Net profit for the period	26.3	201.2	270.9	686.4
Cash flow hedges	-12.3	-22.5	-3.8	-37.9
- Of which effective portion of changes in fair value	-10.9	-34.9	-8.3	-61.7
- Of which reclassified to profit or loss	-1.4	12.3	4.5	23.9
Income tax on cash flow hedges	3.7	6.8	1.1	11.4
Foreign currency translation differences	6.8	29.6	-5.5	63.3
Items that are or may be reclassified subsequently to profit or loss	-1.9	13.8	-8.2	36.8
Remeasurements of the net defined benefit liabilities	0.0	0.0	1.2	10.0
Income tax on remeasurements of the net defined benefit liability	0.0	0.0	-0.3	-2.8
Items that will not be reclassified in profit or loss	0.0	0.0	0.9	7.2
Other comprehensive income for the period	-1.9	13.9	-7.3	44.0
Total comprehensive income for the period	24.4	215.1	263.6	730.4
Attributable to:				
Shareholders of Sartorius Stedim Biotech	23.8	214.3	262.7	729.9
Non-controlling interest	0.6	0.7	0.9	0.4

1 The previous year's figures have been slightly restated due to finalization of the purchase price allocation for the acquisition of AlbuMedix Ltd

Statement of Financial Position

In millions of €	Sept. 30, 2023	Dec. 31, 2022
Non-current assets		
Goodwill	2,319.9	1,136.4
Other intangible assets	2,453.9	876.8
Property, plant and equipment	1,564.2	1,292.0
Financial assets	38.1	24.9
Other assets	2.4	2.5
Deferred tax assets	55.4	61.6
	6,433.9	3,394.2
Current assets		
Inventories	992.0	1,024.8
Trade receivables	305.8	404.6
Other financial assets	19.4	31.4
Current tax assets	28.1	14.0
Other assets	80.5	89.4
Cash and cash equivalents	99.3	107.1
	1,525.0	1,671.2
Total assets	7,958.9	5,065.4
In millions of €	Sept. 30, 2023	Dec. 31, 2022
Equity		
Attributable to SSB S.A. shareholders	2,594.6	2,449.3
Share capital	18.4	18.4
Reserves	231.5	231.5
Retained earnings (including net profit)	2,344.7	2,199.4
Non-controlling interest	34.1	64.9
	2,628.7	2,514.2
Non-current liabilities		
Pension provisions	31.6	31.7
Other provisions	13.5	12.3
Loans and borrowings	3,662.0	1,020.6
Lease liabilities	97.9	91.1
Other financial liabilities	106.2	181.2
Deferred tax liabilities	565.3	178.3
	4,476.6	1,515.3
Current liabilities		
Provisions	17.9	25.7
Trade payables	412.1	485.6
Loans and borrowings	11.9	4.5
Lease liabilities	22.2	19.5
Employee benefits	90.9	74.1
Other financial liabilities	45.1	119.7
Current tax liabilities	160.0	209.6
Other liabilities	93.6	97.1
	853.6	1,035.9
Total equity and liabilities	7,958.9	5,065.4

Statement of Cash Flows

In millions of €	9 months 2023	9 months 2022 ¹
Profit before tax	343.0	889.3
Financial result	0.5	-116.3
Depreciation amortization of fixed assets	175.1	125.6
Change in provisions	-6.5	4.1
Change in receivables and other assets	127.6	-81.2
Change in inventories	31.9	-219.3
Change in liabilities (excl. loans and borrowings)	-125.3	-21.8
Interest received	2.3	4.6
Income taxes paid	-140.9	-188.5
Other non-cash items	2.6	0.8
Cash flow from operating activities	410.4	397.4
Capital expenditures	-370.8	-288.7
Other payments	-5.8	0.0
Cash flow from investing activities	-376.6	-288.7
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	-2,240.9	-515.6
Cash flow from investing activities and acquisitions	-2,617.5	-804.3
Interest paid and other financial charges	-13.5	-13.6
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	-132.7	-116.1
- Non-controlling interest	-1.2	-1.1
Changes in non-controlling interest	-87.4	0.0
Loans and borrowings repaid	-213.9	-111.8
Loans and borrowings raised	2,649.2	562.8
Purchases sales of own shares	-0.5	-3.6
Cash flow from financing activities	2,200.0	316.5
Net increase decrease in cash and cash equivalents	-7.1	-90.5
Cash and cash equivalents at the beginning of the period	107.1	223.6
Currency translation effects on cash and cash equivalents	-0.7	12.3
Cash and cash equivalents at the end of the period	99.3	145.5

1 The previous year's figures have been slightly restated due to finalization of the purchase price allocation for the acquisition of Albumedix Ltd

Interest received is reported under "Cash flow from operating activities" since fiscal 2022. The previous year's figures have been restated accordingly