SARTORIUS

Simplifying Progress

Investor Conference Call
Preliminary FY 2023 Results | Guidance 2024 | Midterm Outlook

Joachim Kreuzburg, René Fáber

Sartorius | Sartorius Stedim Biotech | January 26, 2024

2023 a transition year across the entire Life Science industry

- Preliminary results for Group and divisions well in line with October guidance
- Demand continues to gradually pick up: Q4 book to bill ratio slightly above 1 for both divisions
- Polyplus acquisition and buildup of CGT technology platform are strategic milestones
- Significant investments in organic growth, customer proximity, resilience and sustainability
- 2024 guidance: Group sales revenue to grow by mid to high single-digits, ul. EBITDA margin slightly above 30%
- Rapid reduction of debt leverage through strong cash generation a priority; acceleration through additional equity measures remains an option
- Midterm outlook to 2028: Sales revenue CAGR in the lower teens; ul. EBITDA margin to reach ~34% by 2028

Agenda

Sartorius Group
FY 2023 results | FY 2024 guidance | Midterm outlook

Sartorius Stedim Biotech Group
FY 2023 results | FY 2024 guidance | Midterm outlook

Questions & Answers

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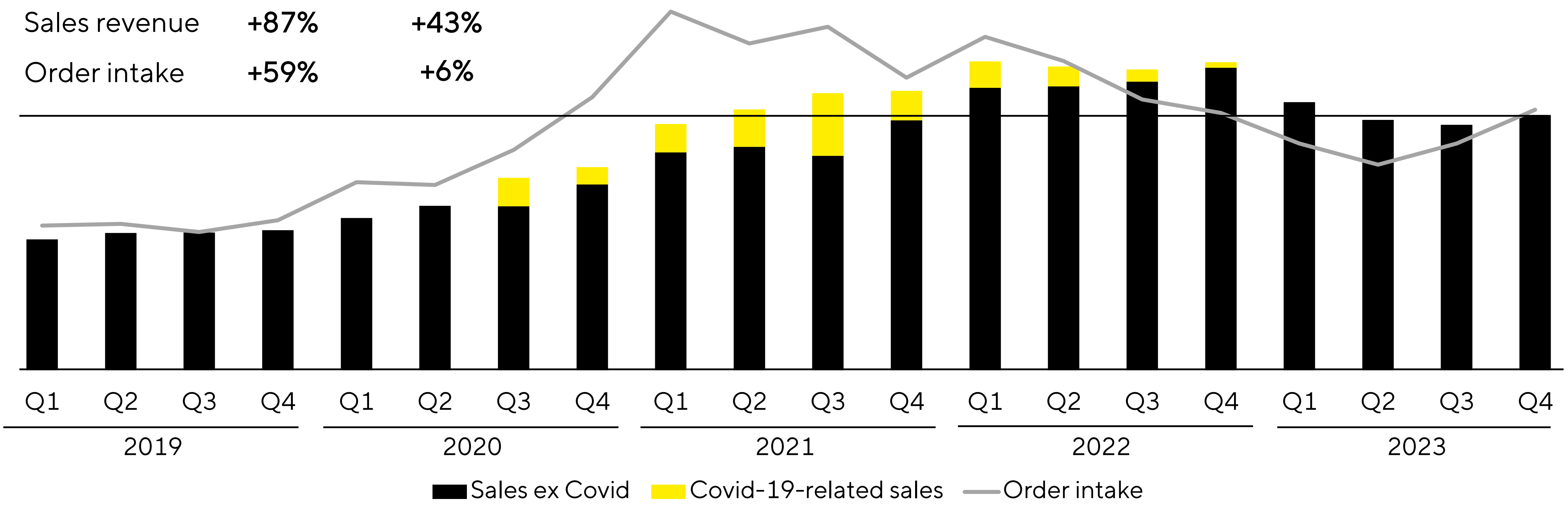
Business picking up since end of Q3; trend expected to gradually intensify

FY 23	vs. FY 19	vs. FY 20
Sales revenue	**+87%**	**+43%**
Order intake	**+59%**	**+6%**



Growth in constant currencies

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FY top and bottom line reflect temporarily weak post pandemic demand

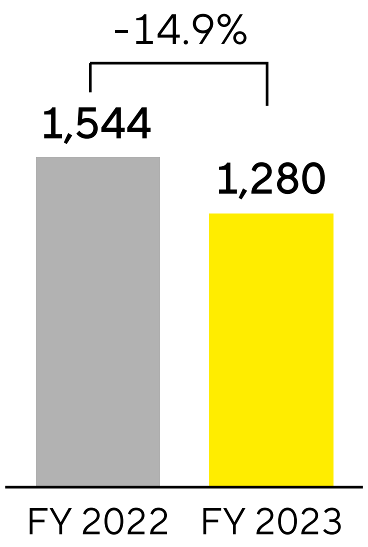
Sartorius Group in millions of € unless otherwise specified	FY 2022	FY 2023	▲ in %	▲ in % cc[1]
Sales revenue	4,175	3,396	-18.7	-16.6
Order intake	4,007	3,067	-23.5	-21.5
Underlying EBITDA[2]	1,410	963	-31.7	
Underlying EBITDA[2] margin in %	33.8	28.3	-5.5pp	
Underlying EPS[3] (ord.) in €	9.57	4.94	-48.4	
Underlying EPS[3] (pref.) in €	9.58	4.95	-48.3	

- Only marginal Covid-related business; excluding this effect, sales decline around 12% in cc
- OI affected by destocking, relatively low production levels at customers and muted investment activities; positive trend in OI starting end of Q3 continues in Q4
- Underlying EBITDA margin decreases due to volume and product mix effects

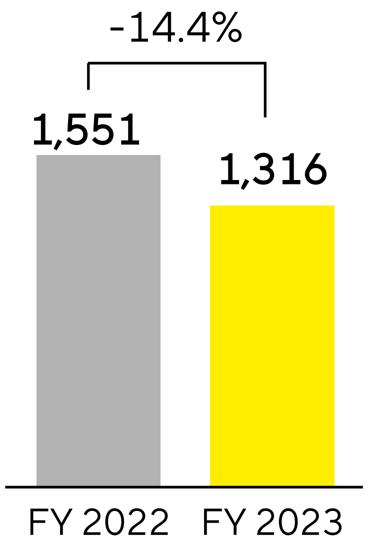
1 Constant currencies 2 Underlying = excluding extraordinary items 3 Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and normalized tax rate

All regions affected by normalization; China particularly weak

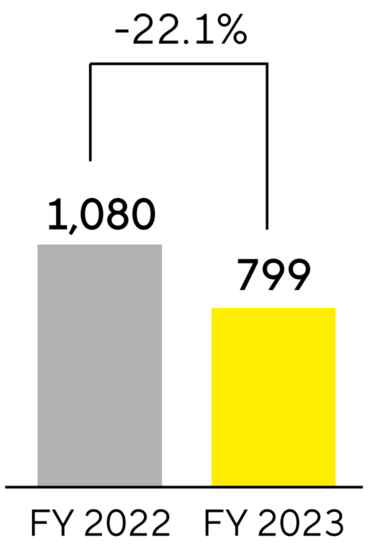
Americas
€ in millions



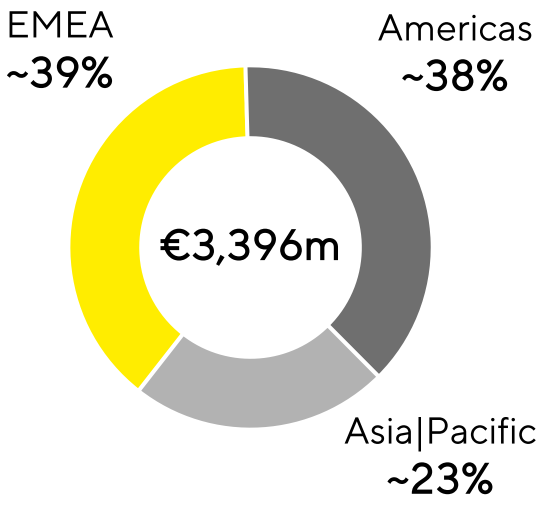
EMEA
€ in millions



Asia|Pacific
€ in millions



Sales by region
in %

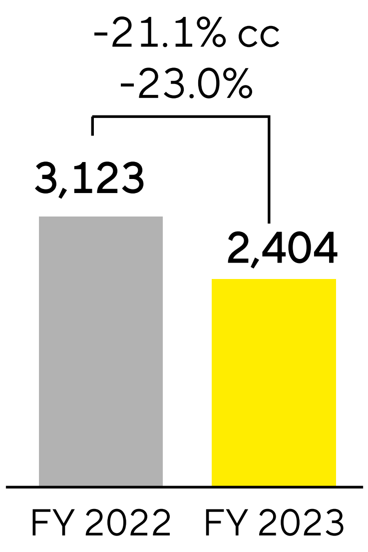


- Americas: Lower revenue in both divisions; soft demand in LPS for BioA instruments after high growth in previous years
- EMEA: moderate sales decline in LPS; BPS below prior year on high comps; Russia weighs on top line with ~3pp
- Asia|Pacific: Sales significantly down in both divisions; China weighing on growth with ~16pp; Korea and rest of region less impacted

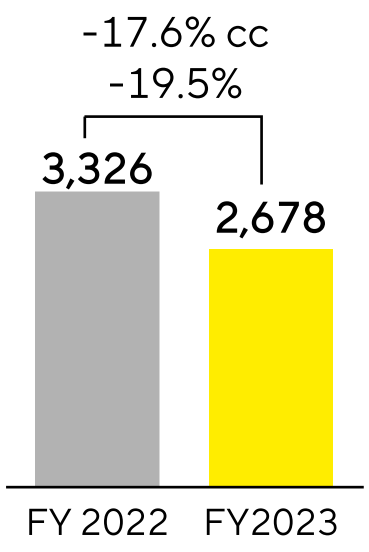
Acc. to customers' location; growth in constant currencies

Bioprocess Solutions: FY strongly impacted by headwinds, sequential OI recovery since end of Q3

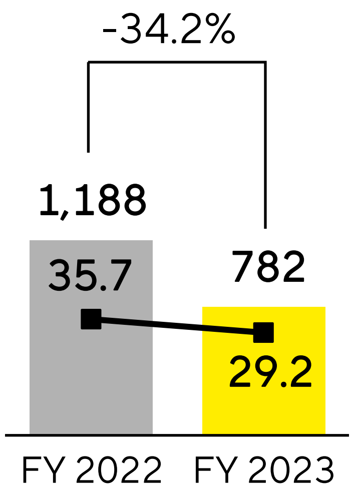
Order intake
€ in millions



Sales revenue
€ in millions



Underlying EBITDA & margin
€ in millions



- M&A contributes ~2pp to sales growth; dampening effect from Russia above 1pp; excl. Covid, decline slightly above 12%
- OI affected by destocking, relatively low production levels at customers and muted investment activities; positive trend in OI starting end of Q3 continued in Q4 with b-to-b slightly above 1
- Underlying EBITDA margin decreases mainly due to volume and product mix effects

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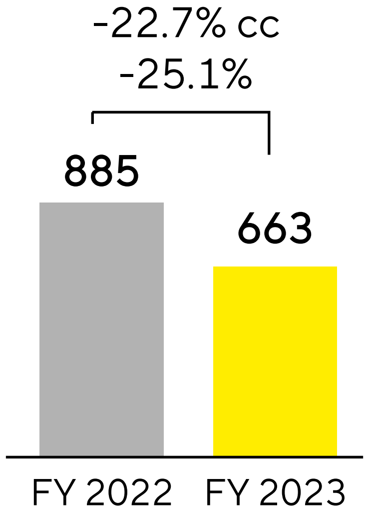
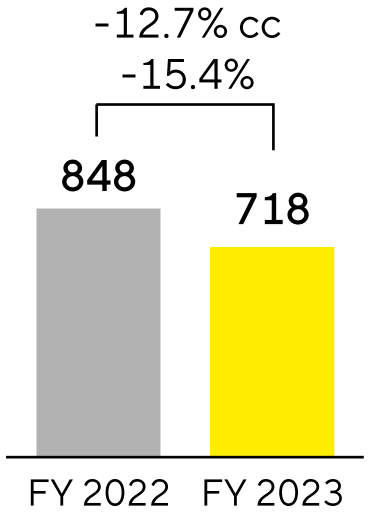
Lab Products & Services: Low investments by many customers; margin remains on robust level; positive trend at year-end

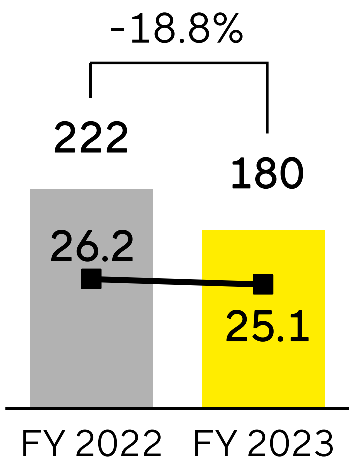
Order intake
€ in millions



Sales revenue
€ in millions



Underlying EBITDA & margin
€ in millions



- Excluding Covid-related business, sales revenue decline slightly below 11%
- OI impacted by overall weak end markets and low investments by early-stage biotech companies as well as larger pharma customers particularly in China and USA; Q4 showed a positive trend with b-t-b slightly above 1
- Despite volume decrease, underlying EBITDA margin remains on robust level due to tight cost control

Strong operating CF driven by working capital optimization; Polyplus acquisition reflected in investing CF

Sartorius Group in millions of € unless otherwise specified	FY 2022	FY 2023	▲ in %
Underlying EBITDA	1,410	963	-31.7
Extraordinary items	-60	-116	-92.8
Financial result	117	-118	n.m.
Underlying net profit[1,2]	655	339	-48.3
Reported net profit[2]	678	205	-69.7
Operating cash flow	734	836	+13.8
Investing cash flow[3]	-1,130	-2,823	> -100
Capex ratio (in %)	12.5	16.5	+4.0pp

- Extraordinary items driven by acquisitions and integrations, structuring measures and corporate projects
- Financial result influenced by non-cash relevant valuation of earn-out liability and higher interest expenses
- Operating cash flow improved by working capital optimization, mainly by planned reduction of inventory levels
- Investing cash flow reflects acquisition of Polyplus and substantial capex program
- Capex ratio up on lower sales revenue

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

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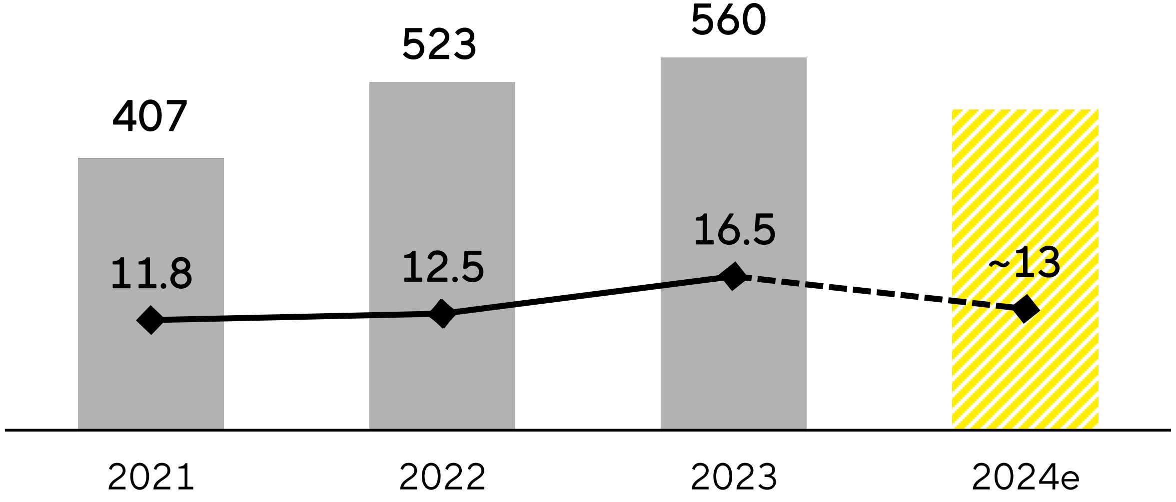
Investing strategically into capacities and robust regional set-ups for long-term organic growth and resilience

Capex
in millions of €; ratio in %



- Underlying capex ratio of <10%, including ~2% capitalized R&D
- Strategic investment in major capacity expansion to accompany above-market organic growth rates and best in class delivery ability

Global Resilience

Redundant Capacity

Customer proximity

Operational Excellence

Ann Arbor, Michigan, USA
Bioanalytics products & services completion in 2024

Songdo, South Korea
Cell culture media, bags, filtration, laboratories, training completion by end of 2025

Balance sheet reflects recent M&A and investment program

Key financial indicators

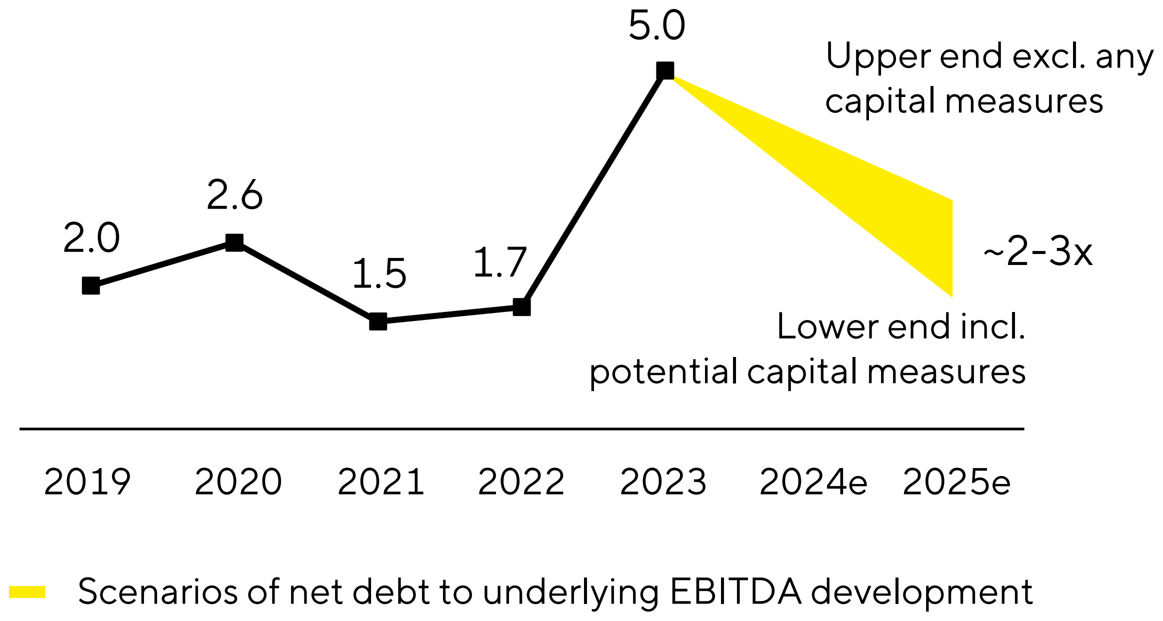
Sartorius Group in millions of € unless otherwise specified	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	4,955	**7,798**
Equity ratio in %	38.1	**28.3**
Net debt	2,375	**4,932**
Net debt | underlying EBITDA[1]	1.7	**5.0**

- Non-current assets increased due to higher goodwill and other intangible assets resulting from M&A
- Net debt up mainly through the financing of the Polyplus acquisition
- Rapid deleveraging a key priority going forward

1 Includes underlying pro forma EBITDA of acquisitions completed in the last 12 months

Focus on strong cash generation; potential equity measures would accelerate deleveraging

Debt leverage



- Clear commitment to maintain solid investment grade rating
- Focus on profitable growth and strong operating cash flow to quickly reduce leverage
- Equity and/or equity-like measures remain an option to accelerate deleveraging while maintaining strategic flexibility; subject to market conditions
  - Measures in principle available at SAG and/or SSB level
  - Potential target could be a leverage reduction by e.g. approx. one turn

Guidance 2024: Profitable growth with moderate first half of the year

Guidance 2024[1]	Sales revenue growth	Underlying EBITDA margin
Sartorius Group	**Mid- to high single-digit percentage range**	slightly above 30%
thereof from acquisitions	~1.5 pp	
Bioprocess Solutions	Mid- to high single-digit percentage range	above 31%
thereof from acquisitions	~ 2 pp	
Lab Products & Services	Low single-digit percentage range	approx. on prior year level (2023: 25.1%)

- Some continued destocking during first half anticipated; growth momentum projected to pick up in the course of the year; H2 stronger than H1
- Polyplus business to positively influence BPS margin
- Capex ratio expected at ~13%
- Net debt to underlying EBITDA anticipated at ~4.0 at year-end excl. possible capital measures and / or acquisitions

1 In constant currency

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Fundamental biopharma growth drivers intact, additional dynamics from the new modalities market segment

~9,500 biologics in development; increasingly innovative and diverse pipeline[1]

- Record number of BLA approvals: 42 in 2023 (2022: 31)[2]
- Including 7 new CGTs (2022: 5)

Pillars of growth CAGRs 2022–2027[1]

Pharma market	~3-6%
Lab equipment & consumables	~5%
Biopharma market	~10%
Biosimilars	~15%
CGT	~20%
Single-use	~15%

1 Source: Company estimates based on EvaluatePharma 2023, IQVIA 2023, Global Data 2023, Roots Analysis 2021, Markets & Markets 2023 2 Includes CDER and CBER approvals

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Midterm outlook to 2028: Expect to continue outgrowing the market

	BPS	LPS	Sartorius Group
Sales revenue CAGR to 2028	Low to mid-teens %	Mid to high single-digit %	Low-teens %
Underlying EBITDA margin in 2028	~36%	~28%	~34%

- ~1/5 of sales revenue growth to come from acquisitions in both divisions and the Group
- Margin targets include expenses for reduction of the company's CO_2 emission intensity of around 1% of sales

Midterm targets based on current currency exchange rates; underlying EBITDA excluding extraordinary items

Broad set of ambitious sustainability targets

2030 mid-term targets

~10%
av. reduction of CO_2eq emission intensity p.a. (Scopes 1-3)

Zero
avoidable[1] emissions in Scopes 1 and 2

100%
electricity from renewable sources

>75%
revenue with products designed according to circularity principles

Zero
disposal of operational waste to landfill

35
av. annual Employee Net Promoter Score

2045 long-term target

Net-zero emissions

Decarbonization of the entire supply chain in collaboration with suppliers and customers

1 Process emissions from membrane manufacturing are currently considered unavoidable based on available technology, 2 Including product and transport packaging

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Questions & Answers

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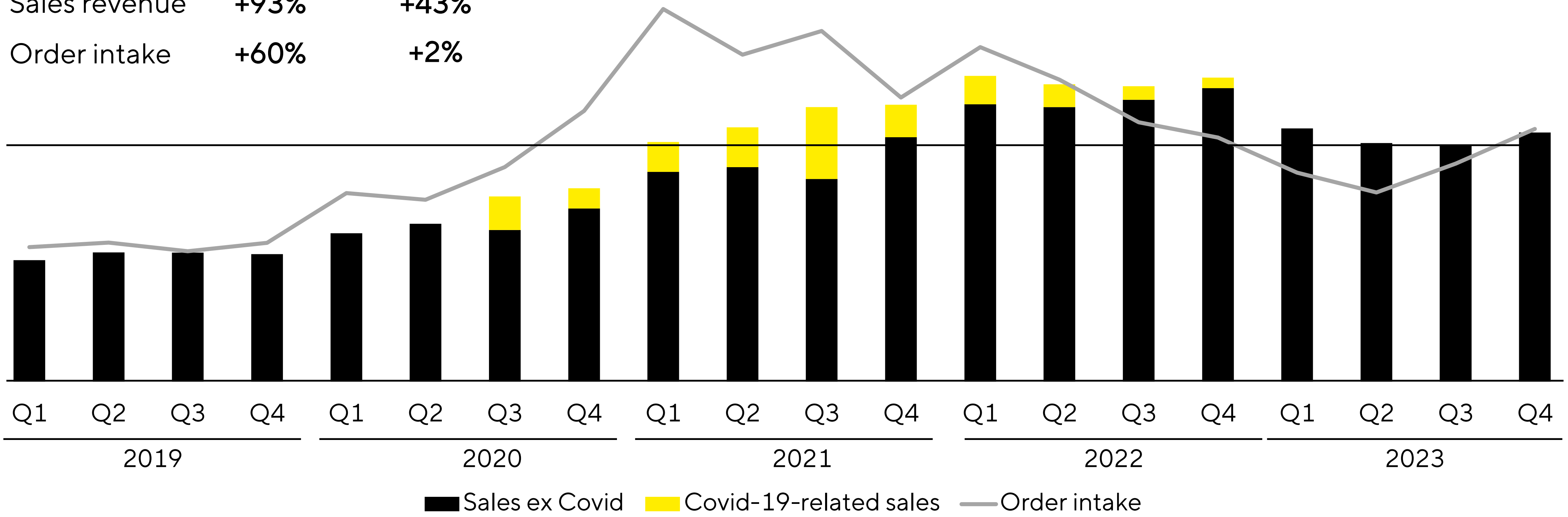
Business picking up since end of Q3; trend expected to gradually intensify

FY 23	vs. FY 19	vs. FY 20
Sales revenue	**+93%**	**+43%**
Order intake	**+60%**	**+2%**



Growth in constant currencies

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FY top and bottom line reflect temporarily weak post pandemic demand

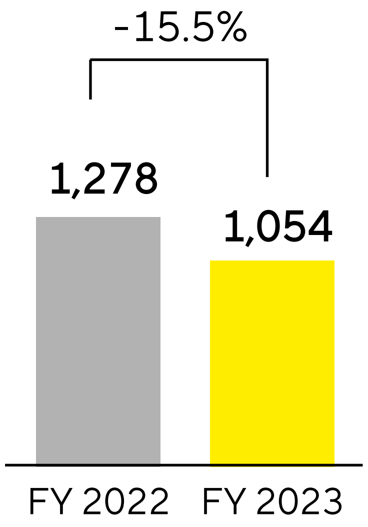
Sartorius Stedim Biotech Group in millions of € unless otherwise specified	FY 2022	FY 2023	▲ in %	▲ in % cc[1]
Sales revenue	3,493	**2,775**	-20.5	-18.7
Order intake	3,315	**2,476**	-25.3	-23.6
Underlying EBITDA[2]	1,221	**785**	-35.7	
Underlying EBITDA[2] margin in %	35.0	**28.3**	-6.7pp	
Underlying EPS[3] in €	8.64	**4.19**	-51.6	

- Only marginal Covid-related business; excluding this effect, sales decline around 14% in cc
- OI affected by destocking, relatively low production levels at customers and muted investment activities; positive trend in OI starting end of Q3 continues in Q4
- Underlying EBITDA margin decreases due to volume and product mix effects

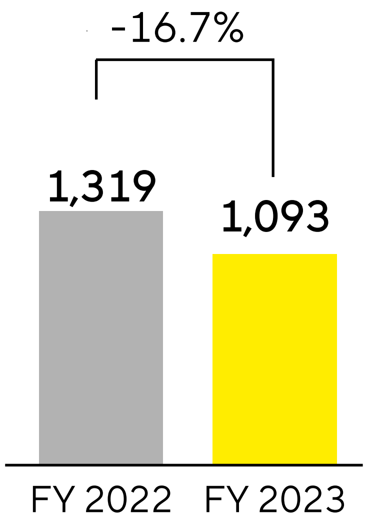
1 Constant currencies 2 Underlying = excluding extraordinary items 3 Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and normalized tax rate

All regions influenced by normalization; China particularly weak

Americas
€ in millions



EMEA
€ in millions



Asia|Pacific
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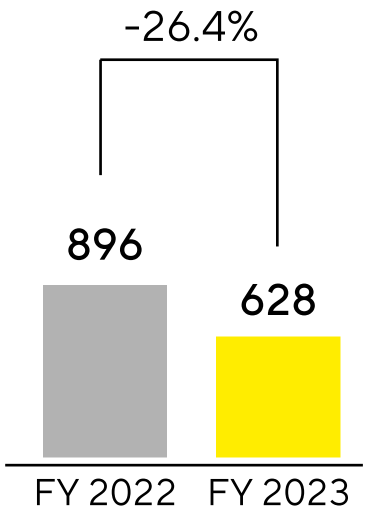
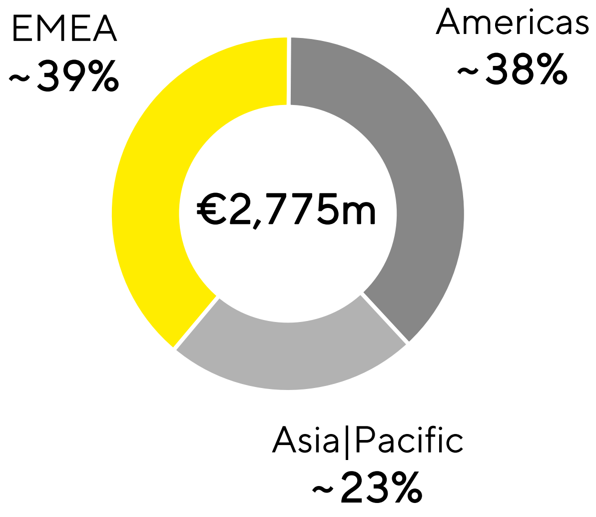


Sales by region
in %



- Americas: Lower sales in the Americas driven by destocking and low investment activity by customers
- EMEA: Sales below prior year on high comps; Russia weighs on top line with ~4pp (total Group: more than 1pp)
- Asia|Pacific: China weighs on weak APAC business with ~20pp; Korea and rest of region less impacted

Acc. to customers' location; growth in constant currencies

Strong operating CF driven by working capital optimization; Polyplus acquisition reflected in investing CF

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	FY 2022	FY 2023	▲ in %
Underlying EBITDA	1,221	**785**	-35.7
Extraordinary items	-46	**-99**	> -100
Financial result	135	**-48**	n.m
Underlying net profit[1,2]	797	**386**	-51.6
Reported net profit[2]	876	**310**	-64.6
Operating cash flow	612	**746**	21.9
Investing cash flow[3]	-958	**-2,723**	> -100
Capex ratio (in %)	12.3	**17.1**	+4.8pp

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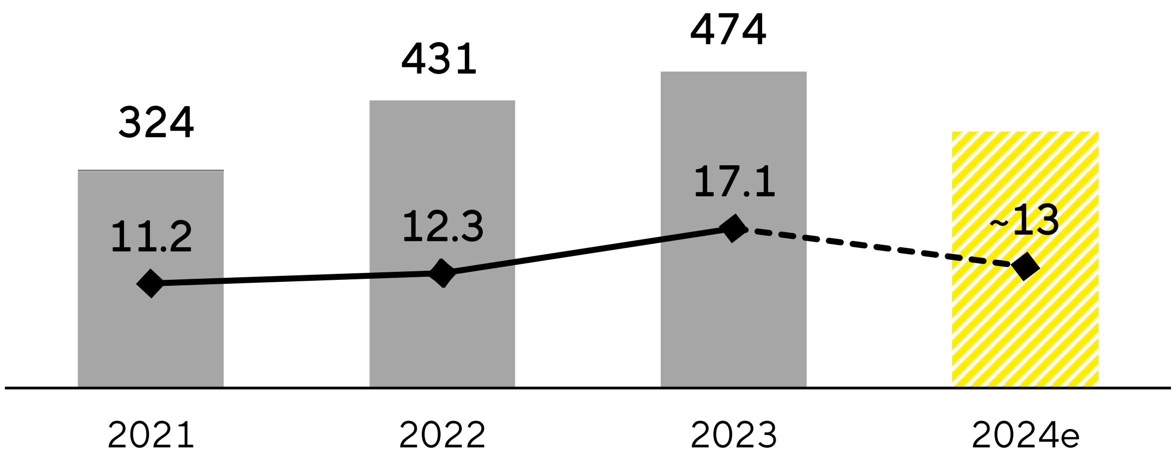
Investing strategically into capacity and robust regional set-ups for long-term organic growth and resilience

Capex

in millions of €; ratio in %



- Underlying capex ratio of <10%, including ~2% capitalized R&D
- Strategic investment in major capacity expansion to accompany above-market organic growth rates and best in class delivery ability

Global Resilience

Redundant Capacity

Customer proximity

Operational Excellence

Aubagne, France
Clean rooms, product develop., laboratories, offices completion in 2025

Songdo, South Korea
Cell culture media, bags, filtration, laboratories, training completion by end of 2025

Balance sheet reflects recent M&A and investment program

Key financial indicators

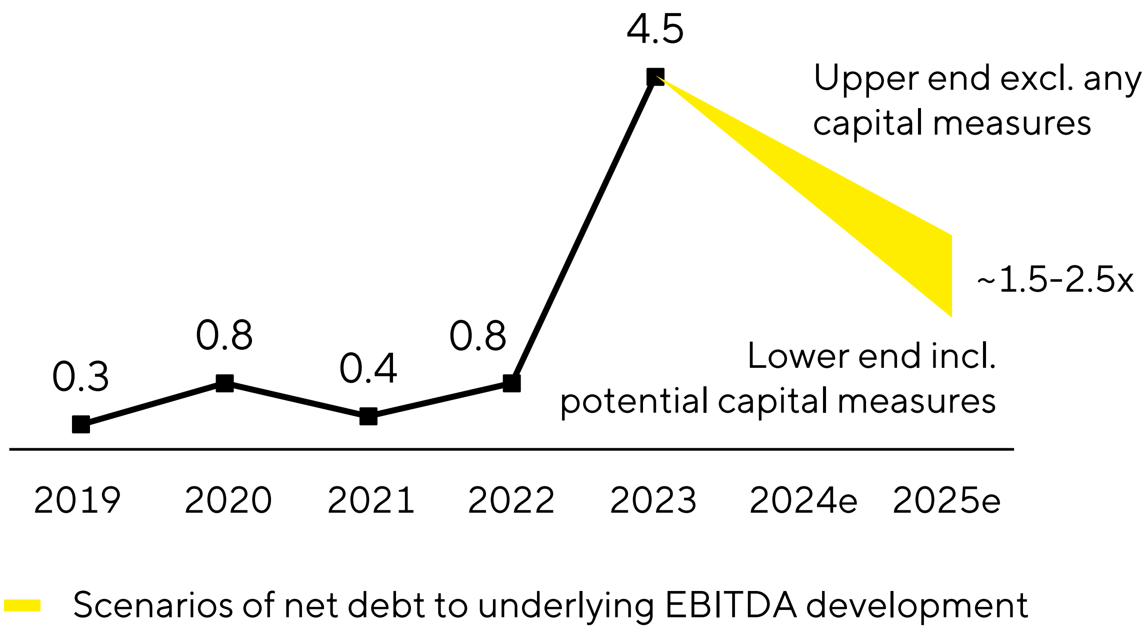
Sartorius Stedim Biotech Group in millions of € unless otherwise specified	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	3,394	6,325
Equity ratio in %	49.6	34.5
Net debt	1,029	3,565
Net debt | underlying EBITDA[1]	0.8	4.5

- Non-current assets increased due to higher goodwill and other intangible assets resulting from M&A
- Net debt up mainly through the financing of the Polyplus acquisition
- Rapid deleveraging a key priority going forward

1 Includes underlying pro forma EBITDA of acquisitions completed in the last 12 months

Focus on strong cash generation; potential equity measures would accelerate deleveraging

Debt leverage



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Guidance 2024: Profitable growth with moderate first half of the year

Guidance 2024[1]	Sales revenue growth	Underlying EBITDA margin
Sartorius Stedim Biotech Group	**Mid- to high single-digit percentage range**	above 30%
thereof from acquisitions	~2 pp	

- Some continued destocking during first half anticipated; growth momentum projected to pick up in the course of the year; H2 stronger than H1
- Polyplus business to positively influence BPS margin
- Capex ratio expected at ~13%
- Net debt to underlying EBITDA anticipated at ~3.5 at year-end excl. possible capital measures and / or acquisitions

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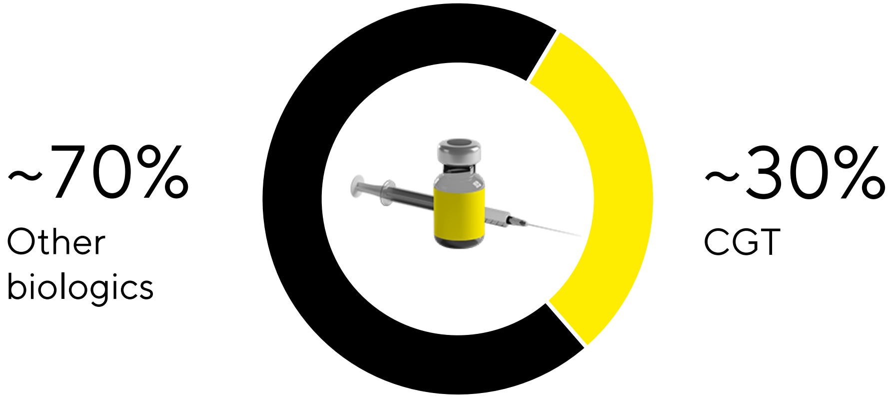
~9,500 biologics in development; increasingly innovative and diverse pipeline[1]



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Pillars of growth CAGRs 2022–2027[1]

Pharma market →	~3-6%
Biopharma market →	~10%
Biosimilars →	~15%
CGT →	~20%
Single-use →	~15%

1 Source: Company estimates based on EvaluatePharma 2023, IQVIA 2023, Global Data 2023, Roots Analysis 2021, Markets & Markets 2023 2 Includes CDER and CBER approvals

Polyplus acquisition a milestone for creating a technology platform for applications in the CGT market

Biological Industries

Cell culture media

CellGenix

Growth factors and cytokines

Xell

Media and supplements

Albumedix

Recombinant Albumin

Polyplus

Transfection reagents and plasmid DNA

\+

Up & downstream solutions

\+

Cell line development, plasmid design & manufacturing, testing services

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

Sartorius CGT exposure

>10% of SSB sales revenue | ~ CAGR 2019-23: **>35%**

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Midterm outlook to 2028: Expect to continue outgrowing the market

Sales Revenue CAGR <u>to</u> 2028	Low to mid-teens range thereof ~1/5 from acquisitions
Underlying EBITDA Margin <u>in</u> 2028	above 35 %

- Margin target includes expenses for reduction of the company's CO_2 emission intensity of around 1% of sales

Midterm targets based on current currency exchange rates; underlying EBITDA excluding extraordinary items

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Questions & Answers

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Disclaimer

This presentation contains statements concerning the future performance of the Sartorius and the Sartorius Stedim Biotech Groups. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we cannot guarantee that they will actually materialize. This is because our assumptions harbor risks and uncertainties that could lead to actual results substantially diverging from the expected ones. It is not planned to update our forward-looking statements.

Throughout this presentation, differences may be apparent as a result of rounding during addition.