

# SARTORIUS

Report by the CEO

Dr. Joachim Kreuzburg

Challenging year 2023 for the  
entire life science industry

# Temporary demand normalization after the pandemic affects sales revenue and profitability

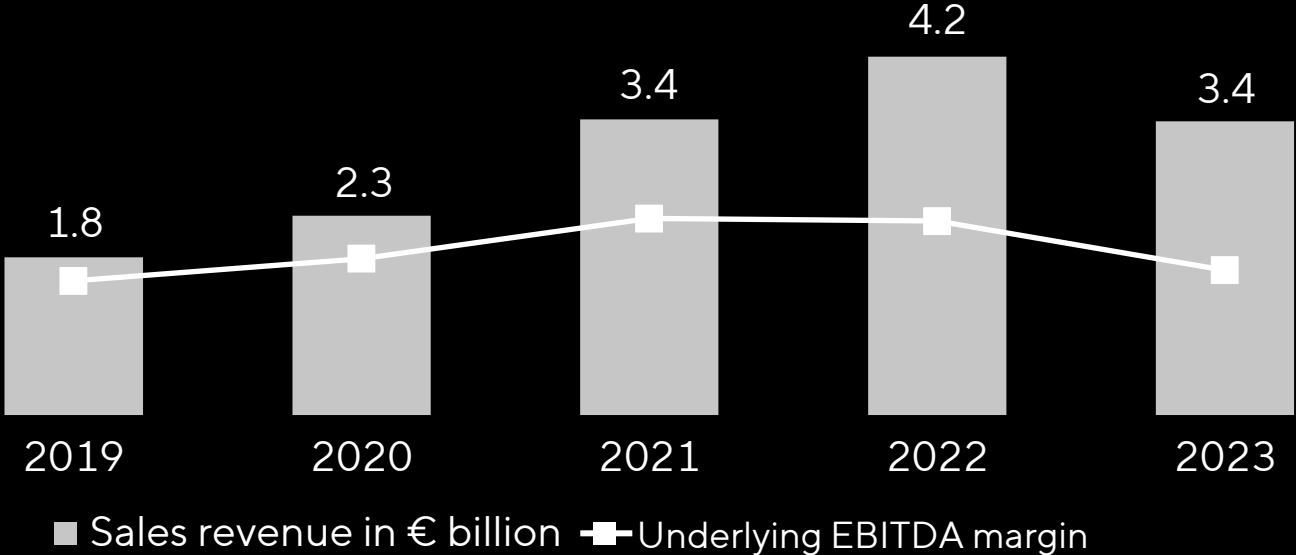
€3.4bn | -16.6%  
Sales revenue

€963mn | -31.7%  
Underlying EBITDA

28.3%  
Underlying EBITDA margin

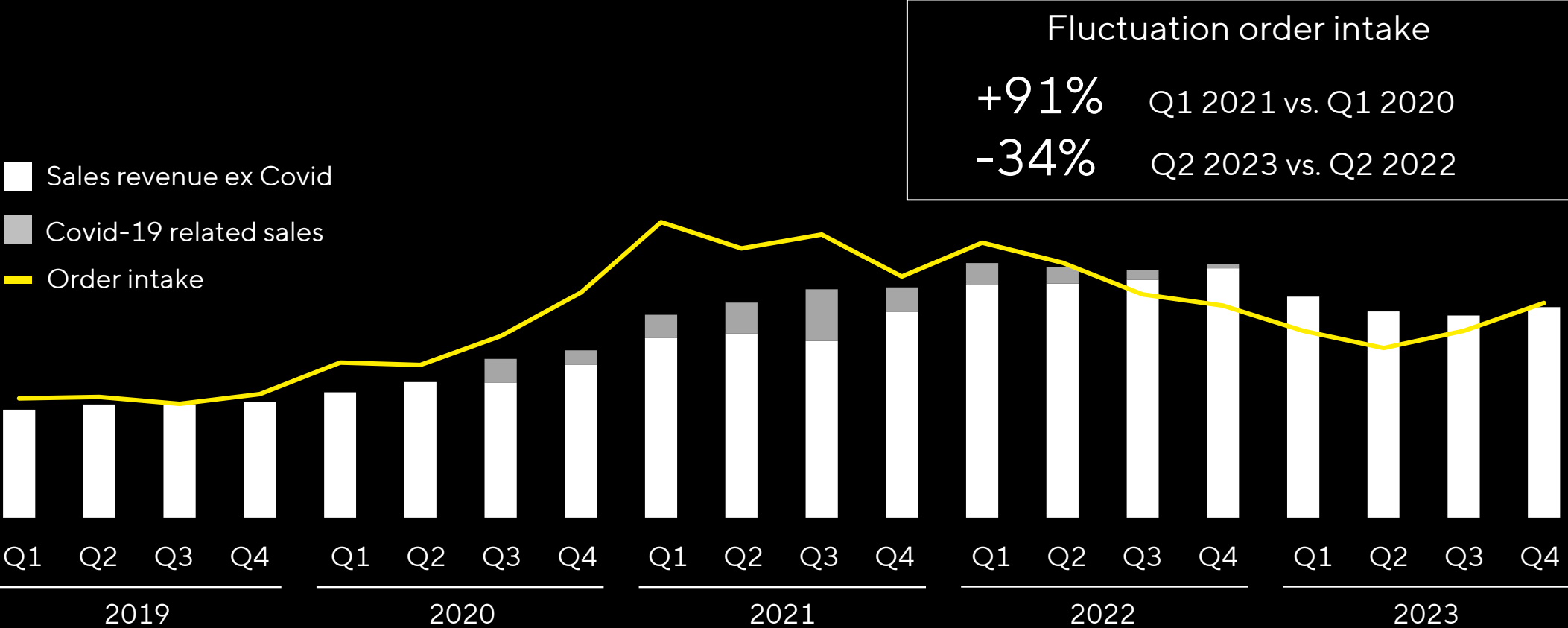
+87%  
Sales growth 2023  
compared to 2019

+94%  
Und. EBITDA growth 2023  
compared to 2019



Sales revenue growth in constant currencies; underlying EBITDA = adjusted for extraordinary items

# Strong performance during the pandemic; very high volatility in order intake; positive trend since Q3 2023



# Business performance in 2023 characterized by mutually reinforcing factors

## Customers



Destocking

## Sector



End of corona pandemic

## Macro



Economic slowdown

## Geopolitics



Discontinued business in Russia



Adjustment of target inventory levels



Market weakness in China



Rising interest rates



Decoupling tendencies



Reluctance to invest



Muted biotech funding environment

# Both divisions impacted by temporarily weak demand

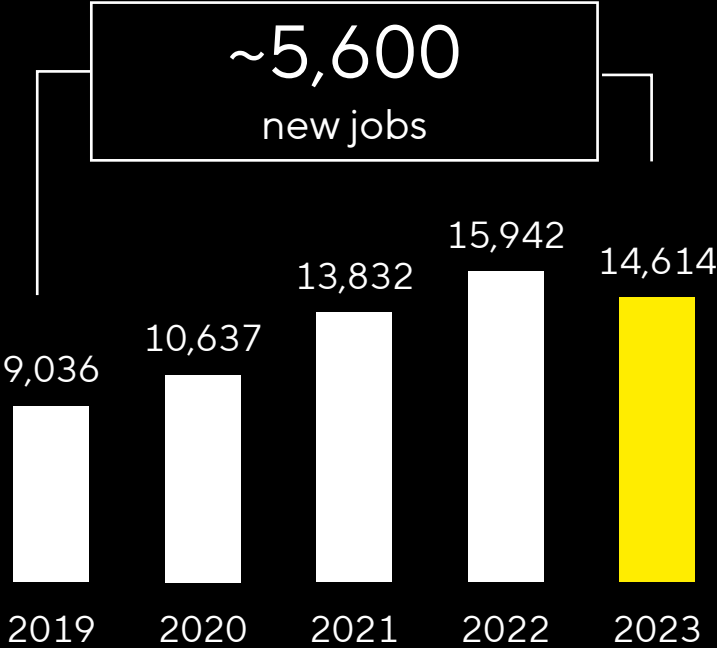
	Bioprocess Solutions	Lab Products & Services
Sales revenue	€2,678mn   -18%	€718mn   -13%
Order Intake	€2,404mn   -21%	€663mn   -23%
Underlying EBITDA	€782mn   -34%	€180mn   -19%
Underlying EBITDA margin	29.2%	25.1%

Sales revenue growth in constant currencies; underlying EBITDA = adjusted for extraordinary items

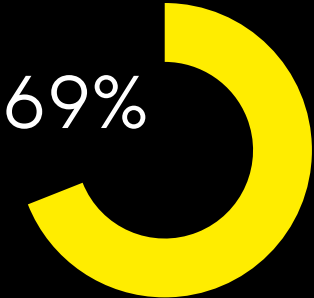
# Strong headcount increase over 5 years; now moderate adjustment of capacities in line with business development

Focus on efficiency after strong team growth

55%  
of employees with the  
company <5 years



Dynamic internal job market



of management  
positions filled internally

As of December 31, 2023

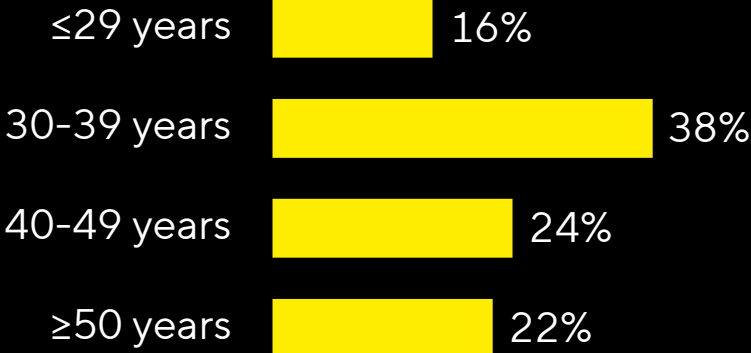
# Diverse and balanced employee structure

## International team

113 Nationalities

70% Non-German managers

## Balanced age structure



Average age: 40

## Current gender structure

39% Share of women in total workforce

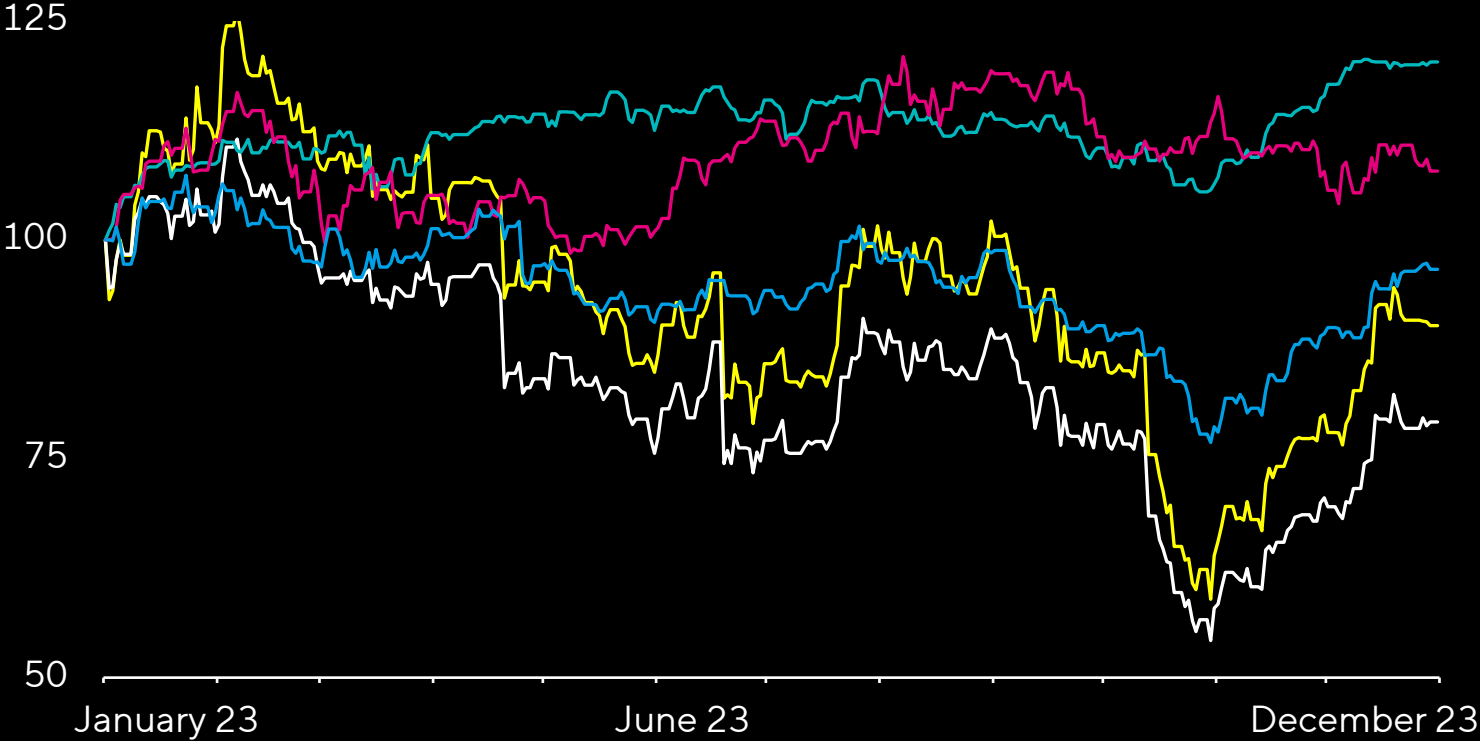
25% Share of women in the Executive board as of 01.04.24

31% Share of women on 1st and 2nd management level  
> Target 2025: 1/3

As of December 31, 2023



# Sartorius share price declines in 2023; above-average development on a multi-year perspective

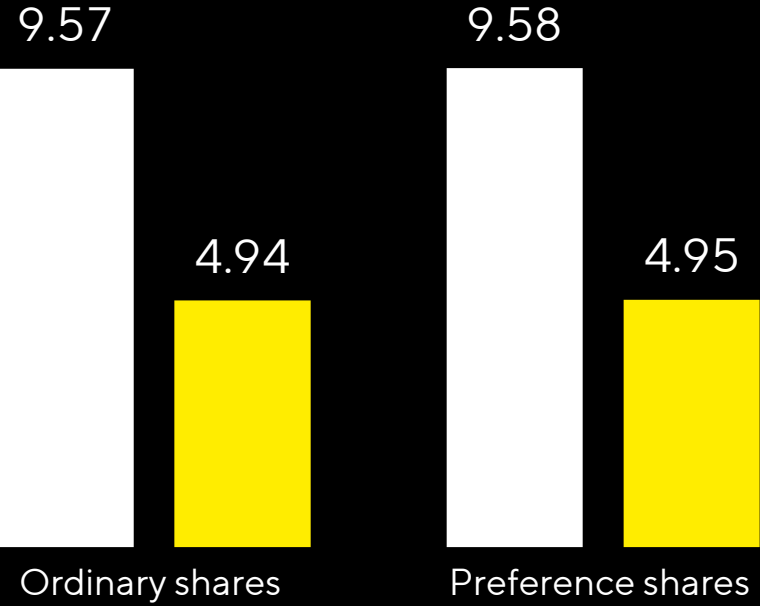


	2023	2019-2023
SAG pref.	-9.8%	+206.0%
SAG ord.	-20.8%	+176.0%
DAX	+20.3%	+58.6%
NASDAQ Biotech	+3.7%	+43.6%
S&P 500 Life Sciences Tools	-3.4%	+80.7%

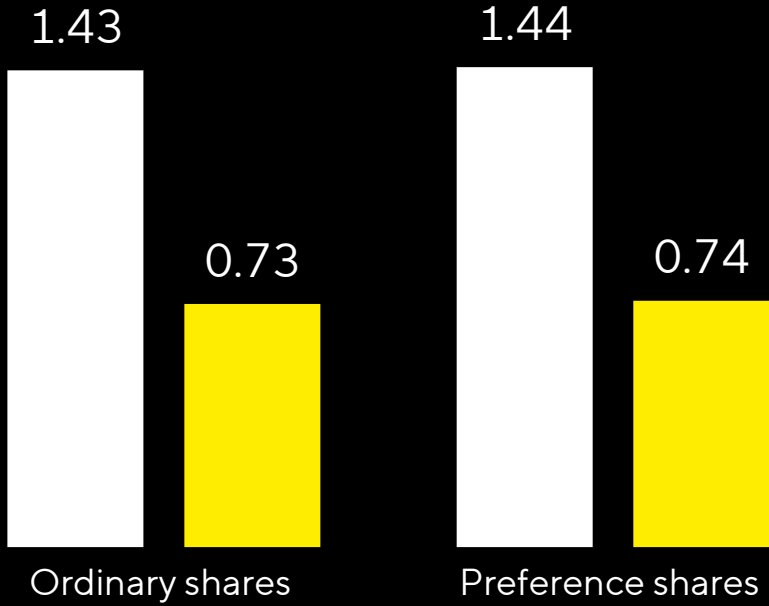
NASDAQ; indexed

# Dividend development reflects business performance; payout ratio at prior-year level at around 15%

Relevant earnings per share in €<sup>1</sup>



Dividend per share in €



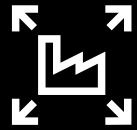
2022 2023

<sup>1</sup> 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

Normalization well advanced;  
positive outlook

# Focus on robust and agile position for future growth in a highly competitive environment

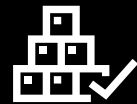
During the pandemic:  
focus on ability to supply



Rapid capacity expansion



Significant increase in headcount



High inventory level

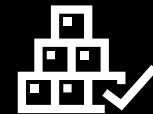
After the pandemic:  
focus on efficiency and innovation



Innovations for accelerated drug development and efficient bioproduction



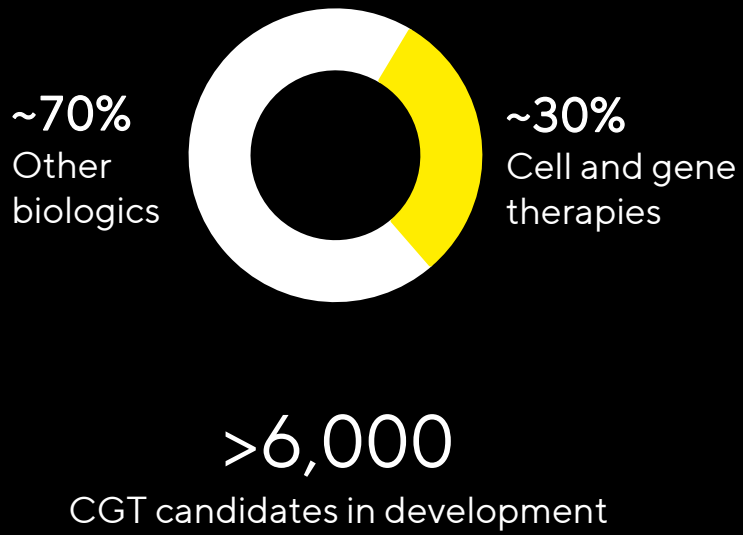
Efficiency measures and digitalization



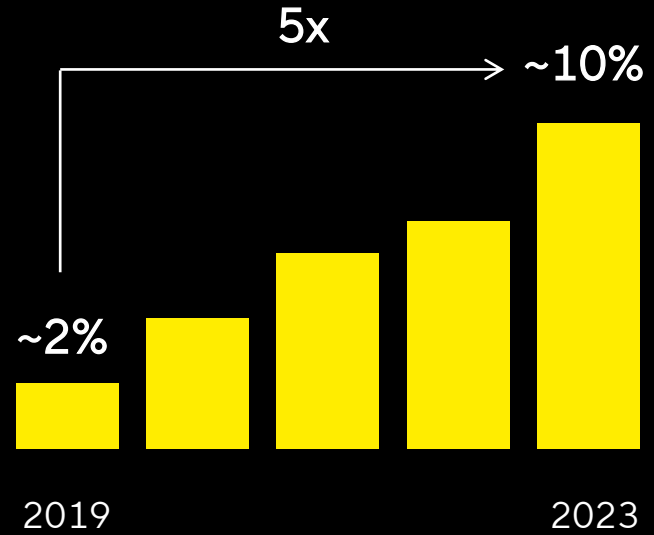
Reduction in working capital and ratio of net debt to underlying EBITDA

# Cell and gene therapies become increasingly relevant

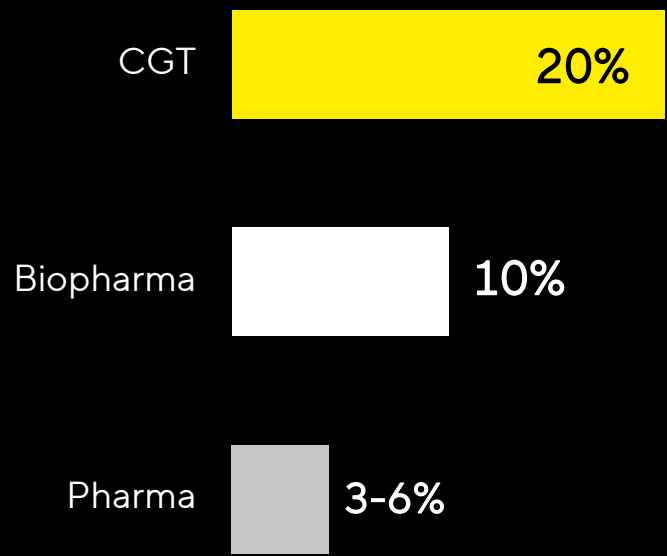
~30% of pipeline is focusing on CGT<sup>1</sup>



CGT with increasing share of drug approvals<sup>2</sup>



Above-average growth CAGR 2022-2027<sup>3</sup>



1 GlobalData, Oktober 2023 2 cellandgene.com 3 Company estimates based on EvaluatePharma 2023, IQVIA 2023, Global Data 2023, Roots Analysis 2021, Markets & Markets 2023

# Polyplus acquisition an important building block in CGT strategy



HQ in Strasbourg, France



~270 employees



Attractive growth and profitability profile



€2.4 billion purchase price

## Portfolio



- Transfection reagents
- Plasmids
- Other reagents

- Market-leading technology
- Specified in a high share of the CGT in development
- Complementary to the Sartorius portfolio; synergies through cross-selling
- Significant customer benefits from the combination of capabilities

# Acquisition financing through first-time bond issuance in September 2023



**Rating**  
August 2023

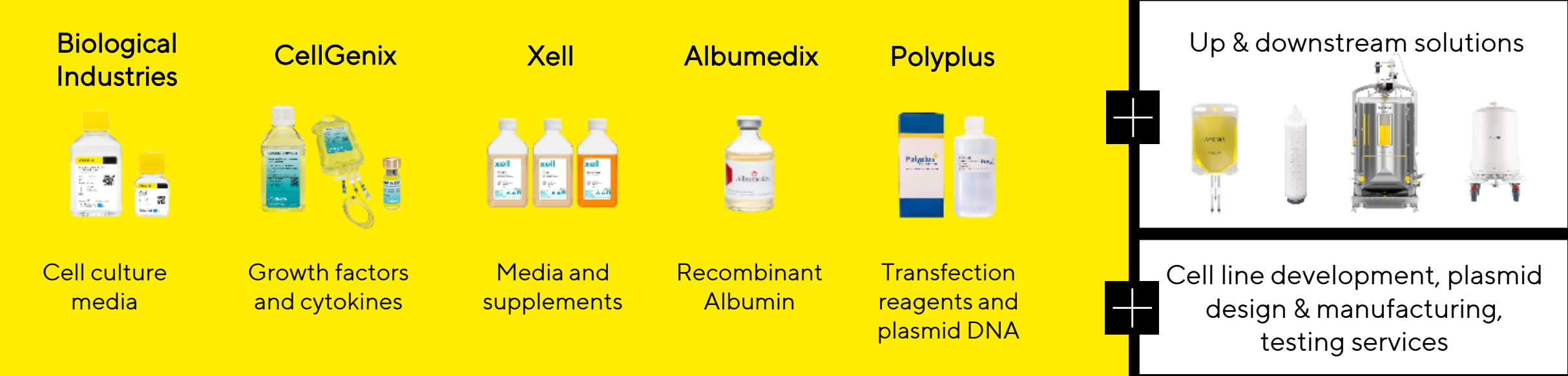
- Investment grade rating from S&P Global Rating
- BBB-Rating with a stable outlook
- Expanding financing options via the capital markets



**Bond issuance**  
September 2023

- 3 billion euros in issue proceeds
- Placement of four tranches with maturities of 3 to 12 years
- Interest rates ranging from 4.313 percent to 4.940 percent
- More than six times oversubscribed

# Sartorius's technology platform for cell and gene therapies is well advanced



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

Increasing relevance of the CGT market for Sartorius  
>10% of BPS sales | ~ CAGR 2019-23: >35%




# Our innovations for fast results, higher yields, less use of resources, lower emissions for customers



Single-Use-  
technologies



Process  
intensification



Automation



Data  
analytics



Biostat® STR Bioreactors



Linkit® AX with Flexsafe®



Resolute® BioSMB



Ambr® 250HT Perfusion



Incucyte® SX5

# Currently on the agenda: Developing recyclable products together with users and suppliers

## Recyclability | Flexsafe® Bags



- Pilot project with Sanofi, Veolia and Südpack
- 1<sup>st</sup> plastic film in the industry recyclable in standard processes

## Material optimization | MaxiCaps®



- Compared to 1<sup>st</sup> generation
- 63% less weight
  - 15 kg less plastic

## Packaging | Sartolab® RT



- 22% less plastic
- 11% less paper
- Cardboard made from recycled materials; 100% recyclable

## Transport | Celsius® FFT



- Cooperation with Va-Q-tec
- Development of logistics system for shipping active ingredients

# Investments in capacities and resilient regional setups for long-term organic growth

- 

Global resilience
- 

Redundant capacity
- 

Operational excellence
- 

Customer proximity



Ann Arbor, Michigan, USA



Songdo, South Korea



Freiburg, Germany



Göttingen, Germany



Aubagne, France



~€560mn  
Capex 2023

# Successful share capital increase at the beginning of February 2024 strengthens strategic flexibility

## Placement of treasury preference shares of Sartorius AG (SAG)

613,497	SRT3-Shares
€326	Subscription price
€200mn	Net proceeds

## Capital increase at subsidiary Sartorius Stedim Biotech S.A.

5,150,215	DIM-Shares
1,716,739	Subscription by Sartorius AG
€800mn	Net proceeds

## Use of proceeds

- Accelerated debt deleveraging beyond strong operating cash flow
- Strengthening overall strategic flexibility

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

	Sartorius Group	Bioprocess Solutions	Lab Products & Solutions
Sales revenue growth 2024	Mid- to high single-digit percentage range	Mid- to high single-digit percentage range	Low single-digit percentage range
Underlying EBITDA margin 2024	Slightly more than 30%	above 31%	approx. prior year level

- Capex ratio ~13%
- Net debt to underlying EBITDA anticipated at slightly above 3.0

In constant currency; EBITDA adjusted for extraordinary items.

# Explanation of agenda item 7 and 8

- Ability to acquire and use treasury shares with the option of excluding subscription rights, e.g. for
  - Placement analogous to the transaction in February 2024
  - Acquisition of companies
  - Participation programs
- Maximum threshold of up to 10% of the share capital
- Authorization for 5 years
- Acquisition also possible via derivatives, e.g. put options, call options, forward contracts
- Proposals for resolutions in line with market practice and in accordance with the guidelines of shareholder associations and proxy advisors

Sustainable fundamental trends;  
ambitious medium-term targets

# Health is one of the most relevant global topics

## Growing and aging population



9.5bn<sup>1</sup>

World population in 2050

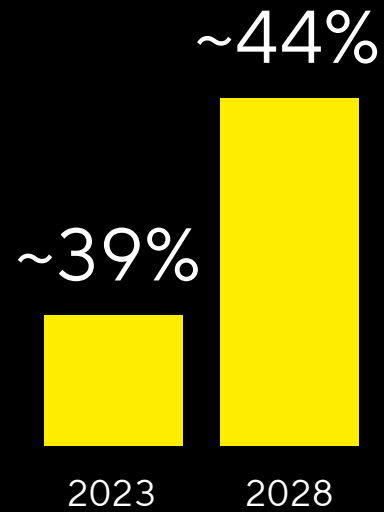
~0.8bn  
over 65 years

2022

>1.6bn  
over 65 years

2050

## Biologics gaining in importance<sup>2</sup>



Revenue share of biologics

## Significant market growth<sup>3</sup>

~10%

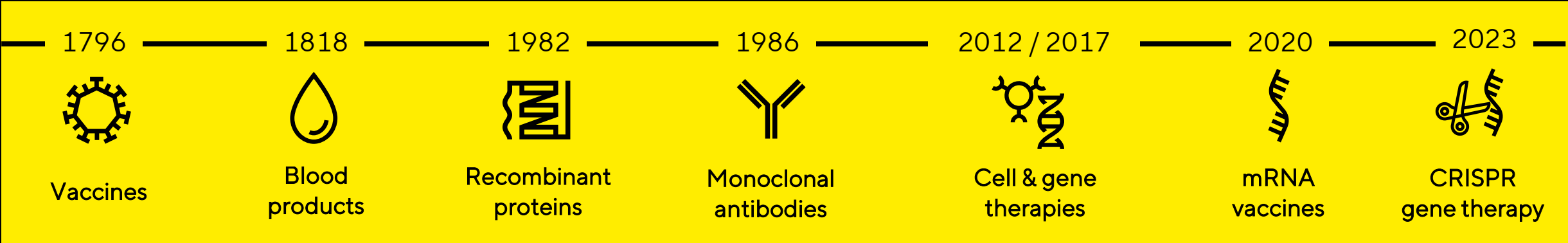
CAGR  
for the biopharma market  
2023-2028

<sup>1</sup> United Nations: World Population Prospects, 2022 <sup>2</sup> Evaluate Pharma: World Preview 2023, August 2023 <sup>3</sup> Company estimates based on EvaluatePharma 2023, IQVIA 2023, Global Data 2023, Roots Analysis 2021, Markets & Markets 2023



# The life science industry is in a highly innovative phase

Breakthroughs at an ever-increasing pace offer hope for patients<sup>1</sup>



<sup>1</sup> AstraZeneca, eurordis, WHO, Alzheimer Association

# Technological innovations needed for therapies to reach patients

Cell and gene therapies effective, but expensive<sup>1</sup>

Example spinal muscular atrophy



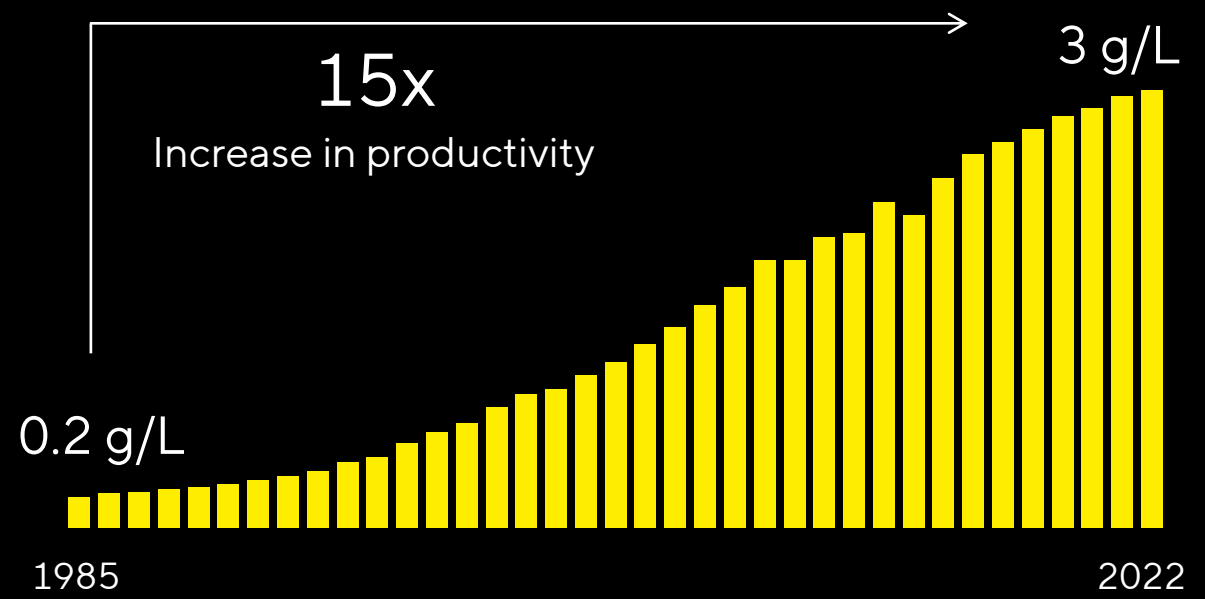
~€1.4mn costs of one-off therapy

Example cancer



~€420,000 annual therapy costs

Progress required similar to antibody production<sup>2</sup>



<sup>1</sup> Wissenschaftliches Institut der AOK, 2023 <sup>2</sup> Bioprocess International

# Ambitious sustainability agenda in implementation

## 2030

~10% p.a.

Ø reduction of CO<sub>2</sub>eq  
emission intensity<sup>1</sup> scopes 1-3

Zero

avoidable emissions<sup>2</sup>  
in scope 1 and 2

100%

electricity from  
renewable sources

>75%

sales revenue with products  
according to circularity  
principles<sup>3</sup>

Zero

operational waste to  
landfill

35

Ø Employee  
satisfaction index

## 2045

### Net zero emissions

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

1 Compared to base year 2019, 2 Process emissions from membrane manufacturing are currently considered unavoidable based on available technology, 3 Including product and transport packaging

# Midterm outlook to 2028: Significant profitable growth

	Sartorius Group	Bioprocess Solutions	Lab Products & Solutions
Sales revenue CAGR to 2028	Low-teens percentage range	Low to mid-teens percentage range	Mid to high single-digit percentage range
Underlying EBITDA Margin in 2028	~34%	~36%	~28%

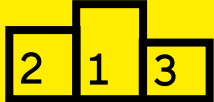
- ~1/5 of sales revenue growth to come from acquisitions in both divisions and the Group
- Margin targets include expenses for reduction of the company's CO<sub>2</sub> emission intensity of around 1% of sales.

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

# Sartorius is very well-positioned for the future



Strong fundamental growth drivers



Competitive, integrated product portfolio



Clear strategy



Ambitious team, strong customer-focus



Powerful and resilient production and R&D infrastructure



Ambitious ESG agenda

Thank you for your  
attention