

Göttingen, April 18, 2024

Sartorius: First quarter results in line with expectations; recurring business with significant order growth; demand from China remains weak; outlook for full year confirmed

- Inventory reduction at customers further advanced; order intake increases by almost 10 percent in constant currencies
- Sales revenue down by 7.6 percent in constant currencies; underlying EBITDA margin at a robust 28.6 percent

In a continuously challenging market environment, the life science group Sartorius closed its first quarter within the bandwidth of expectations recording an increase in order intake and a decline in sales revenue compared with a strong prior-year quarter. For the full year, the company continues to anticipate business momentum to gradually pick up from quarter to quarter and forecasts sales revenue growth in the mid to high single-digit percentage range.

"In the first quarter we largely saw the projected muted start to the fiscal year and a mixed picture overall: Orders in our core business with consumables are picking up noticeably, signaling an advanced stage of inventory reduction on the customer side. Business with customers working on cell and gene therapies, which is a major strategic focus for us, is also developing well, although this still very young field generally sees somewhat higher volatility. In contrast, customers, particularly in China and to some extent also in Europe, showed a pronounced reluctance to invest, which had a significant dampening effect on the order intake of our equipment business," said Sartorius CEO Joachim Kreuzburg. "We are content with the development of profitability. The EBITDA margin continues to be at a robust level, and we anticipate further effects from our efficiency programs in the coming months."

Business development of the Group¹

In the first three months of 2024, the Sartorius Group recorded an increase in order intake of 9.8 percent in constant currencies (reported: 8.0 percent) to 826 million euros compared with the prior-year quarter, continuing the positive trend that already began at the end of the third quarter of 2023.

Sales revenue amounted to 820 million euros in the first quarter, which corresponds to a decline of 7.6 percent in constant currencies (reported: -9.3 percent) compared with the prior-year period. This includes a growth contribution from acquisitions² of around 2 percentage points.

From a regional perspective, the demand recovery was visible in all business regions except for Asia/Pacific, which is significantly influenced by China: The EMEA region³ recorded an increase in order intake of 6.5 percent with sales revenue down by 4.4 percent. In the Americas region, order intake grew at a double-digit rate of 26.1 percent, while sales revenue declined by 9.3 percent. In Asia/Pacific, the continued market weakness in China led to a decline in both order intake (- 4.8 percent) and sales revenue (- 10.4 percent).

Underlying EBITDA decreased by 13.8 percent to 234 million euros in the first three months due to lower sales revenue. The resulting margin was 28.6 percent after 30.1 percent in the prior-year period.

The relevant net profit reached 70 million euros after 116 million euros in the first three months of 2023. Underlying earnings per ordinary share stood at 1.01 euros (prior-year period: 1.69 euros) and 1.02 euros (prior-year period: 1.70 euros) per preference share. The number of employees worldwide was 14,338 as of March 31, 2024, compared with 15,547 the year before (December 31, 2023: 14,614 people).

Key financial indicators

The Group's key financial indicators remain at a sound level. The equity ratio as of March 31, 2024, increased to 35.4 percent (December 31, 2023: 28.3 percent), mainly as a result of the equity measures successfully completed at the beginning of February 2024. The ratio of net debt to underlying EBITDA decreased significantly to 4.4 after 5.0 as of December 31, 2023.

Mainly due to lower earnings, net operating cash flow totaled 45 million euros compared with 202 million euros in the prior-year period. Cash flow from investing activities amounted to - 135 million euros after - 137 million euros in the first quarter of 2023. The ratio of capital expenditures (capex) to sales revenue stood at 15.7 percent compared with 15.0 percent in the prior-year period.

Business development of the Bioprocess Solutions division

In the Bioprocess Solutions division, which offers a wide array of innovative technologies for the manufacture of biopharmaceuticals, vaccines, and cell and gene therapeutics, demand in the recurring core business with consumables continued to normalize as expected. Sales revenue and order intake further recovered in this key product category, while the equipment and systems business remained soft due to customers' muted investment activity.

The division's order intake increased by 15.0 percent in constant currencies (reported: 13.4 percent) to 653 million euros in the first quarter, with growth recorded in all regions except China. In view of advanced inventory reductions on the part of customers, business has been recovering since the end of the third quarter of 2023. Order volume was slightly above sales revenue in the first three months of 2024, which stood at 647 million euros, down 5.3 percent in constant currencies (reported: - 6.9 percent) on the strong prior-year figure. This includes a growth contribution from acquisitions² of 2.8 percentage points.

The division's underlying EBITDA decreased to 193 million euros, with positive product mix effects and cost base adjustments partially compensating the negative volume development. The margin reached 29.8 percent (prior-year period: 31.2 percent).

Business development of the Lab Products & Services division

In the Lab Products & Services division, which specializes in life science research and pharmaceutical laboratories, the upturn in business momentum recorded since the end of 2023, continued in the first

quarter. However, in particular due to the very weak Chinese market and the still subdued investment activity on the part of customers, order intake and sales revenue were down on the strong prior-year quarter.

Order intake was on a par with the sales revenue level in the first three months of the financial year at 173 million euros; the decline compared with the prior-year quarter was 6.2 percent in constant currencies (reported: - 8.2 percent).

The division's sales revenue reached 173 million euros, which corresponds to a decline of 15.3 percent in constant currencies compared with the prior-year quarter (reported: - 17.1 percent), while the trend was positive compared with the end of 2023.

Due to volume and product mix effects, the division's underlying EBITDA stood at 41 million euros after 55 million Euros in the first quarter of 2023 and the corresponding margin was 24.0 percent (prior-year period: 26.3 percent).

Outlook for 2024

Management confirms its expectations for the current fiscal year and continues to anticipate a moderate first half of 2024 and increasing business momentum in the course of the year. In addition, business performance could also be affected by increasing geopolitical tensions and economic slowdowns.

The company forecasts an increase in Group sales revenue in the mid to high single-digit percentage range with a contribution of around 1.5 percentage points from acquisitions. The underlying EBITDA margin is projected to rise to slightly more than 30 percent (prior year: 28.3 percent). The ratio of capital expenditure to sales revenue is expected to be around 13 percent and the ratio of net debt to underlying EBITDA, excluding potential acquisitions, slightly above 3.0.

For the Bioprocess Solutions division, management anticipates an increase in sales revenue in the mid to high single-digit percentage range, including a contribution of around 2 percentage points from acquired businesses. The division's underlying EBITDA margin is projected to be over 31 percent (prior year: 29.2 percent), positively impacted by the above-average profitability of the Polyplus business. The Lab Products & Services division is expected to continue its recovery in the current year, with a subdued sales revenue increase in the low single-digit percentage range and an underlying EBITDA margin at around the prior-year level (prior year: 25.1 percent).

All forecasts are based on constant currencies, as in past years. Management points out that the industry has become increasingly dynamic and volatile in recent years. In addition, uncertainties due to the shifting geopolitical situation, such as various countries' nascent decoupling tendencies, are playing an increasing role. This results in increased uncertainty when forecasting business figures.

1 Sartorius 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.

- 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

- 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 Acquisition of Polyplus

3 EMEA = Europe, Middle East, Africa

This press release contains forward-looking statements about the future development of the Sartorius 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 assumes no liability for updating such statements in light of new information or future events. This is a translation of the original German-language press release. Sartorius shall not assume any liability for the correctness of this translation. The original German press release is the legally binding version.

Conference call

The Executive Board Chairman and CEO Dr. Joachim Kreuzburg and CFO Dr. Florian Funck will discuss the company's first quarter results with analysts and investors in a conference call on April 18, 2024, at 1.00 p.m. CEST. Register here: https://sar.to/Q1_IR_Registration

Financial calendar

July 19, 2024	Publication of the first-half figures (January to June 2024)
October 17, 2024	Publication of the nine-month figures (January to September 2024)

A profile of Sartorius

Sartorius (XETRA: SRT3 | STR) is a leading international partner of life sciences research and the biopharmaceutical industry. With innovative laboratory instruments and consumables, the Group's Lab Products & Services division focuses on laboratories performing research and quality control at pharmaceutical and biopharmaceutical companies as well as academic research institutes. The Bioprocess Solutions division, with its broad product portfolio focusing on single-use solutions, helps customers manufacture biotech medications, vaccines, and cell and gene therapies safely, rapidly, and economically. The company, based in Göttingen, Germany, has a strong global reach with around 60 production and sales sites worldwide. Sartorius regularly expands its portfolio through the acquisition of complementary technologies. In 2023, the company generated sales revenue of around 3.4 billion euros. Currently, around 14,600 employees are working for customers around the globe.

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Key Performance Indicators for the First Quarter of 2024

In millions of € (unless otherwise specified)	Sartorius Group				Bioprocess Solutions				Lab Products & Services			
	Q1 2024	Q1 2023	Δ in % Reported	Δ in % cc ¹	Q1 2024	Q1 2023	Δ in % Reported	Δ in % cc ¹	Q1 2024	Q1 2023	Δ in % Reported	Δ in % cc ¹
Order Intake and Sales Revenue												
Order intake ²	826.3	764.8	8.0	9.8	652.8	575.7	13.4	15.0	173.5	189.0	-8.2	-6.2
Sales revenue	819.6	903.2	-9.3	-7.6	647.0	695.0	-6.9	-5.3	172.5	208.2	-17.1	-15.3
▪ EMEA ³	341.4	359.0	-4.9	-4.4	273.0	283.7	-3.8	-3.4	68.4	75.2	-9.0	-8.1
▪ Americas ³	288.3	322.2	-10.5	-9.3	233.1	255.6	-8.8	-7.6	55.2	66.6	-17.1	-16.0
▪ Asia Pacific ³	189.8	222.0	-14.5	-10.4	140.9	155.7	-9.5	-5.0	48.9	66.4	-26.4	-22.9
Earnings												
EBITDA ⁴	234.4	271.9	-13.8		193.1	217.2	-11.1		41.4	54.8	-24.4	
EBITDA margin ⁴ in %	28.6	30.1	-1.5pp		29.8	31.2	-1.4pp		24.0	26.3	-2.3pp	
Relevant net profit ⁵	69.9	116.2	-39.9									
Net profit ⁶	36.7	93.1	-60.6									
Financial Data per Share												
Earnings per ordinary share ⁵ in €	1.01	1.69	-40.5									
Earnings per preference share ⁵ in €	1.02	1.70	-40.3									

1 cc = 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

2 All customer orders contractually concluded and booked during the respective reporting period.

3 According to the customer's location

4 Earnings before interest, taxes, depreciation, and amortization and adjusted for extraordinary items.

5 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.

6 After non-controlling interest

Statement of Profit or Loss

€ in millions	Q1 2024	Q1 2023
Sales revenue	819.6	903.2
Cost of sales	-423.4	-448.4
Gross profit on sales	396.1	454.8
Selling and distribution costs	-170.2	-160.8
Research and development expenses	-44.9	-45.9
General administrative expenses	-53.7	-51.8
Other operating income	9.6	12.8
Other operating expenses	-14.6	-30.6
Earnings before interest and taxes (EBIT)	122.3	178.5
Financial income	17.2	19.7
Financial expenses	-66.4	-31.8
Financial result	-49.2	-12.1
Profit before tax	73.1	166.3
Income taxes	-19.7	-43.4
Net profit for the period	53.4	123.0
Attributable to:		
Shareholders of Sartorius AG	36.7	93.1
Non-controlling interest	16.7	29.9
Earnings per ordinary share (€) (basic diluted)	0.53	1.36
Earnings per preference share (€) (basic diluted)	0.54	1.37

Extraordinary items are reported within functional expenses as of fiscal 2023. Prior-year figures were restated accordingly.

Figures are not audited nor reviewed.

Statement of Comprehensive Income

€ in millions	Q1 2024	Q1 2023
Net profit for the period	53.4	123.0
Cash flow hedges	-10.2	5.1
- of which effective portion of the change in fair value	-9.0	-2.7
- of which reclassified to profit or loss	-1.2	7.9
Income tax on cash flow hedges	2.4	-1.1
Net investment in a foreign operation	12.4	-9.6
Income tax on net investment in a foreign operation	0.0	0.0
Currency translation differences	30.7	-28.6
Items that may be reclassified in the profit or loss statement, net of tax	35.3	-34.1
Remeasurements of the net defined benefit liability	0.0	0.0
Income tax on remeasurements of the net defined benefits liabilities	0.0	0.0
Equity Instruments at FVOCI	-7.5	-33.7
Items that will not be reclassified in the profit or loss statement, net of tax	-7.5	-33.7
Other comprehensive income after tax	27.8	-67.8
Total comprehensive income	81.2	55.2
Attributable to:		
Shareholders of Sartorius AG	61.1	29.7
Non-controlling interest	20.1	25.5

Figures are not audited nor reviewed.

Statement of Financial Position

€ in mn	March 31, 2024 ¹	Dec. 31, 2023
Non-current assets		
Goodwill	3,434.6	3,417.3
Other intangible assets	2,083.2	2,097.9
Property, plant and equipment	2,130.8	2,080.9
Financial assets	108.8	114.8
Other assets	3.6	3.7
Deferred tax assets	87.7	83.9
	7,848.7	7,798.5
Current assets		
Inventories	1,027.7	1,036.7
Trade receivables	402.4	350.6
Other financial assets	43.9	36.7
Current tax assets	89.3	60.5
Other assets	113.0	93.2
Cash and cash equivalents	1,102.8	379.2
	2,779.1	1,956.9
Total assets	10,627.8	9,755.3

€ in mn	March 31, 2024 ¹	Dec. 31, 2023
Equity		
Equity attributable to Sartorius AG shareholders	2,671.5	2,067.3
Issued capital	69.0	68.4
Capital reserves	243.4	45.2
Other reserves and retained earnings	2,359.1	1,953.7
Non-controlling interest	1,087.2	690.1
	3,758.8	2,757.4
Non-current liabilities		
Pension provisions	57.0	56.5
Other provisions	20.7	21.6
Loans and borrowings	4,749.0	4,909.3
Lease liabilities	114.0	114.0
Other financial liabilities	110.6	113.7
Deferred tax liabilities	445.0	452.7
	5,496.3	5,667.9
Current liabilities		
Provisions	41.3	46.9
Trade payables	440.5	499.5
Loans and borrowings	303.0	254.8
Lease liabilities	33.5	33.2
Employee benefits	99.0	92.3
Other financial liabilities	139.8	55.0
Current tax liabilities	142.3	198.3
Other liabilities	173.3	149.9
	1,372.8	1,330.0
Total equity and liabilities	10,627.8	9,755.3

¹ Figures are not audited nor reviewed.

Statement of Cash Flows

€ in millions	Q1 2024	Q1 2023
Profit before tax	73.1	166.3
Financial result	49.2	12.1
Depreciation amortization of intangible and tangible assets	95.7	74.2
Change in provisions	-6.9	-5.2
Change in receivables and other assets	-74.5	41.5
Change in inventories	16.9	-51.0
Change in liabilities (without loans and borrowings)	-0.9	13.2
Interest received	7.4	0.7
Income taxes paid	-115.2	-50.2
Other non-cash transactions	0.6	0.8
Cash flows from operating activities	45.4	202.4
Capital expenditures	-128.3	-135.6
Other payments	-7.0	-1.7
Cash flow from investing activities before acquisitions	-135.3	-137.3
Acquisitions of subsidiaries and other business operations	0.0	0.0
Cash flow from investing activities	-135.3	-137.3
Changes in capital	198.4	0.0
Interest paid and other financial charges	-9.2	-8.6
Dividends paid to:		
- Shareholders of Sartorius AG	0.0	0.0
- Non-controlling interest	-0.9	-36.3
Changes in non-controlling interest	791.7	-88.0
Loans and borrowings repaid	-170.6	-294.2
Loans and borrowings raised	3.5	348.1
Cash flow from financing activities	812.8	-79.0
Net increase decrease in cash and cash equivalents	722.8	-13.9
Cash and cash equivalents at the beginning of the period	379.2	165.9
Net effect of currency translation on cash and cash equivalents	0.7	0.2
Cash and cash equivalents at the end of the period	1,102.8	152.3

Figures are not audited nor reviewed.

Reconciliation

€ in millions	Q1 2024	Q1 2023
EBIT	122.3	178.5
Extraordinary items	16.4	19.3
Amortization	40.3	27.5
Normalized financial result ¹	-49.6	-17.8
Normalized income tax (27%) ²	-35.0	-56.0
Underlying earnings after taxes	94.5	151.4
Non-controlling interest	-24.7	-35.3
Underlying earnings after taxes and non-controlling interest	69.9	116.2
Underlying earnings per share		
per ordinary share in €	1.01	1.69
per preference share in €	1.02	1.70

1 Financial results adjusted for valuation effects from the subsequent measurement of contingent purchase price liabilities as well as for effects of foreign currency translation and hedging.

2 Income tax considering the average group tax rate, based on the underlying profit before tax

Figures are not audited nor reviewed.