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Sartorius Stedim Biotech publishes unaudited first quarter results for 2024

- Sales revenue of 667 million euros, in constant currencies¹ - 9.4 percent organically¹ and - 6.7 percent including acquisitions² (reported: - 8.2 percent)
- Order intake up 13.9 percent to 676 million euros (reported: 12.5 percent) with significant growth in recurring business, while demand from China remains weak; book-to-bill ratio slightly above 1
- Underlying EBITDA¹ at 191 million euros, resulting margin at 28.6 percent; net profit of 56 million euros
- Full-year outlook confirmed; uncertainties remain high due to the global political and economic situation

In a continuously challenging market environment, Sartorius Stedim Biotech, a leading partner of the biopharmaceutical industry, closed its first quarter largely within the bandwidth of expectations recording an increase in order intake and a decline in sales revenue compared with a significantly stronger prior-year period. 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.

“Overall, the first three months showed the projected continued recovery, however the dynamics across our portfolio and regions were mixed. Demand continued to normalize particularly in our recurring core business with consumables, where orders are picking up, signaling that customers have made further progress in destocking. In addition, it is encouraging to see that the business with cell and gene therapy customers, a major strategic focus point, has continued to perform strongly. On the other hand, customer investment into hardware and systems remained muted, especially in China and to some extent also in Europe, which led to soft development in our equipment business. In terms of profitability, we achieved a robust EBITDA margin, and our ongoing efficiency programs should deliver further benefits later in the year,” said René Fáber, CEO of Sartorius Stedim Biotech.

Business development¹

In the first quarter of the fiscal year, Sartorius Stedim Biotech recorded an increase in order intake¹ of 13.9 percent in constant currencies (reported: 12.5 percent) to 676 million euros, with growth coming from 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 667 million euros, down 6.7 percent in constant currencies (organic: - 9.4 percent; reported: - 8.2 percent) compared with the prior-year period's strong figure. This includes a growth contribution from acquisitions² of 2.7 percentage points.

From a regional perspective, the normalization of demand was visible in all business regions: The EMEA³ region recorded an increase in order intake of 8.6 percent with sales revenue down by 3.8 percent. In the Americas region, order intake grew at a double-digit rate of 29.4 percent, while sales revenue declined by 8.6 percent. In Asia/Pacific, order intake increased by 3,2 % in constant currencies, while the continued market weakness in China led to a decline in sales revenue (- 8.8 percent).

Underlying EBITDA decreased by 13.2 percent to 191 million euros in the first three months, with positive product mix effects and cost base adjustments partially compensating the negative volume development. The EBITDA margin reached 28.6 percent (prior-year period: 30.3 percent).

Underlying net profit¹ was 84 million euros, compared with 131 million euros in the first quarter of 2023. Net profit amounted to 56 million euros against 111 million euros in the previous year's period. Underlying earnings per share stood at 0.86 euros (prior-year period 1.43 euros) and earnings per share at 0.58 euros (prior-year period: 1.21 euros). The number of employees worldwide was 10,493 as of March 31, 2024, after 11,581 in the prior-year quarter (December 31, 2023: 10,662 people).

Key financial indicators

Sartorius Stedim Biotech's key financial indicators remain at a sound level. Equity was 3,867 million euros as of March 31, 2024, while the equity ratio¹ increased to 45.8 percent (December 31, 2023: 2,673 million euros and 34,5 percent, respectively), mainly as a result of the equity measures successfully completed at the beginning of February 2024. Gross debt was down to 3,189 million euros (December 31, 2023: 3,682 million euros) and net debt down to 2,494 million euros, resulting in a reduced ratio of net debt to underlying EBITDA¹ of 3.3 (December 31, 2023: 3,565 million euros and 4.5 respectively).

Mainly due to lower earnings, net operating cash flow totaled 55 million euros, compared with 166 million euros in the prior-year period. Cash flow from investing activities amounted to - 109 million euros after - 116 million euros in the first quarter of 2023. The ratio of capital expenditures (capex) to sales revenue was 16.4 percent compared with 16.0 percent in the prior-year period.

Outlook for fiscal 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.

Accordingly, consolidated Group sales revenue is projected to increase in the mid to high single-digit percentage range, including a contribution of around 2 percentage points from acquired businesses. In terms of profitability, management anticipates a rise in the underlying EBITDA margin to more than 30 percent compared with the previous year's figure of 28.3 percent. The above-average profitability of the Polyplus business should have a slightly positive effect on the margin development. The ratio of capital expenditure to sales revenue is expected to be around 13 percent (prior year: 17.1 percent), and the ratio of net debt to underlying EBITDA¹ slightly below 2.5.

Forecasts have been prepared based on historical information and are consistent with accounting policies. 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
- Underlying 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 Acquisition of Polyplus

3 EMEA = Europe, Middle East, Africa

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

Dr. René Fáber, CEO of the Sartorius Stedim Biotech Group, will discuss the company's first quarter results with analysts and investors in a conference call at 1.00 p.m. CEST on April 18, 2024. Register here: https://sar.to/Q1_IR_SSB_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 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, such as cell and gene therapies, 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 regularly expands its portfolio through acquisitions of complementary technologies. In 2023, the company generated sales revenue of around 2.8 billion euros. By the end of 2023, more than 10,600 employees were 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	Q1 2024	Q1 2023	Δ in % Reported	Δ in % cc ¹
Order Intake and Sales Revenue				
Order intake ²	676.3	601.3	12.5	13.9
Sales revenue	666.9	726.1	-8.2	-6.7
▪ EMEA ³	284.4	296.8	-4.2	-3.8
▪ Americas ³	233.4	258.2	-9.6	-8.6
▪ Asia Pacific ³	149.1	171.1	-12.8	-8.8
Results				
EBITDA ⁴	191.0	220.1	-13.2	
EBITDA margin ⁴ in %	28.6	30.3		
Underlying net profit ⁵	84.1	131.4	-36.0	
Underlying earnings per share ⁵ in €	0.86	1.43	-39.4	
Net profit ⁶	56.1	111.1	-49.5	
Earnings per share ⁶ in €	0.58	1.21	-52.2	

1 cc = constant currency: 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 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

Figures are not audited nor reviewed.

Reconciliation

in millions of €	Q1 2024	Q1 2023
EBIT (operating result)	110.0	153.7
Extraordinary items	10.6	17.8
Depreciation & amortization	70.4	48.6
Underlying EBITDA	191.0	220.1

Figures are not audited nor reviewed.

In millions of €, unless otherwise specified	Q1 2024	Q1 2023
EBIT (operating result)	110.0	153.7
Extraordinary items	10.6	17.8
Amortization IFRS 3	29.7	16.8
Normalized financial result ¹	-35.5	-10.3
Normalized income tax (26%) ²	-29.9	-46.3
Underlying net result after taxes	85.0	131.8
Non-controlling interest	-0.9	-0.4
Underlying net result after taxes and non-controlling interest	84.1	131.4
Underlying earnings per share (in €)	0.86	1.43

1 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability

2 Normalized income tax based on the underlying profit before taxes and amortization

Figures are not audited nor reviewed.

In millions of €, unless otherwise specified	Q1 2024	Q1 2023
Gross debt	3,188.8	1,306.8
- Cash and cash equivalents	695.1	94.0
Net debt	2,493.8	1,212.8
Underlying EBITDA (12 months)	756.3	1,137.8
+ Pro forma EBITDA (12 months)	7.2	7.3
Pro forma underlying EBITDA (12 months)	763.5	1,145.0
Ratio of net debt to underlying EBITDA	3.3	1.1

In millions of €, unless otherwise specified	Q1 2024	Q1 2023
Sales revenue	666.9	726.1
Capital expenditures	109.2	115.8
Capital expenditures as % of sales revenue	16.4	16.0

Figures are not audited nor reviewed.

Statement of Profit or Loss

€ in millions	Q1 2024	Q1 2023
Sales revenue	666.9	726.1
Cost of sales	-358.5	-365.9
Gross profit on sales	308.4	360.2
Selling and distribution costs	-121.1	-115.3
Research and development costs	-34.5	-35.4
General administrative expenses	-39.6	-38.0
Other operating income	7.4	9.1
Other operating expenses	-10.6	-26.8
Earnings before interest & taxes (EBIT)	110.0	153.7
Financial income	15.6	15.3
Financial expenses	-48.7	-20.4
Financial result	-33.1	-5.1
Profit before tax	77.0	148.6
Income taxes	-20.0	-37.1
Net profit for the period	56.9	111.4
Attributable to:		
Shareholders of Sartorius Stedim Biotech	56.1	111.1
Non-controlling interest	0.9	0.4
Earnings per share (€)	0.58	1.21
Diluted earnings per share (€)	0.58	1.21

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 ¹
Net profit for the period	56.9	111.4
Cash flow hedges	-8.1	3.3
- of which effective portion of changes in fair value	-7.1	-2.6
- of which reclassified to profit or loss	-0.9	5.9
Income tax on cash flow hedges	2.4	-1.0
Foreign currency translation differences	18.2	-17.7
Items that are or may be reclassified subsequently to profit or loss	12.5	-15.4
Remeasurements of the net defined benefit liabilities	0.0	0.0
Income tax on remeasurements of the net defined benefit liability	0.0	0.0
Items that will not be reclassified in profit or loss	0.0	0.0
Other comprehensive income for the period	12.5	-15.4
Total comprehensive income for the period	69.5	96.0
Attributable to:		
Shareholders of Sartorius Stedim Biotech	68.8	96.0
Non-controlling interest	0.7	0.1

Figures are not audited nor reviewed.

Statement of Financial Position

€ in millions	March 31, 2024 ¹	Dec. 31, 2023
Non-current assets		
Goodwill	2,856.8	2,851.9
Other intangible assets	1,720.9	1,736.2
Property, plant and equipment	1,678.5	1,633.2
Financial assets	41.0	40.8
Other assets	2.5	2.6
Deferred tax assets	62.0	60.0
	6,361.7	6,324.8
Current assets		
Inventories	872.7	882.4
Trade receivables	332.8	293.7
Other financial assets	32.6	16.5
Current tax assets	68.6	39.8
Other assets	75.9	66.1
Cash and cash equivalents	695.1	116.6
	2,077.6	1,415.1
Total assets	8,439.3	7,739.9
€ in millions	March 31, 2024	Dec. 31, 2023
Equity		
Equity attributable to SSB S.A. shareholders	3,831.7	2,637.9
Share capital	19.5	18.4
Reserves	1,421.9	231.5
Retained earnings (including net profit)	2,390.3	2,388.0
Non-controlling interest	35.2	35.3
	3,866.8	2,673.2
Non-current liabilities		
Pension provisions	30.7	30.3
Other provisions	12.9	13.8
Loans and borrowings	2,984.6	3,509.7
Lease liabilities	94.1	93.1
Other financial liabilities	82.6	82.7
Deferred tax liabilities	392.2	399.8
	3,597.0	4,129.4
Current liabilities		
Provisions	12.0	14.1
Trade payables	402.8	444.5
Loans and borrowings	88.3	57.7
Lease liabilities	21.8	21.4
Employee benefits	68.1	62.3
Other financial liabilities	125.2	44.8
Current tax liabilities	133.6	189.4
Other liabilities	123.6	103.1
	975.4	937.3
Total equity and liabilities	8,439.3	7,739.9

1 Figures are not audited nor reviewed.

Statement of Cash Flows

€ in millions	Q1 2024	Q1 2023
Profit before tax	77.0	148.6
Financial result	33.1	5.1
Depreciation amortization of fixed assets	70.4	48.6
Change in provisions	-2.9	-3.3
Change in receivables and other assets	-47.0	51.4
Change in inventories	16.0	-46.4
Change in liabilities (excl. loans and borrowings)	16.6	6.6
Interest received	4.7	0.8
Income taxes paid	-112.4	-46.2
Other non-cash items	0.1	0.5
Cash flow from operating activities	55.4	165.6
Capital expenditures	-109.2	-115.8
Other payments	0.0	0.0
Cash flow from investing activities	-109.2	-115.8
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	0.0	0.0
Cash flow from investing activities and acquisitions	-109.2	-115.8
Changes in capital	1,191.4	0.0
Interest paid and other financial charges	-7.5	-5.3
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech S.A.	0.0	-132.7
- Non-controlling interest	-0.9	-1.2
Changes in non-controlling interest	0.0	-87.4
Loans and borrowings repaid	-551.0	-6.7
Loans and borrowings raised	0.0	170.5
Purchases sales of own shares	0.3	-0.6
Cash flow from financing activities	632.3	-63.5
Net increase decrease in cash and cash equivalents	578.5	-13.8
Cash and cash equivalents at the beginning of the period	116.6	107.1
Currency translation effects on cash and cash equivalents	-0.1	0.7
Cash and cash equivalents at the end of the period	695.1	94.0

Figures are not audited nor reviewed.