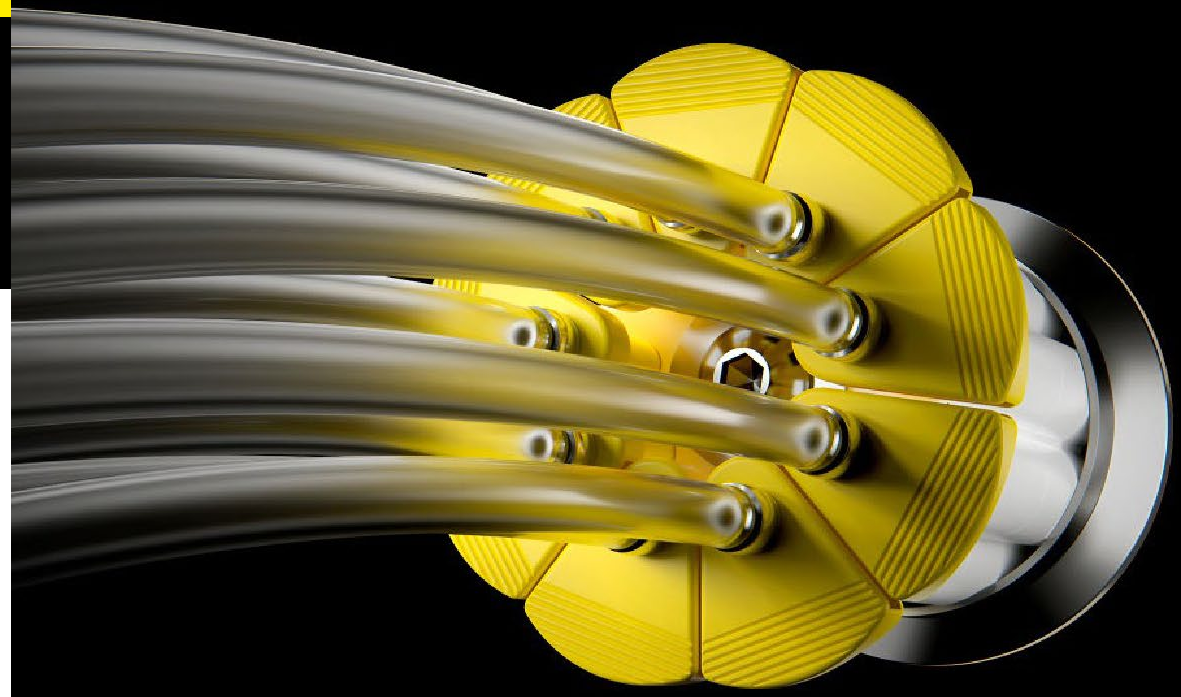
SARTORIUS

Simplifying Progress



Investor Conference Call
H1 2024 Results

Joachim Kreuzburg, Florian Funck, René Fáber
Sartorius | Sartorius Stedim Biotech | July 18, 2024

H 1 2024: Continued mixed picture

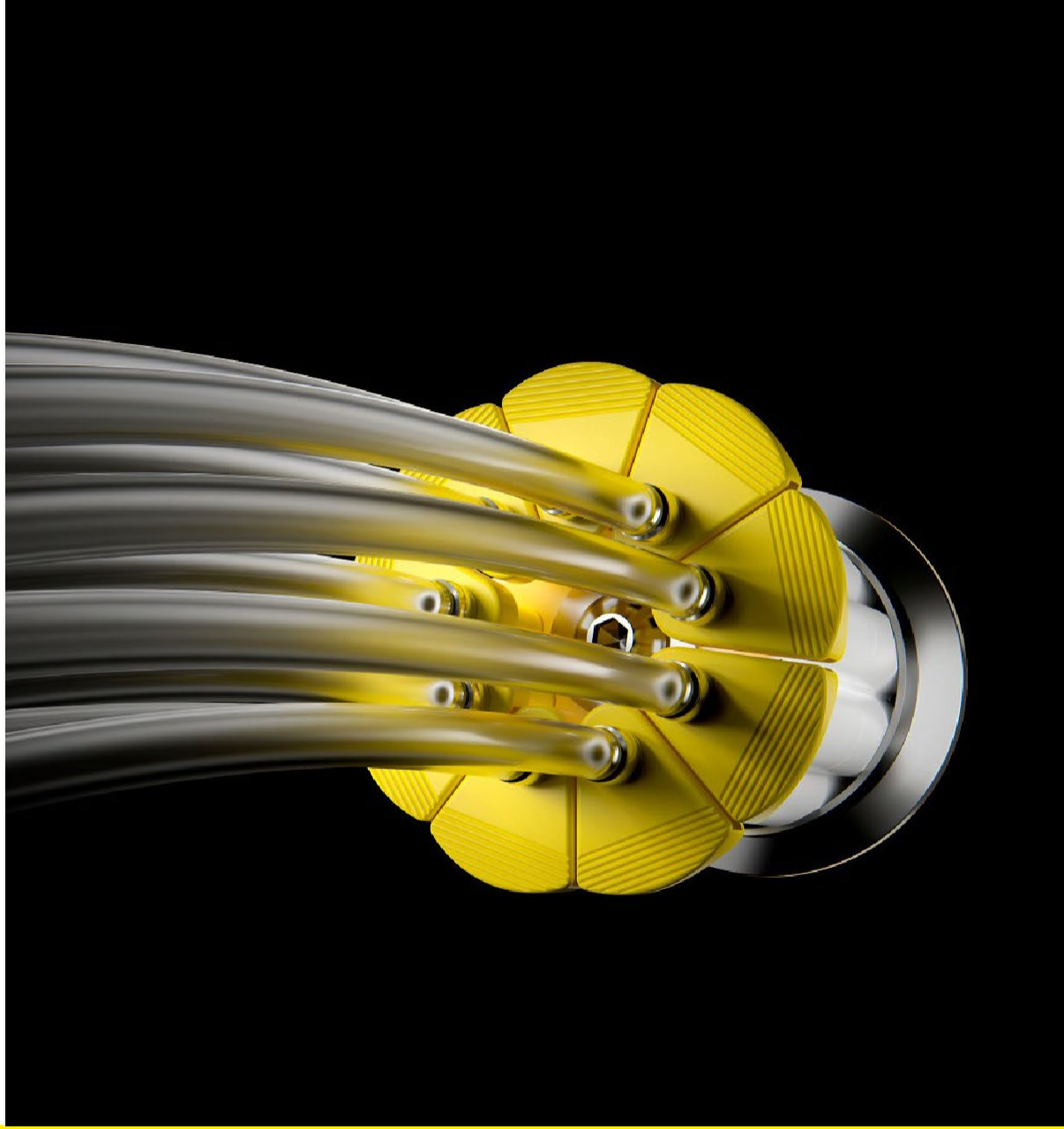
- Demand recovery continues, but not gaining momentum yet; H 1 revenue and margin in line with CMD guidance
- Bioprocess division: Sales on PY level; recurring business partially still affected by destocking; muted investments in equipment; significant growth in Advanced Therapies
- Lab division: Sales below PY level reflecting soft end markets; no recovery of demand from China
- Profitability on a robust level; increasing positive effects from efficiency programs expected but diluted by lower volumes and lower capacity utilization
- Market fundamentals intact, significant number of new drug approvals and healthy product pipelines
- Market volatility remains high and visibility very low, i.e. post-pandemic normalization is not yet over
- Full-year outlook de-risked to reflect low recovery momentum and very limited predictability

Agenda

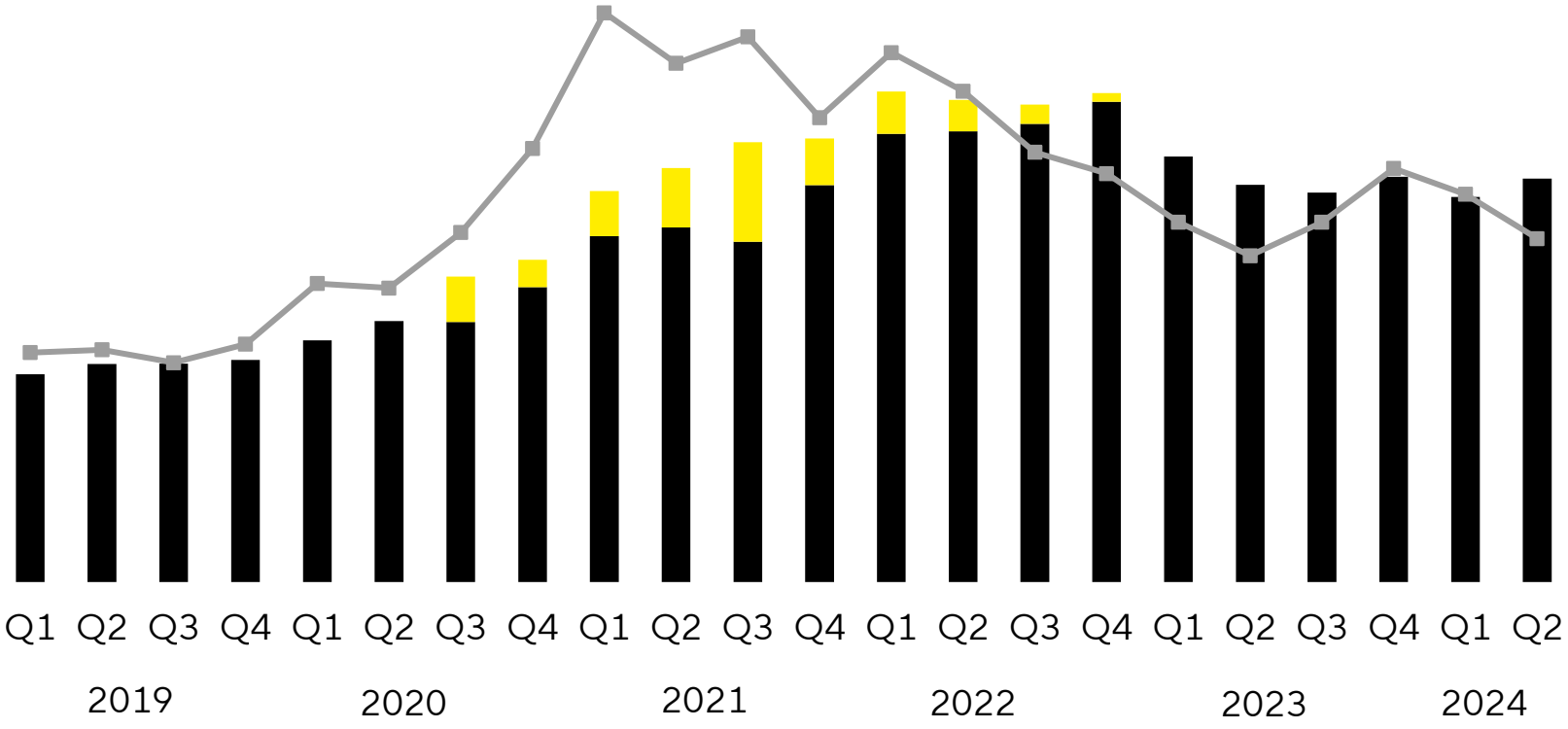
Sartorius Group
H 1 2024 results | FY 2024 guidance

Sartorius Stedim Biotech Group
H 1 2024 results | FY 2024 guidance

Questions & Answers



Four years of high volatility and limited visibility; positive trends expected to improve gradually



Fluctuation order intake

	vs. H1 19	vs. H1 20
Sales revenue	**+85%**	**+57%**
Order intake	**+58%**	**+23%**

Sales revenue ex Covid

Covid-19 related sales

Order intake

Growth in constant currencies

Moderate sales decline in H 1; Q2 sales slightly up; robust profitability

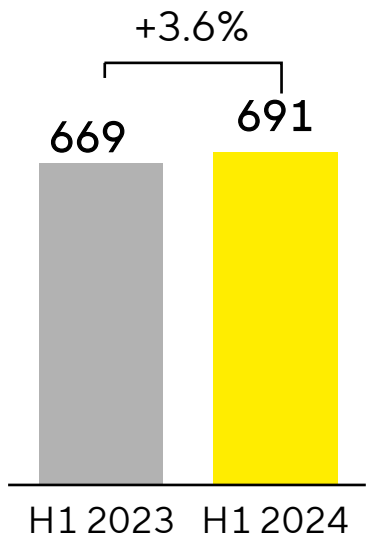
Sartorius Group in millions of € unless otherwise specified	H 1 2023	H 1 2024	▲ in %	▲ in % cc[1]
Sales revenue	1,735	1,680	-3.2	-2.2
Order intake	1,450	1,558	+7.5	+8.5
Underlying EBITDA[2]	517	471	-8.8	
Underlying EBITDA[2] margin in %	29.8	28.1	-1.7pp	
Underlying EPS[3] (ord.) in €	2.95	2.15	-27.3	
Underlying EPS[3] (pref.) in €	2.96	2.16	-27.2	

- Sales revenue up in Q2 while H 1 still slightly below PY as expected; Polyplus acquisition contributes ~2pp to revenue development
- Inventory reduction at customes advanced but not with the anticipated momentum; equipment business remains weak
- Underlying EBITDA margin on robust level; efficiency and cost programs contribute positively

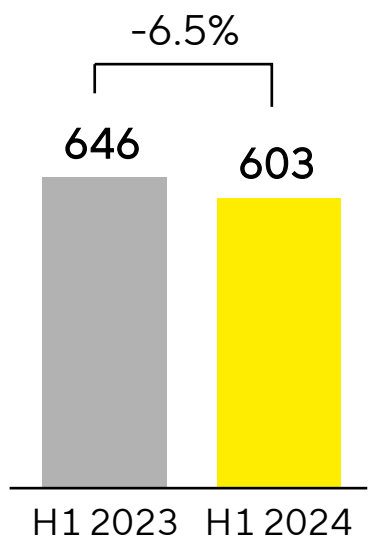
1 Constant currencies 2 Underlying = excluding extraordinary items 3 Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and normalized tax rate

Regional business performance shows a mixed picture

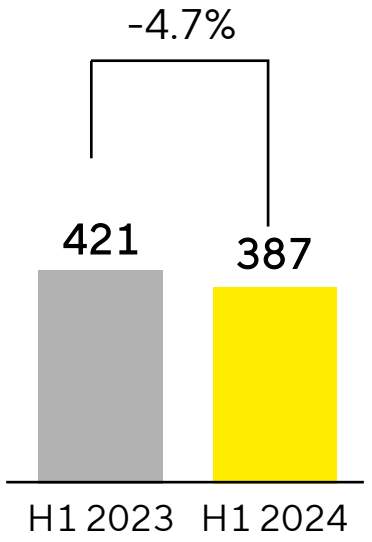
EMEA
Sales | € in millions



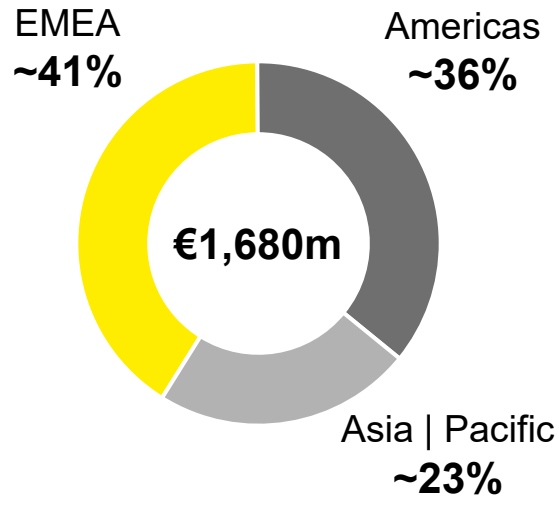
Americas
Sales | € in millions



Asia | Pacific
Sales | € in millions



Sales by region
in %

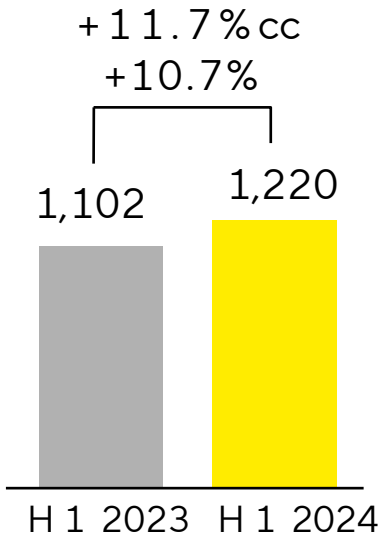


- EMEA: BPS shows growth, LPS a slight decrease
- Americas: BPS moderately down; LPS especially impacted by muted investment environment
- Asia | Pacific: Significantly impacted by weak markets in China; ex-China slight revenue growth

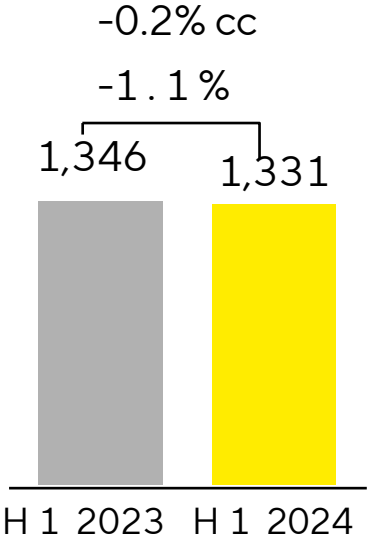
Acc. to customers' location; growth in constant currencies

Bioprocess Solutions: Increase in order intake; sales revenue at PY level

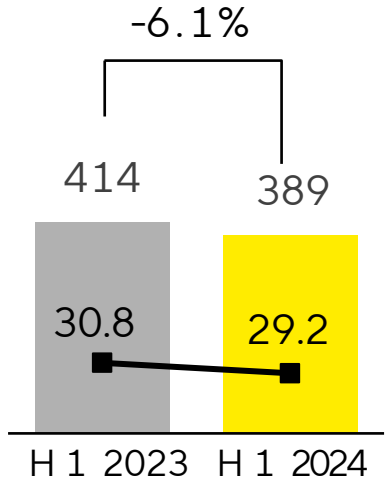
Order intake
€ in millions



Sales revenue
€ in millions



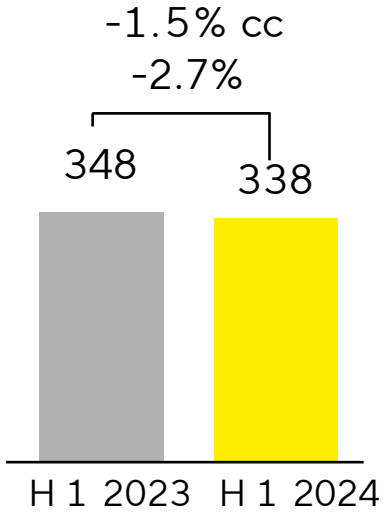
Underlying EBITDA & margin
€ in millions



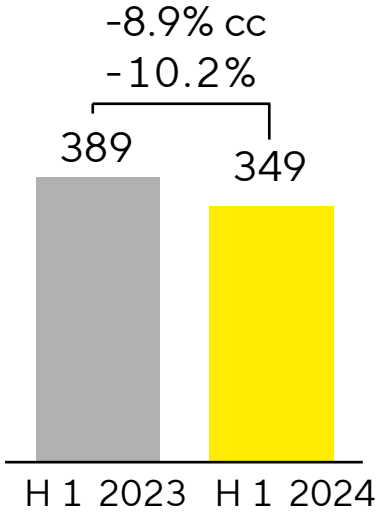
- M&A contributes slightly less than 3pp to sales development; significant growth with customers in Advanced Therapies
- Recovery of recurring business continues but no stable positive momentum yet; muted investments in equipment
- Underlying EBITDA margin on robust level; lower volumes and product mix effects partly compensated by cost base adjustments

Lab Products & Services: Continues to be affected by soft end markets

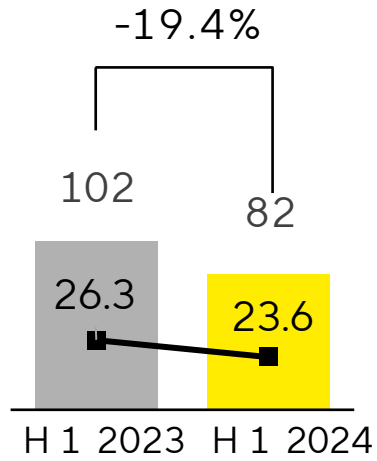
Order intake
€ in millions



Sales revenue
€ in millions



Underlying EBITDA & margin
€ in millions



- Sales revenue decreases vs. strong comps; impacted by ongoing hesitance of customers to invest and a weak Chinese market
- Underlying EBITDA margin impacted by lower volumes and product mix effects

Adjusted capex reflected in lower investing cash flow

Sartorius Group in millions of € unless otherwise specified	H1 2023	H1 2024	▲ in %
Underlying EBITDA	517	471	-8.8
Extraordinary items	-61	-47	+22.7
Financial result	19	-103	n.m
Underlying net profit[1,2]	202	148	-26.7
Reported net profit[2]	188	61	-67.6
Operating cash flow	363	347	-4.3
Investing cash flow[3]	-327	-239	+26.8
Free cash flow	59	108	+84.0
Capex ratio (in %)	17.3	13.6	-3.7pp

- Extraordinary items in 2024 driven mainly by reorganization measures and corporate projects
- Financial result 2024 mainly impacted by higher interest expenses; 2023 includes positive non-cash earn-out valuation effects
- Operating cash flow slightly below PY influenced by phasing effect of tax payments
- Free cash flow increases mainly due to lower capex
- Capex ratio decreases as planned

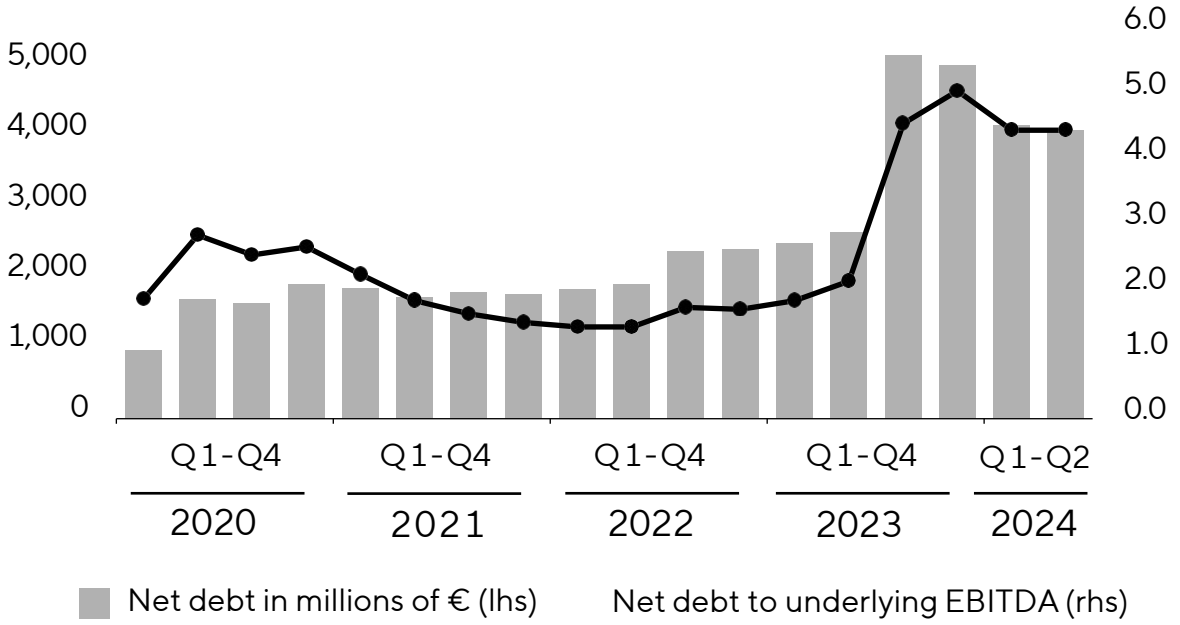
1 Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and a normalized tax rate 2 After non-controlling interest 3 Net cash flow from investing activities and acquisitions

Balance sheet reflects capital measures; focus on strong cash generation to drive further deleveraging

Key financial indicators

Sartorius Group in millions of € unless otherwise specified	Dec. 31, 2023	Jun. 30, 2024
Non-current assets	7,789	7,859
Equity ratio in %	28.3	38.3
Net debt	4,932	4,033
Net debt | underlying EBITDA[1]	5.0	4.4

Net debt and net debt to underlying EBITDA



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

Forecast FY 2024 de-risked in light of persistently high volatility and limited predictability; long-term growth drivers remain positive

Guidance 2024[1]	Sales revenue		Underlying EBITDA margin	
	Previous	New	Previous	New
Sartorius Group	mid- to high single-digit % growth	on prior-year level with bandwith of +/- lsd % growth	slightly >30%	27% - 29%
thereof from acquisitions	~1.5pp	~1.5pp		
Bioprocess Solutions	mid- to high single-digit % growth	on prior-year level with bandwith of +/- lsd % growth	>31%	28% - 30%
thereof from acquisitions	~2pp	~2pp		
Lab Products & Services	low single-digit % growth	on prior-year level with bandwith of +/- lsd growth	on prior-year level (25.1%)	22% - 24%

- Increasingly positive effects from cost-cutting program of over € 100 million as the year progresses
- Capex ratio expected at ~12% (previous: ~13%)
- Net debt to underlying EBITDA[2] anticipated to be around 4 (previous: slightly above 3) at year-end

Sd = single-digit; lsd = low single-digit; 1 In constant currencies 2 excl. possible equity measures and/or acquisitions

Agenda

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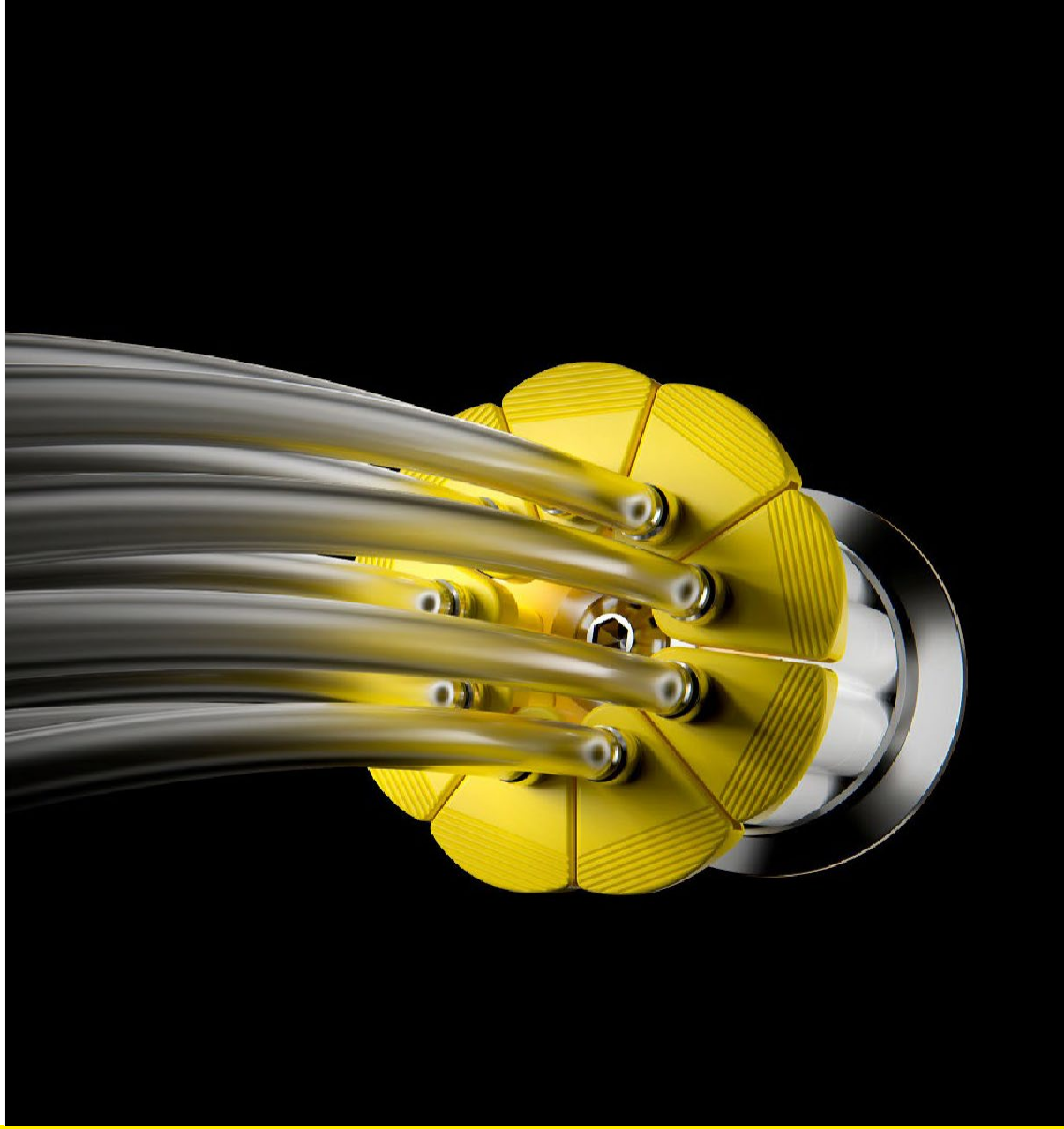
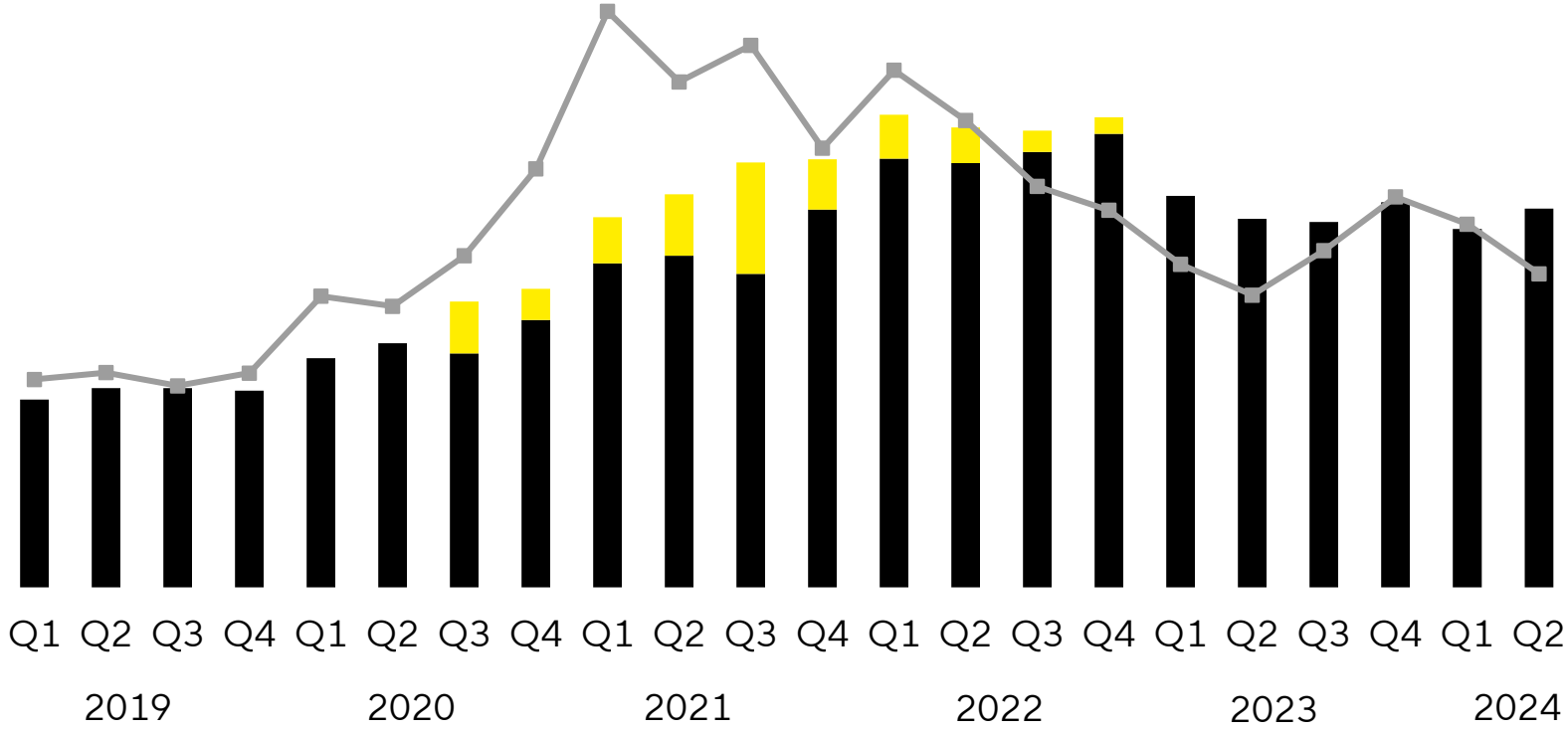
H 1 2024 results | FY 2024 guidance

Sartorius Stedim Biotech Group
H 1 2024 results | FY 2024 guidance

Questions & Answers



Four years of high volatility and limited visibility; positive trends expected to improve gradually



Fluctuation order intake

	vs. H1 19	vs. H1 20
Sales revenue	**+90%**	**+56%**
Order intake	**+60%**	**+18%**

Growth in constant currencies

Moderate sales decline in H1; Q2 sales slightly up; robust profitability

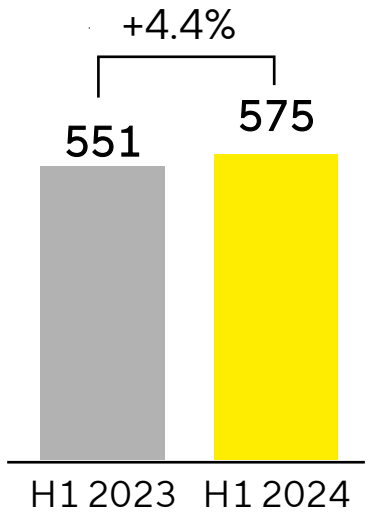
Sartorius Stedim Biotech Group in millions of € unless otherwise specified	H1 2023	H1 2024	▲ in %	▲ in % cc[1]
Sales revenue	1,402	1,373	-2.0	-1.2
Order intake	1,142	1,261	+10.4	+11.2
Underlying EBITDA[2]	416	387	-6.8	
Underlying EBITDA[2] margin in %	29.7	28.2	-1.5pp	
Underlying EPS[3] in €	2.62	1.71	-34.7	

- Sales revenue up in Q2 while H1 still slightly below PY as expected; Polyplus acquisition contributes 2.6 pp to revenue development; significant growth with customers in Advanced Therapies
- Recovery of recurring business continues but no stable positive momentum yet; muted investments in equipment
- Underlying EBITDA margin on robust level; efficiency and cost programs contribute positively

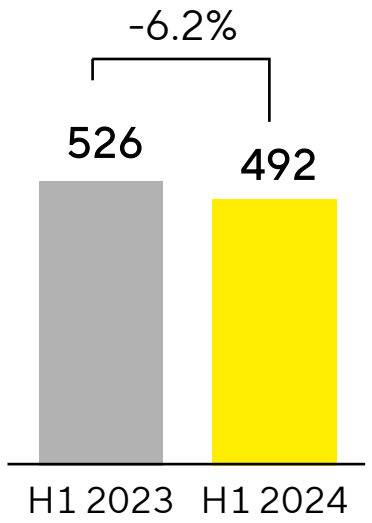
1 Constant currencies 2 Underlying = excluding extraordinary items 3 Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and normalized tax rate

Regional business performance shows a mixed picture

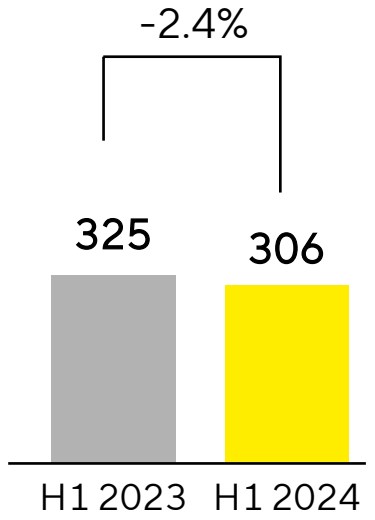
EMEA
Sales | € in millions



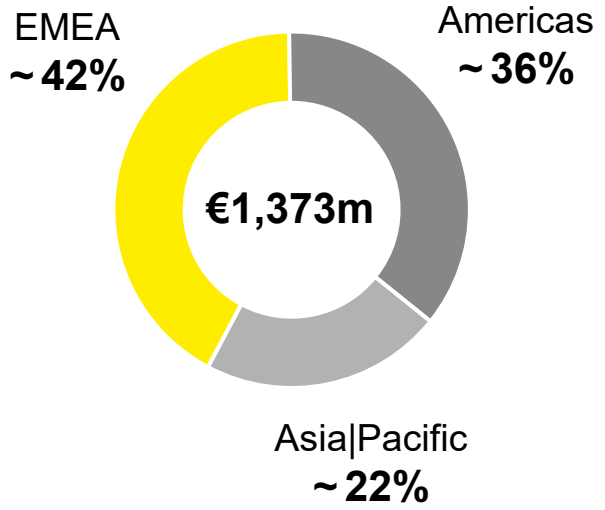
Americas
Sales | € in millions



Asia|Pacific
Sales | € in millions



Sales by region
in %



- EMEA: Solid development in consumables and equipment business
- Americas: Overall muted business activity
- Asia | Pacific: Significantly impacted by weak markets in China; ex-China slight revenue growth
- OI growth in all regions

Sales revenue acc. to customers' location; growth in constant currencies

Adjusted capex reflected in lower investing cash flow

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	H1 2023	H1 2024	▲ in %
Underlying EBITDA	416	387	-6.8
Extraordinary items	-50	-28	+44.9
Financial result	41	-72	n.m
Underlying net profit[1,2]	242	165	-31.8
Reported net profit[2]	244	104	-57.4
Operating cash flow	312	272	-12.9
Investing cash flow[3]	-285	-189	+33.5
Free Cash Flow	50	82	+64.4
Capex ratio (in %)	18.7	13.8	-4.9pp

- Extraordinary items in 2024 driven mainly by reorganization measures and corporate projects
- Financial result 2024 mainly impacted by higher interest expenses; 2023 includes positive non-cash earn-out valuation effects
- Operating cash flow slightly below PY influenced by phasing effect of tax payments
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Balance sheet reflects capital measures; focus on strong cash generation to drive further deleveraging

Key financial indicators

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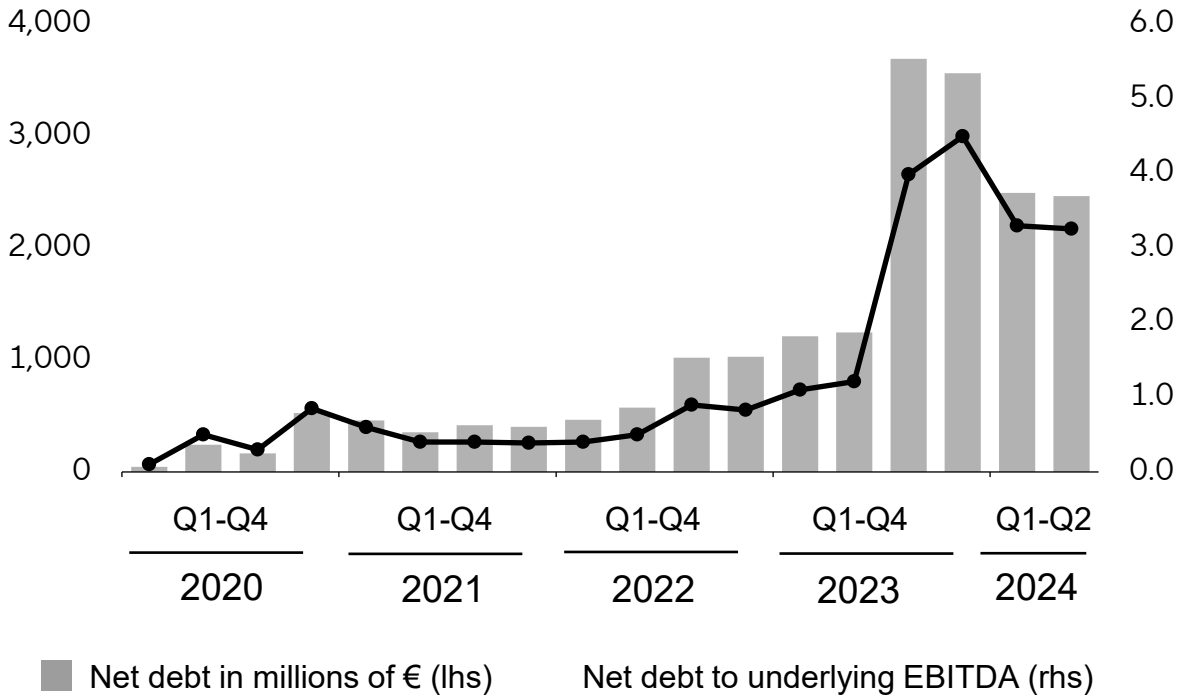
Non-current assets	6,315	6,371
Equity ratio in %	34.6	48.6
Net debt	3,565	2,465
Net debt | underlying EBITDA[1]	4.5	3.3

Net debt and net debt to underlying EBITDA



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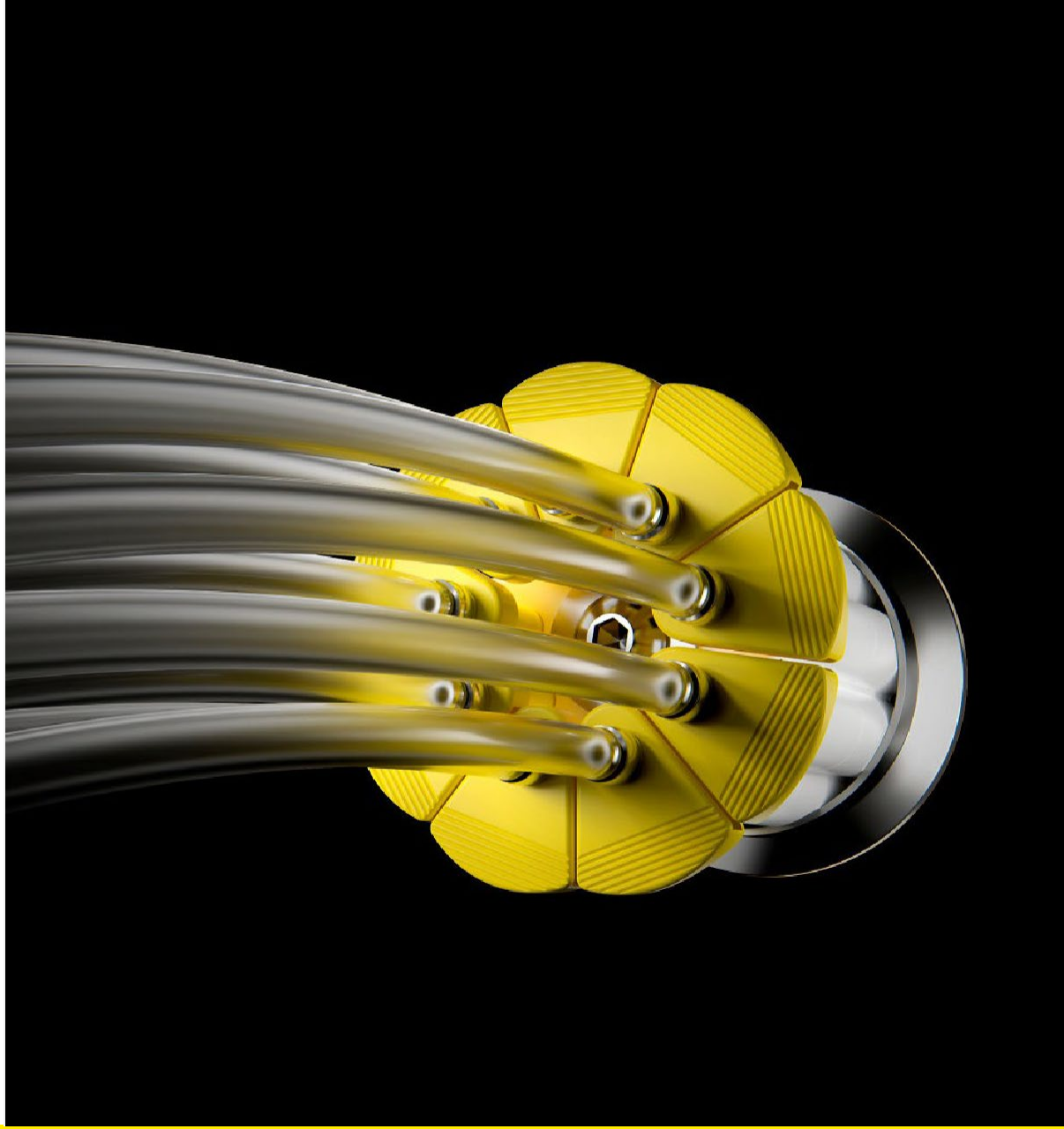
thereof from acquisitions	~2 pp	~2 pp		

- Increasingly positive effects from cost-cutting program of over € 100 million as the year progresses
- Capex ratio expected at ~12% (previous: ~13%)
- Net debt to underlying EBITDA[2] anticipated to be 2.5 to 3.0 (previous: slightly below 2.5) at year-end

1 In constant currencies 2 excl. possible equity measures and/or acquisitions
Sd = single-digit; lsd = low single-digit

Questions & Answers



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.