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sartorius stedim

biotech



Conference Call Preliminary Full-Year Results 2014

Joachim Kreuzburg, CEO | January 27, 2015

Disclaimer

This presentation contains statements concerning the future performance of the Sartorius Group and the Sartorius Stedim Biotech Group. 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 diverging substantially 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.

Agenda

1 >> Sartorius Group:
FY 2014 Results | Guidance 2015

2 Sartorius Stedim Biotech Group:
FY 2014 Results | Guidance 2015

3 Questions & Answers



Dynamic Business Expansion Led by Bioprocess Solutions Division



Double-digit growth in order intake, sales revenue and earnings



Bioprocess Solutions Division driven by strong demand across all product lines



Lab Products & Services with solid FY 2014 despite different headwinds



Significant growth achieved in North America



Sale of Industrial Technologies Division announced in December

Planned Divestment of Intec Division Leads to Change in Reporting

- Agreement signed regarding the sale of the Industrial Technologies Division; closing expected in Q1 2015
- Industrial Technologies Division accordingly reported as discontinued operation
- For FY 2014, Sartorius Group figures are based on its continuing operations; prior year figures have been restated accordingly
- Today's focus is on P&L-related preliminary figures

Continued Operations

Bioprocess Solutions



Lab Products & Services



Discontinued Operation

Industrial Technologies



FY 2014 Guidance Achieved or Slightly Exceeded

FY 2014	Guidance		Actual ¹⁾	
	Sales revenue growth ²⁾	Underlying EBITDA ²⁾³⁾ margin	Sales revenue growth ²⁾	Underlying EBITDA ³⁾ margin
Sartorius Group	~ 8% - 10%	~ 20.0%	11.3%	20.2%
Bioprocess Solutions	~ 12% - 15% Upper end of range	~ 23.5%	✓	✓
Lab Products & Services	~ 1% - 4% Lower end of range	~ 15.0%	✓	✓
Industrial Technologies	~ 1% - 4% Lower end of range	~ 10.5%	✓	✓

- Capex ratio: 8.6% compared to guidance of ~ 8% - 10%

¹⁾ Preliminary figures for Sartorius Group incl. Industrial Technologies Division ²⁾ In constant currencies ³⁾ Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, adjusted for extraordinary items

Double-digit Growth in Order Intake, Sales and Profits

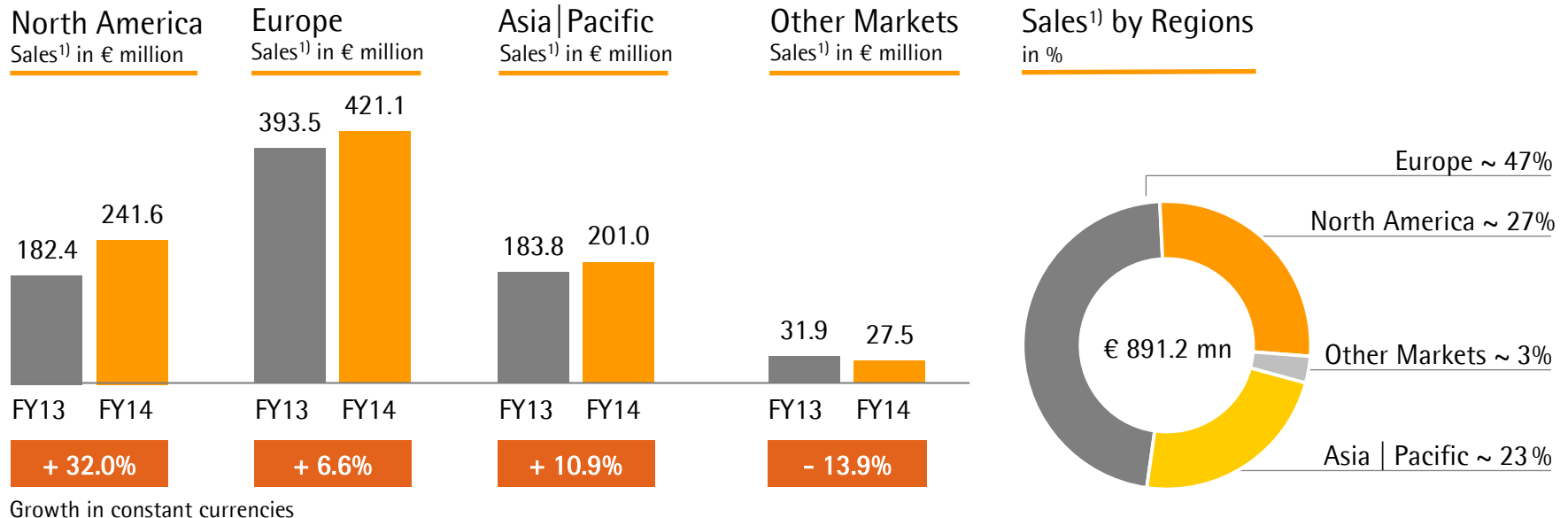
Sartorius Group ¹⁾ in € million (unless otherwise specified)	FY 2013	FY 2014	Change	Change in cc ²⁾
Order intake	819.6	929.2	13.4%	13.4%
Sales revenue	791.6	891.2	12.6%	12.6%
Underlying EBITDA	162.3	186.8	15.1%	
Underlying EBITDA margin	20.5%	21.0%	+ 50bps	

Total Group underlying earnings per share³⁾

- Ordinary shares: €4.31 vs. €3.79 in 2013
- Preference shares: €4.33 vs. €3.81 in 2013

¹⁾ Continuing operations ²⁾ cc = constant currencies ³⁾ Underlying EPS = based on net profit after non-controlling interest, adjusted for extraordinary items, amortization and fair value adjustments of hedging instruments

Double-Digit Growth in North America & Asia; Europe Robust

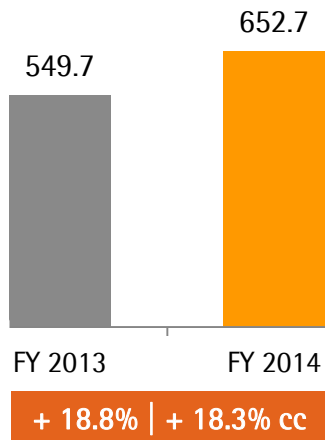


- Healthy organic growth in NA driven by both divisions; considerable contribution from recent acquisitions
- BPS division fueled growth in Europe
- Performance in Asia influenced by soft business environment for LPS in 2014

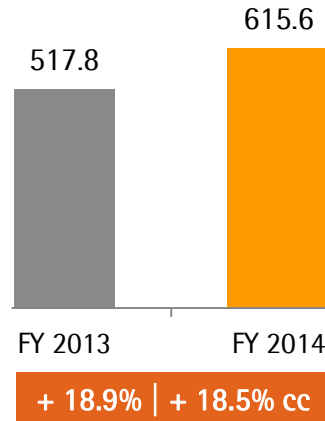
¹⁾ According to customers' location

Bioprocess Solutions: Performing Ahead of Expectations

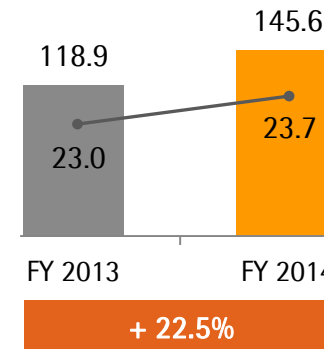
Order Intake
in € million



Sales Revenue
in € million



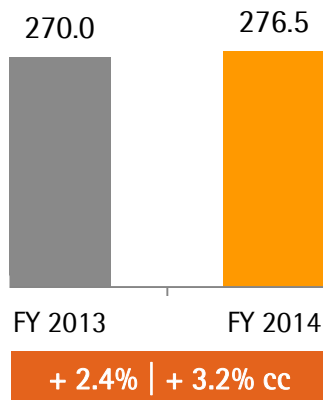
Underlying EBITDA & Margin
in € million



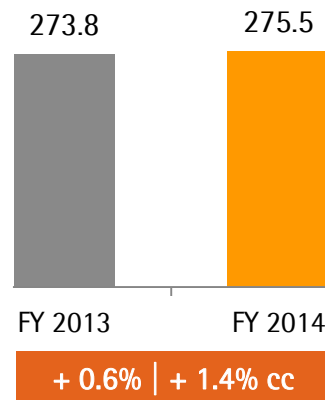
- Order intake: high growth despite high base
- Sales revenue: organic growth of ~10% fueled by all product lines; both organic and non-organic performance better than expected
- Underlying EBITDA margin increased by 70 bps driven by economies of scale

Lab Products & Services: Solid FY 2014 Despite Different Headwinds

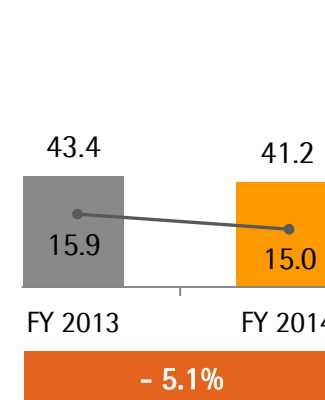
Order Intake
in € million



Sales Revenue
in € million



Underlying EBITDA & Margin
in € million



- Order intake: robust performance led by North America
- Sales revenue: ~2 percentage points effect from phase-out of non-strategic products; business in Asia continues to stabilize
- Underlying EBITDA margin development influenced by moderate volumes as expected

Guidance 2015

	FY 2014 ¹⁾		Guidance 2015	
	Sales revenue growth ²⁾	Underlying EBITDA margin	Sales revenue growth ²⁾	Underlying EBITDA margin ²⁾
Sartorius Group	12.6%	21.0%	~ 4% - 7%	~ 21.5%
Bioprocess Solutions	18.5%	23.7%	~ 5% - 8%	~ 24.5%
Lab Products & Services	1.4%	15.0%	~ 2% - 5%	~ 15.5%

- Capex ratio expected to be ~ 10%

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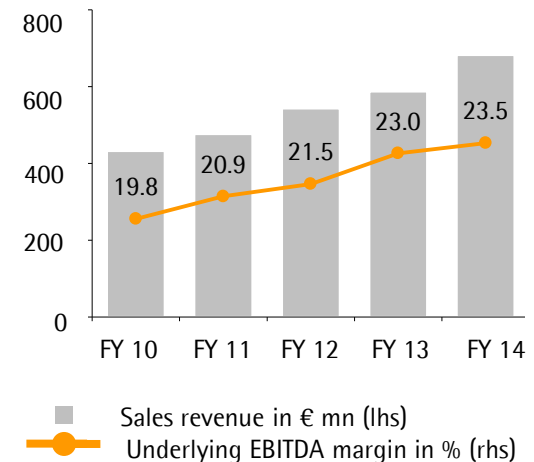
Questions & Answers



Continuing Strong Growth Across the Board

Sartorius Stedim Biotech in € million (unless otherwise specified)	FY 2013	FY 2014	Change	Change in cc ¹⁾
Order intake	614.9	722.1	17.4%	17.1%
Sales revenue	588.4	683.5	16.2%	15.9%
Underlying EBITDA ²⁾	135.6	160.5	18.4%	
Underlying EBITDA margin	23.0%	23.5%	+ 50bps	
Underlying EPS ³⁾ in €	4.90	5.68	15.9%	

Underlying EBITDA Margin
in %

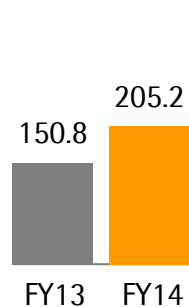


- Order intake: strong growth despite high base
- Sales revenue: organic growth of ~ 8.5% fueled by all product lines; both organic and non-organic performance better than expected
- Underlying EBITDA margin increased by 50 bps driven by economies of scale

¹⁾ cc= constant currencies ²⁾ Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, adjusted for extraordinary items ³⁾ Underlying EPS = based on net profit after non-controlling interest, adjusted for extraordinary items, amortization and fair value adjustments of hedging instruments

Sales Growth Supported by All Main Regions

North America
Sales¹⁾ in € million



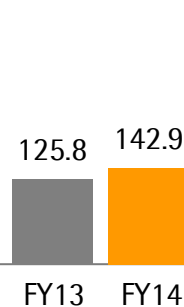
+ 35.5%

Europe
Sales¹⁾ in € million



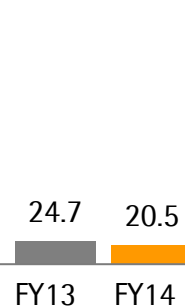
+ 8.8%

Asia | Pacific
Sales¹⁾ in € million



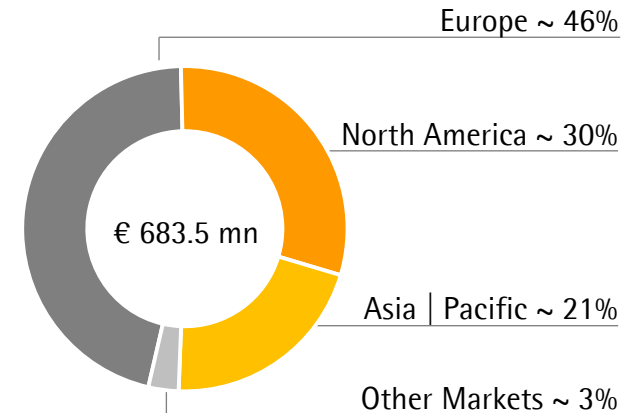
+ 15.0%

Other Markets
Sales¹⁾ in € million



- 16.9%

Sales¹⁾ by Regions
in %



Growth in constant currencies

- Significant organic business expansion in North America; strong contribution from acquisitions
- Solid growth in Europe complemented by acquisitions
- Continued double-digit growth in Asia; minor non-organic effect

¹⁾ According to customers' location

Strong Cash Flow Development

Sartorius Stedim Biotech Group in € million	FY 2013	FY 2014	Change
Underlying EBITDA	135.6	160.5	18.4%
Extraordinary items	-3.7	-4.9	32.3%
Financial result	-6.9	-15.3	-121.1%
Underlying net result ¹⁾	75.2	87.2	15.9%
Reported net result	66.3	72.5	9.3%
Net operating cash flow	90.1	104.4	15.9%
Net investing cash flow ²⁾	-73.4	-46.8	36.2%

- Financial result significantly influenced by derivatives relating to debt refinancing – mainly not cash effective
- Net operating cash flow driven by strong earnings development
- Net investing cash flow below last year as planned
- Capex ratio of 6.5% in line with guidance

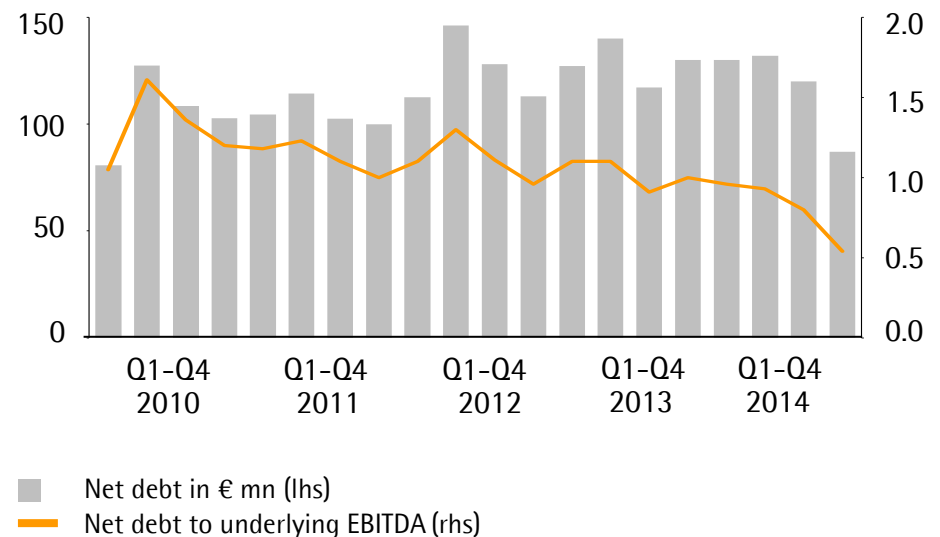
¹⁾ Underlying net result = net profit after non-controlling interest, adjusted for extraordinary items, amortization and fair value adjustments of hedging instruments ²⁾ Net cash flow from investing activities and acquisitions

All Key Financial Indicators Further Enhanced

Key Financial Indicators

Sartorius Stedim Biotech Group	Dec. 31 2013	Dec. 31 2014
Equity ratio in %	55.2	59.4
Net debt in € million	130.0	87.4
Net debt to underlying EBITDA	1.0	0.5

Net Debt to Underlying EBITDA



Guidance 2015

Sartorius Stedim Biotech Group	FY 2014 ¹⁾	Guidance 2015
Sales revenue growth ²⁾	15.9%	~ 4% - 7%
Underlying EBITDA margin	23.5%	~ 24.0 - 24.5% ²⁾
Capex ratio	6.5%	~ 6% - 8%



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Questions & Answers

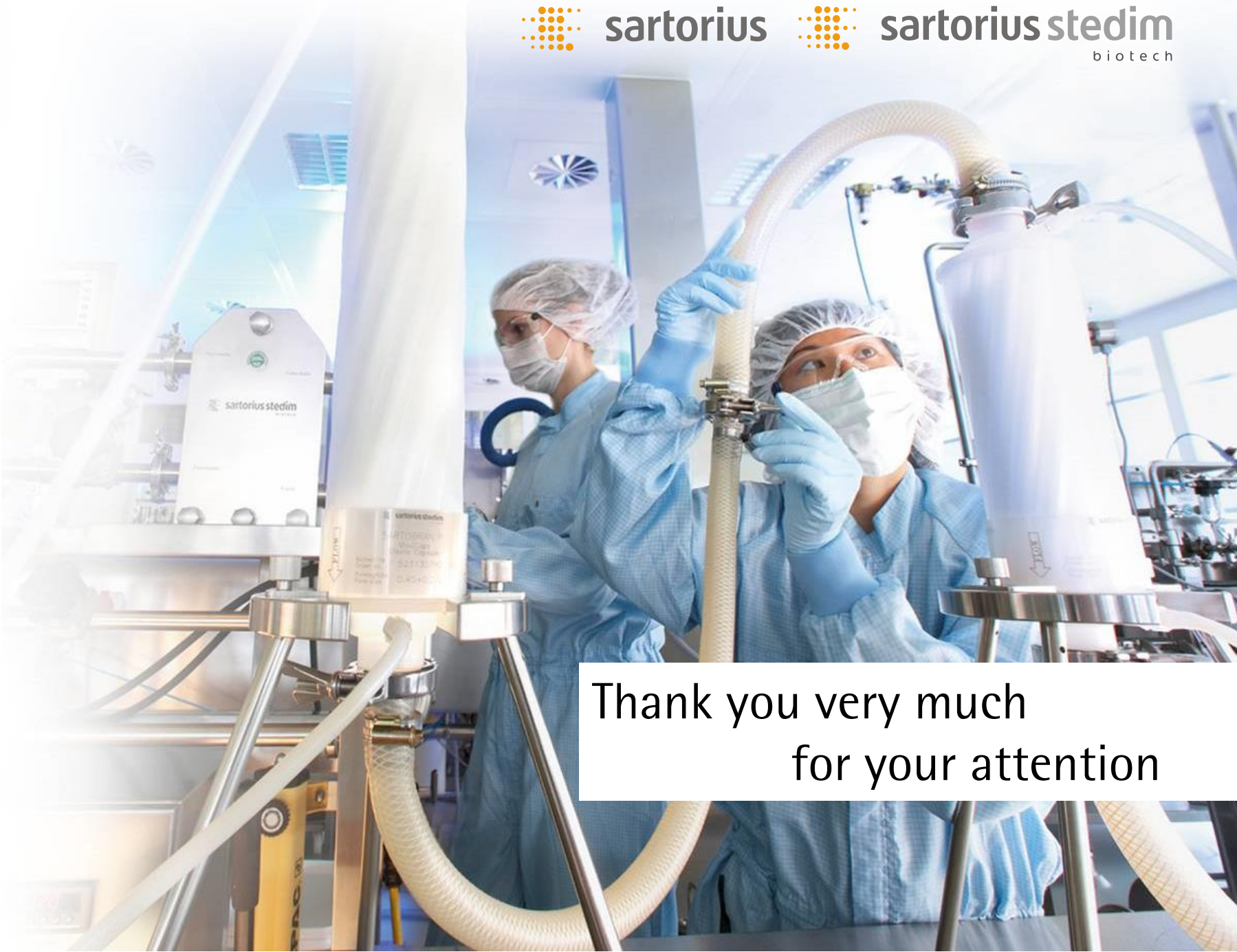




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A photograph of two scientists in a laboratory setting. They are wearing blue lab coats, white hairnets, and white face masks. They are working with large, white, cylindrical Sartorius Stedim biotech containers. One scientist is adjusting a hose connected to one of the containers. The equipment is mounted on a metal stand. The background shows a clean, modern laboratory environment with blue lighting and other scientific equipment.

Thank you very much
for your attention