



sartorius



sartorius stedim
biotech



Conference Call First-Half 2017 Results

Joachim Kreuzburg, CEO | July 21, 2017

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

01 Sartorius Group:
H1 2017 Results | FY 2017 Guidance

02 Sartorius Stedim Biotech Group:
H1 2017 Results | FY 2017 Guidance

03 Questions & Answers



H1 2017 Highlights

- ▶ Double-digit growth in sales revenue and earnings
- ▶ Lab Products & Services developed highly dynamically through organic growth and expansion of its portfolio
- ▶ Robust performance of Bioprocess Solutions in light of normalized market growth
- ▶ Integration of recent acquisitions well on track
- ▶ FY 2017 guidance confirmed



Double-digit sales and earnings growth

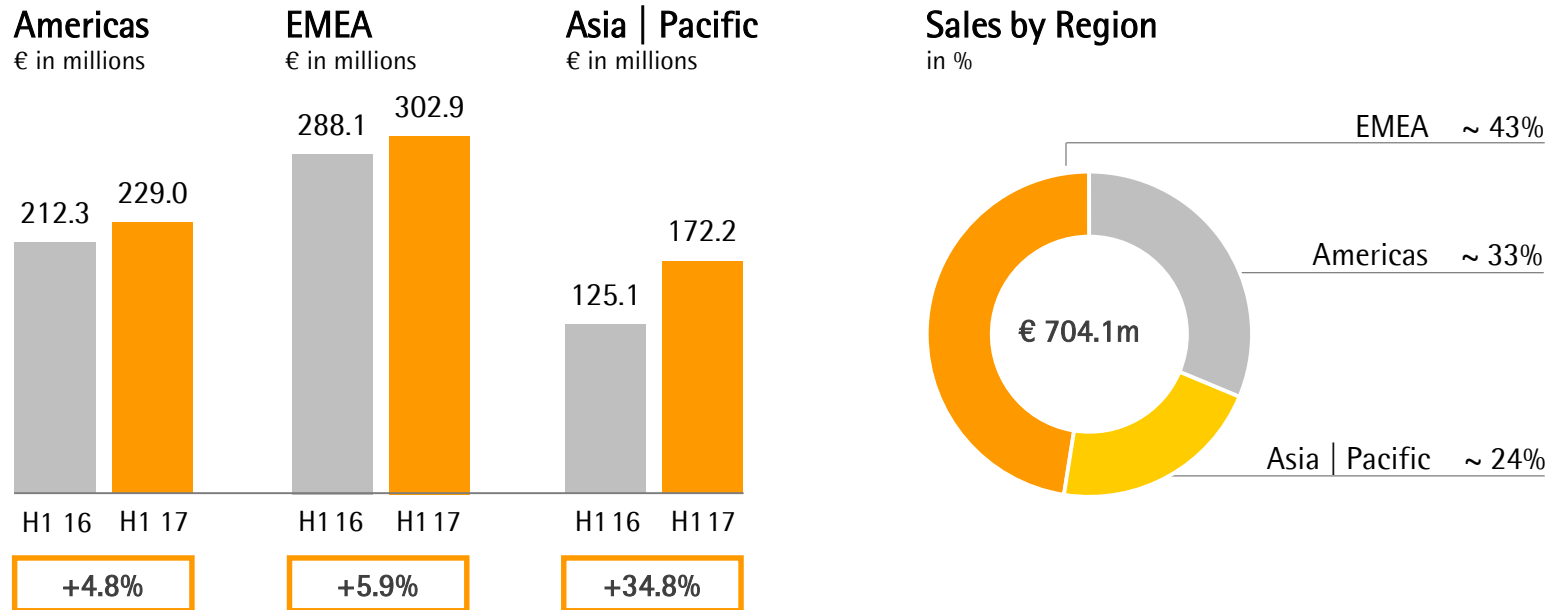
Sartorius Group

in millions of € unless otherwise specified

	H1 2016	H1 2017	Δ in %	Δ in % cc ¹
Sales revenue	625.4	704.1	+12.6	+11.5
Order intake	677.6	741.9	+9.5	+8.4
Underlying EBITDA ²	153.4	174.5	+13.8	
Underlying EBITDA ² margin	24.5	24.8	+0.3 pp	
Underlying EPS ³ (ord.) in €	0.91	1.03	+13.7	
Underlying EPS ³ (pref.) in €	0.92	1.04	+13.6	
Capex ratio in %	11.5	12.9		

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 tax rate

All regions fuel growth; Asia most dynamic



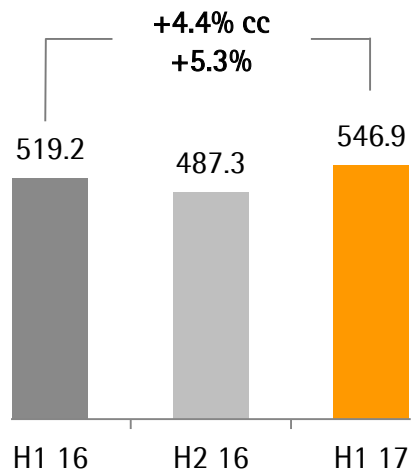
Acc. to customers' location; growth in constant currencies

- Solid development in the Americas and EMEA in view of a strong prior-year base
- BPS in the Americas additionally influenced by limited delivery capacities for cell culture media; we assume this situation to normalize in Q3 2017
- Outstanding growth in Asia | Pacific driven by both divisions; BPS growth supported by the delivery of some large equipment orders

BPS: Robust development given normalized market growth

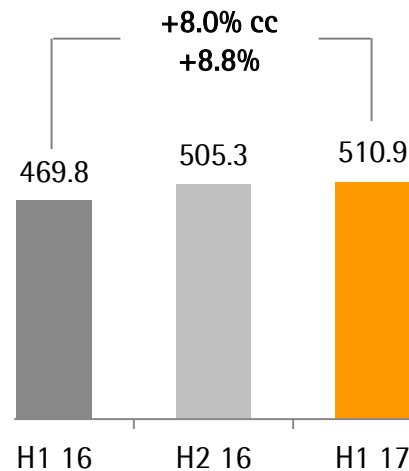
Order Intake

€ in millions



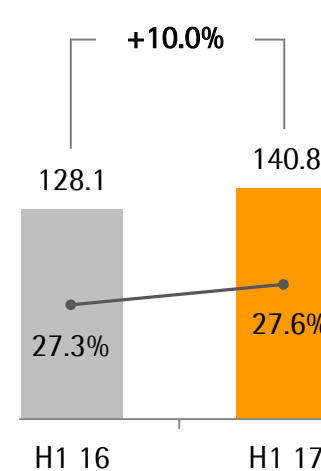
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions

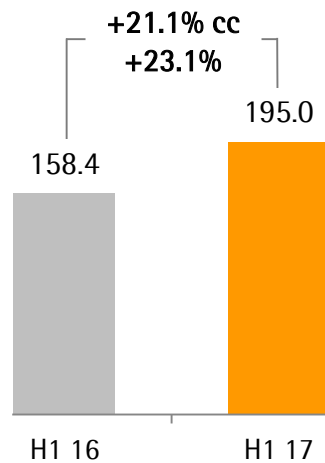


- After two years of extraordinarily strong growth, market dynamics returned to normal rates as expected
- Order intake growth influenced by very strong prior-year base
- Acquisitions of kSep and Umetrics contributed nearly 1 pp to sales growth
- Underlying EBITDA margin up by 0.3 pp due to economies of scale; currencies slightly dilutive

LPS: Dynamic performance fueled by organic growth and acquisitions

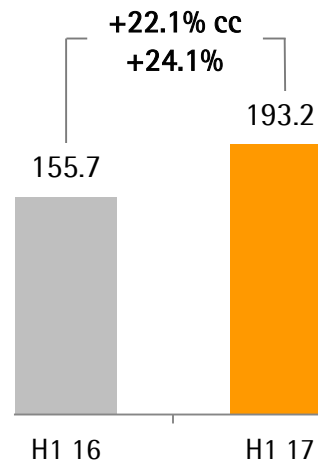
Order Intake

€ in millions



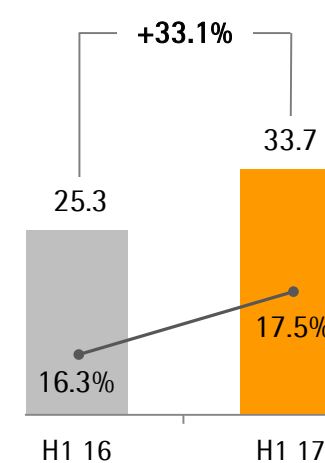
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- All regions and all product categories drive strong organic growth of ~7%
- Recent acquisitions (IntelliCyt, ViroCyt and Essen) contributed ~15 pp to sales growth
- Significant increase in earnings due to scale effects related to strong organic growth and acquisitions; currencies slightly dilutive

Cash flow influenced by recent acquisitions

Sartorius Group

€ in millions

	H1 2016	H1 2017	Δ in %
Underlying EBITDA	153.4	174.5	+13.8
Extraordinary items	-9.9	-12.7	-28.8
Financial result	-3.9	-9.0	-129.2
Underlying net profit ^{1,2}	62.4	70.9	+13.6
Reported net profit ²	53.4	51.8	-3.0
Net operating cash flow	43.1	54.3	+26.0
Net investing cash flow ³	-148.1	-442.1	n.m.

- Change in financial result largely due to valuation effects of derivatives | fx loans
- Net operating cash flow driven by higher earnings and lower tax payments
- Net investing cash flow primarily reflects the acquisitions of Essen and Umetrics; capex increased as planned

¹ Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate

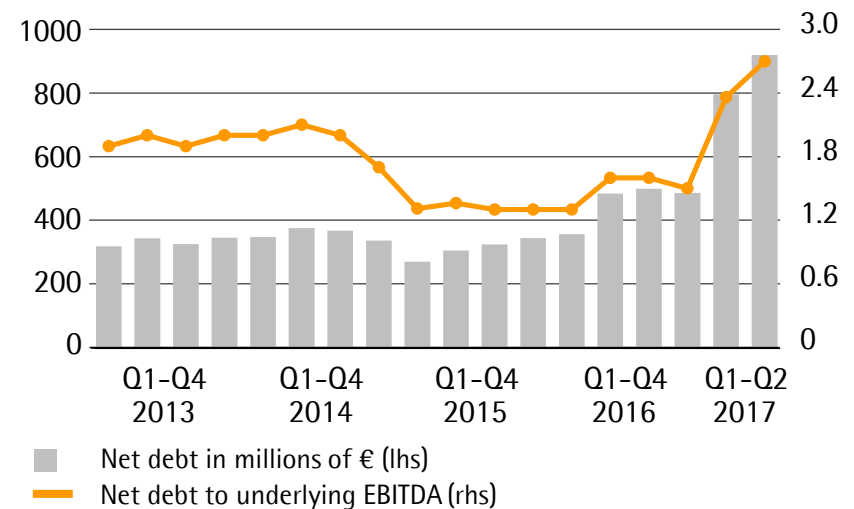
² After non-controlling interest ³ Net cash flow from investing activities and acquisitions

Key financial indicators remain at robust levels

Key Financial Indicators

Sartorius Group	Dec. 31, 2016	Jun. 30, 2017
Equity ratio in %	42.0	32.6
Net debt in millions of €	485.9	919.8
Net debt underlying EBITDA	1.5	2.7

Net Debt and Net Debt to Underlying EBITDA



FY 2017 guidance confirmed

	H1 2017		FY 2017 Guidance ¹	
	Sales Revenue Growth ¹	Underlying EBITDA Margin	Sales Revenue Growth	Underlying EBITDA Margin
Sartorius Group	11.5%	24.8%	~ 12% - 16%	> +0.5pp (FY 2016: 25.0%)
Bioprocess Solutions	8.0%	27.6%	~ 9% - 13%	~ +0.5pp (FY 2016: 28.0%)
Lab Products & Services	22.1%	17.5%	~ 20% - 24%	nearly +2.0pp (FY 2016: 16.0%)

¹ In constant currencies

- Expected non-organic growth contribution:
LPS ~17 pp; BPS a good 1 pp; Group a good 5 pp
- Capex ratio ~ 12% - 15%

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Robust development in light of normalized market growth

Sartorius Stedim Biotech Group

in millions of €, unless otherwise specified

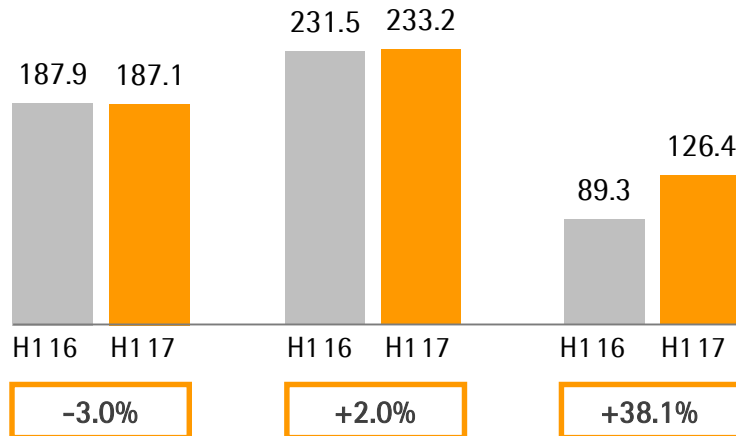
	H1 2016	H1 2017	Δ in %	Δ in % cc ¹
Sales revenue	508.8	546.7	+7.5	+6.7
Order intake	558.8	583.0	+4.3	+3.5
Underlying EBITDA ²	136.4	147.4	+8.1	
Underlying EBITDA ² margin	26.8	27.0	+0.2 pp	
Underlying EPS ³ per share in €	0.91	0.97	+7.4	
Capex ratio in %	6.6	10.8		

- After 2 years of extraordinarily strong growth, market dynamics returned to normal rates as expected
- Order intake growth influenced by very strong prior-year base
- Acquisitions of kSep and Umetrics contributed close to 1 pp to sales growth
- Underlying EBITDA margin up by 0.2 pp due to economies of scale; currencies slightly dilutive

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

Different development in the regions

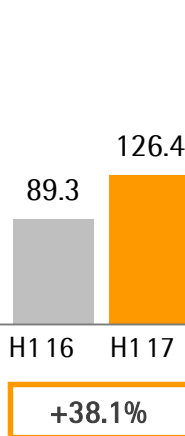
Americas
in € millions



EMEA
in € millions

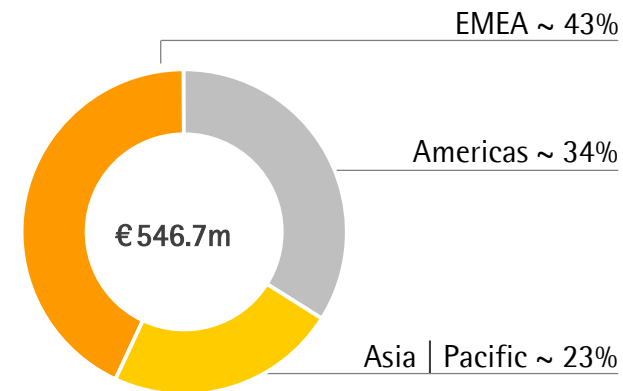


Asia | Pacific
in € millions



Acc. to customers' location; growth in constant currencies

Sales by Regions
in %



- Performance in the Americas influenced by limited delivery capacities for cell culture media; we assume this situation to normalize in Q3 2017
- Growth in EMEA compares with very strong prior-year base
- Outstanding dynamics in Asia | Pacific supported by the delivery of some large equipment orders

Robust Cash Flow Performance

Sartorius Stedim Biotech Group

€ in millions

	H1 2016	H1 2017	Δ in %
Underlying EBITDA	136.4	147.4	+8.1
Extraordinary items	-4.8	-6.9	-44.3
Financial result	-2.1	-2.6	-22.5
Underlying net profit ¹	83.5	89.7	+7.4
Reported net profit	75.7	79.4	+4.8
Net operating cash flow	43.3	56.0	+29.4
Net investing cash flow ²	-32.1	-117.1	n.m

- Net operating cash flow mainly driven by higher earnings and lower tax payments
- Net investing cash flow primarily reflects the acquisitions of Umetrics and higher capex

¹ Underlying net result = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate

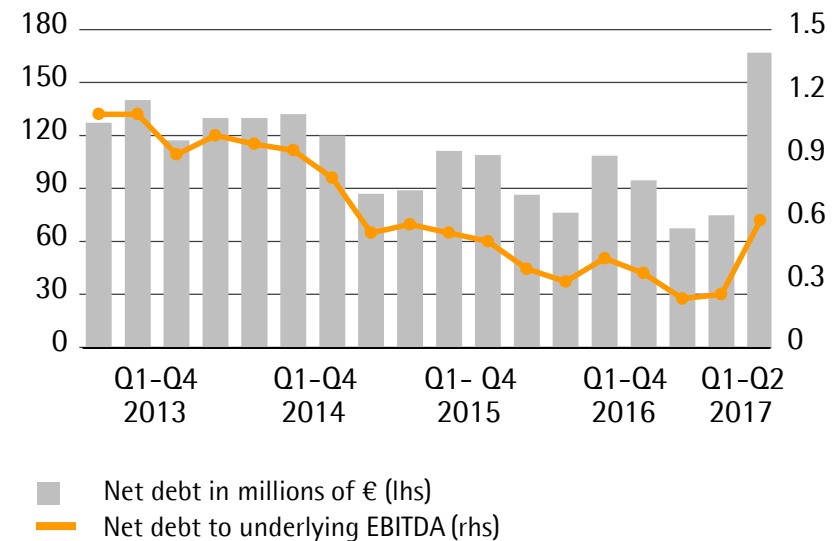
² Net cash flow from investing activities and acquisitions

Financial position remains very strong

Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2016	Jun. 30, 2017
Equity ratio in %	63.9	59.9
Net debt in millions of €	67.6	166.9
Net debt underlying EBITDA	0.2	0.6

Net Debt and Net Debt to Underlying EBITDA



Outlook for 2017 confirmed

	H1 2017	FY 2017 Guidance
Sales revenue growth ¹	6.7%	~ 8% - 12%
Underlying EBITDA margin	27.0%	~ +0.5pp ¹ (FY 2016: 27.5%)
Capex ratio	10.8%	~ 10% - 13%

¹ In constant currencies

- Guidance includes a good 1pp of growth expected to be contributed by the acquisition of kSep and Umetrics

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Thank you very much
for your attention