

Nine-month Figures for 2016: Sartorius Continues to Grow by Strong Double Digits

- **Dynamic growth for the Bioprocess Solutions Division; positive development of the Lab Products & Services Division**
- **Earnings increased by around one-fourth**
- **Guidance for the full year of 2016 confirmed**

Goettingen, October 24, 2016 - Sartorius, a leading international pharmaceutical and laboratory equipment supplier, closed the first nine months of 2016 with significant double-growth rates for sales revenue and earnings.

"Both divisions are continuing to grow faster than their respective markets," stated Group CEO Dr. Joachim Kreuzburg, giving a positive summary of the Group's nine-month performance. "We increased our revenue by around 18% and earnings even by one-fourth over the prior-year period." For the final quarter, Kreuzburg expects good business performance as well and confirms the company's full-year guidance, which projects an increase of 15% to 18% percent in sales revenue and an underlying EBITDA margin of around 25%. Regarding the three startups acquired in June and July, he commented, "The integration of our most recent acquisitions is well on track. The combination of these young, highly innovative technologies with our international reach and sales strength provides additional promising growth potential."

Business Development of the Sartorius Group

In the first nine months of 2016, Sartorius increased its sales revenue by 17.9% in constant currencies from 830.3 million euros in the year-earlier period to 965.1 million euros (reported: 16.2%). All regions recorded significant double-digit growth rates, thus contributing to the dynamic business development of the Group. Sales revenue in the Asia | Pacific region rose 21.3% to 206.6 million euros, due in part to the delivery of some larger equipment orders. The Americas and EMEA¹ also recorded substantial sales increases of 20.3% to 331.4 million euros and of 14.6% to 427.1 million euros, respectively, relative to a strong prior-year revenue base, especially in the third quarter. (All regional figures currency-adjusted)

Earnings in the reporting period rose overproportionately relative to sales yet again. Sartorius thus increased its underlying EBITDA² by 24.6% to 241.4 million euros, and its respective margin reached 25.0%, up from 23.3% in the year-earlier period. Relevant net profit³ for the Group rose 25.3% from 78.9 million euros to 98.9 million euros. Earnings per ordinary share totaled 1.44 euros (9M 2015: 1.15 euros⁴) and earnings per preference share 1.45 euros (9M 2015: 1.16 euros⁴).

The Group's key financial indicators remained at a strong level after its recent acquisitions. At the end of the reporting period, the company's equity ratio was 39.8% and the ratio of net debt to underlying EBITDA was 1.6 (Dec. 31, 2015: 44.9% and 1.3, respectively). In line with its strong organic growth, Sartorius is currently investing at an above-average level in the expansion of its capacity. The capex ratio was 11.8% for the nine-month period.

Business Development of the Divisions

The Bioprocess Solutions Division, which focuses on single-use products for the manufacture of biopharmaceuticals, again saw especially strong growth. All product segments reported double-digit growth rates within a continued dynamic market environment. Thus, revenue rose 21.9% to 726.7 million euros in constant currencies (reported: 20.3%). Besides excellent organic growth, the acquired companies BioOutsource, Cellca and kSep contributed a good 2 percentage points to the division's non-organic growth. Underlying EBITDA for Bioprocess Solutions grew overproportionately with respect to sales, by 27.7% to 202.6 million euros. The division's margin attained 27.9% relative to 26.3% in the comparable period.

The Lab Products & Services Division, which offers technologies and equipment for laboratories primarily for the pharmaceutical sector and public research, also continued its positive business development. Its sales revenue increased 7.1% in constant currencies to 238.4 million euros (reported: 5.5%). The companies acquired in mid-2016, IntelliCyt and ViroCyt, contributed about 2 percentage points to this gain. Underlying EBITDA for Lab Products & Services rose 10.4% to 38.7 million euros. The division's margin reached 16.2% relative to 15.5% in the prior-year period.

Forecast for the Full Year

Based on the company's performance in the first nine months, management confirmed its sales and earnings forecast for the full year of 2016: In constant currencies, Group sales revenue is projected to increase by about 15% to 18% and its underlying EBITDA margin from 23.6% a year earlier to 25.0%. In the current fiscal year, Sartorius now plans to invest around 11.5% of sales revenue, especially due to the substantial expansion of its production capacities (previous guidance: around 10%).

For the Bioprocess Solutions Division, management continues to expect that sales will grow by about 19% to 22%. This guidance includes a good 2 percentage points of non-organic growth expected to be contributed by the acquisitions of BioOutsource, CellCa and kSep. The division's underlying EBITDA margin is projected to increase year over year from 26.5% to around 28.0%.

Sartorius also continues to forecast that assuming an overall stable economic environment, sales for the Lab Products & Services Division will grow by about 6% to 9%. This projection includes a good 3 percentage points expected to be contributed by the acquisitions of IntelliCyt and ViroCyt. Due to the temporary dilutive effects related to the acquisitions previously mentioned, the division's underlying EBITDA margin is anticipated to remain approximately at the prior-year level of 16.0%.

All forecasts are based on constant currencies.

¹ EMEA = Europe | Middle East | Africa

² Sartorius uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as the key profitability indicator

³ After non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and corresponding tax effects; for continued operations in the 9-month period of 2015

⁴ Continued operations; adjusted for the stock split completed on June 13, 2016; rounded figures

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Current Image Files

Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius AG

http://www.sartorius.com/fileadmin/media/global/company/Sartorius_Kreuzburg.jpg

Sartorius products used in the manufacture of medications

www.sartorius.com/fileadmin/media/global/company/pr_20140303_bioprocess_solutions.jpg

Sartorius products used in laboratory research

www.sartorius.com/fileadmin/media/global/company/pr_20140303_lab_products_and_services.jpg

Conference Call

Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius, will discuss the company's results with analysts and investors on Monday, October 24, 2016, at 3:30 p.m. Central European Time (CET) in a teleconference. You may dial into the teleconference starting at 3:20 p.m. CET at the following numbers:

Germany: +49 (0)69 2222 13420

France: +33 (0)1 76 77 22 74

UK: +44 (0)20 3043 2002

USA: +1 719 457 1036

The dial-in code is as follows: 8030273; to view the webcast, log onto:

<https://www.sartorius.com/en/company/investor-relations/sartorius-ag/>

Upcoming Financial Dates

January 30, 2017 Publication of the preliminary figures for fiscal 2016

A Profile of Sartorius

The Sartorius Group is a leading international pharmaceutical and laboratory equipment provider with two divisions: Bioprocess Solutions and Lab Products & Services. Bioprocess Solutions with its broad product portfolio focusing on single-use solutions helps customers produce biotech medications and vaccines safely and efficiently. Lab Products & Services, with its premium laboratory instruments, consumables and services, concentrates on serving the needs of laboratories performing research and quality assurance at pharma and biopharma companies and on those of academic research institutes. Founded in 1870, the company earned sales revenue of more than 1.1 billion euros in 2015. More than 6,200 people work at the Group's approx. 50 manufacturing and sales sites, serving customers around the globe.

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Key Performance Indicators for the 9-Month Period of 2016

€ in millions (unless otherwise specified)	Sartorius Group				Bioprocess Solutions				Lab Products & Services			
	9M 2016	9M 2015	in % reported	in % cc ¹	9M 2016	9M 2015	in % reported	in % cc ¹	9M 2016	9M 2015	in % reported	in % cc ¹
Sales Revenue and Order Intake												
Sales revenue	965.1	830.3	16.2	17.9	726.7	604.3	20.3	21.9	238.4	226.0	5.5	7.1
- EMEA ²	427.1	379.0	12.7	14.6	306.9	263.9	16.3	18.2	120.2	115.1	4.4	6.5
- Americas ²	331.4	278.7	18.9	20.3	279.5	232.4	20.3	21.6	51.9	46.3	12.2	13.9
- Asia Pacific ²	206.6	172.6	19.7	21.3	140.3	108.0	29.9	31.9	66.3	64.6	2.7	3.4
Order intake	988.2	856.6	15.4	17.0	752.5	637.2	18.1	19.7	235.6	219.5	7.3	9.1
Earnings												
EBITDA ³	241.4	193.8	24.6		202.6	158.7	27.7		38.7	35.1	10.4	
EBITDA margin ³ in %	25.0	23.3			27.9	26.3			16.2	15.5		
Net profit for the period ⁴	98.9	78.9	25.3									
Financial Data per Share												
Earnings per ordinary share ^{4,5} in €	1.44	1.15	24.8									
Earnings per preference share ^{4,5} in €	1.45	1.16	25.1									

¹ In constant currencies abbreviated as "cc"

² Acc. to the customer's location

³ Underlying

⁴ After non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and corresponding tax effects; for continued operations in the 9-month period of 2015

⁵ 9M 2015 adjusted for stock split; rounded values

Statement of Profit or Loss

	3rd quarter 2016 € in mn	3rd quarter 2015 € in mn	9 month 2016 € in mn	9 month 2015 € in mn
Sales revenue	339.7	294.9	965.1	830.3
Cost of sales	-172.8	-145.6	-493.2	-416.1
Gross profit on sales	166.8	149.3	471.9	414.2
Selling and distribution costs	-64.2	-55.3	-187.3	-165.0
Research and development expenses	-15.4	-13.7	-45.0	-39.0
General administrative expenses	-18.5	-16.7	-54.7	-48.4
Other operating income and expenses ¹	-10.7	-8.8	-17.0	-16.3
Earnings before interest and taxes (EBIT)	58.0	54.8	167.9	145.5
Financial income	0.4	1.8	8.5	6.7
Financial expenses	-2.8	-0.1	-14.8	-20.3
Financial result	-2.4	1.6	-6.3	-13.5
Profit before tax	55.6	56.5	161.6	132.0
Income taxes	-16.7	-16.9	-48.5	-39.6
Profit after tax from continuing operations	38.9	39.5	113.1	92.4
Profit after tax from discontinued operation	0.0	0.1	0.0	39.0
Net profit for the period	38.9	39.6	113.1	131.3
Attributable to:				
Shareholders of Sartorius AG	26.9	29.1	80.3	105.9
Non-controlling interest	12.0	10.6	32.8	25.4
Earnings per ordinary share (€) (basic)	0.39	0.43	1.17	1.55
Of which from continuing operations	0.39	0.42	1.17	0.98
Of which from discontinued operation	0.00	0.00	0.00	0.57
Earnings per preference share (€) (basic)	0.39	0.43	1.18	1.56
Of which from continuing operations	0.39	0.42	1.18	0.98
Of which from discontinued operation	0.00	0.00	0.00	0.57
Earnings per ordinary share (€) (diluted)	0.39	0.43	1.17	1.55
Of which from continuing operations	0.39	0.42	1.17	0.98
Of which from discontinued operation	0.00	0.00	0.00	0.57
Earnings per preference share (€) (diluted)	0.39	0.43	1.18	1.55
Of which from continuing operations	0.39	0.42	1.18	0.98
Of which from discontinued operation	0.00	0.00	0.00	0.57

¹ The item "Other operating income and expenses" includes extraordinary expenses of €19.8 million for the nine-month period of 2016 (9-mo. 2015: €6.7 million)

Statement of Comprehensive Income

	3rd quarter 2016 € in mn	3rd quarter 2015 € in mn	9 month 2016 € in mn	9 month 2015 € in mn
Net profit for the period	38.9	39.6	113.1	131.3
Cash flow hedges	3.1	2.1	3.6	0.5
Income tax on cash flow hedges	-0.9	-0.6	-1.1	-0.2
Net investment in a foreign operation	0.2	0.1	0.0	-4.0
Income tax on net investment in a foreign operation	-0.2	0.0	0.0	1.4
Currency translation differences	-3.8	-3.8	-17.4	18.5
Reclassification of currency reserves in connection with the sale of Intec	0.0	-1.5	0.0	-1.5
Items that may be reclassified in the profit or loss statement, net of tax	-1.7	-3.8	-14.9	14.8
Remeasurements of the net defined benefit liability	0.0	0.0	-7.4	5.2
Income tax on items that will not be reclassified in the profit or loss statement	-0.1	0.0	2.1	-1.6
Items that will not be reclassified in the profit or loss statement, net of tax	-0.1	0.0	-5.3	3.7
Other comprehensive result after tax	-1.8	-3.8	-20.2	18.5
Total comprehensive income	37.1	35.9	92.9	149.8
Attributable to:				
Shareholders of Sartorius AG	25.5	26.4	64.3	120.4
Non-controlling interest	11.6	9.4	28.6	29.4

Statement of Cash Flows

	9-month 2016 € in mn	9-month 2015 € in mn
Profit before tax	161.6	171.6
Financial result	6.3	13.2
Earnings before interest and taxes (EBIT)	167.9	184.8
Depreciation amortization of intangible and tangible assets	55.2	42.0
Increase decrease in provisions	2.0	12.8
Gains losses from the disposal of fixed assets	0.0	-38.5
Income taxes paid	-55.7	-32.6
Other non-cash items	1.0	1.0
Gross cash flows from operating activities	170.4	169.6
Increase decrease in receivables and other assets	-48.2	-49.7
Increase decrease in inventories	-35.8	-33.0
Increase decrease in liabilities (without loans and borrowings)	22.7	1.8
Net cash flow from operating activities	109.0	88.9
Net cash flow from operating activities – continuing operations	109.0	87.7
Net cash flow from operating activities – discontinued operation	0.0	1.1
Capital expenditures	-109.6	-65.1
Proceeds from the disposal of fixed assets	0.7	1.1
Other payments	0.0	-0.6
Net cash flow from investing activities	-108.9	-64.6
Payments for acquisitions of consolidated subsidiaries and other business operations, net of cash acquired	-119.4	-54.4
Proceeds from the disposal of consolidated subsidiaries, net of cash disposed	0.0	72.9
Net cash flow from investing activities, acquisitions and disposals	-228.3	-46.1
Net cash flow from investing activities – continuing operations	-228.3	-118.8
Net cash flow from investing activities – discontinued operation	0.0	72.7
Interest received	1.7	0.3
Interest paid and other financial charges	-4.6	-7.1
Dividends paid to:		
- Shareholders of Sartorius AG	-25.8	-18.2
- Non-controlling interest	-8.7	-5.6
Gross cash flows from financing activities	-37.4	-30.7
Changes in non-controlling interest	0.0	-1.4
Loans repaid	-7.1	-127.6
Loans raised	170.0	101.8
Net cash flow from financing activities	125.5	-57.8
Net cash flow from financing activities – continuing operations	125.5	-57.8
Net cash flow from financing activities – discontinued operation	0.0	0.0
Net increase decrease in cash and cash equivalents	6.2	-15.0
Cash and cash equivalents at the beginning of the period	52.8	56.4
Net effect of currency translation on cash and cash equivalents	2.7	2.4
Cash and cash equivalents at the end of the period	61.7	43.9

¹ The cash flows generally include those of our discontinued operation. Each item combining the figures from both continuing and discontinued operations for the net cash flow from operating, investing and financing activities is shown as an "of which" subitem to distinguish between the amounts.

Statement of Financial Position

	Sept. 30, 2016	December 31, 2015
	€ in mn	€ in mn
Assets		
Non-current assets		
Goodwill	462.2	405.4
Other intangible assets	283.4	209.3
Property, plant and equipment	372.6	317.4
Financial assets	6.3	8.1
Other assets	0.9	0.8
Deferred tax assets	22.6	18.9
	1,148.0	959.9
Current assets		
Inventories	227.1	189.8
Trade receivables	237.4	193.0
Other financial assets	17.1	11.8
Current tax assets	19.8	12.0
Other assets	24.5	17.9
Cash and cash equivalents	61.7	52.8
	587.6	477.4
Total assets	1,735.6	1,437.2
	Sept. 30, 2016	December 31, 2015
	€ in mn	€ in mn
Equity and liabilities		
Equity		
Equity attributable to Sartorius AG shareholders	544.5	517.7
Issued capital	68.4	17.1
Capital reserves	38.1	88.4
Other reserves and retained earnings	438.1	412.3
Non-controlling interest	146.7	127.0
	691.2	644.8
Non-current liabilities		
Pension provisions	66.8	59.8
Other provisions	7.9	7.7
Loans and borrowings	513.9	346.8
Finance lease liabilities	18.6	19.3
Other financial liabilities	68.3	54.5
Deferred tax liabilities	63.0	33.4
	738.6	521.5
Current liabilities		
Provisions	21.2	18.1
Trade payables	134.7	113.2
Loans and borrowings	25.4	28.2
Finance lease liabilities	2.5	2.5
Other financial liabilities	77.1	66.9
Current tax liabilities	22.2	20.7
Other liabilities	22.5	21.4
	305.8	271.0
Total equity and liabilities	1,735.6	1,437.2

Reconciliation

€ in millions	9-mo. 2016	9-mo. 2015 ¹
EBIT	167.9	145.5
Extraordinary effects	19.8	6.7
Amortization	14.5	11.5
Normalized financial result ²	-10.0	-10.3
Normalized income tax (2016: 30% 2015: 30%) ³	-57.6	-46.0
Underlying net result after tax	134.5	107.3
Non-controlling interest	-35.6	-28.4
Underlying earnings after taxes and non-controlling interest	98.9	78.9
Underlying earnings per share ⁴		
per ordinary share in €	1.44	1.15
per preference share in €	1.45	1.16

¹ Continued operations

² Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities

³ Underlying income tax, based on the underlying profit before taxes and non-cash amortization

⁴ 9M adjusted for stock split; rounded values