

## Nine-month figures for 2019: Sartorius Stedim Biotech reports double-digit sales growth

- Sales revenue €1,076.7m (+18.1%); order intake €1,147.1m (+18.0%); underlying EBITDA margin 29.0%
- Strong growth across all product categories and regions
- Management specifies revenue guidance at upper end of the 12% to 16% range

Aubagne, October 21, 2019 – Sartorius Stedim Biotech (SSB), a leading partner of the biopharma industry, has continued on its growth track, and reported a double-digit increase in sales revenue, order intake and earnings for the first nine months of 2019.

"After a stronger-than-expected first half, growth momentum remained high in the third quarter. We have been benefiting from ongoing high demand across all regions and product categories and, beyond this, have continued to grow faster than the market," said Dr. Joachim Kreuzburg, Chairman of the Board and CEO. "Against the backdrop of continued healthy end-market dynamics, we now expect that the upper end of our sales growth forecast of about 12% to 16% will be reached."

In the first nine months of 2019, sales revenue came in at 1,076.7 million euros, equating to a currency-adjusted increase of 18.1% (reported: +20.2%). Order intake<sup>1)</sup> rose 18.0% (reported: +20.0%) to 1,147.1 million euros.

Fueled by strong project business in particular, the Asia|Pacific region achieved the highest growth rates, with sales revenue rising 28.4% (reported: +30.3%) to 265.5 million euros. The EMEA region (Europe | Middle East | Africa), which accounts for the largest share of Group sales, posted revenue growth of 15.7% (reported: +15.8%) to 435.9 million euros, whereas in the Americas, sales increased by 14.3% (reported: +18.8%) to 375.3 million euros against high comparables.

(All changes in sales revenue and order intake are given in constant exchange rates, unless otherwise stated.)

Underlying EBITDA<sup>1)</sup> rose overproportionately to sales by 24.2% to 312.3 million euros, driven by economies of scale and due to a change in an accounting rule.<sup>2)</sup> The respective margin climbed from 28.1% to 29.0%, with around half of a percentage point attributable to the above-mentioned change in accounting rules, as expected.

Underlying net profit<sup>1)</sup> for the period amounted to 198.1 million euros, a 23.3% increase year over year, resulting in underlying earnings per share<sup>1)</sup> of €2.15 compared with €1.74 in the prior-year period.

### Key financial indicators

The SSB Group continues to have a very solid balance sheet and financial position. Equity was strengthened by robust earnings, rising from 1,044.9 million euros as at year-end 2018 to 1,176.6 million euros as of the balance sheet date. The equity ratio of 66.4% remained at a comfortable level (Dec 31, 2018: 66.5%) while the ratio of net debt to underlying EBITDA declined from 0.4 at year-end 2018 to 0.3.

As expected, the CAPEX ratio<sup>1)</sup> in the reporting period decreased considerably from 13.9% a year ago to 9.1%.

### Guidance 2019 specified at upper end of bandwidth

In view of the positive business development in the first nine months of 2019 and continued high demand, Sartorius Stedim Biotech specified its financial guidance for the full year.

For sales revenue growth management now anticipates that the upper end of the forecasted range of about 12% to 16% will be reached. The company's underlying EBITDA margin remains projected to rise by slightly more than one percentage point over the prior-year figure of 28.2%. Approximately half a percentage point of this increase is forecasted to be an operational gain, whereas the remainder will result from a change to the accounting rules.<sup>1)</sup>

All guidance figures are given in constant currencies. A disorderly exit of the United Kingdom from the EU and an exacerbation of international trade disputes could impact SSB's supply chain to a certain extent, despite the measures already taken to counteract these developments. A reliable prognosis concerning possible effects cannot be made at the present time.

- 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.
  - Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items
  - Order intake: all customer orders contractually concluded during the respective reporting period
  - Underlying net profit: profit for the period after non-controlling interest; adjusted for extraordinary items and non-cash amortization, as well as based on a normalized financial result and tax rate
  - Underlying earnings per share: relevant net profit for the period divided by the number of shares outstanding (92,180,190)
  - CAPEX ratio: investment payments in relation to sales revenue for the same period. Since 2019 and as a result of the change in IFRS 16 accounting principles, CAPEX has been based on cash flow instead of balance sheet computation; CAPEX ratio restated: 14.1% for 9M 2019; 14.6% for FY 2018
- 2) IFRS 16 is required to be applied as of 2019 and regulates accounting of lease contracts. This has led to a somewhat extended balance sheet and thus to a slightly lower equity ratio. Further, this has resulted in reporting longer-term lease payments as depreciation and, accordingly, in a somewhat higher EBITDA, but does not entail any material changes concerning the Group's relevant net profit or earnings per share.

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.

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### Conference call

Joachim Kreuzburg, Chairman of the Board and CEO of the Sartorius Stedim Biotech Group, will discuss the company's business results, as well as the agreement to acquire select Danaher Life Sciences platform businesses, with analysts and investors on Monday, October 21, 2019, at 3:30 p.m. Central European Summer Time (CEST), in a teleconference. The dial-in numbers and presentation will be published shortly on the Sartorius Stedim Biotech website at:

<https://www.sartorius.com/en/company/investor-relations/sartorius-stedim-biotech-sa-investor-relations>

**Press images**

<https://www.sartorius.com/en/company/newsroom/downloads-publications>

**A profile of Sartorius Stedim Biotech**

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a total solutions provider, the company helps its customers to manufacture biotech medications safely, rapidly and economically. Headquartered in Aubagne, France, Sartorius Stedim Biotech is quoted on the Eurolist of Euronext Paris. With its own manufacturing and R&D sites in Europe, North America and Asia and an international network of sales companies, Sartorius Stedim Biotech has a global reach. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions of complementary technologies. In 2018, the company earned sales revenue of €1,212.2 million and currently employs more than 6,000 people.

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**Key performance indicators for the first nine months of 2019**

€ in millions, unless otherwise specified	9 months 2019	9 months 2018	Δ in % reported	Δ % in cc <sup>1)</sup>
Sales revenue	<b>1,076.7</b>	896.1	20.2	18.1
EMEA <sup>2)</sup>	<b>435.9</b>	376.5	15.8	15.7
Americas <sup>2)</sup>	<b>375.3</b>	315.8	18.8	14.3
Asia   Pacific <sup>2)</sup>	<b>265.5</b>	203.8	30.3	28.4
Order intake	<b>1,147.1</b>	955.6	20.0	18.0
EBITDA <sup>3)</sup>	<b>312.3</b>	251.4	24.2	
EBITDA margin <sup>3)</sup> in %	<b>29.0</b>	28.1		
Net profit <sup>4)</sup>	<b>198.1</b>	160.7	23.3	
Earnings per share <sup>4)</sup> in €	<b>2.15</b>	1.74	23.3	

1) In constant currencies

2) According to customers' location

3) Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items

4) Underlying net profit: after non-controlling interest; adjusted for extraordinary items and non-cash amortization, as well as based on a normalized financial result and tax rate

## Statement of Profit or Loss

	<b>3rd quarter 2019 € in mn</b>	3rd quarter 2018 € in mn	<b>9 months 2019 € in mn</b>	9 months 2018 € in mn
Sales revenue	367.4	310.4	1,076.7	896.1
Cost of sales	-175.8	-145.5	-519.2	-424.9
<b>Gross profit on sales</b>	<b>191.5</b>	<b>164.9</b>	<b>557.5</b>	<b>471.2</b>
Selling and distribution costs	-60.9	-57.2	-177.9	-161.5
Research and development costs	-19.1	-16.1	-55.8	-48.2
General administrative expenses	-19.0	-16.3	-57.1	-48.5
Other operating income and expenses	-8.8	-2.7	-15.7	-10.8
<b>Earnings before interest &amp; taxes (EBIT)</b>	<b>83.7</b>	<b>72.5</b>	<b>250.9</b>	<b>202.2</b>
Financial income	1.9	2.4	5.9	4.5
Financial expenses	-5.7	-7.6	-12.5	-14.9
<b>Financial result</b>	<b>-3.8</b>	<b>-5.2</b>	<b>-6.6</b>	<b>-10.4</b>
<b>Profit before tax</b>	<b>79.9</b>	<b>67.3</b>	<b>244.3</b>	<b>191.8</b>
Income taxes	-20.8	-17.5	-63.5	-49.9
<b>Net profit for the period</b>	<b>59.2</b>	<b>49.8</b>	<b>180.8</b>	<b>141.9</b>
Attributable to:				
Shareholders of Sartorius Stedim Biotech	58.5	49.4	179.5	140.4
Non-controlling interest	0.6	0.4	1.4	1.5
Earnings per share (€)	0.63	0.54	1.95	1.52
Diluted earnings per share (€)	0.63	0.54	1.95	1.52

## Statement of Comprehensive Income

	3rd quarter 2019 € in mn	3rd quarter 2018 € in mn	9 months 2019 € in mn	9 months 2018 € in mn
Net profit for the period	59.2	49.8	180.8	141.9
Cash flow hedges	-4.8	-2.1	-6.8	-9.0
- of which effective portion of changes in fair value	-3.8	-0.5	-4.3	-1.7
- of which reclassified to profit or loss	-1.0	-1.6	-2.4	-7.3
Income tax on cash flow hedges	1.4	0.6	2.0	2.7
Foreign currency translation differences	13.7	2.2	11.7	3.5
<b>Items that are or may be reclassified subsequently to profit or loss</b>	<b>10.4</b>	<b>0.7</b>	<b>7.0</b>	<b>-2.8</b>
Remeasurements of the net defined benefit liabilities	0.0	0.0	-3.6	0.0
Income tax on remeasurements of the net defined benefit liability	0.0	0.0	1.3	0.0
<b>Items that will not be reclassified in profit or loss</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.3</b>	<b>0.0</b>
<b>Other comprehensive income for the period</b>	<b>10.4</b>	<b>0.7</b>	<b>4.6</b>	<b>-2.8</b>
<b>Total comprehensive income for the period</b>	<b>69.5</b>	<b>50.5</b>	<b>185.4</b>	<b>139.1</b>
Attributable to:				
Shareholders of Sartorius Stedim Biotech	68.8	50.0	184.3	137.7
Non-controlling interest	0.7	0.5	1.2	1.5

## Statement of Financial Position

Assets	Sept. 30, 2019 € in mn	Dec. 31, 2018 € in mn
<b>Non-current assets</b>		
Goodwill	383.7	384.7
Other intangible assets	185.8	177.5
Property, plant and equipment	524.6	436.0
Financial assets	6.1	5.6
Other assets	0.9	0.6
Deferred tax assets	18.0	14.5
	<b>1,119.1</b>	<b>1,018.9</b>
<b>Current assets</b>		
Inventories	314.4	252.0
Trade receivables	255.2	220.2
Other financial assets	10.9	22.0
Current tax assets	10.9	13.0
Other assets	26.3	21.3
Cash and cash equivalents	35.0	24.0
	<b>652.7</b>	<b>552.5</b>
<b>Total assets</b>	<b>1,771.8</b>	<b>1,571.5</b>
Equity and liabilities	Sept. 30, 2019 € in mn	Dec. 31, 2018 € in mn
<b>Equity</b>		
Attributable to SSB S.A. shareholders	1,167.9	1,036.4
Share capital	18.4	18.4
Reserves	231.5	231.5
Retained earnings (including net profit)	917.9	786.4
Non-controlling interest	8.7	8.5
	<b>1,176.6</b>	<b>1,044.9</b>
<b>Non-current liabilities</b>		
Pension provisions	40.0	35.6
Other provisions	3.2	2.9
Loans and borrowings	40.8	43.1
Lease liabilities	41.4	15.0
Other financial liabilities	9.4	8.9
Deferred tax liabilities	35.7	39.1
	<b>170.4</b>	<b>144.6</b>
<b>Current liabilities</b>		
Provisions	12.8	12.3
Trade payables	195.7	154.6
Loans and borrowings	49.0	89.8
Lease liabilities	10.0	1.7
Employee benefits	48.4	39.3
Other financial liabilities	21.6	14.3
Current tax liabilities	53.3	33.1
Other liabilities	34.0	36.9
	<b>424.8</b>	<b>382.0</b>
<b>Total equity and liabilities</b>	<b>1,771.8</b>	<b>1,571.5</b>

## Statement of Cash Flows

	<b>9 months 2019 € in mn</b>	9 months 2018 € in mn
Profit before tax	244.3	191.8
Financial result	6.6	10.4
Depreciation   amortization of fixed assets	50.2	40.8
Change in provisions	1.1	-0.6
Change in receivables and other assets	-26.7	-31.7
Change in inventories	-56.1	-53.9
Change in liabilities (excl. loans and borrowings)	49.2	49.3
Income taxes paid	-45.0	-46.8
Other non-cash items	0.4	1.1
<b>Cash flow from operating activities</b>	<b>223.9</b>	<b>160.6</b>
Capital expenditures	-98.4	-126.6
<b>Cash flow from investing activities</b>	<b>-98.4</b>	<b>-126.6</b>
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	-4.5	0.0
<b>Cash flow from investing activities and acquisitions</b>	<b>-102.9</b>	<b>-126.6</b>
Interest received	0.9	0.2
Interest paid and other financial charges	-6.8	-2.7
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	-52.5	-42.4
- Non-controlling interest	-0.9	-0.8
Loans and borrowings repaid	-51.6	-3.2
Loans and borrowings raised	0.7	38.1
<b>Cash flow from financing activities</b>	<b>-110.4</b>	<b>-10.8</b>
Increase   decrease in cash and cash equivalents	10.6	23.2
Cash and cash equivalents at the beginning of the period	24.0	32.6
Effect of currency translation on cash and cash equivalents	0.5	1.0
<b>Cash and cash equivalents at the end of the period</b>	<b>35.0</b>	<b>56.7</b>

## Reconciliation

in millions of €	9 months 2019	9 months 2018
EBIT (operating result)	250.9	202.2
Extraordinary items	11.5	8.5
Depreciation & amortization	49.8	40.7
Underlying EBITDA	312.3	251.4

in millions of €	9 months 2019	9 months 2018
EBIT (operating result)	250.9	202.2
Extraordinary effects	11.5	8.5
Amortization   IFRS 3	10.3	12.5
Normalized financial result <sup>1)</sup>	-3.2	-4.0
Normalized income tax (2019: 26%, 2018: 26%) <sup>2)</sup>	-70.1	-57.0
Underlying net result	199.5	162.2
Non-controlling interest	-1.4	-1.5
Underlying net result after non-controlling interest	198.1	160.7
Underlying earnings per share (in €)	2.15	1.74

<sup>1)</sup> Financial result excluding fair value adjustments of hedging instruments, as well as currency effects from foreign currency loans.

<sup>2)</sup> Income tax considering the average group tax rate, based on the underlying profit before tax.