

Conference Call Preliminary Full-Year 2019 Results

Joachim Kreuzburg (CEO), Rainer Lehmann (CFO)

January 28, 2020



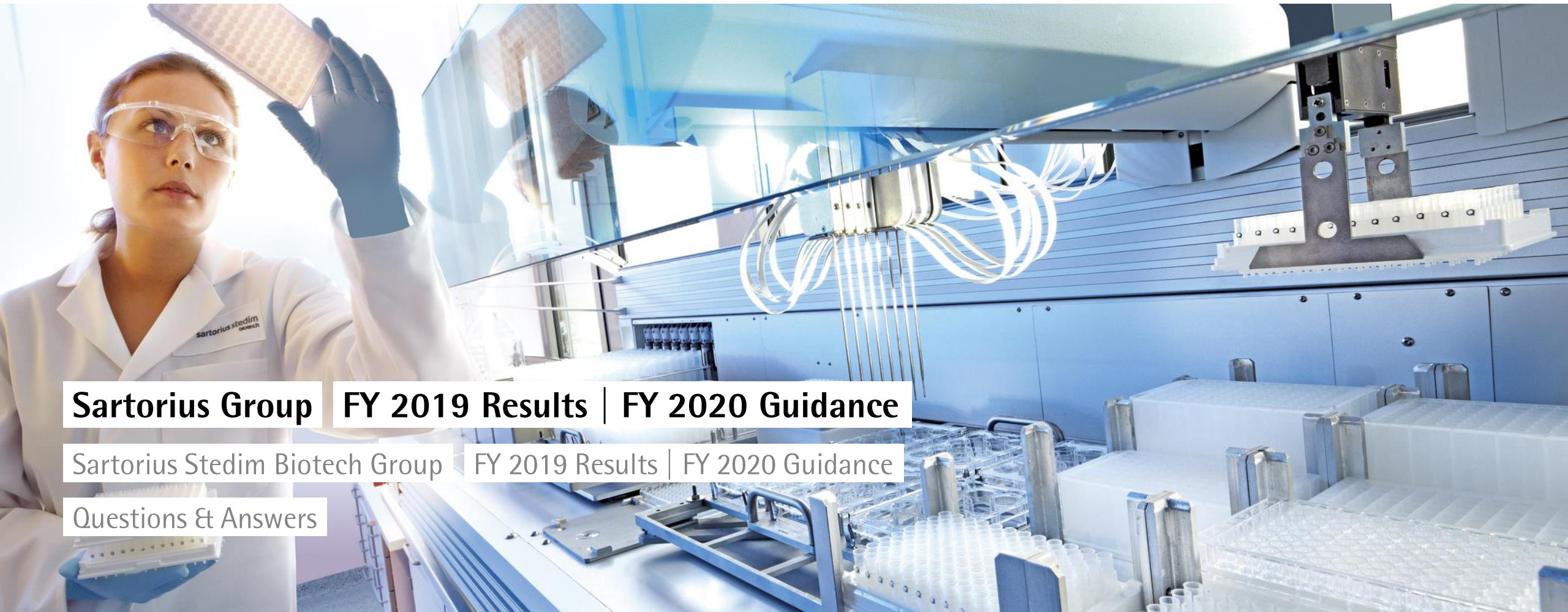
Disclaimer

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



Sartorius Group | **FY 2019 Results** | **FY 2020 Guidance**

Sartorius Stedim Biotech Group | FY 2019 Results | FY 2020 Guidance

Questions & Answers

FY 2019 Highlights

- › Double-digit growth in sales revenue, order intake and profit
- › Bioprocess Solutions Division with continued high growth momentum
- › Robust development of Lab Products & Services Division
- › Acquisition of cell culture media specialist Biological Industries
- › Acquisition of select life science assets from Danaher announced
- › Positive outlook for 2020



Dynamic top-line growth; further margin increase

Sartorius Group

in millions of € unless otherwise specified

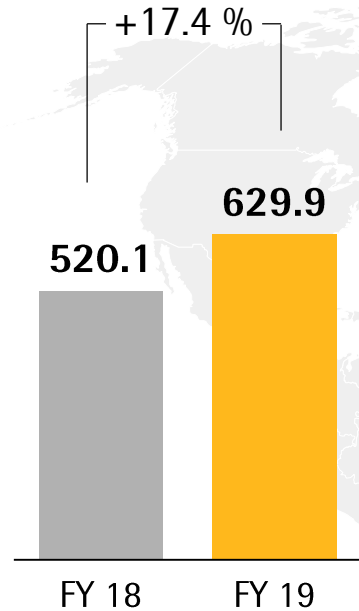
	FY 2018	FY 2019	△ in %	△ in % cc ¹⁾
Sales revenue	1,566.0	1,827.0	16.7	14.8
Order intake	1,662.5	1,939.5	16.7	14.8
Underlying EBITDA ²⁾	405.0	495.8	22.4	
Underlying EBITDA ²⁾ margin in %	25.9	27.1	+1.2pp	
Underlying EPS ³⁾ (ord.) in €	2.56	3.06	19.3	
Underlying EPS ³⁾ (pref.) in €	2.57	3.07	19.2	

- Acquisition of Biological Industries in mid-December had only a marginal impact
- Underlying EBITDA positively impacted by IFRS 16 (added slightly less than 1pp to margin improvement)

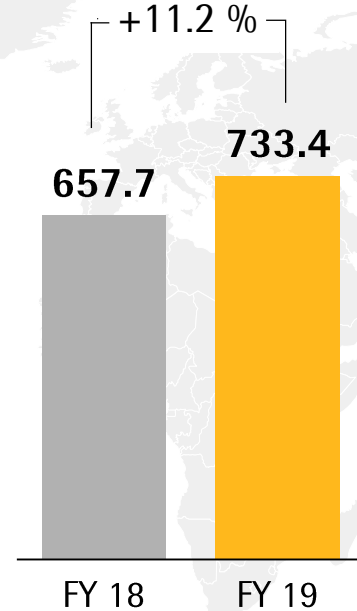
¹⁾ Constant currencies ²⁾ Underlying = excluding extraordinary items ³⁾ Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and tax rate

Double-digit growth in all geographies

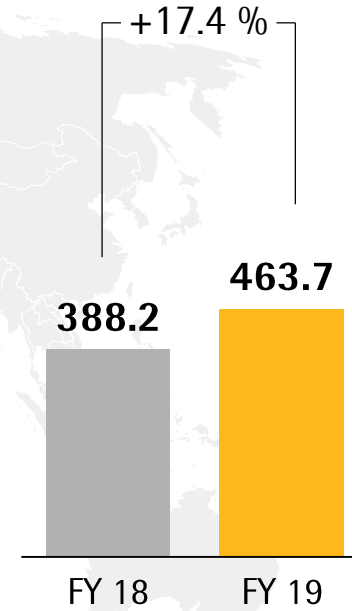
Americas
€ in millions



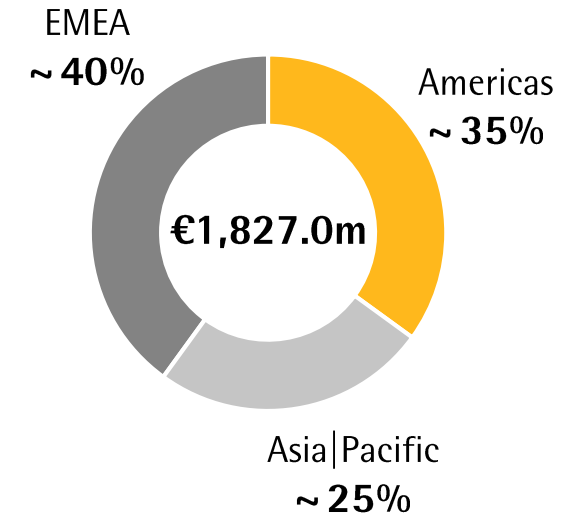
EMEA
€ in millions



Asia|Pacific
€ in millions



Sales by Region
in %

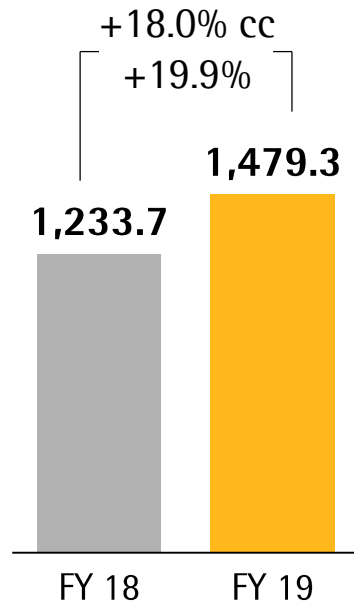


- Americas: BPS with significant growth against high comps; LPS with strong performance
- EMEA: Considerable growth of BPS; LPS affected by softer economy, especially in Q2
- Asia|Pacific: BPS with highest momentum, LPS grows slightly against high comps

BPS: Strong demand across all product categories and regions

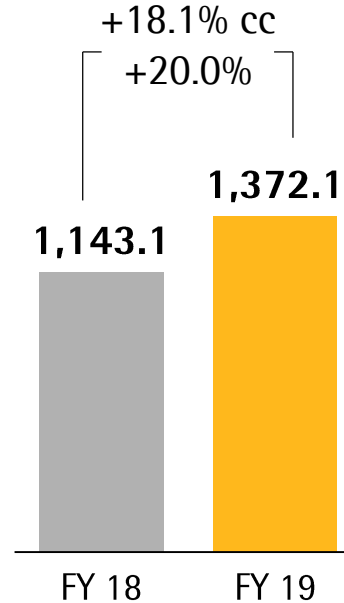
Order Intake

€ in millions



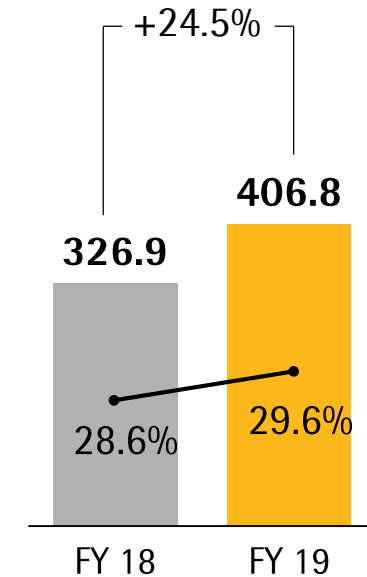
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions

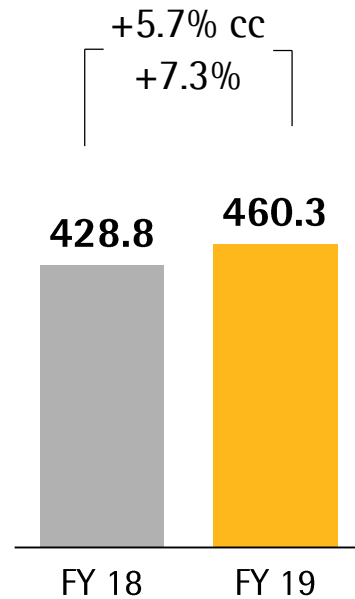


- Order intake driven by dynamic project business
- Effects of modified setup of the cell culture media business showed an increasing effect over the course of the year
- Underlying EBITDA margin rose due to economies of scale and changes to the IFRS accounting rules

LPS: Robust performance in a partly challenging economic environment

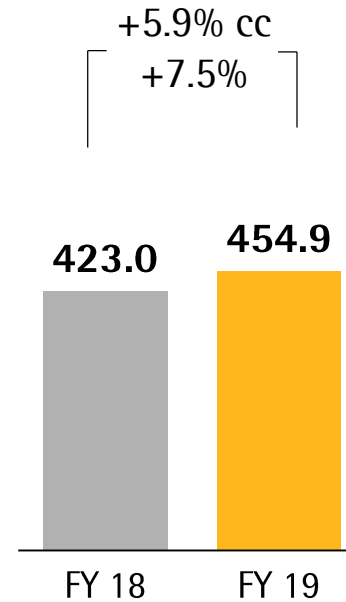
Order Intake

€ in millions



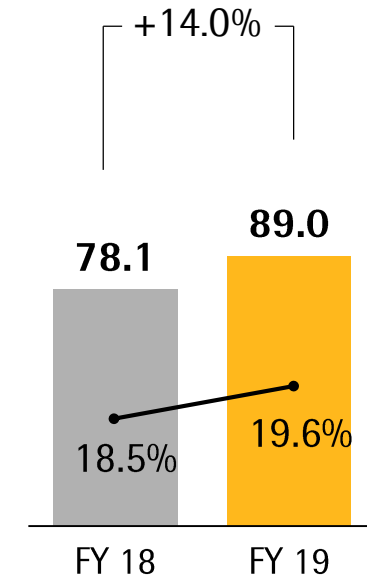
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- Economic environment dampened growth, especially EMEA and Asia|Pacific were affected
- Bioanalytics with positive momentum
- Underlying EBITDA margin positively impacted by IFRS 16

Cash flow improves significantly

Sartorius Group

€ in millions unless otherwise specified

	FY 2018	FY 2019	△ in %
Underlying EBITDA	405.0	495.8	22.4
Extraordinary items	-1.7	-28.4	n.m.
Financial result	-27.9	-32.5	-16.4
Underlying net profit ^{1,2)}	175.6	209.3	19.2
Reported net profit ²⁾	141.3	156.7	10.9
Operating cash flow	244.5	377.2	54.3
Investing cash flow³⁾	-242.5	-269.2	-11.0
CAPEX ratio (in %) ⁴⁾	15.2	12.3	-2.9pp

- Net operating cash flow mostly driven by higher earnings and by factoring of receivables in the amount of €37m
- Extraordinaries in 2018 benefited from cancellation of liability to Lonza
- CAPEX ratio decreased after completion of several larger projects

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

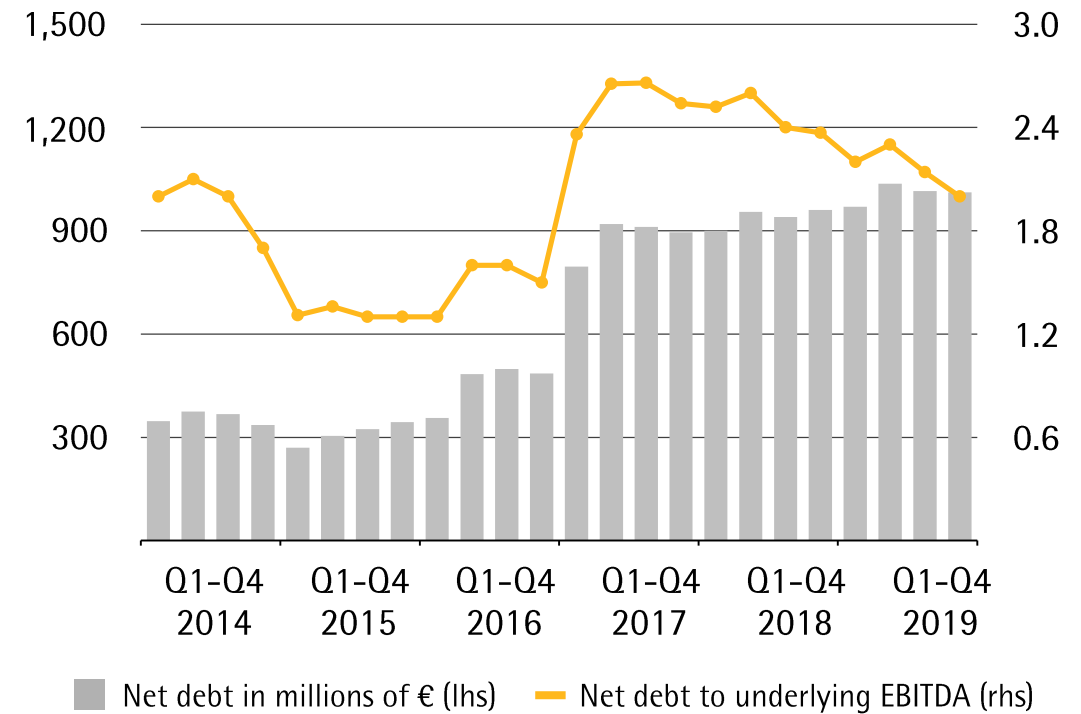
³⁾ Net cash flow from investing activities and acquisitions ⁴⁾ As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio FY 2018 restated: 14.9%

Very sound balance sheet and financial base

Key Financial Indicators

Sartorius Group	Dec. 31, 2018	Dec. 31, 2019
Equity ratio in %	38.5	38.0
Net debt in millions of €	959.5	1,011.3
Net debt underlying EBITDA	2.4	2.0

Net Debt and Net Debt to Underlying EBITDA



- Equity ratio influenced by application of IFRS 16

Outlook for 2020

	FY 2019		FY 2020 Guidance ¹⁾	
	Sales Revenue Growth ¹⁾	Underlying EBITDA Margin	Sales Revenue Growth	Underlying EBITDA Margin
Sartorius Group	14.8%	27.1%	~ 10% - 13%	~ 27.5%
Bioprocess Solutions	18.1%	29.6%	~ 11% - 14%	~ 30.0%
Lab Products & Services	5.9%	19.6%	~ 7% - 10%	~ 20.0%

- Growth guidance includes non-organic revenue contribution from Biological Industries: ~1pp in BPS, ~2.5pp in LPS and ~1.5pp for the Group
- CAPEX ratio ~10% (FY 2019: 12.3%)
- Sartorius is set to achieve its midterm guidance for 2020, initially presented in 2012

¹⁾ In constant currencies

Acquisition of Biological Industries

- Developer and manufacturer of cell culture media
- Specializes in media for advanced therapies (cell and gene therapies)
- 130 employees; headquartered in Beit Haemek, near Haifa (Israel)
- 2019 revenue €20m to €25m with healthy growth profile; slightly dilutive EBITDA margin
- Will be allocated to BPS and LPS Divisions; fully consolidated in Sartorius Stedim Biotech
- Closing of transaction in Dec. 2019, total purchase price of approx. €45m for just over 50% of the shares
- Complementary to cell culture media business

Announced acquisition of select life science assets from Danaher

- Announced in Q4 2019, transaction expected to close around the end of Q1 2020 with no impact on 2019 figures
- Transaction is subject to Danaher's successful acquisition of the GE Biopharma business
- Deal includes bioanalytical tools for LPS; upstream and downstream technologies for BPS
- Purchase price of 750m USD of which approx. 75% to be allocated to LPS and approx. 25% to BPS
- Precise effects on guidance will depend on exact date of closing and will be specified after closing of transaction

Agenda



Sartorius Group | FY 2019 Results | FY 2020 Guidance

Sartorius Stedim Biotech Group | FY 2019 Results | FY 2020 Guidance

Questions & Answers

Dynamic growth driven by high demand across the entire portfolio

Sartorius Stedim Biotech Group

in millions of € unless otherwise specified

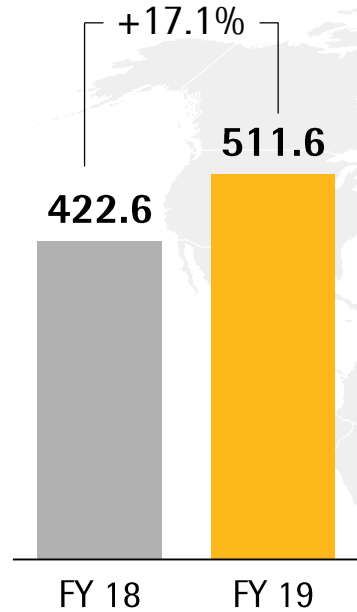
	FY 2018	FY 2019	△ in %	△ in % cc ¹⁾
Sales revenue	1,212.2	1,440.6	+18.8	+17.0
Order intake	1,307.3	1,543.5	+18.1	+16.2
Underlying EBITDA ²⁾	342.4	421.5	+23.1	
Underlying EBITDA ²⁾ margin in %	28.2	29.3	+1.1pp	
Underlying EPS ³⁾ in €	2.38	2.85	+19.9	

- Strong demand across all product categories; project business stands out
- Acquisition of Biological Industries in mid-December had only a marginal impact
- Underlying EBITDA margin rose due to economies of scale and IFRS 16 (added around 0.5pp to margin improvement)

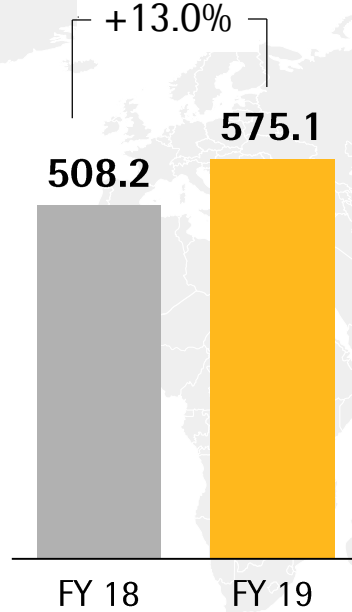
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Growth in all regions, Asia|Pacific with highest momentum

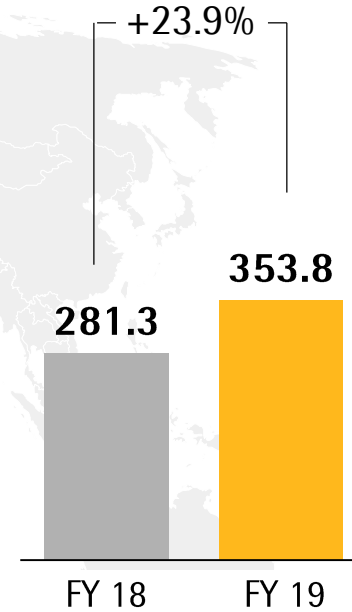
Americas
€ in millions



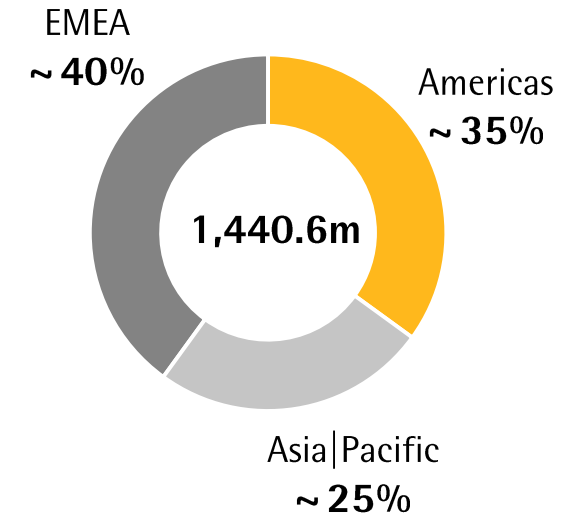
EMEA
€ in millions



Asia|Pacific
€ in millions



Sales by Region
in %



- Americas: Strong development relative to high comps
- EMEA: Dynamic, above-market growth
- Asia|Pacific: High momentum in sales and order intake, driven by project business

Significant increase in operating cash flow

Sartorius Stedim Biotech Group

€ in millions unless otherwise specified

	FY 2018	FY 2019	△ in %
Underlying EBITDA	342.4	421.5	+23.1
Extraordinary items	12.7	-16.8	n.m.
Financial result	-15.7	-14.4	+8.1
Underlying net profit ^{1,2)}	219.3	262.9	+19.9
Reported net profit ²⁾	208.1	234.6	+12.7
Operating cash flow	227.3	310.1	+36.4
Investing cash flow³⁾	-176.5	-184.9	-4.7
CAPEX ratio (in %) ⁴⁾	14.6	9.4	-5.2pp

- Net operating cash flow mostly driven by higher earnings and by factoring of receivables in the amount of €27m
- Extraordinaries in 2018 benefited from cancellation of liability to Lonza
- CAPEX ratio decreased after completion of several larger projects

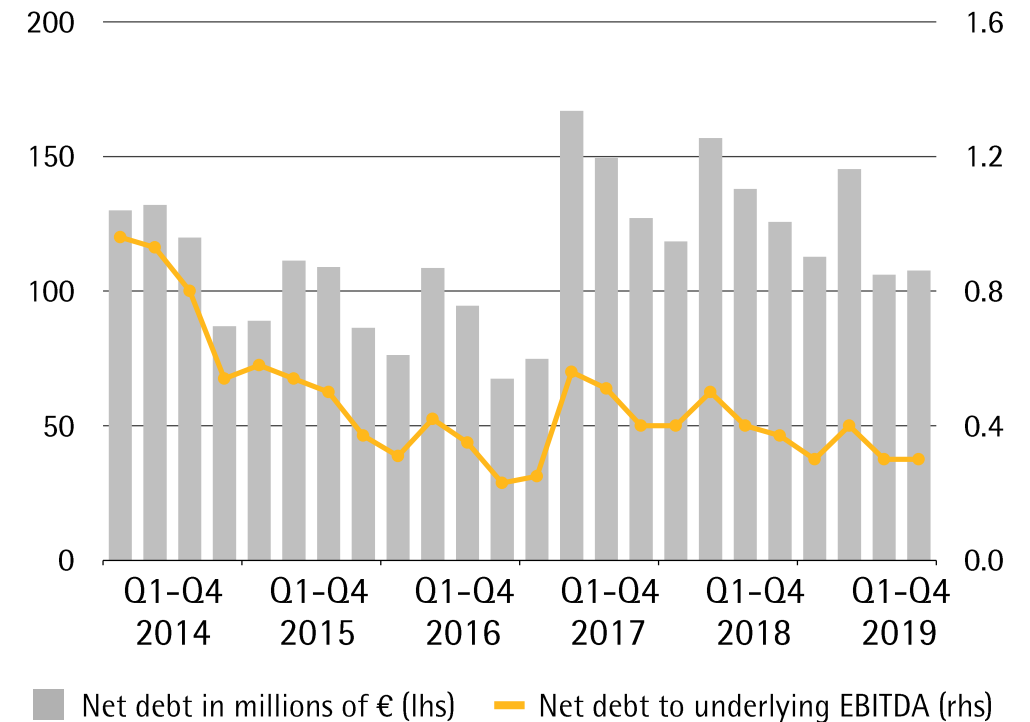
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³⁾ Net cash flow from investing activities and acquisitions ⁴⁾ As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio FY 2018 restated: 14.6%

Very solid balance sheet and financial position

Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2018	Dec. 31, 2019
Equity ratio in %	66.5	64.7
Net debt in millions of €	125.7	107.7
Net debt underlying EBITDA	0.4	0.3

Net Debt and Net Debt to Underlying EBITDA



- Equity ratio influenced by application of IFRS 16

Outlook for 2020

FY 2020 Guidance	FY 2019	FY 2020 ¹⁾
Sales revenue growth	17.0% ¹⁾	~ 11% - 14%
Underlying EBITDA margin	29.3	~ 29.5
CAPEX ratio	9.4%	~ 8%

- Growth guidance includes non-organic contribution by acquisition of Biological Industries of ~2pp
- Sartorius Stedim Biotech is set to achieve its midterm guidance for 2020, initially presented in 2012

¹⁾ In constant currencies

Questions & Answers



Thank you very much for your attention

