

SARTORIUS

Simplifying Progress

Sartorius Stedim Biotech Investor Presentation

February 2024



Agenda

Overview | Strategy





Mid-term Growth Prospects

FY 2023 Results | FY 2024 Guidance

Appendix



Sartorius Stedim Biotech at a glance

- € ~€2.78bn
Sales revenue 2023
-  ~16%
Sales CAGR¹ 2013-2023
-  ~28.3%
EBITDA margin² 2023
-  >25
countries,
headquartered in Aubagne, France
-  ~10,600
Employees 12/2023

1 In constant currencies 2 Excluding extraordinary items

Our mission

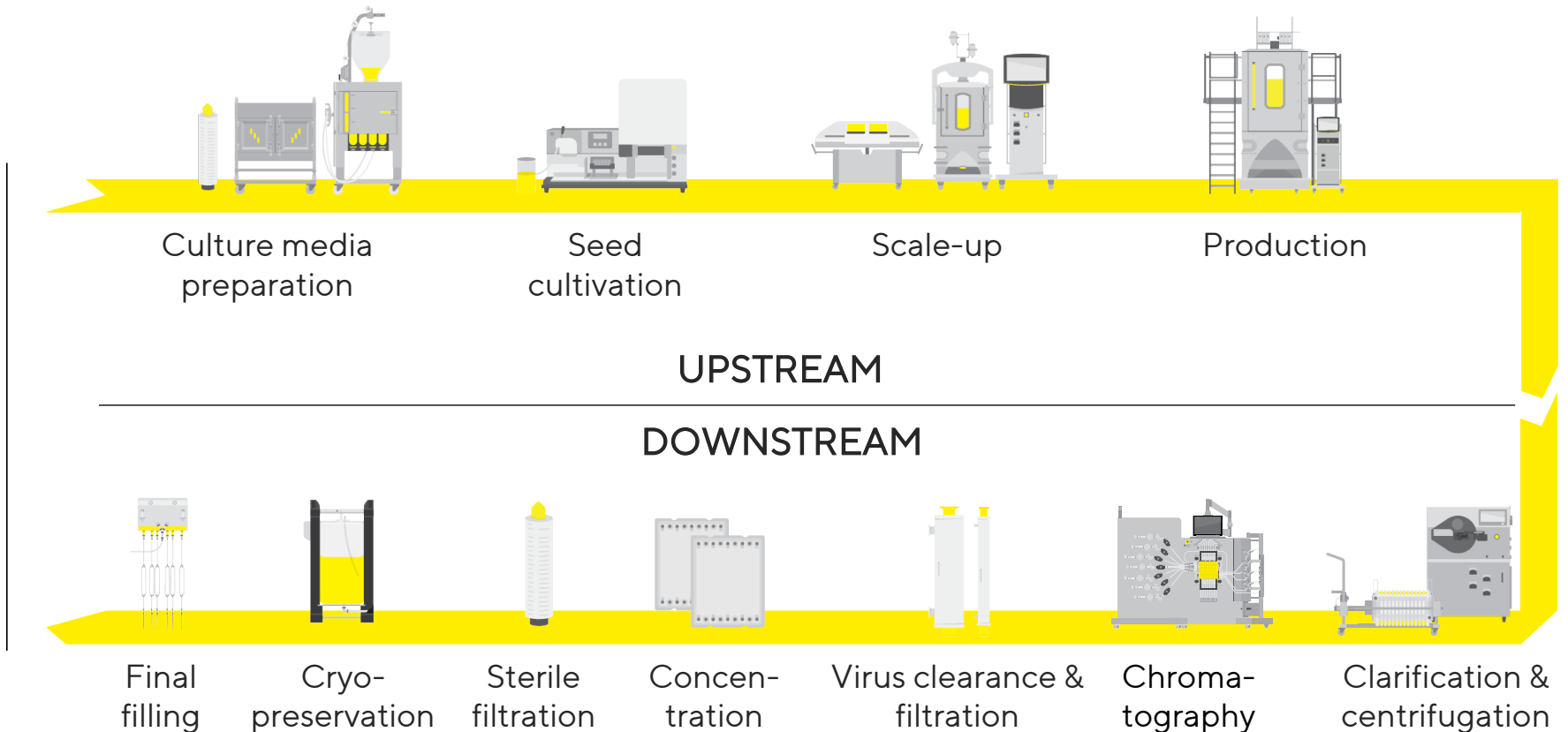
We empower scientists and engineers to simplify and accelerate progress in life science and bioprocessing, enabling the development of new and better therapies and more affordable medicine.

3 GOOD HEALTH
AND WELL-BEING

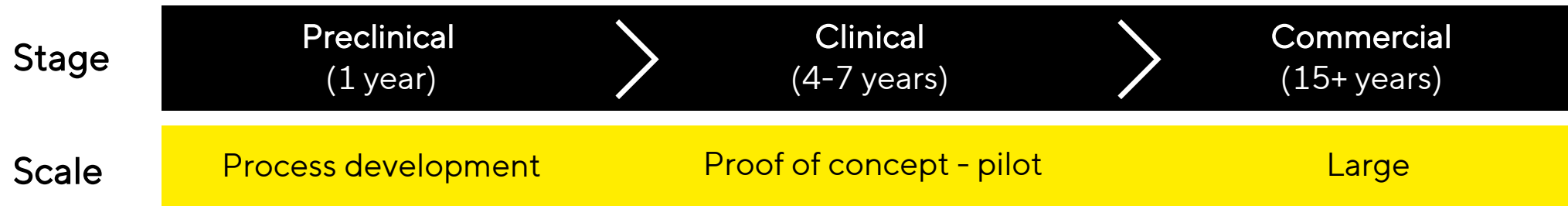


Covering most steps of the biopharmaceutical manufacturing process

- Differentiated by the range and completeness of the portfolio
- Excellent positioning in key single-use technologies
- Internationally recognized supplier enabling innovation in bioprocessing through own R&D and partnerships

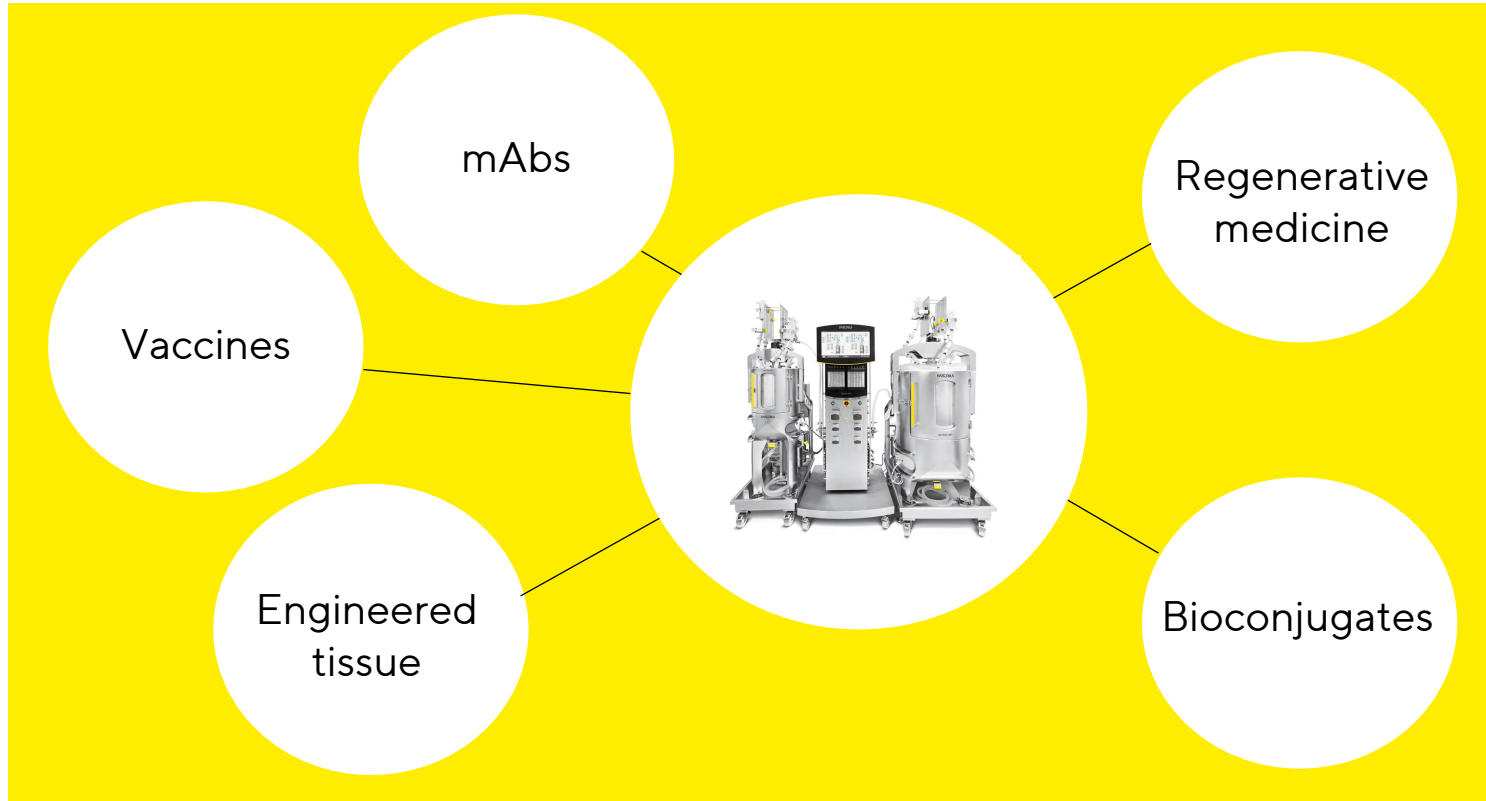


Generating revenue throughout the lifecycle of a biopharma drug



- Wide product range of equipment and consumables for all stages (from pre-commercial to large-scale manufacturing); optimal scalability
- Engineering support with excellent application knowhow and understanding of the entire bio-production process
- Production process of each individual drug is subject to validation by health authorities (e.g. FDA, EMA) and part of the drug approval

Integrated services and technologies for all types of biopharmaceuticals



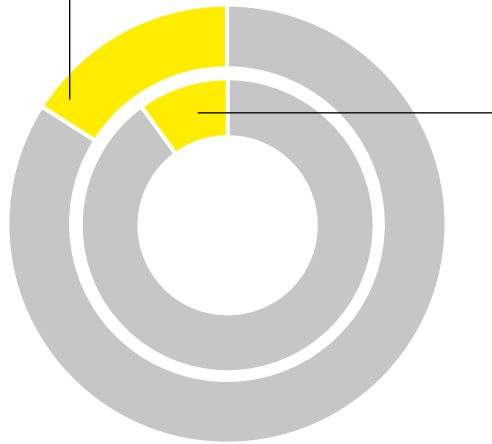
- ~ 95% of revenue generated with bio/pharma customers
- Antibodies are most relevant; strong position in vaccines as well
- SSB provides solutions for the development and production of all biotechnologically derived drugs and cell derivatives
- These also include new modalities such as cell and gene therapies and viral vectors

Attractive market environment offers strong growth opportunities

Growing and aging population

>9.5 billion people by 2050¹

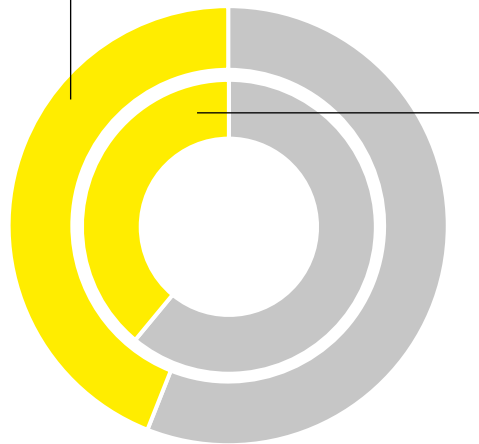
World population over age 65 in 2050
~1.6bn



World population over 65 in 2022
~0.8bn

Biologics are gaining importance²

Sales share of biologics in 2028
~44%



Sales share of biologics in 2023
~39%

~10% CAGR
biopharma market
2023 – 2028

¹ United Nations: World Population Prospects, 2022 ² Evaluate Pharma: World Preview 2023, August 2023 ³ Company estimates based on industry reports (e.g. IQVIA, Evaluate Pharma, globaldata etc.), 2023

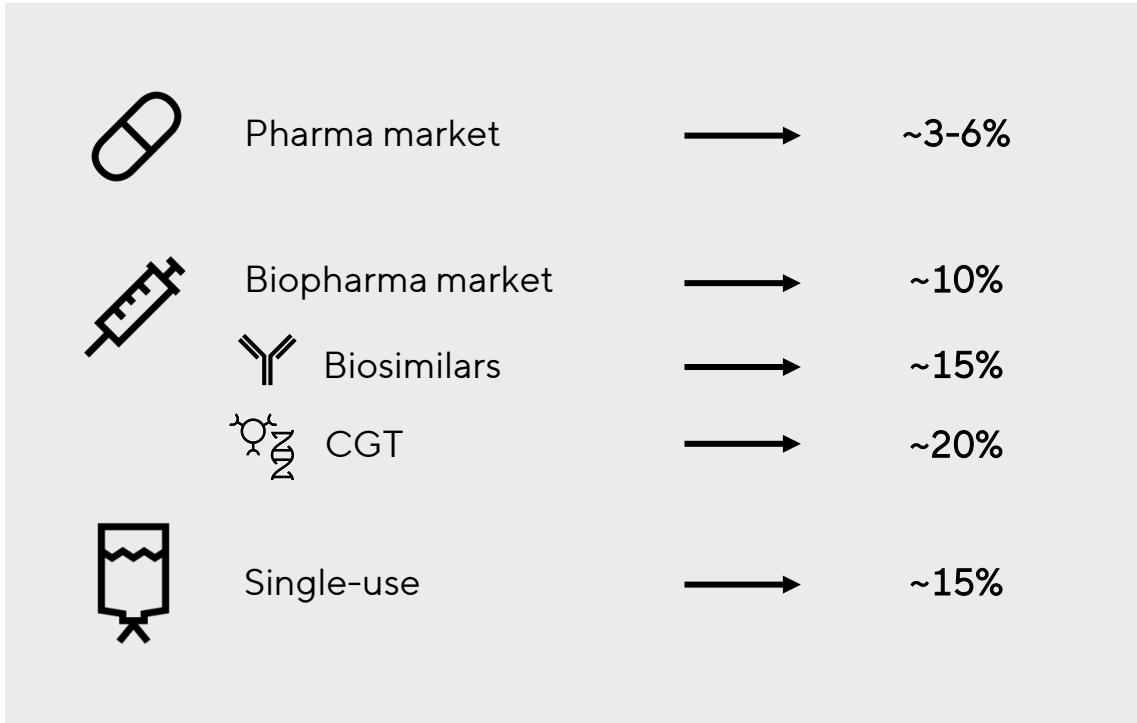
Fundamental biopharma growth drivers intact, additional dynamics from the new modalities segment

~30% of biopharma pipeline is focusing on CGT¹



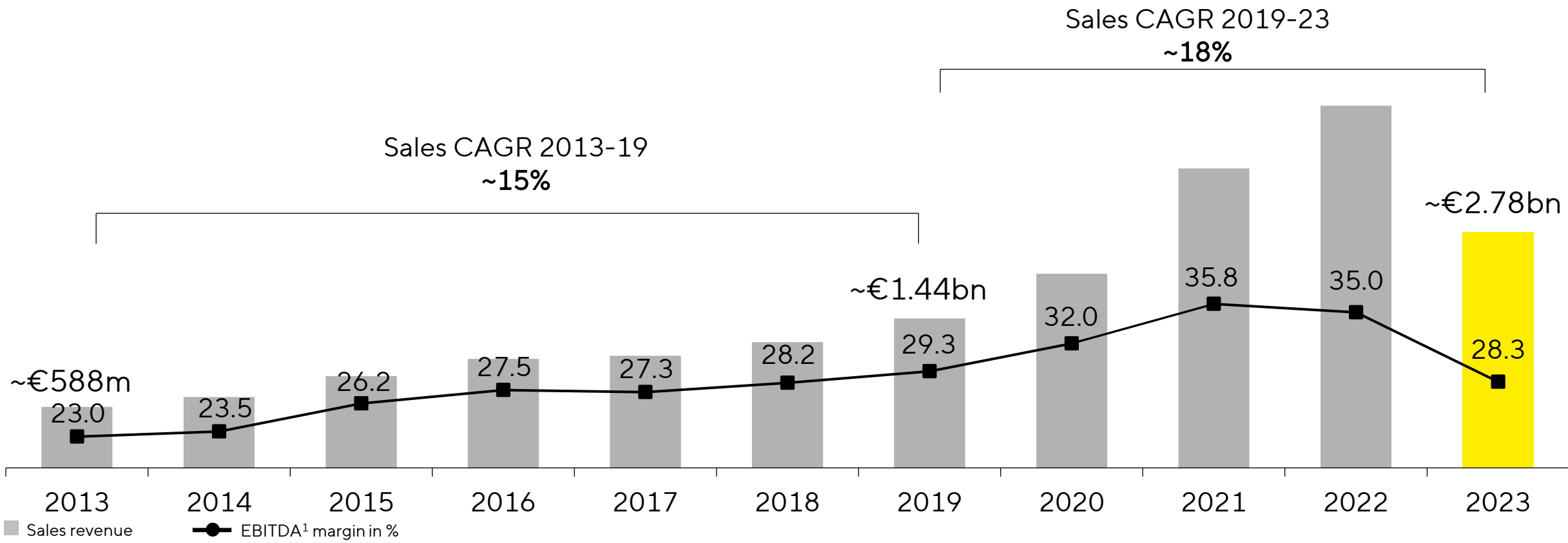
- >6,000 CGT candidates in development¹
- 7 new CGT (2022: 5) approvals in 2023 out of 42 BLA approvals in total (2022: 31)²

Pillars of growth CAGRs 2022-2027¹



1 Source: Company estimates based on EvaluatePharma 2023, IQVIA 2023, Global Data 2023, Roots Analysis 2021, Markets & Markets 2023 2 Includes CDER and CBER approvals

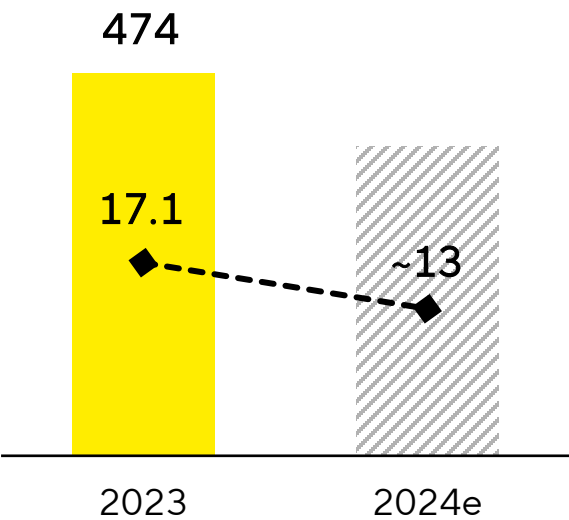
Strong track record of profitable growth



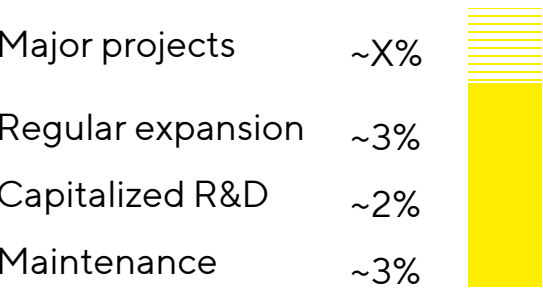
Sales growth and CAGR in constant currencies 1 Excluding extraordinary items

Fueling organic growth; improved resilience by robust regional set-ups

Capex
in millions of €; ratio in %



Capex composition






Global Resilience



Redundant Capacity



Customer proximity



Operational Excellence

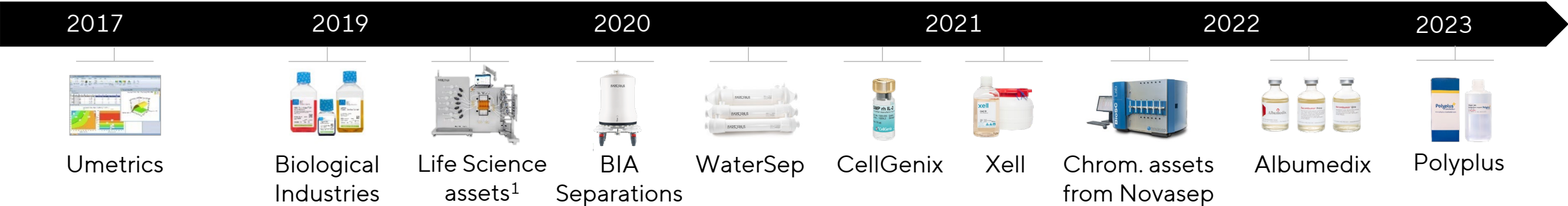


Aubagne, France
Clean rooms, product develop., laboratories, offices completion in 2025



Songdo, South Korea
Cell culture media, bags, filtration, laboratories, training completion by end of 2025

M&A strategy – adding innovation, enhancing focus

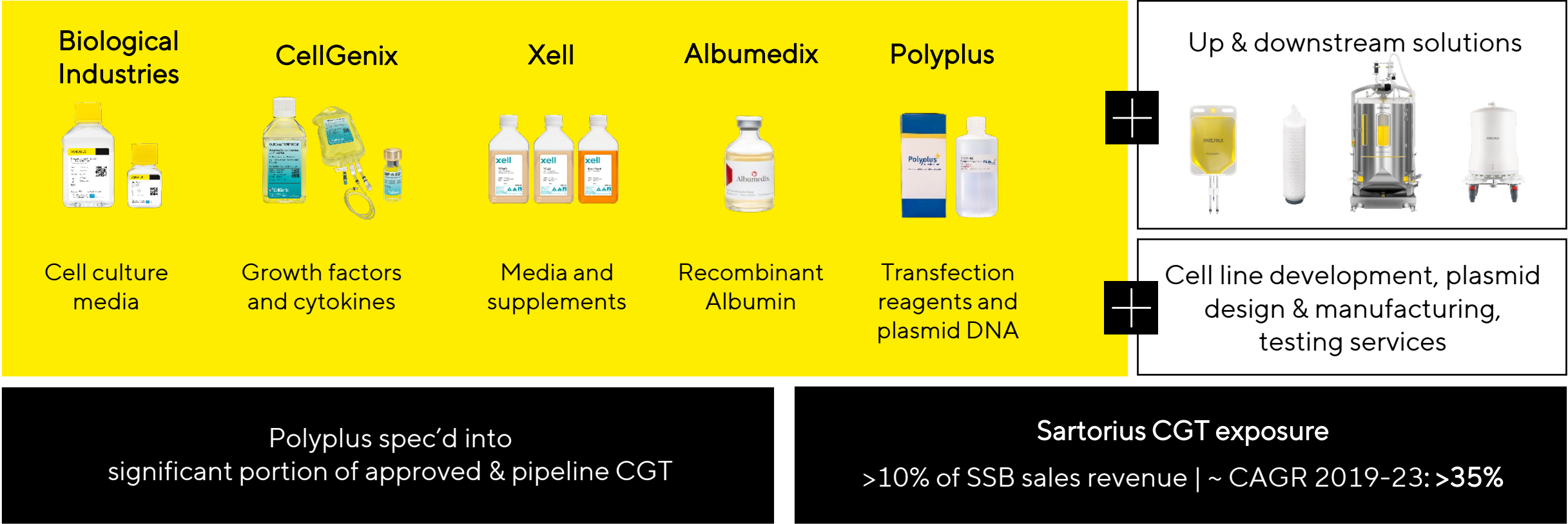


1 Acquired from Danaher

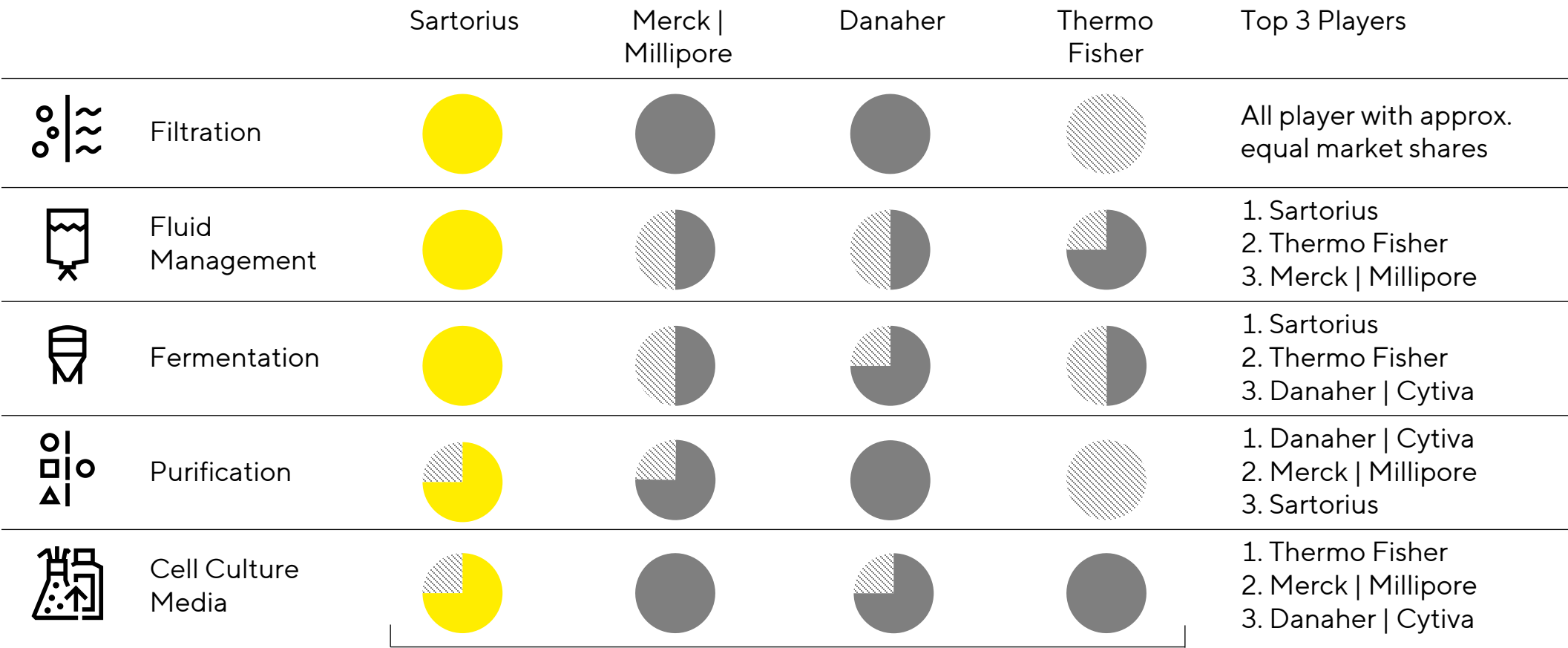
Acquisition criteria

- Portfolio: Complementary products or technologies
- Market position: Either among the Top 3 or unique selling point
- Integration: Management capacity; cultural fit
- Price: Fair valuation; reach Sartorius’ profitability level in 2-3 years

Polyplus acquisition a milestone for creating a technology platform for applications in the CGT market



Competitive product offering



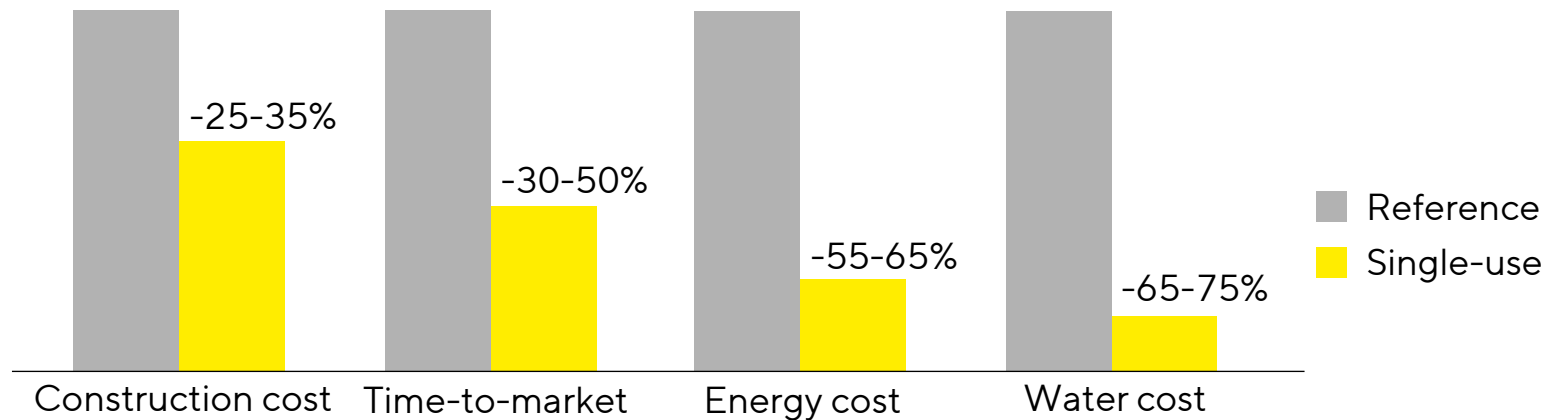
Pie charts indicate completeness of product offering

Pioneer and leader in the growing single-use technology market

Single-use market penetration expected to increase from ~35% to ~75%

Single-use products offer advantages over conventional stainless-steel devices

- Capex|Opex reduction over entire lifecycle
- Reduced risk of cross-contamination
- Higher flexibility; advantageous for biosimilars

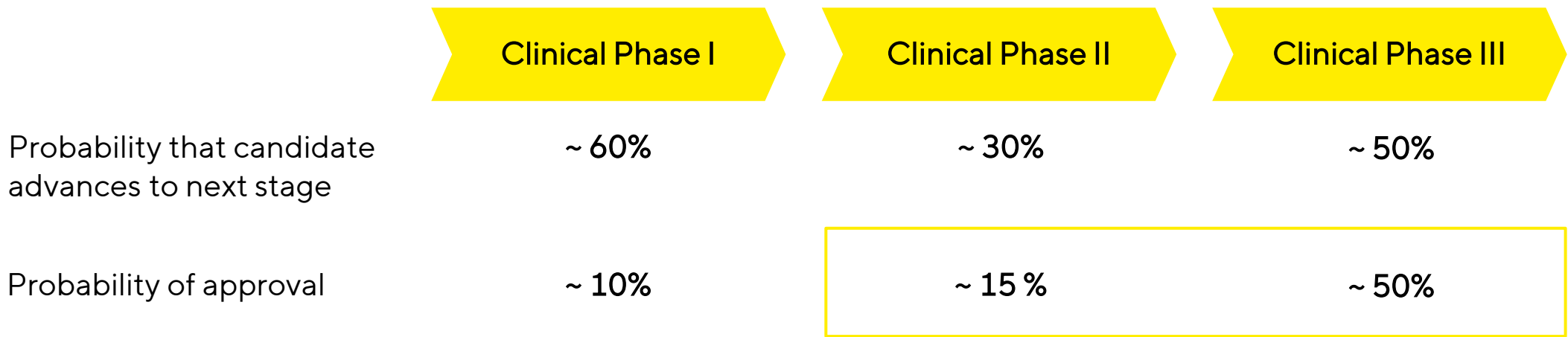


Source: Andrew Sinclair et al., 2008; Sartorius



Single-use allows manufacturers to mitigate investment risks

- Construction of stainless-steel based facilities takes longer and is more complex compared to single-use
- Therefore, investment in stainless-steel facilities has to start in early clinical phase II
- The construction of single-use facilities may start in clinical phase III, reducing investment risks of our clients



Data based on: Wong et al. (2018): Estimation of clinical trial success rates and related parameters

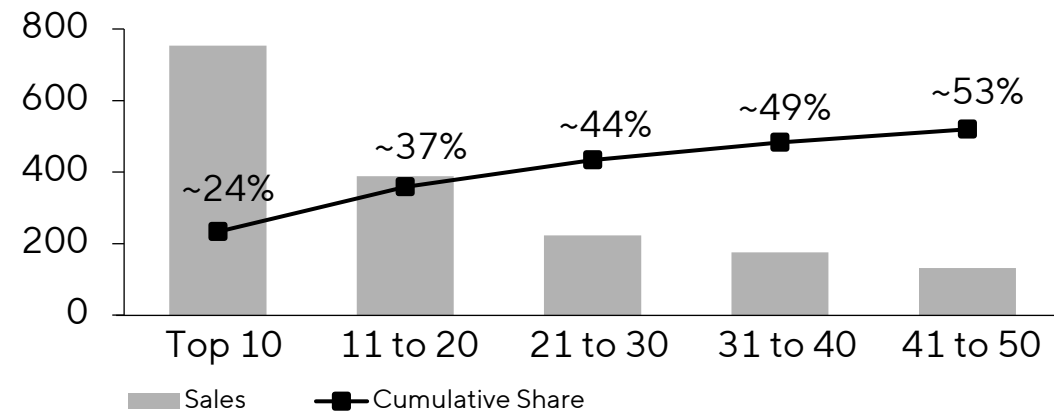
Limited dependence on individual accounts

Long-term business relationships with leading global (bio-) pharma companies



Limited dependence on individual accounts

Sales to Top 50 customers
in 2023, € in millions



- More than half of 2023 SSB sales were generated with the Top 50 customers
- No individual customer accounts for more than 5% of SSB sales revenue

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Midterm outlook to 2028: Expect to continue outgrowing the market



Sales Revenue CAGR
to 2028

Low to mid-teens range

thereof ~1/5 from acquisitions



Underlying EBITDA
Margin in 2028

above 35 %

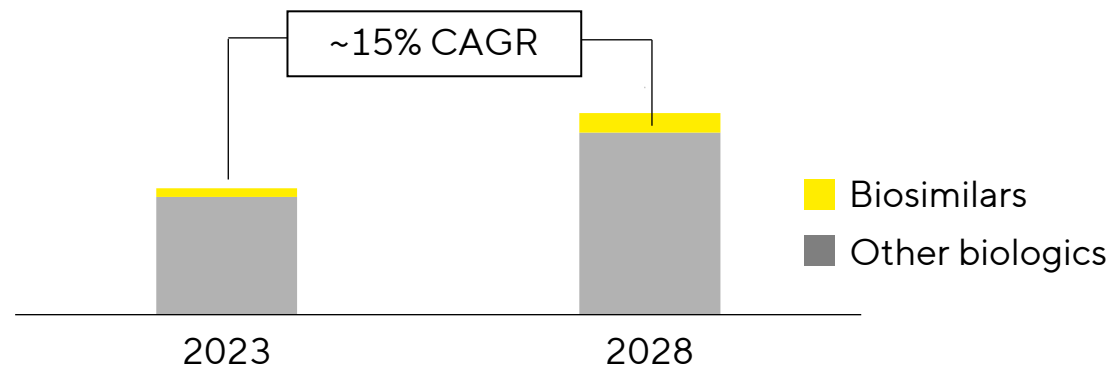
- Margin target includes expenses for reduction of the company's CO₂ emission intensity of around 1% of sales

Midterm targets based on current currency exchange rates; underlying EBITDA excluding extraordinary items

Biosimilars: Strong growth, big opportunities

- Major blockbuster biologics are going off-patent
- Time-to-market is key as only the first providers are most likely profitable
- Several approvals in Asia and Europe; U.S. at the beginning
- For now, relatively small market but with strong growth
- Single-use is the preferred platform for biosimilars

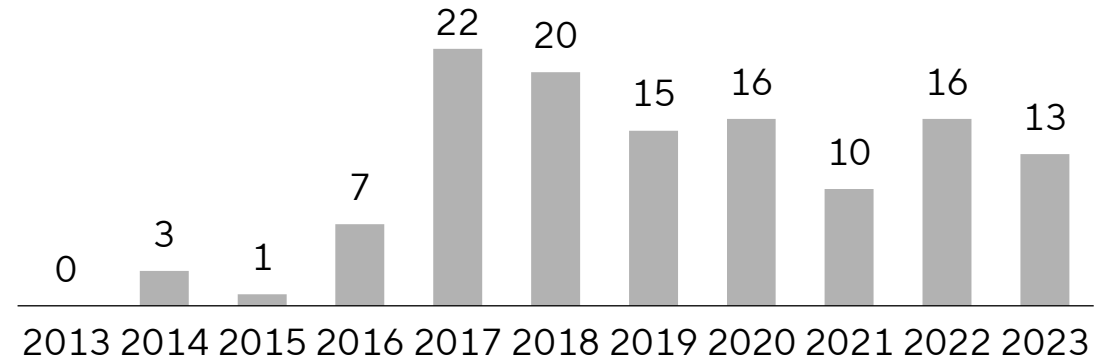
Biosimilars will outperform the biologics market¹



¹ Source: MarketsandMarkets, 2023; EvaluatePharma, 2023 ² FDA and EMA

Growing number of approved biosimilars²

E.U. and U.S.



High innovation dynamics in Biopharma



Development of new drugs and vaccines must be accelerated, e.g. through more automation



Increased efficiency possible in the production of 'classic' biopharmaceuticals and biosimilars



New tools and methods required e.g. for novel cell and gene therapies



Future drug manufacturing is more automated, intensified and scalable

Analytical technologies to improve process economics and safety



- Bioprocess sensors, analyzers and software
 - Collect, monitor and control quality-critical parameters
 - Analyze data to obtain a better process understanding
 - Use knowledge for process development, optimization and automation
- Allows customers to increase time-to-market, to reduce COGS, to improve process robustness and product quality
- Intention to upgrade Umetrics software suite with advanced analytics technologies such as AI and machine learning
- Data analytics just at the beginning in biomanufacturing with high potential

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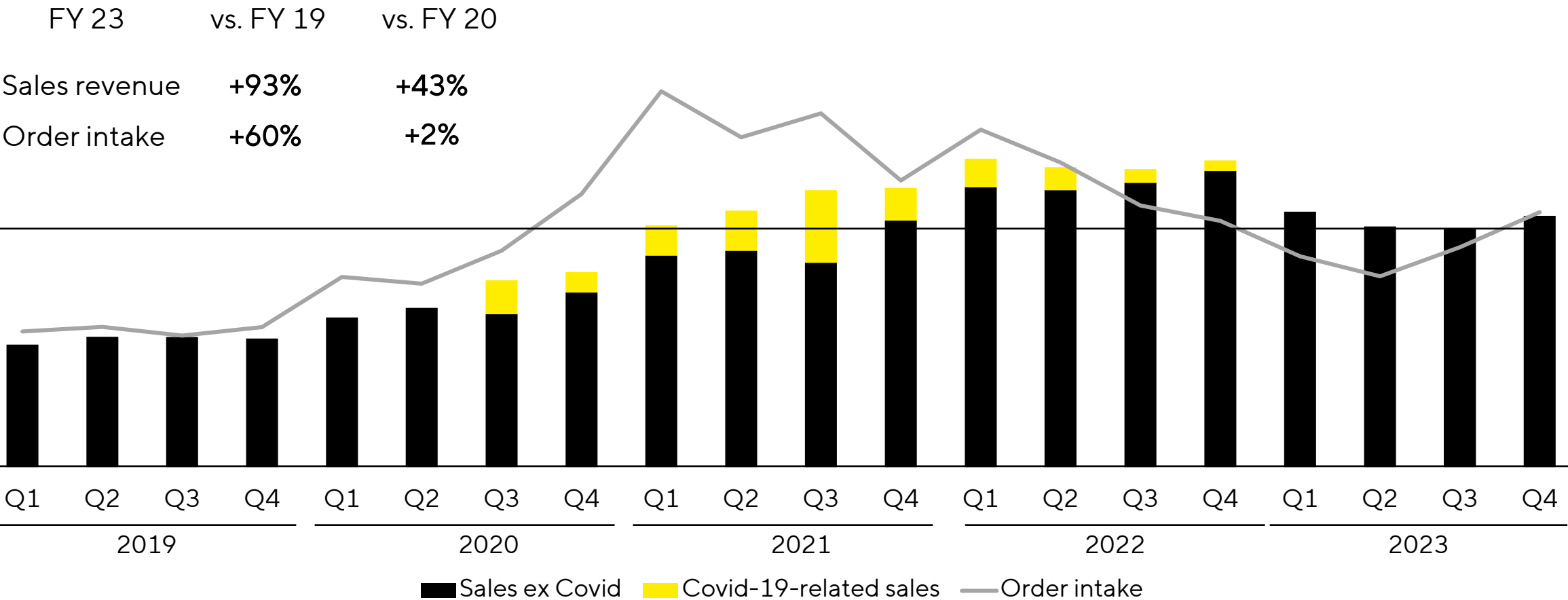
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Business picking up since end of Q3; trend expected to gradually intensify



Growth in constant currencies

FY top and bottom line reflect temporarily weak post pandemic demand

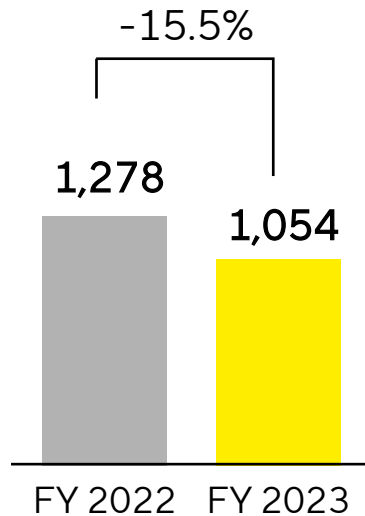
Sartorius Stedim Biotech Group in millions of € unless otherwise specified	FY 2022	FY 2023	▲ in %	▲ in % cc ¹
Sales revenue	3,493	2,775	-20.5	-18.7
Order intake	3,315	2,476	-25.3	-23.6
Underlying EBITDA ²	1,221	785	-35.7	
Underlying EBITDA ² margin in %	35.0	28.3	-6.7pp	
Underlying EPS ³ in €	8.64	4.19	-51.6	

- Only marginal Covid-related business; excluding this effect, sales decline around 14% in cc
- OI affected by destocking, relatively low production levels at customers and muted investment activities; positive trend in OI starting end of Q3 continues in Q4
- Underlying EBITDA margin decreases due to volume and product mix effects

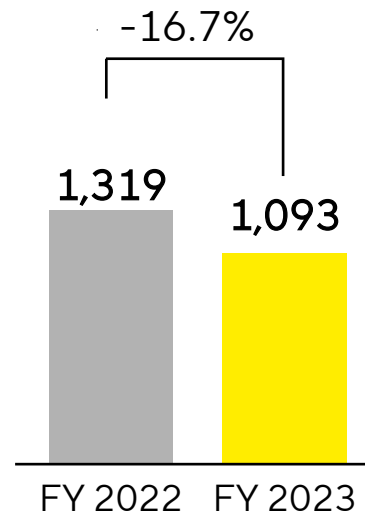
1 Constant currencies 2 Underlying = excluding extraordinary items 3 Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and normalized tax rate

All regions influenced by normalization; China particularly weak

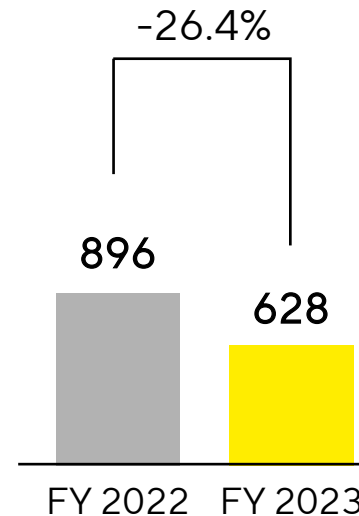
Americas
€ in millions



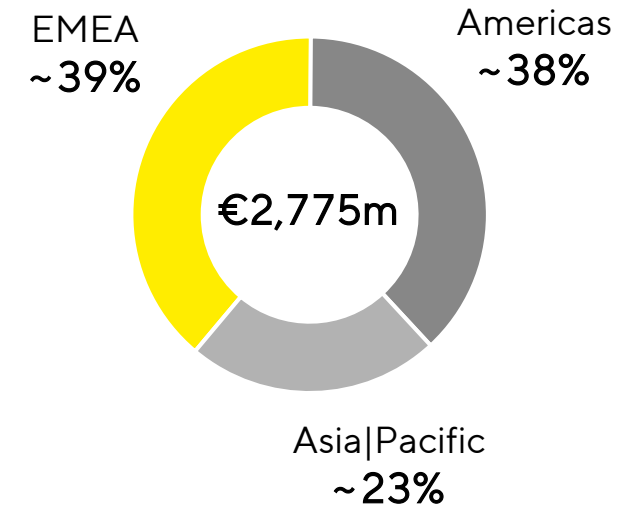
EMEA
€ in millions



Asia|Pacific
€ in millions



Sales by region
in %



- Americas: Lower sales in the Americas driven by destocking and low investment activity by customers
- EMEA: Sales below prior year on high comps; Russia weighs on top line with ~4pp (total Group: more than 1pp)
- Asia|Pacific: China weighs on weak APAC business with ~20pp; Korea and rest of region less impacted

Acc. to customers' location; growth in constant currencies

Strong operating CF driven by working capital optimization; Polyplus acquisition reflected in investing CF

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	FY 2022	FY 2023	▲ in %
Underlying EBITDA	1,221	785	-35.7
Extraordinary items	-46	-99	> -100
Financial result	135	-48	n.m
Underlying net profit ^{1,2}	797	386	-51.6
Reported net profit ²	876	310	-64.6
Operating cash flow	612	746	21.9
Investing cash flow ³	-958	-2,723	> -100
Capex ratio (in %)	12.3	17.1	+4.8pp

- Extraordinary items driven by acquisitions and integrations, structuring measures and corporate projects
- Financial result influenced by non-cash relevant valuation of earn-out liability and higher interest expenses
- Operating cash flow improved by working capital optimization, mainly by planned reduction of inventory levels
- Investing cash flow reflects acquisition of Polyplus and substantial capex program
- Capex ratio up on lower sales revenue

1 Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and a normalized tax rate 2 After non-controlling interest 3 Net cash flow from investing activities and acquisitions

Balance sheet reflects recent M&A and investment program

Key financial indicators

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	3,394	6,325
Equity ratio in %	49.6	34.5
Net debt	1,029	3,565
Net debt underlying EBITDA ¹	0.8	4.5

- Non-current assets increased due to higher goodwill and other intangible assets resulting from M&A
- Net debt up mainly through the financing of the Polyplus acquisition
- Rapid deleveraging a key priority going forward

¹ Includes underlying pro forma EBITDA of acquisitions completed in the last 12 months

Guidance 2024: Profitable growth with moderate first half of the year

Guidance 2024 ¹	Sales revenue growth	Underlying EBITDA margin
Sartorius Stedim Biotech Group	Mid- to high single-digit percentage range	above 30%
thereof from acquisitions	~2 pp	

- Some continued destocking during first half anticipated; growth momentum projected to pick up in the course of the year; H2 stronger than H1
- Polyplus business to positively influence BPS margin
- Capex ratio expected at ~13%
- Net debt to underlying EBITDA anticipated at slightly below 2.5 at year-end excl. possible acquisitions

¹ In constant currency

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Corporate responsibility & further financial information

To Sartorius, sustainability means operating responsibly over the long term – with respect to business partners, employees and society as well as to natural resources. Learn more about our commitment:

 [SRI Presentation](#)  [Sustainability Report 2022](#)



Please click below for further financial information:

 [Earnings Release FY 2023](#)

 [Universal Registration Document FY 2023](#)

 [Earnings Release 9M 2023](#)

 [Half Year Report H1 2023](#)

Reasons to invest



Biopharma market fueled by long-term growth drivers



Leading market positions; mission-critical portfolio; high brand awareness



Global presence



High entry barriers, low price-sensitivity and consolidated competitive landscape



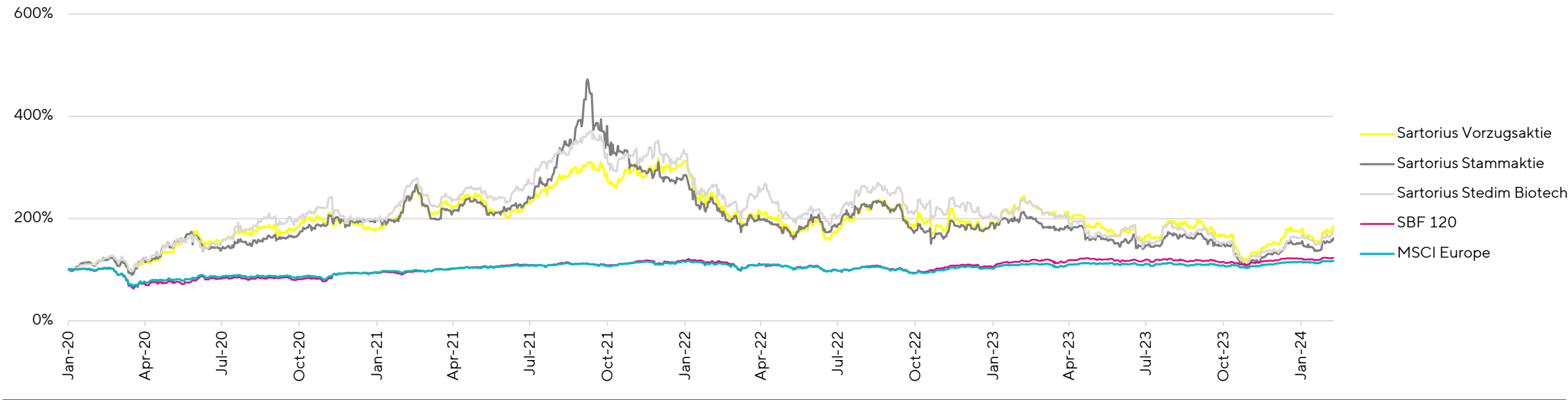
Diversified revenue base and significant share of recurring revenues provide low volatility



Ambitious ESG agenda

1 In constant currencies

Share price performance



ISIN	FR0013154002	Indices	SBF 120 CAC Next 20 CAC Large 60 CAC All-Tradable CAC All Shares CAC Healthcare MSCI Europe STOXX Europe 600
Ticker	DIM		
Number of share	97,330,405	Market cap.	€25.2bn (as of February 08, 2024)

A sampling of the product portfolio



Filtration



Purification



Fermentation



Fluid management

Contacts and Financial calendar



Petra Kirchhoff

Head of Corporate Communications & IR

+49.551.308.1686

petra.kirchhoff@sartorius.com



Petra Müller

Head of Investor Relations

+49.551.308.6035

petra.mueller2@sartorius.com



Mirko Koch

Manager Investor Relations

+49.551.308.2402

mirko.koch@sartorius.com

Sartorius Corporate Administration GmbH
Otto-Brenner-Straße 20
37079 Göttingen, Germany

- **February 26, 2024**
Morgan Stanley MedTech & Life Sciences Conference | London
- **February 27, 2024**
UBS European Healthcare Conference | London
- **March 12-13, 2024**
Barclays Global Healthcare Conference | Miami
- **March 26, 2024**
Annual Shareholders' Meeting
- **April 18, 2024**
Publication Q1 2024 Results
- **May 16, 2024**
Capital Markets Day | Göttingen
- **July 19, 2024**
Publication Half-Year Report 2024
- **October 17, 2024**
Publication 9M 2024 Results

Disclaimer

This presentation contains statements concerning the future performance of 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.



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