

Conference Call Nine-month 2018 Results

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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
9M 2018 Results | FY 2018 Guidance

Sartorius Stedim Biotech Group
9M 2018 Results | FY 2018 Guidance

Questions & Answers



9M 2018 Highlights

- ▶ Double-digit growth in sales, order intake and earnings
- ▶ Dynamic profitable growth in Bioprocess Solutions; strong order intake
- ▶ Weakening European economy affects Lab Products & Services' development
- ▶ FY 2018 Group guidance confirmed; division guidance adjusted



Strong top-line growth; earnings margin enhanced

Sartorius Group

in millions of € unless otherwise specified

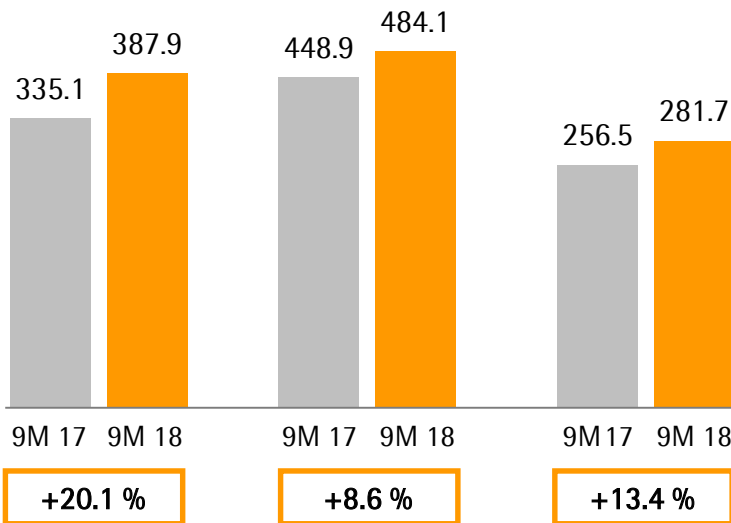
	9M 2017 ¹⁾	9M 2018	Δ in %	Δ in % cc ²⁾
Sales revenue	1,040.4	1,153.7	+10.9	+13.4
Order intake	1,096.4	1,215.2	+10.8	+13.3
Underlying EBITDA ³⁾	255.8	294.2	+15.0	
Underlying EBITDA ³⁾ margin in %	24.6	25.5	+0.9 pp	
Underlying EPS ⁴⁾ (ord.) in €	1.51	1.84	+21.9	
Underlying EPS ⁴⁾ (pref.) in €	1.52	1.85	+21.7	

- Acquisitions contribute ~1.5pp of non-organic sales growth
- Underlying EBITDA and underlying net result increase overproportionately to sales

¹⁾ Restated after PPA finalization ²⁾ Constant currencies ³⁾ Underlying = excluding extraordinary items ⁴⁾ 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

Growth in all regions; the Americas record strongest increase

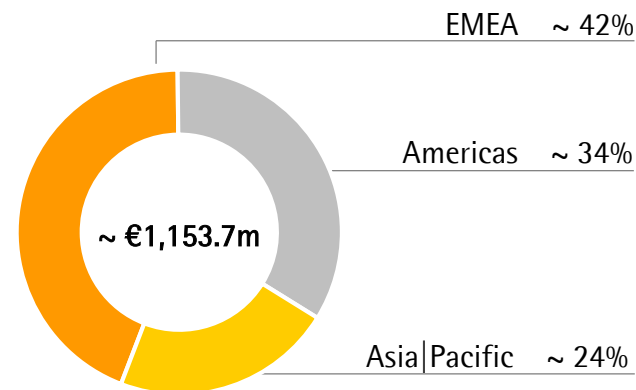
Americas
€ in millions



EMEA
€ in millions

Asia|Pacific
€ in millions

Sales by Region
in %



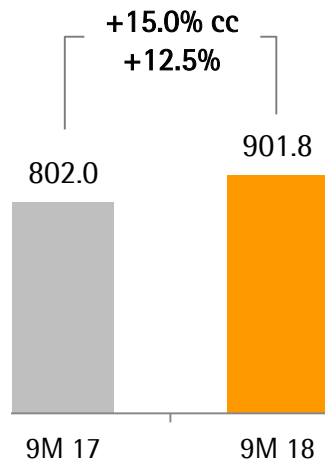
Acc. to customers' location; growth in constant currencies

- Americas: BPS with high momentum versus moderate comps; LPS growth supported by Essen acquisition
- EMEA: Robust performance driven by BPS growth; softer economy affects LPS
- Asia|Pacific: Both divisions with solid growth rates against high comps; especially for BPS

BPS: Dynamic development against moderate comps

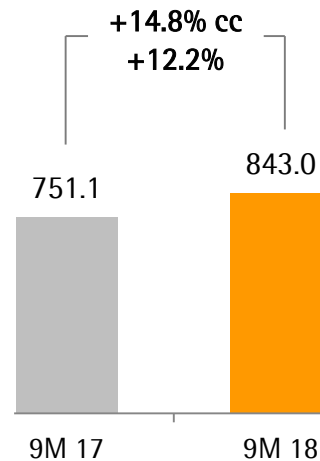
Order Intake

€ in millions



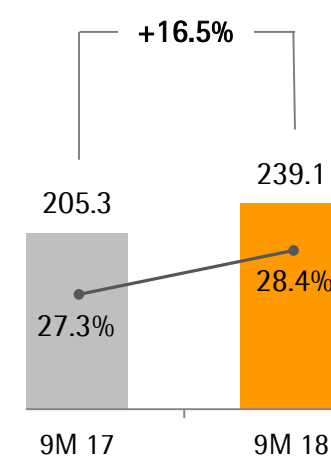
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions

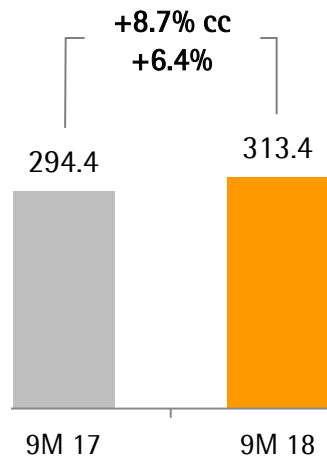


- Continuing double-digit growth driven by strong demand for equipment and single-use
- Umetrics acquisition contributes around 0.5pp of non-organic sales growth
- Underlying EBITDA margin rises due to economies of scale and product mix effects

LPS: Softer economic environment weighs on growth

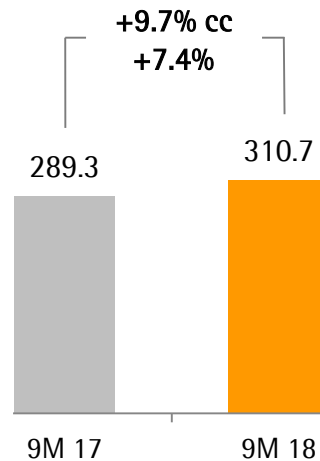
Order Intake

€ in millions



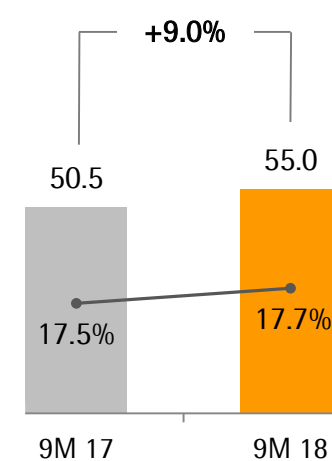
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- Sales and order growth below expectations due to weakening European economy; relatively tough comps
- Essen BioScience acquisition contributes ~3.5pp of non-organic sales growth as planned
- EBITDA margin slightly above prior-year level due to product mix and scale effects

Cash flow enhanced by higher earnings

Sartorius Group

€ in millions unless otherwise specified

	9M 2017 ¹⁾	9M 2018	Δ in %
Underlying EBITDA	255.8	294.2	+15.0
Extraordinary items	-24.3	-19.1	+21.5
Financial result	-18.1	-20.1	-10.6
Underlying net profit ^{2,3)}	103.7	126.3	+21.8
Reported net profit ³⁾	68.4	91.4	+33.7
Net operating cash flow	123.1	161.7	31.3
Net investing cash flow ⁴⁾	-493.3	-151.8	n.m.
CAPEX ratio (in %)	13.6	13.0	-0.6pp

- Net operating cash flow enhanced by higher earnings
- Net investing cash flow in previous year primarily reflects the Essen and Umetrics acquisitions
- Capital expenditures in line with expectations

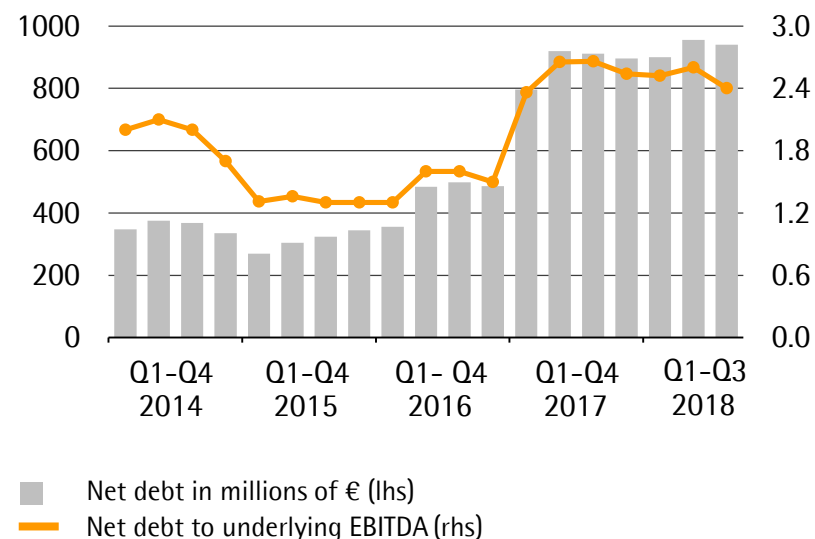
¹⁾ Restated after PPA finalization ²⁾ Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate ³⁾ After non-controlling interest ⁴⁾ Net cash flow from investing activities and acquisitions

Key financial indicators remain at robust levels

Key Financial Indicators

Sartorius Group	Dec. 31, 2017	Sep. 30, 2018
Equity ratio in %	35.1	35.6
Net debt in millions of €	895.5	940.5
Net debt underlying EBITDA	2.5	2.4

Net Debt and Net Debt to Underlying EBITDA



Outlook confirmed for Group, adjusted for divisions

FY 2018 Guidance ¹⁾	Previous		New	
	Sales revenue growth	Underlying EBITDA margin	Sales revenue growth	Underlying EBITDA margin
Sartorius Group	~ 12% - 15%	~ +0.5pp vs. FY17: 25.1%	~ 12% - 15%	~ +0.5pp
Bioprocess Solutions	~ 12% - 15%	~ +0.5pp vs. FY17: 28.0%	Upper range ~ 12% - 15%	~ +0.5pp
Lab Products & Services	~ 12% - 15%	~ +1.0pp vs. FY17: 18.0%	~ 8% - 10%	~ +0.5pp

¹⁾ In constant currencies

- Growth guidance includes non-organic contribution by recent acquisitions: ~ 0.5pp for BPS and ~ 2.5pp for LPS, i.e. ~ 1.0pp for the Group
- Capex ratio ~ 15% (FY 2017: 14.9%)
- Due to the U.S. tax reform, SAG's tax rate is expected to decrease by 2pp to around 27% from 2018 onwards

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Questions & Answers



Dynamic profitable growth against moderate comps

Sartorius Stedim Biotech Group

in millions of € unless otherwise specified

	9M 2017 ¹⁾	9M 2018	Δ in %	Δ in % cc ²⁾
Sales revenue	804.7	896.1	+11.4	+13.8
Order intake	853.0	955.6	+12.0	+14.5
Underlying EBITDA ³⁾	214.5	251.4	+17.2	
Underlying EBITDA ³⁾ margin in %	26.7	28.1	+1.4pp	
Underlying EPS ⁴⁾ per share in €	1.42	1.74	+22.9	

- Continuing double-digit sales and order growth driven by strong demand for equipment and single-use products
- Umetrics acquisition contributes around 0.5pp of non-organic sales growth
- Underlying EBITDA margin raises significantly due to economies of scale and positive product mix effects

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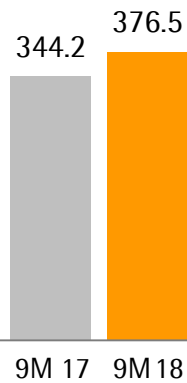
Growth in all regions, the Americas with highest momentum

Americas
in € millions



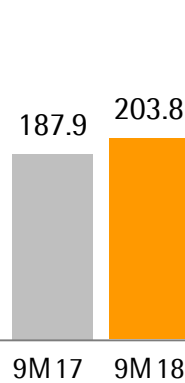
+20.3%

EMEA
in € millions



+9.8%

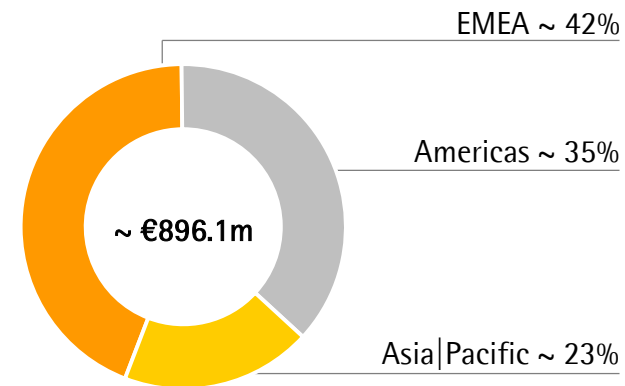
Asia|Pacific
in € millions



+11.9%

Acc. to customers' location; growth in constant currencies

Sales by Regions
in %



- Americas: High momentum against moderate comps
- EMEA: Solid growth in sales revenue and dynamic order intake
- Asia|Pacific: Positive development considering high comps

Significant increase in operating cash flow

Sartorius Stedim Biotech Group

€ in millions unless otherwise specified

	9M 2017 ¹⁾	9M 2018	Δ in %
Underlying EBITDA	214.5	251.4	+17.2
Extraordinary items	-11.9	-8.5	+28.4
Financial result	-1.3	-10.4	n.m.
Underlying net profit ^{2,3)}	130.8	160.7	+22.9
Reported net profit ³⁾	116.2	140.4	+20.9
Net operating cash flow	108.8	160.6	+47.6
Net investing cash flow ⁴⁾	-152.5	-126.6	+17.0
CAPEX ratio (in %)	11.3	13.9	+2.6pp

- Net operating cash flow driven by higher earnings
- Net investing cash flow reflects execution of CAPEX program (IT investments; capacity additions in Yauco and Goettingen)

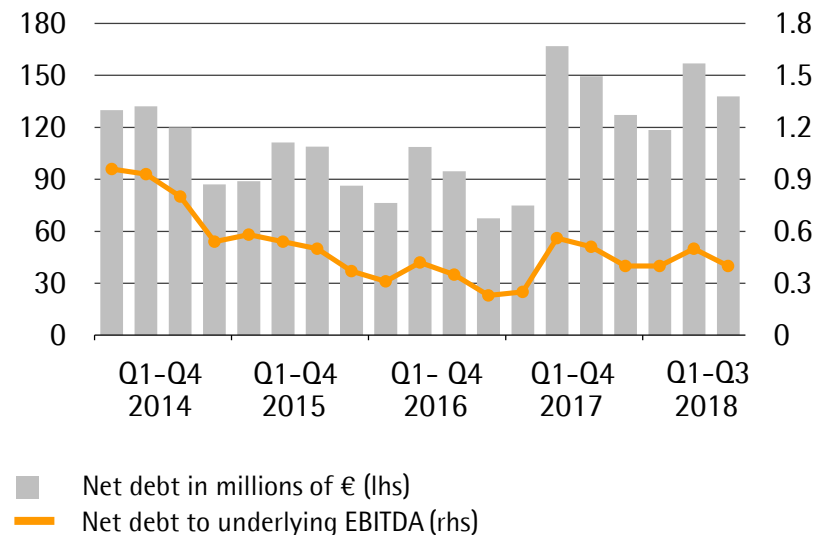
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Financial position remains strong

Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2017	Sep. 30, 2018
Equity ratio in %	62.6	61.6
Net debt in millions of €	127.1	137.9
Net debt underlying EBITDA	0.4	0.4

Net Debt and Net Debt to Underlying EBITDA



Outlook for 2018 confirmed and specified

FY 2018 Guidance¹⁾	Previous	New
Sales revenue growth	~ 11% - 14%	Upper range ~ 11% - 14%
Underlying EBITDA margin	~28.0% vs. FY17: 27.3%	~28.0%
CAPEX ratio	~ 15%	~ 15%

¹⁾ In constant currencies

- Growth guidance includes non-organic contribution by recent acquisition of ~ 0.5pp
- Due to the U.S. tax reform, SSB's tax rate is expected to decrease from 2018 onwards by 2pp to around 26%

Q & A



Thank you very much
for your attention

