

Aubagne, April 21, 2020

Sartorius Stedim Biotech with a strong start in 2020

- Sales revenue up 22.3% in constant currencies, order intake up 39.3%, underlying EBITDA margin¹ up 1.4 percentage points to 30.0%
- Strong demand across all product categories and geographies; additionally fueled by significant equipment orders from China and customer stocking initiatives
- Outlook for 2020 increased and adjusted for imminent closing of acquisition of Danaher life science assets and for pandemic-related effects

Sartorius Stedim Biotech (SSB), a leading partner of the biopharma industry, has continued on its profitable growth track in the first quarter 2020 despite uncertainties and challenges arising from the coronavirus pandemic. The Group grew by double digits in sales revenue, order intake and earnings, recording substantial gains across all geographies.

“We are very pleased with this set of strong results in these challenging times,” said Dr. Joachim Kreuzburg, Chairman of the Board and CEO. “Growth has remained dynamic, our production sites as well as supply chains are up and running and as a company relevant to the healthcare sector we have been exempted from shelter-in-place rules where imposed by governments. However, all workflows at Sartorius Stedim Biotech are, of course, also affected by the extensive safety measures in place at all sites worldwide: our customer contacts, the transitions between changing production shifts, and office work that has been converted to remote working from home,” said Kreuzburg.

Sales revenue increased against relatively moderate comparables in the prior-year quarter by 22.3% to 422.1 million euros (reported: +23.1%). The non-organic growth contribution from the acquisition of the cell culture media specialist Biological Industries was about 1.5 percentage points, as expected. Order intake saw an even more pronounced increase, rising by 39.3% to 534.8 million euros (reported: +40.3%). The additional momentum was driven by larger equipment orders from China and by pull-forward effects due to stocking initiatives of customers in the context of the coronavirus pandemic.

With respect to geographies, the Americas recorded continued strong momentum in sales, which were up by 20.3% to 152.7 million euros. Asia|Pacific once again saw the most dynamic growth of 31.6% to 101.7 million euros with larger equipment orders that also resulted in a very high increase in order intake for the quarter, while in EMEA (Europe | Middle East | Africa), sales totaled 167.6 million euros, equaling a gain of 19.0%.

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

Underlying EBITDA¹ rose overproportionately to sales growth from 98.1 million euros to 126.7 million euros. The respective margin reached 30.0% (Q1 2019: 28.6%). The main driver for this margin expansion was economies of scale while currency effects were slightly dilutive. Relevant net profit after non-controlling

interest¹ for the Group surged by 28.4% to 80.3 million euros, resulting in earnings per share¹ of 0.87 euros compared with 0.68 euros a year earlier.

Key financial indicators

SSB's CAPEX ratio¹ decreased upon the completion of several large projects. In addition, some investments have been postponed following the pandemic crisis. The ratio stood at 6.0% compared to 9.4% a year earlier. The ratio of net debt to underlying EBITDA¹ was 0.1 (Dec. 31, 2019: 0.3). Equity increased from 1,177.6 million euros at year-end 2019 to 1,245.9 million euros as of the reporting date. The equity ratio remained at a very comfortable level of 65.7%, (Dec. 31, 2019: 64.7%). The SSB Group therefore continues to have a very solid balance sheet and financial position.

Planned acquisition of select Danaher Life Science assets

SSB continues to expect to receive the final antitrust approvals and to complete the planned acquisition of select life science businesses of the Danaher Group within the next few weeks. "We are confident that we will be able to complete the acquisition and begin with integration shortly," said Kreuzburg. "The acquisition substantially expands our offering with innovative technologies that will enable us to support our pharmaceutical customers even more comprehensively in production of biotech drugs and vaccines. The integration process will be a particular challenge due to the various restrictions during the coronavirus pandemic, but we have intensively prepared for it."

Outlook for 2020 adjusted

"The impact of the corona pandemic on the healthcare sector and the biopharmaceutical industry should be much smaller than on most other industries. However, because of the various restrictions that are in place in most countries at the moment and will continue in the foreseeable future, our forecast is subject to somewhat greater uncertainty than usual. This concerns both the development of the existing product segments and the integration of the acquired businesses," said Joachim Kreuzburg.

Based on first-quarter results and in connection with the upcoming closing of the acquisition of select life science assets from Danaher, SSB has adjusted its forecast for the full year of 2020. This forecast is based on the scenario that the Danaher portfolio acquired will be included as of May 2020.

For fiscal 2020, management now projects sales revenue to increase by 17% to 21% (before: 11% to 14%). The non-organic contribution from Biological Industries is still expected to be 2 percentage points, while the portfolio acquired from Danaher is expected to contribute about 3 percentage points. With respect to profitability, the company's underlying EBITDA margin¹ is expected to rise to 30.0% (before: 29.5%; previous year: 29.3%) including a slightly dilutive effect through the acquired businesses. The CAPEX ratio¹ is projected to be around 8% (forecast unchanged; previous year: 9.4%). Net debt to underlying EBITDA¹ is now expected to amount to approx. 0.5 at year-end (before: slightly below 0.3; 0.3 as of Dec. 31, 2019).

All forecast figures are based on constant currencies, as in the past years.

Annual Shareholders' Meeting and Dividend Proposal

The Annual Shareholder Meeting initially scheduled for March 24 had to be postponed due to the coronavirus pandemic. The Board of Directors plans to hold a video-based ASM before the end of the second quarter and considers suggesting a reduced dividend payment for 2019 to the ASM. "We need to

be prepared for significant uncertainties and risks for a longer period and, at the same time, we believe that the current situation may also offer additional opportunities to further strengthen our portfolio through innovative technologies. Additionally, we will also make considerable efforts to support people and institutions that have been particularly hit by the pandemic crisis or that play an important role in coping with it. Within the context of these three aspects, we may adjust our dividend proposal and will provide details after final deliberation," said Kreuzburg.

- 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.

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.

This is a translation of the original French-language press release. Sartorius Stedim Biotech shall not assume any liability for the correctness of this translation. The original French press release is the legally binding version.

Conference call

Dr. Joachim Kreuzburg, Chairman of the Board and CEO of the Sartorius Stedim Biotech Group, will discuss the company's results with analysts and investors on April 21, 2020, at 3:30 p.m. Central European Summer Time (CEST), in a teleconference.

You may register by clicking on the following link:

<https://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=5346927&linkSecurityString=603a5d8b1>

Alternatively, you can dial into the teleconference, without registering, at:
+49 (0) 69 566 03 7000

The presentation will be accessible through our website that day, 3:15 p.m. CEST, at:

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

Current image files

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

Financial calendar

July 21, 2020	Publication of first-half figures (January to June 2020)
October 20, 2020	Publication of nine-month figures (January to September 2020)

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 2019, the company employed approx. 6,200 people, and earned sales revenue of 1,440.6 million euros.

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Key Performance Indicators for the First Quarter of 2020

in millions of € unless otherwise specified	3 months 2020	3 months 2019	Δ in % Reported	Δ in % cc ¹⁾
Sales revenue	422.1	342.9	23.1	22.3
EMEA ²	167.6	140.6	19.2	19.0
Americas ²	152.7	124.8	22.4	20.3
Asia Pacific ²	101.7	77.5	31.2	31.6
Order intake ³	534.8	381.3	40.3	39.3
EBITDA ⁴	126.7	98.1	29.2	
EBITDA margin ⁴ in %	30.0	28.6		
Net profit ⁵	80.3	62.6	28.4	
Earnings per share ⁵ in €	0.87	0.68	28.4	

1 In constant currencies

2 According to customer's location

3 All customer orders which were legally concluded during the respective reporting period

4 Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items

5 Underlying net profit = 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

	3 months 2020 € in mn	3 months 2019 € in mn
Sales revenue	422.1	342.9
Cost of sales	-199.4	-165.6
Gross profit on sales	222.7	177.4
Selling and distribution costs	-71.1	-57.3
Research and development costs	-19.9	-17.7
General administrative expenses	-22.1	-19.6
Other operating income and expenses	-7.4	-2.7
Earnings before interest & taxes (EBIT)	102.1	80.1
Financial income	5.4	1.9
Financial expenses	-5.5	-5.6
Financial result	-0.1	-3.7
Profit before tax	102.0	76.4
Income taxes	-26.5	-19.9
Net profit for the period	75.5	56.5
Attributable to:		
Shareholders of Sartorius Stedim Biotech	75.1	56.1
Non-controlling interest	0.4	0.4
Earnings per share (€)	0.81	0.61
Diluted earnings per share (€)	0.81	0.61

Statement of Comprehensive Income

	3 months 2020 € in mn	3 months 2019 € in mn
Net profit for the period	75.5	56.5
Cash flow hedges	-1.6	-3.0
- of which effective portion of changes in fair value	-1.4	-4.1
- of which reclassified to profit or loss	-0.2	1.1
Income tax on cash flow hedges	0.5	0.9
Foreign currency translation differences	-5.9	8.9
Items that are or may be reclassified subsequently to profit or loss	-7.1	6.8
Items that will not be reclassified in profit or loss	0.0	0.0
Other comprehensive income for the period	-7.1	6.8
Total comprehensive income for the period	68.4	63.3
Attributable to:		
Shareholders of Sartorius Stedim Biotech	68.4	62.9
Non-controlling interest	0.1	0.4

Statement of Financial Position

	March 31, 2020 € in mn	Dec. 31, 2019 € in mn
Assets		
Non-current assets		
Goodwill	423.1	426.9
Other intangible assets	182.0	180.1
Property, plant and equipment	549.6	546.6
Financial assets	14.8	15.1
Other assets	0.6	0.6
Deferred tax assets	20.9	17.3
	1,191.1	1,186.6
Current assets		
Inventories	340.5	328.2
Trade receivables	202.7	220.8
Other financial assets	48.7	19.6
Current tax assets	12.6	11.0
Other assets	29.9	26.6
Cash and cash equivalents	69.9	27.6
	704.3	633.8
Total assets	1,895.4	1,820.4
	March 31, 2020 € in mn	Dec. 31, 2019 € in mn
Equity and liabilities		
Equity		
Equity attributable to SSB S.A. shareholders	1,226.8	1,158.8
Share capital	18.4	18.4
Reserves	231.5	231.5
Retained earnings (including net profit)	976.9	908.8
Non-controlling interest	19.1	18.8
	1,245.9	1,177.6
Non-current liabilities		
Pension provisions	44.8	44.1
Other provisions	3.4	3.3
Loans and borrowings	40.0	40.0
Lease liabilities	40.8	40.7
Other financial liabilities	49.5	49.9
Deferred tax liabilities	37.3	37.4
	215.8	215.4
Current liabilities		
Provisions	10.4	10.6
Trade payables	199.1	196.6
Loans and borrowings	25.9	43.5
Lease liabilities	9.4	11.1
Employee benefits	38.2	40.6
Other financial liabilities	36.5	40.7
Current tax liabilities	63.3	49.2
Other liabilities	50.9	35.0
	433.7	427.3
Total equity and liabilities	1,895.4	1,820.4

Statement of Cash Flows

	3 months 2020 € in mn	3 months 2019 € in mn
Profit before tax	102.0	76.4
Financial result	0.1	3.7
Depreciation amortization of fixed assets	20.7	15.6
Change in provisions	0.4	-0.2
Change in receivables and other assets	11.9	-19.2
Change in inventories	-13.2	-15.3
Change in liabilities (excl. loans and borrowings)	10.3	26.3
Income taxes paid	-17.0	-6.5
Other non-cash items	0.2	0.0
Cash flow from operating activities	115.4	80.7
Capital expenditures	-25.2	-32.3
Other payments	-24.5	0.0
Cash flow from investing activities	-49.7	-32.3
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	0.0	0.0
Cash flow from investing activities and acquisitions	-49.7	-32.3
Interest received	1.2	0.4
Interest paid and other financial charges	-3.1	-2.7
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	0.0	0.0
- Non-controlling Interest	0.0	0.0
Loans and borrowings repaid	-21.3	-51.7
Loans and borrowings raised	1.0	7.8
Cash flows from financing activities	-22.2	-46.2
Increase decrease in cash and cash equivalents	43.5	2.2
Cash and cash equivalents at the beginning of the period	27.6	24.0
Effect of currency translation on cash and cash equivalents	-1.3	-0.4
Cash and cash equivalents at the end of the period	69.9	25.8

Statement of Reconciliation

	3 months 2020 € in mn	3 months 2019 € in mn
EBIT (operating result)	102.1	80.1
Extraordinary items	4.6	2.6
Depreciation & amortization	20.0	15.4
Underlying EBITDA	126.7	98.1

	3 months 2020 € in mn	3 months 2019 € in mn
EBIT (operating result)	102.1	80.1
Extraordinary items	4.6	2.6
Amortization IFRS 3	3.5	3.4
Normalized financial result ¹	-1.2	-1.0
Normalized income tax (26%) ²	-28.4	-22.1
Underlying net result	80.7	63.0
Non-controlling interest	-0.4	-0.4
Underlying net result after non-controlling interest	80.3	62.6
Underlying earnings per share (in €)	0.87	0.68

1 Financial result excluding fair value adjustments of hedging instruments, and other expenses and income not directly related to own financing needs

2 Income tax considering the average group tax rate, based on the underlying profit before tax