

# SARTORIUS

## Simplifying Progress

### Conference call First-half 2020 results

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Sartorius | Sartorius Stedim Biotech  
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# Disclaimer

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This presentation contains statements concerning the future performance of the Sartorius and the Sartorius Stedim Biotech Groups. 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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# H1 2020 highlights

- Sales revenue, order intake and earnings with double-digit growth rates
- Acquisition of selected Danaher life science businesses closed April 30; integration progressing well despite remote mode
- Bioprocess Solutions Division: Strong growth across all product categories and geographies; higher-than-expected OI partly related to demand for products used for the development and manufacturing of Covid-19 vaccines and therapeutics
- Lab Products & Services Division: H1 affected by softer economic environment due to pandemic; positive trend towards the end of Q2; acquisitions with strong contribution
- FY 2020 sales and earnings guidance increased due to strong BPS development
- Still considerable challenges and uncertainties due to the pandemic

# Agenda

Sartorius Group  
H1 2020 results | FY 2020 guidance

Sartorius Stedim Biotech Group  
H1 2020 results | FY 2020 guidance

Questions & Answers



# Dynamic top-line growth; further margin increase

<b>Sartorius Group</b> in millions of € unless otherwise specified	H1 2019	H1 2020	▲ in %	▲ in % cc <sup>1</sup>
Sales revenue	894.7	1,056.8	+18.1	+17.9
Order intake	974.3	1,244.8	+27.8	+27.5
Underlying EBITDA <sup>2</sup>	237.6	293.5	+23.5	
Underlying EBITDA <sup>2</sup> margin in %	26.6	27.8	+1.2pp	
Underlying EPS <sup>3</sup> (ord.) in €	1.48	1.81	+22.5	
Underlying EPS <sup>3</sup> (pref.) in €	1.49	1.82	+22.3	

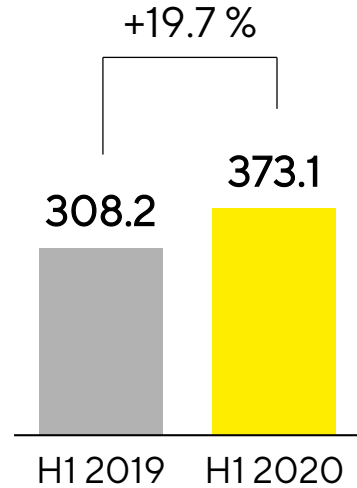
- Acquisitions of Biological Industries and the Danaher portfolio contribute close to 4pp to sales growth, as expected
- Underlying EBITDA driven by economies of scale; slightly negative impact from currencies

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

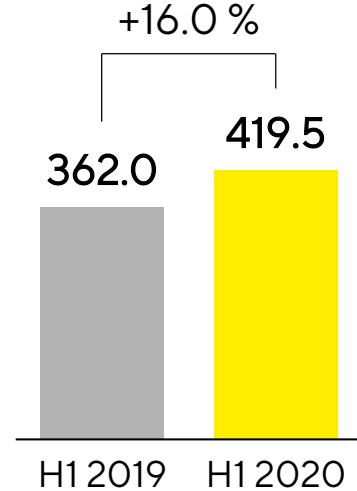
## Americas

€ in millions



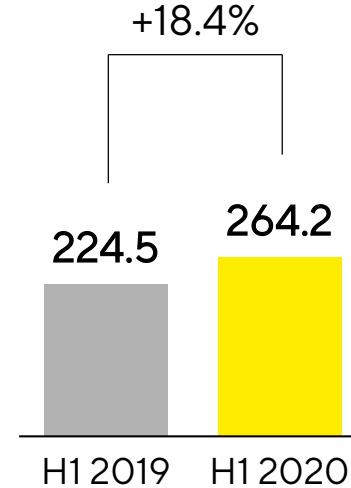
## EMEA

€ in millions



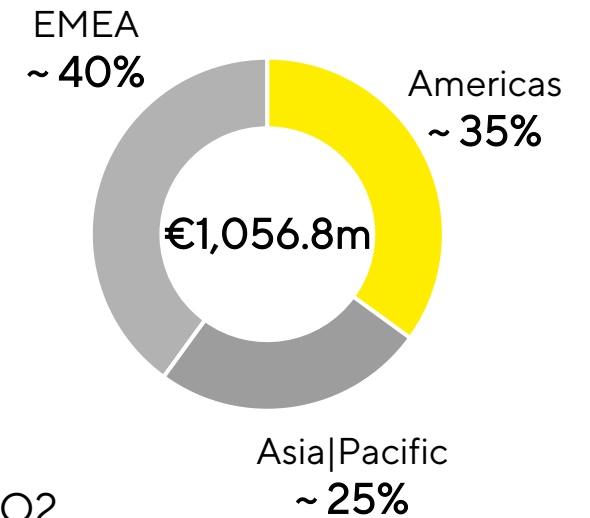
## Asia|Pacific

€ in millions



## Sales by Region

in %



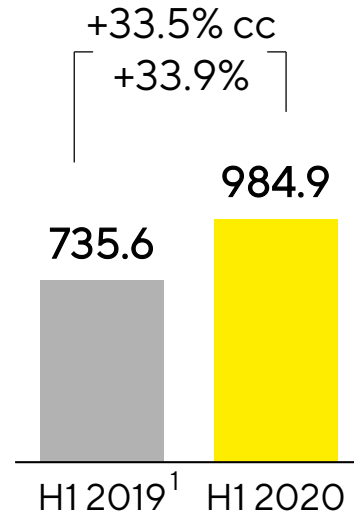
- Americas: Significant growth of BPS; LPS supported by acquisitions; impacted by lockdowns in Q2
- EMEA: BPS strong; LPS demand driven by diagnostic test kits and lab consumables; weaker demand in other product areas
- Asia|Pacific: BPS with the highest momentum; LPS demand stabilized after lockdown lifted in China

Acc. to customers' location; growth in constant currencies

# BPS: Strong performance across all product categories and regions

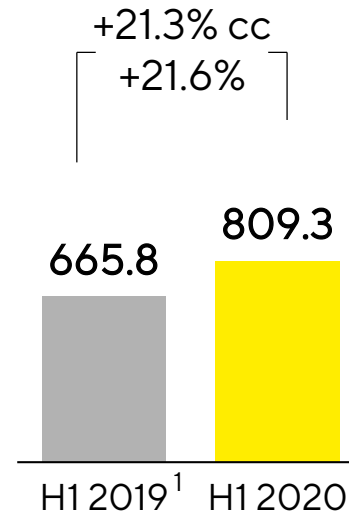
## Order Intake

€ in millions



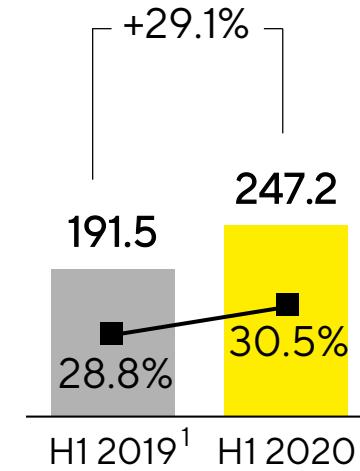
## Sales Revenue

€ in millions



## Underlying EBITDA & Margin

€ in millions



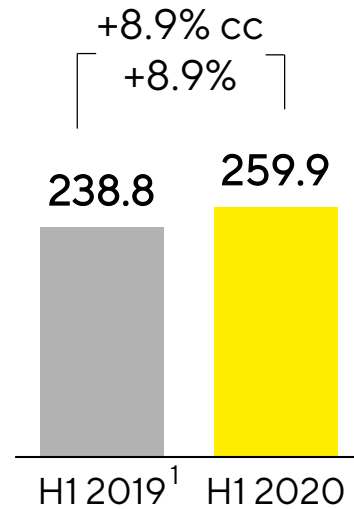
- Order intake positively impacted by demand for Covid-19 medicines; strong project business, especially in Asia|Pacific
- Non-organic growth from Biological Industries and Danaher portfolio a good 2pp, as expected
- Underlying EBITDA margin rises due to economies of scale, despite slight dilution of acquisitions and FX

<sup>1</sup> H1 2019 figures reported: Order intake €746.4m, sales €676.6m, underlying EBITDA €198.3m

# LPS: Robust sales development

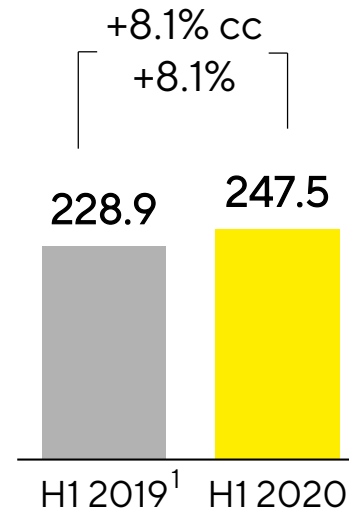
## Order Intake

€ in millions



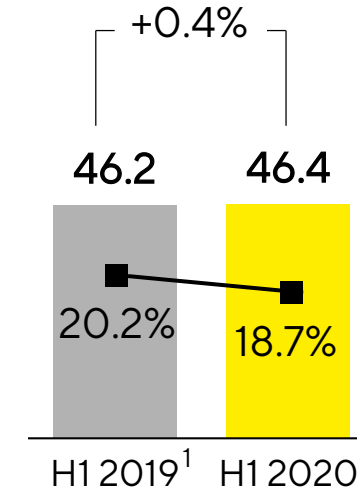
## Sales Revenue

€ in millions



## Underlying EBITDA & Margin

€ in millions



- Difficult economic environment due to pandemic, with dampening effect on demand
- Acquisitions contribute close to 9pp to sales growth as expected
- Underl. EBITDA margin impacted by lower capacity utilization at the beginning of the year and by approx. -0.5pp FX effect

<sup>1</sup> H1 2019 figures reported: Order intake €228.0m, sales €218.1m, underlying EBITDA €39.4m



# Operating cash flow increases significantly

<b>Sartorius Group</b> in millions of € unless otherwise specified	H1 2019	H1 2020	▲ in %
Underlying EBITDA	237.6	<b>293.5</b>	+23.5
Extraordinary items	-10.6	<b>-26.1</b>	n.m.
Financial result	-9.9	<b>-20.3</b>	n.m.
Underlying net profit <sup>1,2</sup>	101.5	<b>124.3</b>	+22.4
Reported net profit <sup>2</sup>	82.3	<b>81.1</b>	-1.5
<b>Operating cash flow</b>	165.1	<b>215.4</b>	+30.4
<b>Investing cash flow<sup>3</sup></b>	-116.0	<b>-849.5</b>	n.m.
CAPEX ratio (in %)	12.8	<b>8.5</b>	-4.3pp

- Net operating cash flow mostly driven by higher earnings and factoring program (~€89m)
- Extraordinary items influenced by M&A
- Investing cash flow impacted by closing of acquisition of Danaher portfolio
- Tax rate at 30% (+3pp vs. PY) due to accounting of tax risks; not cash-effective in H1

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

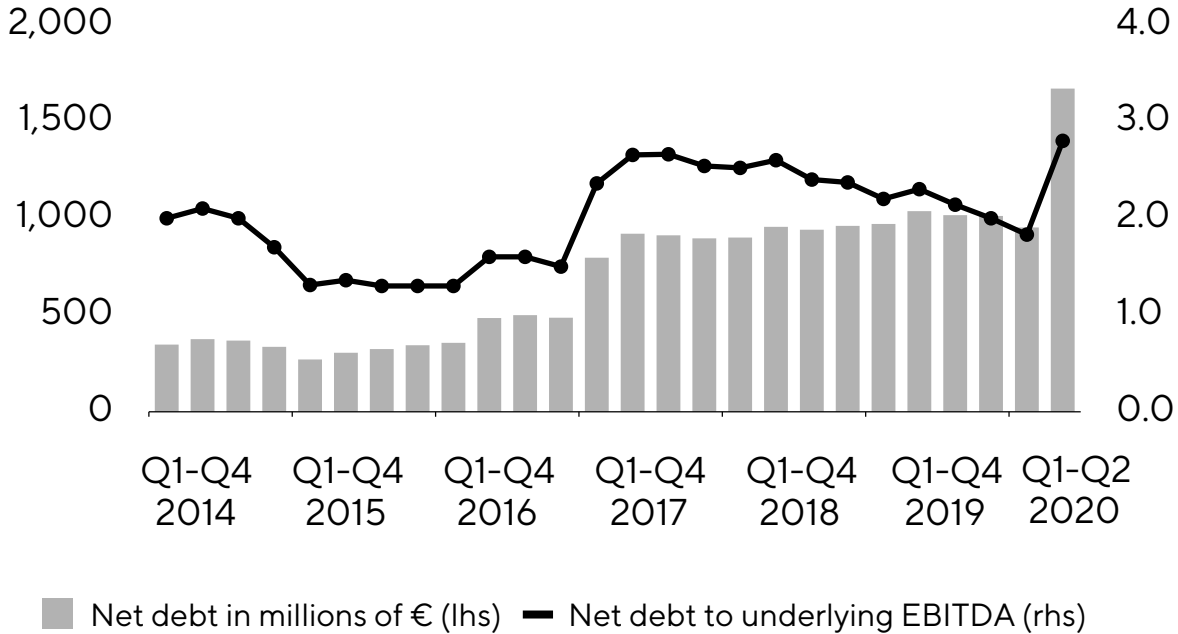
# Financial indicators remain robust

## Key Financial Indicators

Sartorius Group	Dec. 31, 2019	June 30, 2020
Equity ratio in %	38.1	<b>30.1</b>
Net debt in millions of €	1,014.0	<b>1,669.6</b>
Net debt   underlying EBITDA	2.0	<b>2.8</b>

- Balance sheet influenced by the recent acquisitions

## Net Debt and Net Debt to Underlying EBITDA



# Outlook for 2020 increased for BPS and the Group; uncertainty remains

FY 2020 Guidance <sup>1</sup>	[change vs. previous guidance]	
	Sales revenue growth	Underlying EBITDA margin
<b>Sartorius Group</b>	<b>~ 22% - 26% [+7pp]</b>	<b>~ 28.5% [+1pp]</b>
- thereof Biological Industries	1.5pp	slightly dilutive
- thereof Danaher portfolio	5pp	neutral
<b>Bioprocess Solutions</b>	<b>~ 26% - 30% [+9pp]</b>	<b>~ 31.0% [+1pp]</b>
- thereof Biological Industries	1pp	slightly dilutive
- thereof Danaher portfolio	3.5pp	-0.5pp
<b>Lab Products &amp; Services</b>	<b>~ 10% - 14%</b>	<b>~ 20.0%</b>
- thereof Biological Industries	2.5pp	slightly dilutive
- thereof Danaher portfolio	10pp	1.5pp

- CAPEX ratio ~10% (FY 2019: 12.3%); net debt to underlying EBITDA slightly below 2.75 (previously around 2.75; FY 2019: 2.0)
- FY 2020 tax rate expected at 30% (+2.2 pp vs. PY) due to accounting of tax risks
- Guidance based on the assumption that supply chains are stable and production lines remain in operation
- Mid-term guidance up to 2025 unchanged

<sup>1</sup> In constant currencies

# Agenda

Sartorius Group  
H1 2020 results | FY 2020 guidance

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H1 2020 results | FY 2020 guidance

Questions & Answers



# Significant double-digit growth in sales revenue, order intake and profit

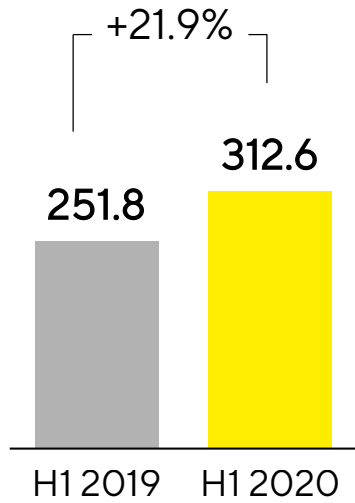
<b>Sartorius Stedim Biotech Group</b> in millions of € unless otherwise specified	H1 2019	H1 2020	▲ in %	▲ in % cc <sup>1</sup>
Sales revenue	709.3	869.1	+22.5	+22.0
Order intake	778.1	1,048.7	+34.8	+34.1
Underlying EBITDA <sup>2</sup>	205.3	262.3	+27.8	
Underlying EBITDA <sup>2</sup> margin in %	28.9	30.2	+1.3pp	
Underlying EPS <sup>3</sup>	1.42	1.82	+27.7	

- Strong demand across all product categories; order intake positively impacted by additional demand for COVID-19 medicines and project business
- Consolidation of Biological Industries and the Danaher portfolio accounted for close to 3pp of growth
- Underlying EBITDA margin rose due to economies of scale; FX slightly dilutive (close to -0.5pp) and dilution from acquisitions

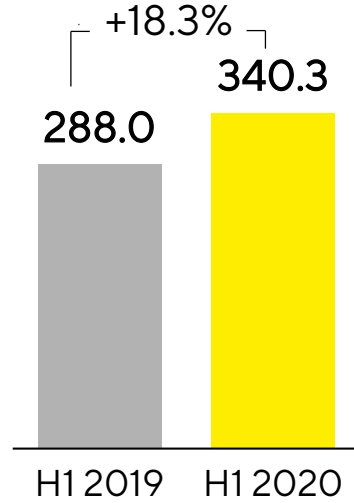
<sup>1</sup> Constant currencies <sup>2</sup> Underlying = excluding extraordinary items <sup>3</sup> Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and tax rate

# Double-digit growth in all geographies

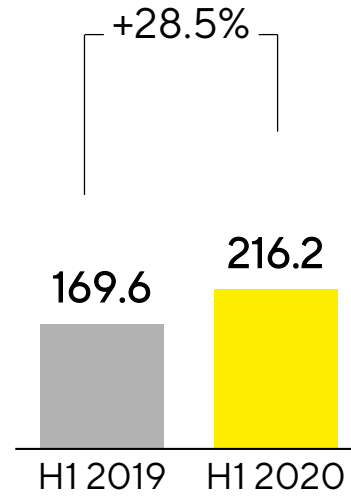
**Americas**  
€ in millions



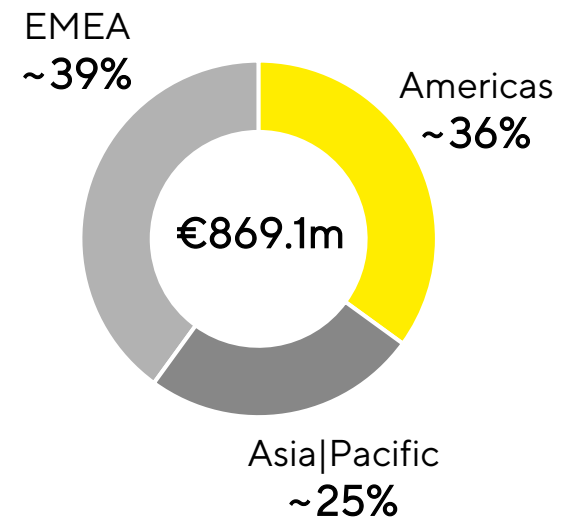
**EMEA**  
€ in millions



**Asia|Pacific**  
€ in millions



**Sales by Region**  
in %



- Asia|Pacific: Highest momentum with dynamic project business

Acc. to customers' location; growth in constant currencies

# Operating cash flow rises significantly

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	H1 2019	H1 2020	▲ in %
Underlying EBITDA	205.3	262.3	+27.8
Extraordinary items	-6.0	-11.7	n.m.
Financial result	-2.8	-10.5	n.m.
Underlying net profit <sup>1,2</sup>	131.1	167.4	+27.7
Reported net profit <sup>2</sup>	120.9	142.1	+17.5
<b>Operating cash flow</b>	140.0	195.3	+39.5
Investing cash flow <sup>3</sup>	-63.8	-296.4	n.m.
CAPEX ratio (in %)	9.0	5.8	-3.2pp

- Net operating cash flow mostly driven by higher earnings and factoring program (~€83m)
- Extraordinary items influenced by M&A expenses, among others
- Investing cash flow impacted by closing of acquisition of Danaher portfolio
- Tax rate at 27.5% (+1.5pp vs. PY) due to accounting of tax risks; not cash-effective in H1

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

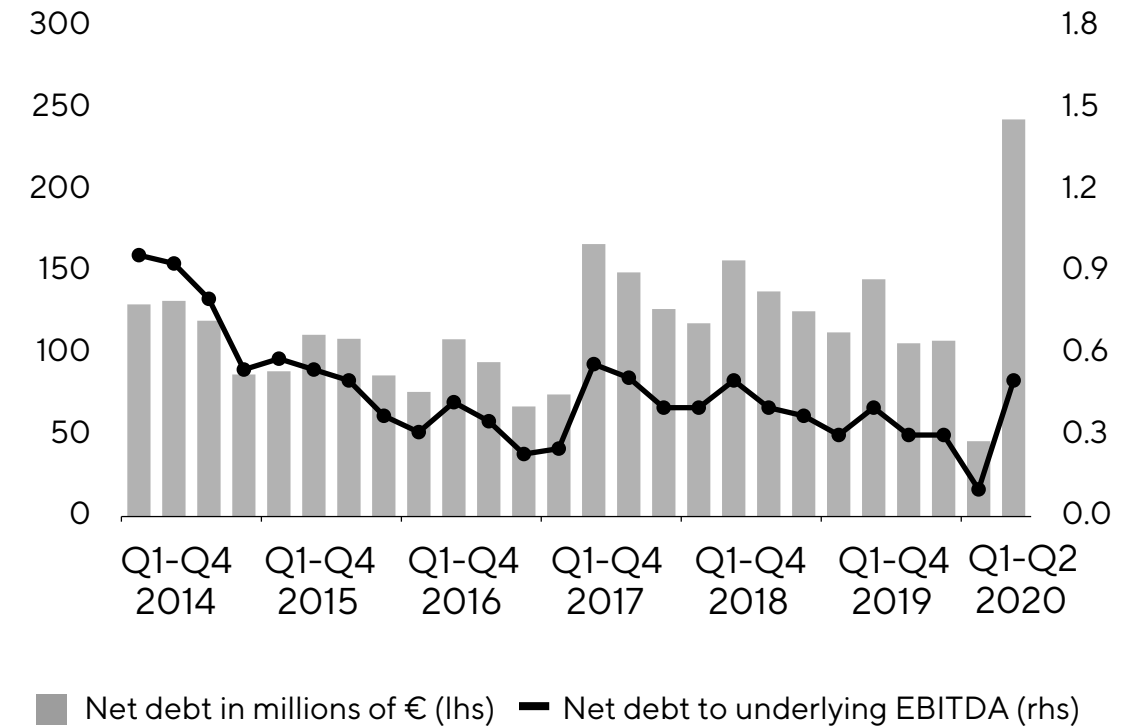
# Financial position remains strong

## Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2019	June 30, 2020
Equity ratio in %	64.4	57.9
Net debt in millions of €	110.4	243.2
Net debt   underlying EBITDA	0.3	0.5

- Balance sheet influenced by the recent acquisitions

## Net Debt and Net Debt to Underlying EBITDA





# Outlook for 2020 increased

FY 2020 Guidance <sup>1</sup>	[change vs. previous guidance]	
	Sales revenue growth	Underlying EBITDA margin
<b>Sartorius Stedim Biotech</b>	<b>~ 26% - 30% [+9pp]</b>	<b>~ 31.0% [+1pp]</b>
- thereof Biological Industries	2pp	slightly dilutive
- thereof Danaher portfolio	3pp	-0.5pp

- CAPEX ratio ~8% (FY 2019: 9.4%); net debt to underlying EBITDA projected at slightly below 0.5 (previously around 0.5; FY 2019: 0.3)
- FY 2020 tax rate expected at 27.5% (+1.9pp vs. PY) due to accounting of tax risks
- Guidance based on the assumption that supply chains are stable and production lines remain in operation
- Mid-term guidance up to 2025 unchanged

<sup>1</sup> In constant currencies

# Questions & Answers



Thank you very much for  
your attention.

