

Göttingen, October 20, 2020

## Strong profitable growth at Sartorius

- Nine-month results: Order intake<sup>1</sup> up 37.8 percent; sales revenue up 25.2 percent; underlying EBITDA<sup>1</sup> margin climbs to 29.1 percent
- Bioprocess Solutions Division expands dynamically; positive development of the Lab Products & Services Division
- Management specifies financial guidance at the upper end of or slightly above the ranges indicated so far

Sartorius, a leading international partner of life science research and the biopharmaceutical industry, closed the first nine months of 2020 with significant double-digit growth rates in sales revenue and earnings.

“In the third quarter, we saw high demand for nearly our entire product range,” said Joachim Kreuzburg, CEO. “On top of overall strong organic growth, additional momentum was generated by the very positive development of our recent acquisitions, as well as by preparations of biopharmaceutical customers to build up production capacities for coronavirus vaccines and Covid-19 therapeutics. In our lab products business, the recovery and partially also catch-up effects have been encouraging, above all in North America and Asia. We aim to close the full year at the upper end of, or even slightly above, our guidance raised at the end of the first half. Yet the further development of the currently worsening pandemic situation may considerably affect these results.”

### Business development of the Group

In the first nine months, Sartorius increased Group sales revenue by 25.2 percent to 1,680.0 million euros, a reported gain of 23.9 percent. The Bioprocess Solutions Division continued its dynamic growth of the first half on into the third quarter, and the somewhat more cyclically sensitive Lab Products & Services Division showed positive development in the challenging environment of the pandemic, especially in the third quarter. The businesses acquired from Danaher end of April 2020 as well as the majority stake purchased in Biological Industries in December 2019 contributed around 6 percentage points to Group sales growth in the first nine months, as expected. The net effect of various impacts caused by the pandemic amounted to a good 6 percentage points. Order intake<sup>1</sup> grew even more strongly than sales, up 37.8 percent (reported: +36.3 percent) to 1,956.5 million euros, with pandemic effects accounting for around 10 percentage points.

Earnings of the Sartorius Group rose at a significantly overproportionate rate with respect to sales. Underlying EBITDA<sup>1</sup> was up 35.3 percent from the year-earlier figure of 361.1 million euros, reaching 488.7 million euros; the respective margin climbed from 26.6 percent to 29.1 percent. Significant economies of scale in the Bioprocess Solutions Division played a primary role in this substantial increase in profitability, yet lower costs added to this effect in some areas due to the pandemic situation. The most

recent acquisitions had an insignificant effect on the company's earnings margin, while currency headwinds had a dilutive impact of about half of a percentage point. Relevant net profit<sup>1</sup> for the Group increased in relation to sales, by 37.9 percent to 211.2 million euros. Consolidated earnings per ordinary share were 3.08 euros (previous year: 2.23 euros) and per preference share, 3.09 euros (previous year: 2.24 euros).

### **Business development of the regions**

Sartorius grew by double digits in all regions: Reporting a sales gain of 28.7 percent to 586.0 million euros, the Americas that accounts for 35 percent of total Group sales showed the highest dynamics. Sales revenue in the EMEA<sup>2</sup> region which contributes around 40 percent to Group sales, rose 23.6 percent to 672.6 million euros. Generating around 25 percent of Group sales, the Asia | Pacific region also recorded a substantial sales increase of 23.3 percent to 421.5 million euros. (All figures on sales revenue in constant currencies)

### **Business development of the divisions**

The Bioprocess Solutions Division that offers a wide array of innovative products and technologies for manufacturing biopharmaceuticals increased its sales revenue in the reporting period by 29.0 percent (reported: +27.7 percent) to 1,288.1 million euros. In addition to strong organic development across all product segments and geographies, consolidation of the most recent acquisitions contributed around 4 percentage points to sales growth. Pandemic-driven effects are estimated to have added around 10 percentage points, with around half of these percentage points expectedly attributable to additional sales related to the ramp-up of production capacities for coronavirus vaccines and Covid-19 therapeutics and the other half to inventory buildup by some customers. The division's order intake<sup>1</sup> surged in the first nine months of 2020 by 44.2 percent (reported: + 42.7 percent) to 1,546.8 million euros and was positively impacted by around 15 percentage points by the pandemic effects mentioned above. Underlying EBITDA<sup>1</sup> of the division also rose very significantly due to economies of scale by 41.3 percent to 410.5 million euros, while currency headwinds had a slightly negative impact; the respective margin increased year over year from 28.8 percent to 31.9 percent.

The Lab Products & Services Division specializing in equipment and technologies for laboratories, primarily in the pharmaceutical sector and life science research, showed robust development over the nine-month period in spite of the difficult first half due to the pandemic. Especially towards the end of the reporting period, the division's bioanalytics portfolio developed dynamically and, as part of it, so did the protein analysis business acquired from Danaher. Regionally, business expanded most strongly in North America and Asia. The division increased its sales by 14.2 percent (reported: +13.0 percent), with the acquisitions contributing around 12 percentage points, while a negative effect of more than 3 percentage points was recorded as a result of closure of some customers' laboratories, mainly in the first half of the year due to the pandemic. Order intake<sup>1</sup> rose at a slightly stronger rate than sales, by 18.1 percent (reported: +16.7 percent) to 409.7 million euros. Underlying EBITDA<sup>1</sup> for the division stood at 78.2 million euros (+10.8 percent) after the first nine months and the division's respective margin, which was diluted by around half of a percentage point by currency headwinds, reached 20.0 percent (previous period: 20.4 percent).

(Sales revenues and margins of the divisions in the comparable period adjusted to reflect the reallocation of two small product segments)

## Key financial indicators

The equity ratio of the Group continued to remain at a solid level of 29.2 percent even after closing of the recent acquisitions and the increased balance sheet total due to a significantly expanded cash position (December 31, 2019: 38.1 percent). Net debt to underlying EBITDA<sup>1</sup> increased in this context as expected, from 2.0 at year-end 2019 to 2.5 for the period ended September 30, 2020. The ratio of capital expenditures (CAPEX) to sales revenue was 8.0 percent in line with expectations (prior-year period: 12.5 percent).

## Number of employees surpasses the 10,000 mark for the first time

As of the reporting period ended September 30, 2020, the Group employed 10,008 people worldwide. Compared to headcount as of December 31, 2019, this number rose by 972. The increase has resulted, in particular, from acquisitions and from hiring additional production staff due to the rising capacity utilization at a few manufacturing sites. At the end of the reporting period, around 6,700 people were employed in the EMEA<sup>2</sup> region, more than 1,750 in the Americas and about 1,550 in the Asia | Pacific region. (Prior-year base slightly adjusted due to the change in the scope of consolidation)

## Group management specifies outlook for 2020

Based on its strong nine-month performance, Sartorius now expects consolidated sales revenue to increase at the upper end of, or slightly above, the range of 22 percent to 26 percent forecasted to date. As projected so far, the non-organic contribution to this growth by Biological Industries and the portfolio acquired from Danaher should amount to a good 1.5 percentage points and around 5 percentage points, respectively. The Group's underlying EBITDA margin<sup>1</sup> is now forecasted to be around 29.5 percent (previously about 28.5 percent). The planned acquisition of purification specialist BIA Separations that was announced in early October and can be expected to close by late 2020 is not expected to have any material impact on Sartorius' sales revenue or underlying EBITDA<sup>1</sup> for the full year of 2020.

The ratio of capital expenditures (CAPEX) to sales revenue continues to remain at around 10 percent (previous year: 12.3 percent). Due to strong cash flow, net debt to underlying EBITDA<sup>1</sup> is likely to be slightly below 2.75 by year-end 2020, as projected so far, even after the acquisition of BIA Separations is completed in the fourth quarter (previous year: 2.0).

## Outlook for the divisions

For the Bioprocess Solutions Division, management expects sales to grow at the upper end of, or slightly above, the range of 26 percent to 30 percent projected so far. The division's underlying EBITDA<sup>1</sup> margin is forecasted to reach approximately 32 percent (previously around 31 percent).

The outlook for Lab Products & Services also predicts that the division's sales revenue will grow at the upper end of, or slightly above, the range of 10 percent to 14 percent forecasted so far; the division's underlying EBITDA<sup>1</sup> margin is expected to be about 21 percent (previously around 20 percent).

Due to the ongoing pandemic, this guidance continues to be subject to greater uncertainty than usual. In particular, these projections are based on the assumptions that logistics chains will continue to be stable

and the relevant laboratories and production lines will remain continuously in operation. All forecasts are based on constant currencies, as in the past years.

Mid-range forecasts are also subject to particularly high uncertainty at present. For the time being Sartorius therefore has not changed its defined ambition for 2025 of achieving sales revenue of around 4 billion euros and an underlying EBITDA<sup>1</sup> margin of about 28 percent for the full year of 2025<sup>3</sup>. With publication of preliminary full-year 2020 results, management will provide a forecast for the next financial year and explain its 2025 targets in detail.

<sup>1</sup> Sartorius 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.

- Order intake: all customer orders contractually concluded during the respective reporting period
- Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items
- Relevant net profit: profit for the period after non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and corresponding tax effects

<sup>2</sup> EMEA = Europe, Middle East, Africa

<sup>3</sup> Further information is provided on page 28 of the Sartorius 2019 Annual Report

This press release contains forward-looking statements about the future development of the Sartorius 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 assumes no liability for updating such statements in light of new information or future events. This is a translation of the original German-language press release. Sartorius shall not assume any liability for the correctness of this translation. The original German press release is the legally binding version.

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### Conference call

Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius, and Rainer Lehmann, CFO and a member of the Executive Board, will discuss the company's business results with analysts and investors on October 20, 2020, at 3:30 p.m. Central European Summer Time (CEST) in a teleconference. To register for the conference call, click on the following link:

<https://78449.choruscall.com/dataconf/productusers/sartorius/mediaframe/41393/index1.html>

The presentation will be available on the same day starting at 3:15 p.m. CEST, for viewing on our website at:

<https://www.sartorius.com/en/company/investor-relations/sartorius-ag-investor-relations/presentations>

### Current image files

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

### Financial calendar

January 27, 2021	Publication of the preliminary figures for the full year of 2020
March 26, 2021	Annual Shareholders' Meeting
April 21, 2021	Publication of first-quarter figures (January to March 2021)

## A profile of Sartorius

The Sartorius Group is a leading international partner of life science research and the biopharmaceutical industry. With innovative laboratory instruments and consumables, the Group's Lab Products & Services Division concentrates on serving the needs of laboratories performing research and quality control at pharma and biopharma companies and those of academic research institutes. The Bioprocess Solutions Division with its broad product portfolio focusing on single-use solutions helps customers to manufacture biotech medications and vaccines safely and efficiently. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions complementary technologies. In fiscal 2019, the company earned sales revenue of some 1.83 billion euros. At the end of 2019, more than 9,000 people were employed at the Group's approximately 60 manufacturing and sales sites, serving customers around the globe.

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## Key Figures for Nine Months 2020

in millions of € unless otherwise specified	Sartorius Group				Bioprocess Solutions <sup>1</sup>				Lab Products & Services <sup>1</sup>			
	9-mo. 2020	9-mo. 2019	Δ in %	Δ in % cc <sup>2</sup>	9-mo. 2020	9-mo. 2019	Δ in %	Δ in % cc <sup>2</sup>	9-mo. 2020	9-mo. 2019	Δ in %	Δ in % cc <sup>2</sup>
<b>Sales Revenue and Order Intake</b>												
Order intake	1,956.5	1,435.0	36.3	37.8	1,546.8	1,084.0	42.7	44.2	409.7	351.0	16.7	18.1
Sales revenue	1,680.0	1,355.8	23.9	25.2	1,288.1	1,009.0	27.7	29.0	391.9	346.8	13.0	14.2
▪ EMEA <sup>3</sup>	672.6	546.1	23.2	23.6	506.4	398.1	27.2	27.5	166.2	148.0	12.3	12.9
▪ Americas <sup>3</sup>	586.0	461.7	26.9	28.7	470.7	366.4	28.5	30.1	115.3	95.3	21.0	23.5
▪ Asia   Pacific <sup>3</sup>	421.5	348.1	21.1	23.3	311.1	244.5	27.2	29.9	110.4	103.6	6.6	7.8
<b>Results</b>												
EBITDA <sup>4</sup>	488.7	361.1	35.3		410.5	290.5	41.3		78.2	70.6	10.8	
EBITDA-margin <sup>4</sup> in %	29.1	26.6			31.9	28.8			20.0	20.4		
Net result <sup>5</sup>	211.2	153.2	37.9									
<b>Financial data per share</b>												
Earnings per ordinary share <sup>5</sup> in €	3.08	2.23	38.0									
Earnings per pref. share <sup>5</sup> in €	3.09	2.24	37.8									

1 Sales revenues and margins of the divisions in the comparable period adjusted to reflect the reallocation of two small product segments

2 In constant currencies

3 According to customers' location

4 Adjusted for extraordinary items

5 After non-controlling interest, adjusted for extraordinary items and non-cash amortization, and based on the normalized financial result and tax rate.

## Key Figures for the Third Quarter of 2020

in millions of € unless otherwise specified	Sartorius Group				Bioprocess Solutions <sup>1</sup>				Lab Products & Services <sup>1</sup>			
	Q3 2020	Q3 2019	Δ in %	Δ in % cc <sup>2</sup>	Q3 2020	Q3 2019	Δ in %	Δ in % cc <sup>2</sup>	Q3 2020	9M 2019	Δ in %	Δ in % cc <sup>2</sup>
<b>Sales Revenue and Order Intake</b>												
Order intake	711.7	460.7	54.5	59.8	561.9	348.4	61.3	67.0	149.8	112.3	33.5	37.6
Sales revenue	623.2	461.2	35.1	39.5	478.7	343.2	39.5	44.1	144.5	117.9	22.5	26.2
▪ EMEA <sup>3</sup>	253.1	184.2	37.4		195.5	134.2	45.7		57.6	50.0	15.2	
▪ Americas <sup>3</sup>	212.8	153.4	38.7		165.9	120.2	38.0		47.0	33.2	41.4	
▪ Asia   Pacific <sup>3</sup>	157.3	123.5	27.3		117.4	88.8	32.2		39.9	34.7	14.9	
<b>Results</b>												
EBITDA <sup>4</sup>	195.1	123.4	58.1		163.3	99.0	64.9		31.9	24.4	30.7	
EBITDA-margin <sup>4</sup> in %	31.3	26.8			34.1	28.9			22.1	20.7		
Net result <sup>5</sup>	86.9	51.6	68.3									
<b>Financial data per share</b>												
Earnings per ordinary share <sup>5</sup> in €	1.27	0.76	68.3									
Earnings per pref. share <sup>5</sup> in €	1.27	0.76	68.3									

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## Statement of Profit or Loss

in millions of € unless otherwise specified	3rd quarter 2020	3rd quarter 2019	9 months 2020	9 months 2019
Sales revenue	623.2	461.2	1,680.0	1,355.8
Cost of sales	-294.3	-224.2	-802.3	-659.6
<b>Gross profit on sales</b>	<b>328.9</b>	<b>237.0</b>	<b>877.7</b>	<b>696.2</b>
Selling and distribution costs	-110.8	-91.9	-321.8	-274.5
Research and development expenses	-28.0	-23.1	-77.9	-68.4
General administrative expenses	-31.0	-27.8	-91.6	-80.2
Other operating income and expenses	-15.5	-11.3	-54.6	-23.7
<b>Earnings before interest and taxes (EBIT)</b>	<b>143.5</b>	<b>82.8</b>	<b>331.8</b>	<b>249.4</b>
Financial income	5.9	3.7	18.2	8.2
Financial expenses	-13.9	-11.7	-46.5	-26.1
<b>Financial result</b>	<b>-8.0</b>	<b>-8.0</b>	<b>-28.3</b>	<b>-17.9</b>
<b>Profit before tax</b>	<b>135.5</b>	<b>74.8</b>	<b>303.5</b>	<b>231.5</b>
Income taxes	-40.7	-20.2	-91.0	-62.5
<b>Net profit for the period</b>	<b>94.9</b>	<b>54.6</b>	<b>212.4</b>	<b>169.0</b>
Attributable to:				
Shareholders of Sartorius AG	68.0	39.0	149.1	121.3
Non-controlling interest	26.8	15.6	63.3	47.7
Earnings per ordinary share (€) (basic)	0.99	0.57	2.18	1.77
Earnings per preference share (€) (basic)	0.99	0.57	2.19	1.78
Earnings per ordinary share (€) (diluted)	0.99	0.57	2.18	1.77
Earnings per preference share (€) (diluted)	0.99	0.57	2.19	1.78

## Statement of Comprehensive Income

in millions of € unless otherwise specified	3rd quarter 2020	3rd quarter 2019	9 months 2020	9 months 2019
<b>Net profit for the period</b>	<b>94.9</b>	<b>54.6</b>	<b>212.4</b>	<b>169.0</b>
Cash flow hedges	5.0	-7.3	10.4	-9.5
of which effective portion of the change in fair value	9.3	-6.0	13.9	-6.5
of which reclassified to profit or loss	-4.3	-1.2	-3.5	-2.9
Income tax on cash flow hedges	-1.5	2.2	-2.9	3.0
Net investment in a foreign operation	-38.6	15.9	-54.8	18.2
Income tax on net investment in a foreign operation	9.8	-4.3	14.5	-4.9
Currency translation differences	-15.3	14.4	-28.3	12.7
<b>Items that may be reclassified in the profit or loss statement, net of tax</b>	<b>-40.7</b>	<b>20.9</b>	<b>-61.2</b>	<b>19.6</b>
Remeasurements of the net defined benefit liability	0.0	0.0	0.5	-6.8
Income tax on items that will not be reclassified in the profit or loss statement	0.0	0.0	-0.2	2.0
<b>Items that will not be reclassified in the profit or loss statement, net of tax</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>	<b>-4.7</b>
<b>Other comprehensive income after tax</b>	<b>-40.7</b>	<b>20.9</b>	<b>-60.8</b>	<b>14.9</b>
<b>Total comprehensive income</b>	<b>54.2</b>	<b>75.5</b>	<b>151.6</b>	<b>183.9</b>
Attributable to:				
Shareholders of Sartorius AG	31.8	57.1	95.7	135.0
Non-controlling interest	22.4	18.4	55.9	48.9



## Statement of Financial Position

	Sept. 30, 2020 € in mn	Dec. 31, 2019 € in mn <sup>1</sup>
<b>Assets</b>		
<b>Non-current assets</b>		
Goodwill	969.6	695.8
Other intangible assets	799.9	431.6
Property, plant and equipment	879.6	832.9
Financial assets	29.6	30.0
Other assets	1.5	1.5
Deferred tax assets	39.8	25.8
	<b>2,720.1</b>	<b>2,017.5</b>
<b>Current assets</b>		
Inventories	531.7	412.7
Trade receivables	314.6	302.7
Other financial assets	38.4	21.6
Current tax assets	13.1	16.4
Other assets	59.6	43.1
Cash and cash equivalents	475.8	54.4
	<b>1,433.2</b>	<b>851.0</b>
<b>Total assets</b>	<b>4,153.3</b>	<b>2,868.5</b>
	<b>Sept. 30, 2020</b>	<b>Dec. 31, 2019</b>
<b>Equity and liabilities</b>	<b>€ in mn</b>	<b>€ in mn</b>
<b>Equity</b>		
Equity attributable to Sartorius AG shareholders	882.3	810.4
Issued capital	68.4	68.4
Capital reserves	41.7	40.7
Other reserves and retained earnings	772.2	701.3
Non-controlling interest	330.2	282.8
	<b>1,212.5</b>	<b>1,093.2</b>
<b>Non-current liabilities</b>		
Pension provisions	77.4	76.6
Other provisions	8.4	8.4
Loans and borrowings	1,956.1	822.2
Lease liabilities	64.6	58.8
Other financial liabilities	55.0	56.1
Deferred tax liabilities	84.0	90.7
	<b>2,245.5</b>	<b>1,112.8</b>
<b>Current liabilities</b>		
Provisions	27.6	15.4
Trade payables	265.1	225.2
Loans and borrowings	46.1	168.9
Lease liabilities	19.4	18.6
Employee benefits	102.3	68.1
Other financial liabilities	58.7	51.7
Current tax liabilities	80.5	57.5
Other liabilities	95.6	57.2
	<b>695.3</b>	<b>662.6</b>
<b>Total equity and liabilities</b>	<b>4,153.3</b>	<b>2,868.5</b>

<sup>1</sup> The previous year's figures have been restated due to finalization of the purchase price allocations for Biological Industries.

## Statement of Cash Flows

in millions of € unless otherwise specified	9 months 2020	9 months 2019
Profit before tax	303.5	231.5
Financial result	28.3	17.9
Depreciation   amortization of intangible and tangible assets	127.9	93.8
Change in provisions	12.2	0.4
Change in receivables and other assets	-34.8	-25.8
Change in inventories	-98.3	-71.2
Change in liabilities (without loans and borrowings)	112.2	53.2
Income taxes paid	-73.5	-47.8
Other non-cash items	2.5	2.1
<b>Cash flows from operating activities</b>	<b>380.0</b>	<b>254.1</b>
Capital expenditures	-134.8	-169.0
Other payments	-5.6	-2.0
<b>Cash flow from investing activities</b>	<b>-140.4</b>	<b>-171.1</b>
Payments for acquisitions of consolidated subsidiaries and other business operations, net of cash acquired	-770.7	-4.5
<b>Cash flow from investing activities, acquisitions and disposals</b>	<b>-911.0</b>	<b>-175.6</b>
Interest received	4.4	1.3
Interest paid and other financial charges	-16.4	-15.9
Dividends paid to:		
Shareholders of Sartorius AG	-24.3	-42.1
Non-controlling interest	-8.9	-14.9
Changes in non-controlling interest	-1.1	0.0
Loans repaid	-209.1	-57.6
Loans raised	1,205.4	67.2
<b>Cash flow from financing activities</b>	<b>950.1</b>	<b>-61.9</b>
Net increase   decrease in cash and cash equivalents	419.1	16.7
Cash and cash equivalents at the beginning of the period	54.4	45.2
Change in scope of consolidation	0.0	2.5
Net effect of currency translation on cash and cash equivalents	2.3	0.2
<b>Cash and cash equivalents at the end of the period</b>	<b>475.8</b>	<b>64.6</b>

## Reconciliation

in millions of € unless otherwise specified	9 months 2020	9 months 2019
EBIT	331.8	249.4
Extraordinary effects	30.4	18.5
Amortization	42.1	25.5
Normalized financial result <sup>1</sup>	-16.0	-11.7
Normalized income tax (2020: 27%   2019: 27%) <sup>2</sup>	-104.8	-76.1
<b>Underlying net result after tax</b>	<b>283.4</b>	<b>205.7</b>
Non-controlling interest	-72.2	-52.5
<b>Underlying earnings after taxes and non-controlling interest</b>	<b>211.2</b>	<b>153.2</b>
Underlying earnings per share		
per ordinary share in €	3.08	2.23
per preference share in €	3.09	2.24

1 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to own financing activities.

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