

SARTORIUS

Simplifying Progress

Conference call Nine-month 2020 results

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Sartorius | Sartorius Stedim Biotech

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Disclaimer

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.

Highlights

- Sales revenue, order intake and earnings with significant double-digit growth rates
- Bioprocess Solutions Division: Expands dynamically; with strong overall momentum and additional pandemic-related orders
- Lab Products & Services Division: Recovery effects in Q3 after difficult first six months
- Acquisitions with very positive development
- BIA Separations to become part of Sartorius Stedim Biotech; transaction expected to close in Q4/2020
- Outlook for 2020 specified and slightly increased; uncertainty remains

Agenda

Sartorius Group
9M 2020 results | FY 2020 guidance

Sartorius Stedim Biotech Group
9M 2020 results | FY 2020 guidance

Questions & Answers



Strong profitable growth

Sartorius Group in millions of € unless otherwise specified	9M 2019	9M 2020	▲ in %	▲ in % cc ¹
Sales revenue	1,355.8	1,680.0	+23.9	+25.2
Order intake	1,435.0	1,956.5	+36.3	+37.8
Underlying EBITDA ²	361.1	488.7	+35.3	
Underlying EBITDA ² margin in %	26.6	29.1	+2.5pp	
Underlying EPS ³ (ord.) in €	2.23	3.08	+38.0	
Underlying EPS ³ (pref.) in €	2.24	3.09	+37.8	

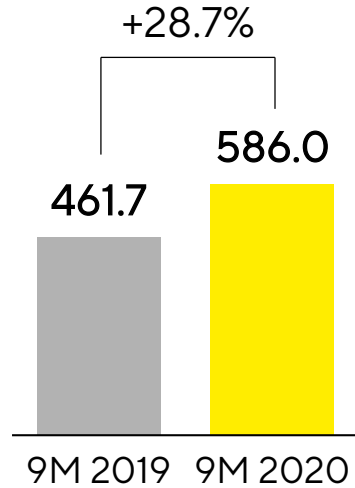
- Acquisitions contribute close to +6pp to sales growth; net effect from pandemic approx. +6pp / approx. +10pp for order intake
- Underlying EBITDA margin driven by economies of scale and lower costs in some areas due to pandemic; acquisitions with no relevant effects; dilutive effect from currencies of about half a percentage point

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 sales growth in all geographies

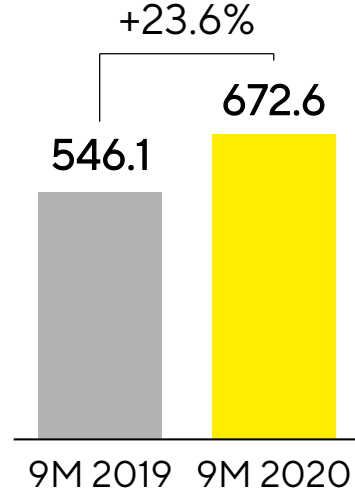
Americas

€ in millions



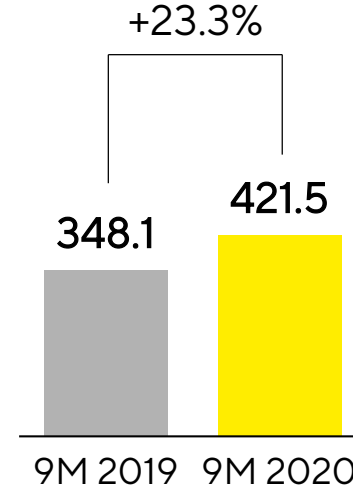
EMEA

€ in millions



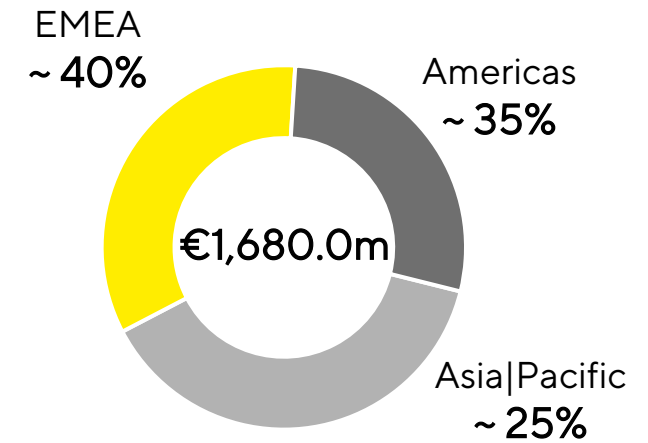
Asia|Pacific

€ in millions



Sales by Region

in %



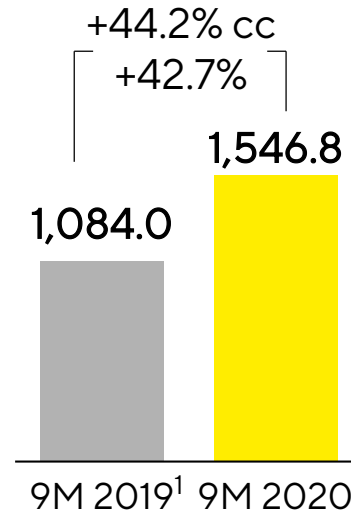
- Americas: strong organic growth for BPS; LPS supported by acquisitions and with positive trend in Q3
- EMEA: BPS with strong performance; solid performance of LPS considering economic challenges
- Asia|Pacific: BPS with the highest order momentum; LPS demand further improved after lockdown lifted in China

Acc. to customers' location; growth in constant currencies

BPS: High growth across all product segments and regions

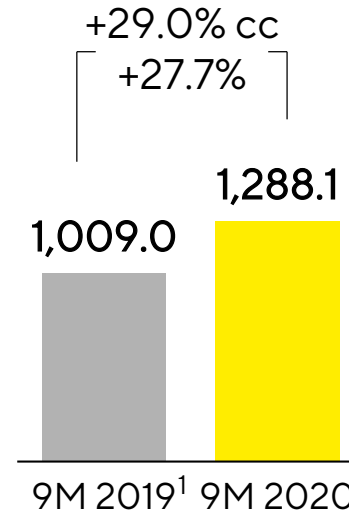
Order Intake

€ in millions



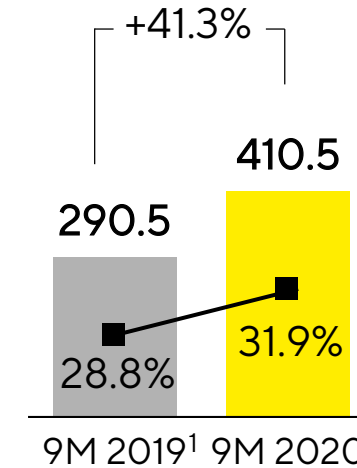
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



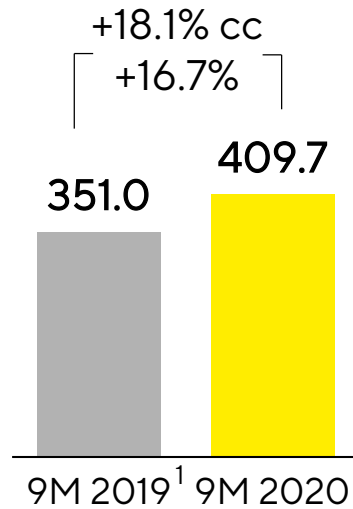
- Strong organic growth; pandemic-driven effects presumably around 10pp (approx. half of that from demand related to coronavirus vaccines and therapeutics and other half from inventory build-up), acquisitions accounted for approx. 4pp of growth
- Pandemic-driven effects estimated at around 15pp of order intake growth
- Underlying EBITDA margin rose due to economies of scale, despite slight FX dilution

¹ 9M 2019 figures reported: Order intake €1,100.0m, sales €1,025.0m, underlying EBITDA €300.6m

LPS: Robust sales development

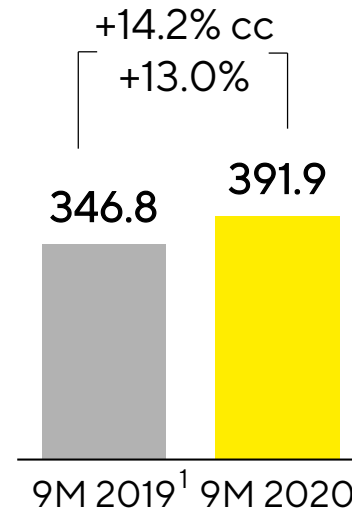
Order Intake

€ in millions



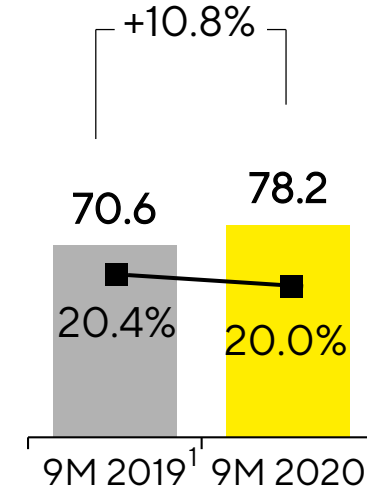
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- Recovery effects in Q3 and positive development of bioanalytics after a difficult first half due to pandemic
- Acquisitions contribute around 12pp to sales growth; net effect from pandemic more than -3pp
- Underlying EBITDA margin influenced by approx. half a percentage point dilutive FX effect

¹9M 2019 figures reported: Order intake €335.0m, sales €330.8m, underlying EBITDA €60.5m

Operating cash flow increases significantly

Sartorius Group in millions of € unless otherwise specified	9M 2019	9M 2020	▲ in %
Underlying EBITDA	361.1	488.7	+35.3
Extraordinary items	-18.5	-30.4	n.m.
Financial result	-17.9	-28.3	n.m.
Underlying net profit ^{1,2}	153.2	211.2	+37.9
Reported net profit ²	121.3	149.1	+22.9
Operating cash flow	254.1	380.0	+49.6
Investing cash flow ³	-175.6	-911.0	n.m.
CAPEX ratio (in %)	12.5	8.0	-4.5pp

- Net operating cash flow mostly driven by higher earnings and factoring program (~€97m)
- Extraordinary items influenced by M&A
- Investing cash flow includes acquisition of Danaher portfolio in Q2
- Tax rate at 30% (+3pp vs. PY) due to accounting of tax risks, not cash-effective in 9M

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

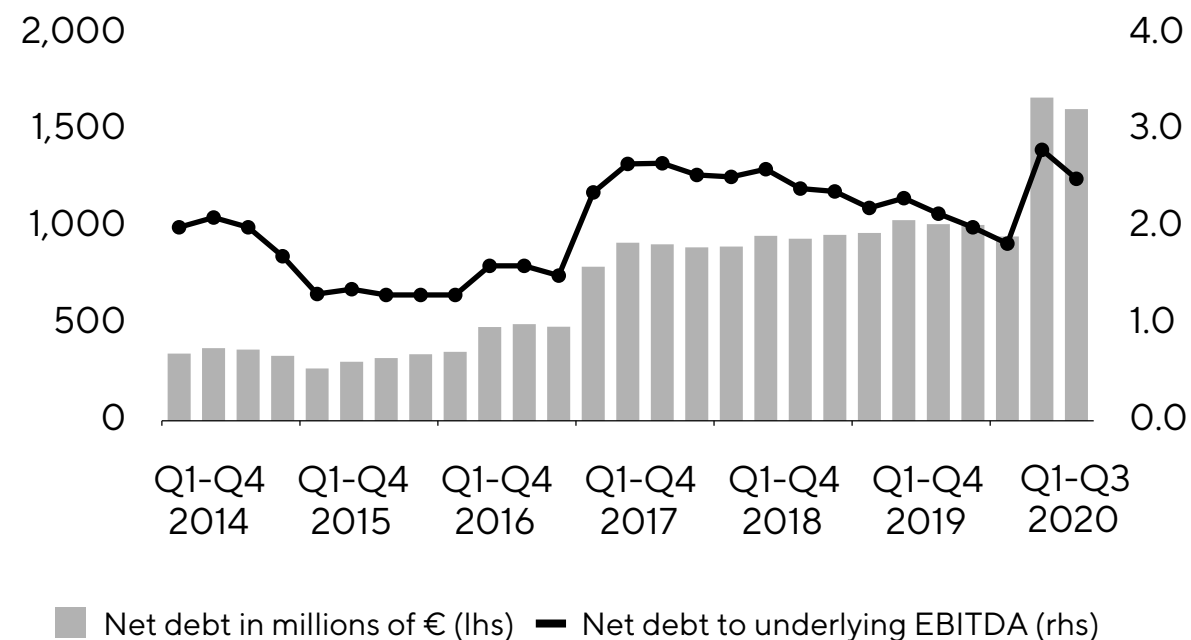
Financial indicators remain on very solid level

Key Financial Indicators

Sartorius Group	Dec. 31, 2019	Sep. 30, 2020
Equity ratio in %	38.1	29.2
Net debt in millions of €	1,014.0	1,610.3
Net debt underlying EBITDA	2.0	2.5

- Balance sheet and equity ratio influenced by the recent acquisitions and higher cash position

Net Debt and Net Debt to Underlying EBITDA



Outlook for 2020 specified and slightly increased; uncertainty remains

FY 2020 Guidance ¹	Sales revenue growth		Underlying EBITDA margin	
	previous	change / new	previous	change / new
Sartorius Group	~ 22% - 26%	upper end or slightly above ~ 22% - 26%	~ 28.5%	+ 1 pp → ~ 29.5%
- thereof acquisitions	~6.5pp	~6.5pp	slightly dilutive	neutral
Bioprocess Solutions	~ 26% - 30%	upper end or slightly above ~ 26% - 30%	~ 31.0%	+ 1 pp → ~ 32.0%
- thereof acquisitions	~4.5pp	~4.5pp	slightly dilutive	neutral
Lab Products & Services	~ 10% - 14%	upper end or slightly above ~ 10% - 14%	~ 20.0%	+ 1 pp → ~ 21.0%
- thereof acquisitions	~12.5pp	slightly above ~12.5pp	slightly accretive	slightly accretive

- CAPEX ratio ~10% (unchanged); net debt to underlying EBITDA remains projected slightly below ~2.75
- Acquisition of Biological Industries included for 12 months; life science portfolio from Danaher included for approx. 8 months; closing of the acquisition of BIA Separations expected before year end
- Guidance based on the assumption that logistics chains continue to be stable and production lines remain in operation

¹ In constant currencies

Agenda

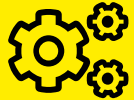
Sartorius Group
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Sartorius Stedim Biotech Group
9M 2020 results | FY 2020 guidance

Questions & Answers



BIA Separations to become part of Sartorius Stedim Biotech



Strategic rationale

- Market-leading technology for purification in advanced therapy processes
- Highly complementary to current purification offering and to advanced therapy portfolio



Acquisition terms and financials

- Transaction volume of €360mn; €240mn in cash, €120mn in SSB shares
- Performance-based earn-out payments over the next five years
- ~€25mn sales revenue in 2020, very strong double-digit growth rates; margin accretive



Closing and consolidation

- Expected to close in Q4/2020; subject to customary closing conditions
- No material impact on P&L in 2020

Bioprocessing innovator, addressing bottlenecks in advanced therapies

 Ajdovščina, Slovenia

 ~120 employees

 Quadrupling production capacity till end 2021



Monolithic columns

Portfolio

- Pre-packed monolithic columns optimized for purification in advanced therapy processes (e.g. viruses, plasmids, exosomes)
- Provides significantly higher yield by avoiding shearing effects which occur in traditional purification processes, e.g. in chromatography

Positioning

- Monoliths already used in production of first commercialized advanced therapeutics
- Strong presence in (pre-) clinical projects

High growth across all product segments

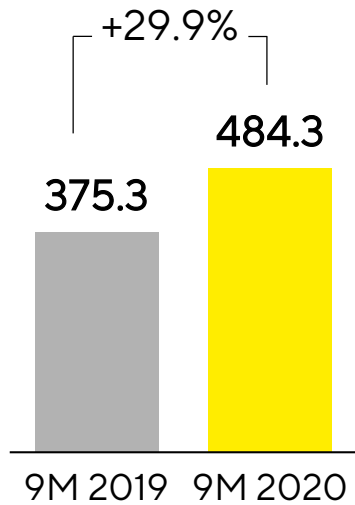
Sartorius Stedim Biotech Group in millions of € unless otherwise specified	9M 2019	9M 2020	▲ in %	▲ in % cc ¹
Sales revenue	1,076.7	1,379.4	+28.1	+29.2
Order intake	1,147.1	1,637.9	+42.8	+43.9
Underlying EBITDA ²	312.3	434.7	+39.2	
Underlying EBITDA ² margin in %	29.0	31.5	+2.5pp	
Underlying EPS ³ in €	2.15	3.02	+40.4	

- Strong organic growth; pandemic-driven effects presumably around 9pp (approx. half of that from demand related to coronavirus vaccines and therapeutics and other half from inventory build-up), acquisitions accounted for approx. 4pp of growth
- Pandemic-driven effects estimated at around 14pp of order intake growth
- Underl. EBITDA margin rose due to economies of scale and lower costs in some areas due to pandemic; slight FX dilution

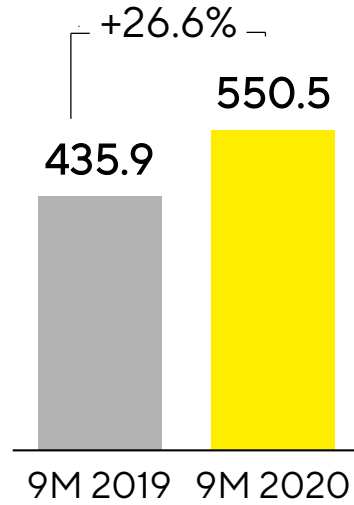
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Double-digit sales growth in all geographies

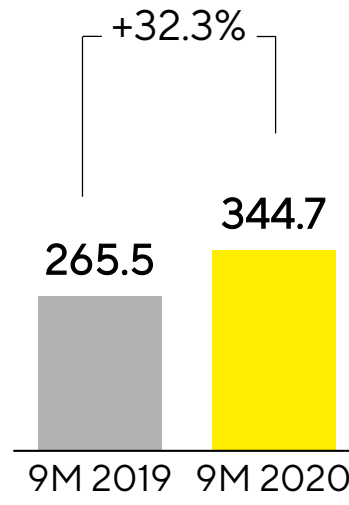
Americas
€ in millions



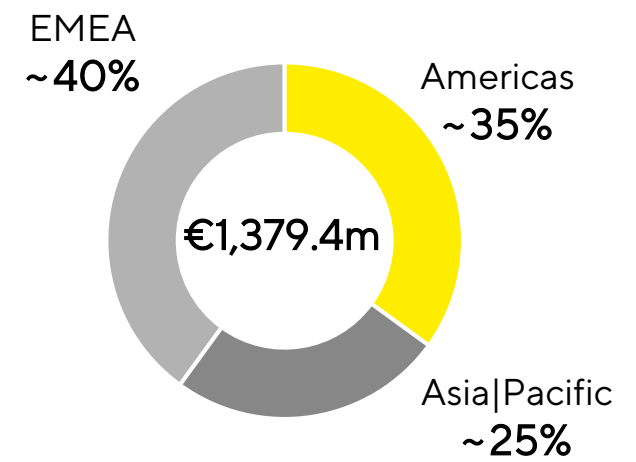
EMEA
€ in millions



Asia|Pacific
€ in millions



Sales by Region
in %



- All regions with strong organic development; Asia|Pacific with the highest order momentum

Acc. to customers' location; growth in constant currencies

Operating cash flow rises significantly

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	9M 2019	9M 2020	▲ in %
Underlying EBITDA	312.3	434.7	+39.2
Extraordinary items	-11.5	-12.9	-11.7
Financial result	-6.6	-13.9	n.m.
Underlying net profit ^{1,2}	198.1	278.1	+40.4
Reported net profit ²	179.5	243.6	+35.7
Operating cash flow	223.9	327.3	+46.2
Investing cash flow ³	-102.9	-336.7	n.m.
CAPEX ratio (in %)	9.1	5.6	-3.5pp

- Net operating cash flow mostly driven by higher earnings and factoring program (~€87m)
- Extraordinary items influenced by M&A expenses, among others
- Investing cash flow includes acquisition of Danaher portfolio in Q2
- Tax rate at 27.5% (+1.5pp vs. PY) due to accounting of tax risks, not cash-effective in 9M

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3 Net cash flow from investing activities and acquisitions

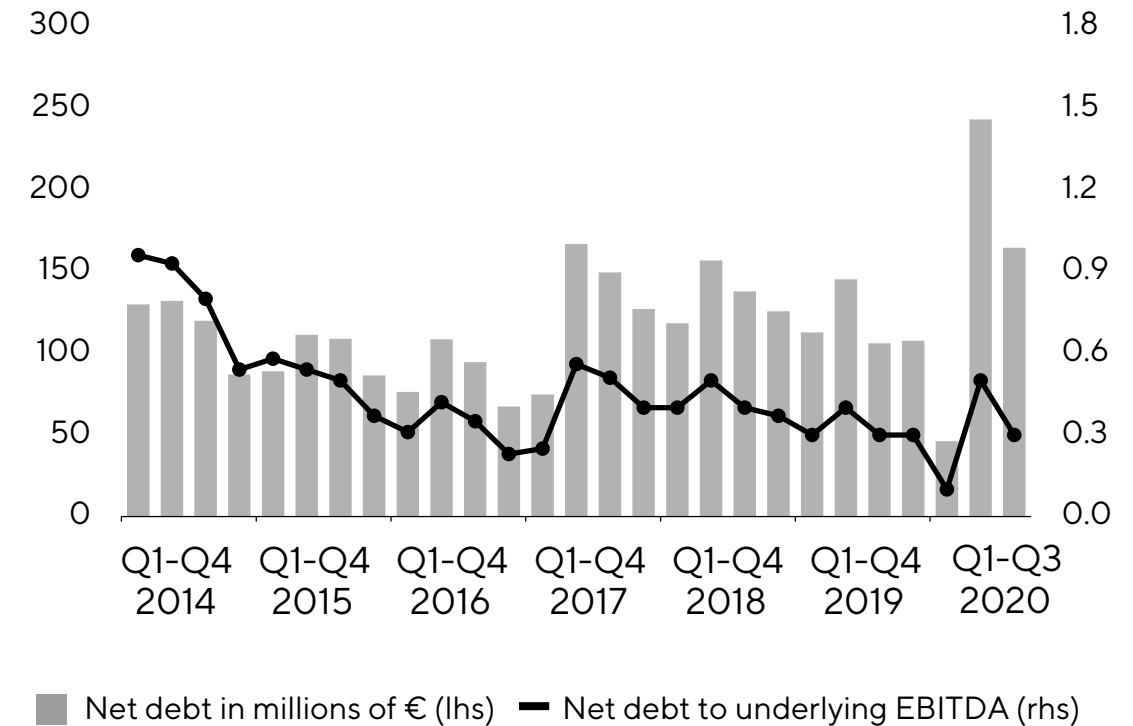
Financial indicators remain on very solid level

Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2019	Sep. 30, 2020
Equity ratio in %	64.4	58.3
Net debt in millions of €	110.4	164.6
Net debt underlying EBITDA	0.3	0.3

- Balance sheet and equity ratio influenced by recent acquisitions and higher cash position

Net Debt and Net Debt to Underlying EBITDA



Outlook for 2020 specified and slightly increased

FY 2020 Guidance ¹	Sales revenue growth		Underlying EBITDA margin	
	previous	change / new	previous	change / new
Sartorius Stedim Biotech	~ 26% - 30%	upper end or slightly above ~ 26% - 30%	~ 31.0%	+ 1 pp → ~ 32.0%
- thereof acquisitions	~5pp	~5pp	slightly dilutive	neutral

- CAPEX ratio ~8% (unchanged) net debt to underlying EBITDA projected at slightly below 0.5 (unchanged)
- Acquisition of Biological Industries included for 12 months; life science portfolio from Danaher included for approx. 8 months; closing of the acquisition of BIA Separations expected before year end
- Guidance based on the assumption that logistics chains continue to be stable and production lines remain in operation




¹ In constant currencies

Questions & Answers



Thank you very much for your attention.

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-  [Sartorius Group Investors Presentation](#)
-  [Sartorius Stedim Biotech Investors Presentation](#)
-  [Or visit our IR website](#)

