

## Sartorius Stedim Biotech grows by double digits in sales and earnings in 2018– positive outlook for 2019

- Group sales revenue up 13.7%; earnings margin<sup>1)</sup> up by 0.9 percentage points to 28.2%
- Dynamic development fueled by strong demand across all product categories and geographies
- Ambitious guidance for 2019 backed by strong order intake

Aubagne, January 29, 2019 – According to preliminary figures, Sartorius Stedim Biotech (SSB), a leading partner of the biopharma industry, continued on its profitable growth track in fiscal 2018.

Sales revenue rose in constant currencies by 13.7% to 1,212.2 million euros (reported +12.1%). SSB therefore reached the upper end of its guidance, which had been raised significantly at mid-year 2018 to 11% to 14%. Its positive development was based on its very competitive product portfolio and fueled by strong demand across all product categories and geographies. Most of this increase was organic, whereas the acquisition of the software company Umetrics contributed around 0.5 percentage point of non-organic growth. Order intake increased dynamically 14.2% in constant currencies to 1,307.3 million euros (reported +12.5%).

"Following the previous year's comparably moderate performance, our strong underlying growth trends became fully apparent in 2018 again, and we even performed somewhat ahead of initial expectations," said Dr. Joachim Kreuzburg, Chairman of the Board. "With our broad portfolio, we are very well prepared to meet the growing demand of the rapidly expanding biopharma market. We are optimistic about the future and have set ourselves ambitious goals for 2019."

Geographically, all regions contributed to consolidated growth. EMEA (Europe | Middle East | Africa) recorded a gain of 10.7% to 508.2 million euros. In the Americas region, sales increased dynamically by 16.9% to 422.6 million euros after a rather weak previous year. The Asia | Pacific region also grew significantly by 14.7% to 281.3 million euros following already strong performance in 2017.

Due to economies of scale, underlying EBITDA<sup>1)</sup> surged overproportionately relative to sales by 16.1% to 342.4 million euros. The Group's respective margin therefore rose to 28.2% (2017: 27.3%). Underlying net profit<sup>2)</sup> after non-controlling interest for the Group rose strongly by 21.5% from 180.4 million euros a year ago to 219.3 million euros in fiscal 2018. Underlying earnings per share thus surged from 1.96 euros a year earlier to 2.38 euros.

### Key financial indicators

The Group continues to have a very solid financial position. Driven by strong earnings, equity of Sartorius Stedim Biotech grew from 879.5 million euros at year-end 2017 to 1,044.9 million euros. Its equity ratio rose to 66.5% (December 31, 2017: 62.6%) and thus continued to remain at a very comfortable level. At 0.4, the ratio of net debt to underlying EBITDA was at the previous year's low level and in line with expectations. The ratio of capital expenditure to sales revenue was 14.6% (December 31, 2017: 12.6%).

Investment activities focused on the expansion of the plant for manufacturing single-use bags and filters in Puerto Rico; the extension of production capacity in Göttingen, Germany; and on IT and digitalization projects.

## **Positive outlook for 2019**

Sartorius Stedim Biotech expects continued profitable growth in 2019. Consolidated sales revenue is projected to grow by about 7% to 11%. This forecast reflects the changes to the sales alliance with the Lonza group for cell culture media. Without these changes, sales growth would probably be approximately 3 percentage points higher.

Regarding profitability, management forecasts that the company's underlying EBITDA margin will increase by slightly more than one percentage point over the prior-year figure to approximately 29.2% (2018: 28.2%). Of this figure, approximately half a percentage point is expected to be an operational increase, whereas the remainder will result from changes to the IFRS accounting rules.<sup>3)</sup> The ratio of capital expenditures to sales revenue is projected to be around 11%, down from the year-earlier figure of 14.6%.

All figures in this outlook are given in constant currencies. In spite of countermeasures already taken, a disorderly exit of the United Kingdom from the EU may have a certain impact on our supply chain, yet a reliable forecast of possible effects cannot be given at the present time.

- 1) Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items
- 2) 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
- 3) IFRS 16 required to be applied as of 2019 regulates accounting of leasing contracts. Ultimately, this will result in the disclosure of longer-term lease payments as depreciation and, accordingly, to a somewhat higher EBITDA, among other things. This will not entail any material changes concerning the Group's relevant net profit or earnings per share.

All figures given above are subject to a final audit by statutory auditors.

This press release contains statements about the future development of the Sartorius Stedim Biotech Group. We cannot guarantee that the content of these statements will actually apply because these statements are based upon assumptions and estimates that harbor certain risks and uncertainties.

## Preliminary Figures for the Full Year of 2018

€ in millions unless otherwise specified Unaudited figures	2018	2017	Growth in %	Growth in % const. fx
Sales revenue	<b>1,212.2</b>	<b>1,081.0</b>	12.1	13.7
EMEA <sup>1)</sup>	<b>508.2</b>	<b>460.7</b>	10.3	10.7
Americas <sup>1)</sup>	<b>422.6</b>	<b>368.8</b>	14.6	16.9
Asia   Pacific <sup>1)</sup>	<b>281.3</b>	<b>251.6</b>	11.8	14.7
Order intake	<b>1,307.3</b>	<b>1,162.3</b>	12.5	14.2
EBITDA <sup>2)</sup>	<b>342.4</b>	<b>294.9</b>	16.1	
EBITDA margin <sup>2)</sup> in %	<b>28.2</b>	<b>27.3</b>		
Net profit <sup>3)</sup>	<b>219.3</b>	<b>180.4</b>	21.5	
Earnings per share <sup>3)</sup> in €	<b>2.38</b>	<b>1.96</b>	21.5	

1) According to customers' location

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

3) 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

### Press Images

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

### Conference call

Joachim Kreuzburg, CEO and Chairman of the Board of the Sartorius Stedim Biotech Group, will discuss the company's results with analysts and investors on Tuesday, January 29, 2019, at 3.30 p.m. Central European Time (CET), in a teleconference. You may register to the teleconference at:

<http://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=4454566&linkSecurityString=1ee1e8ebe>

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

The presentation will be available on January 29, 2019, starting at 3:15 p.m. CET, for viewing on our website at:

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

### Upcoming events

February 19, 2019	Publication of the Annual Report 2018
March 26, 2019	Annual Shareholders' Meeting   Aubagne
April 18, 2019	Publication First-Quarter Results 2019

## **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 2018, the company employed approx. 5,600 people, and earned sales revenue of €1,212.2 million according to preliminary figures.

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## **Contact**

Petra Kirchoff; Vice President of Corporate Communications  
Phone: +49(0)551.308.1686; [petra.kirchoff@sartorius.com](mailto:petra.kirchoff@sartorius.com)