

Aubagne, January 27, 2021

Sartorius Stedim Biotech with exceptionally strong growth in 2020 and a further increase in profitability

- Preliminary results for the full year of 2020: Sales revenue up 34.6 percent; underlying EBITDA margin climbs to 31.7 percent
- Sartorius Stedim Biotech plays a key role as a provider of essential technologies for vaccine production
- Number of employees rises by 21.6 percent to more than 7,500
- Strong outlook for 2021: Sales revenue set to grow by 20 percent to 26 percent
- Group management raises sales target for 2025 to 4 billion euros

Sartorius Stedim Biotech, a leading partner of the biopharma industry, recorded exceptionally strong growth in 2020 that was driven by strong organic development, several acquisitions and additional momentum from business related to the coronavirus pandemic. According to preliminary figures, the Group closed the year with significant double-digit growth rates in sales revenue, order intake and earnings, recording further gains across all geographies.

“The pandemic year of 2020 was exceptional and very challenging also for our company. First and foremost, we are glad that we did not have to report any high numbers of infections or serious illnesses among our employees. At the same time, our strong business results once again underscore the strength and resilience of our strategy and business model. In this demanding environment, we were able to both achieve very substantial growth and close a few strategically very relevant acquisitions. And more than that: We are an essential contributor toward overcoming this pandemic; each and every day, we deliver essential products and technologies to vaccine manufacturers all over the world. A big thank you goes out to the entire international Sartorius Stedim Biotech team for mastering all these challenges and for performing a fantastic job,” said Joachim Kreuzburg, Chairman of the Board of Directors and CEO.

Looking at current year and to the future, Kreuzburg remains optimistic: “The pandemic is not yet over so protecting the health of our employees continues to be our top priority. In such an environment, even short-term forecasts are subject to increased uncertainty. From today's perspective, we expect continuous strong growth for 2021 and beyond. That's why we will accelerate and extend the expansion of our production capacities very significantly, above all at our major sites in Germany, Puerto Rico, and China. Moreover, we considerably raised our mid-term targets for 2025 and now plan to grow our sales to 4 billion euros.”

Business development of the Group

According to preliminary figures, Group sales revenue surged by 34.6 percent to 1,910 million euros in constant currencies (reported: +32.6 percent). Sartorius Stedim Biotech thus exceeded its forecast issued at the beginning of the year, which had projected an increase in sales revenue by 11 percent to 14 percent and had been raised during the year. This was particularly because of two effects: In addition to strong organic growth, consolidation of the most recent acquisitions contributed close to 6 percentage points to non-organic expansion. Furthermore, the preparations of several biopharmaceutical customers to manufacture coronavirus vaccines and Covid-19 therapeutics also had a positive impact. The influence of these pandemic-related effects on consolidated growth was a good 12 percentage points.

Order intake¹ grew even more dynamically than sales revenue and was up 56.7 percent in constant currencies to 2,381 million euros (reported: +54.3 percent). Pandemic-related orders accounted for close to 19 percentage points of growth.

Underlying EBITDA¹, the Group's most important earnings indicator, also rose very significantly and overproportionately to sales revenue by 43.5 percent to 605 million euros. The respective margin climbed year over year from 29.3 percent to 31.7 percent. Economies of scale primarily played a role in this substantial increase in profitability, yet the underproportionate development of costs in some areas, i. e. due to less business travel and fewer hires in non-production units also added to this effect. The most recent acquisitions had a neutral effect on the earnings margin, while currency headwinds had a somewhat dilutive impact. Relevant net profit¹ rose by 45.9 percent to 384 million euros. Underlying earnings per share surged by 45.9 percent from 2.85 euros a year earlier to 4.16 euros.

Business development of the regions

The Group increased its revenues by double digits in all three geographies yet again. Particularly in the regions of EMEA² and the Americas, Sartorius Stedim Biotech benefited from additional demand in connection with the manufacture of coronavirus vaccines and Covid-19 therapeutics. Revenue in the Americas, which accounts for about 35 percent of total Group sales, rose sharply, also due to the acquisitions, by 34.0 percent to 670 million euros. Sales revenue in the EMEA² region that contributes the highest share of around 40 percent to total Group revenue amounted to 761 million euros, up 33.0 percent. Generating around 25 percent of Group sales, the Asia | Pacific region recorded sales revenue totaling 479 million euros, a gain of 38.3 percent. (All sales revenue growth figures in constant currencies)

Key financial indicators

Sartorius Stedim Biotech invested substantially in expanding its capacity in 2020 in order to meet high demand. The ratio of capital expenditures (CAPEX) to sales revenue¹ was within the expectations at 8.3 percent (previous year: 9.4 percent). Equity rose at year-end from 1,189 million euros to 1,483 million euros. The equity ratio of the Group continued to remain at a solid level of 48.3 percent even after closing of the acquisitions and the increased balance sheet total due to a significantly expanded cash position (December 31, 2019: 64.4 percent). Following the acquisitions, net debt to underlying EBITDA¹ increased as expected, from 0.3 at year-end 2019 to 0.8 for the period ended December 31, 2020.

More than 7,500 employees

At the end of 2020, the Group employed 7,566 people worldwide. Compared to the prior-year headcount, this number was thus 1,343 higher. Besides the acquisitions, the increase resulted primarily from hiring additional production staff at the company's manufacturing sites with especially high capacity utilization.

At the end of the reporting period, around 5,250 people were employed in the EMEA² region, more than 1,200 in the Americas and about 1,100 in the Asia | Pacific region.

Forecast for 2021

Sartorius Stedim Biotech plans to grow profitably in 2021 as well. Consolidated sales revenue is thus projected to increase by about 20 percent to 26 percent. Initial consolidation of the acquisitions is expected to contribute about 5.5 percentage points to this growth, and the impact of the pandemic-related businesses on Group revenue, which is difficult to precisely estimate at present, could amount to up to 7 percentage points. Regarding profitability, the company forecasts that its underlying EBITDA¹ margin will be about 32.0 percent, up from 31.7 percent a year earlier, with a negligible impact of the acquisitions on profitability. Due to very high organic growth, Sartorius Stedim Biotech is extending and accelerating the expansion of production capacities. Therefore, the CAPEX ratio is expected to be around 15 percent (previous year: 8.3 percent).

All forecasts are based on constant currencies, as in the past years. In addition, the company assumes that the global economy will increasingly recover as the current year progresses and that supply chains will remain stable.

Mid-term targets up to 2025 increased

As early as 2018, management outlined its strategy and long-term ambition for the period of 2020 to 2025. The 2025 targets have now been raised, given the strong results achieved in 2020 and the resulting increase in the baseline values, as well as expectations of future organic growth.

Accordingly, Sartorius Stedim Biotech now plans to increase its consolidated sales revenue to about 4 billion euros in the five-year period up to 2025 (previous target: around 2.8 billion euros). The company intends to achieve this increase primarily through organic growth as well as additionally by acquisitions. The Group's underlying EBITDA¹ margin is forecasted to rise to around 33 percent (former guidance: around 30 percent).

These projections are based on the assumption that on average the margins of future acquisitions will initially be somewhat below and, after integration, at a level comparable to those of the Group's existing businesses, and that there will be no relevant changes in the key currency exchange rates.

Management points out that the dynamics and volatilities in the life science and biopharma sectors have increased over the past years and the coronavirus pandemic has further amplified this trend, so that multi-year forecasts show even higher uncertainties than usual.

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 and booked during the respective reporting period
- Relevant / 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 a normalized tax rate
- Underlying earnings per share: relevant / underlying net profit for the period divided by the number of shares outstanding
- Ratio of net debt to underlying EBITDA: quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period
- CAPEX ratio: investment payments in relation to sales revenue for the same period

² EMEA = Europe, Middle East, Africa

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.

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Conference call

Dr. Joachim Kreuzburg, Chairman of the Board and CEO of the Sartorius Stedim Biotech Group, will discuss the company's business results with analysts and investors on January 27, 2021, at 3:30 p.m. Central European Time (CET) in a teleconference. You may register by clicking on the following link: <https://78449.choruscall.com/dataconf/productusers/sar/mediaframe/42744/index1.html>

The presentation slides will be available on the same day starting at 2:30 p.m. CET for viewing on our website at:

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

Current image files

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

Financial calendar

February 18, 2021	Publication of Annual Report 2020
March 24, 2021	Virtual Annual Shareholders' Meeting
April 21, 2021	Publication of first-quarter figures (January to March 2021)
July 21, 2021	Publication of first-half figures (January to June 2021)
October 20, 2021	Publication of nine-month figures (January to September 2021)

Preliminary key figures for the full year of 2020

In millions of € unless otherwise specified	2020	2019	Δ in % Reported	Δ in % cc ¹
Order Intake and Sales Revenue				
Order intake	2,381.0	1,543.5	54.3	56.7
Sales revenue	1,910.1	1,440.6	32.6	34.6
▪ EMEA	761.0	575.1	32.3	33.0
▪ Americas	670.2	511.6	31.0	34.0
▪ Asia Pacific	478.9	353.8	35.4	38.3
Results				
EBITDA ²	604.7	421.5	43.5	
EBITDA margin ² in %	31.7	29.3		
Net profit ³	383.8	263.0	45.9	
Earnings per share ³ in €	4.16	2.85	45.9	

¹ In constant currencies

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

³ Relevant / 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 normalized tax rate

Reconciliation

In millions of €, unless otherwise specified	2020	2019
EBIT (operating result)	471.8	331.8
Extraordinary items	32.0	16.8
Depreciation and amortization	100.9	72.8
Underlying EBITDA	604.7	421.5

In millions of €, unless otherwise specified	2020	2019
EBIT (operating result)	471.8	331.8
Extraordinary items	32.0	16.8
Amortization IFRS 3	26.3	13.9
Normalized financial result ¹	-7.8	-5.1
Normalized income tax (26%) ²	-135.8	-92.9
Underlying net result	386.4	264.5
Non-controlling interest	-2.7	-1.5
Underlying net result after non-controlling interest	383.8	263.0
Underlying earnings per share (in €)	4.16	2.85

1 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability

2 Normalized income tax based on the underlying profit before taxes and non-cash amortization

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 2020, the company employed more than 7,500 people, and earned sales revenue of 1,910 million euros according to preliminary figures.

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