

SARTORIUS

Simplifying Progress

Conference Call Preliminary Full-Year 2020 Results

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Sartorius | Sartorius Stedim Biotech

January 27, 2021



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

- Strong finish to the year in both Group divisions
- 2020 preliminary figures show double digit growth across the board
- Bioprocess Solutions Division: Continued high underlying demand; plays a key role as a provider for vaccine technologies
- Lab Products & Services Division: First half significantly impacted by the pandemic; progressive rebound since Q3
- Successful closing of strategically important acquisitions, one more recently announced
- Outlook for 2021: Significant sales revenue growth projected on all levels
- 2025 targets updated and raised

Agenda

Sartorius Group
FY 2020 results | FY 2021 guidance | 2025 ambition

Sartorius Stedim Biotech Group
FY 2020 results | FY 2021 guidance | 2025 ambition

Questions & Answers



Strong profitable growth

Sartorius Group in millions of € unless otherwise specified	2019	2020	▲ in %	▲ in % cc ¹
Sales revenue	1,827.0	2,335.7	+27.8	+30.2
Order intake	1,939.5	2,836.3	+46.2	+49.0
Underlying EBITDA ²	495.8	692.2	+39.6	
Underlying EBITDA ² margin in %	27.1	29.6	+2.5pp	
Underlying EPS ³ (ord.) in €	3.06	4.37	+43.0	
Underlying EPS ³ (pref.) in €	3.07	4.38	+42.9	

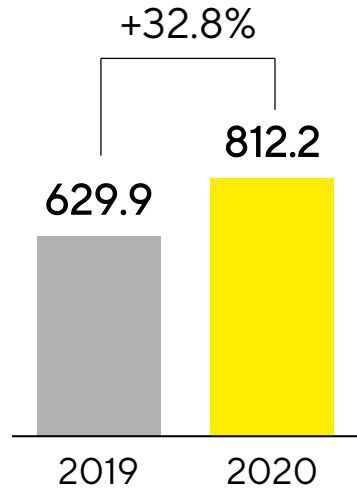
- Acquisitions contribute a good 7pp to sales growth; net effect from pandemic a good 8pp / close to 14pp for order intake
- Underlying EBITDA margin driven by economies of scale and underproportionate development of costs in some areas due to pandemic; acquisitions with slightly positive effect; slightly dilutive effect 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 normalized tax rate

Double-digit sales growth in all geographies

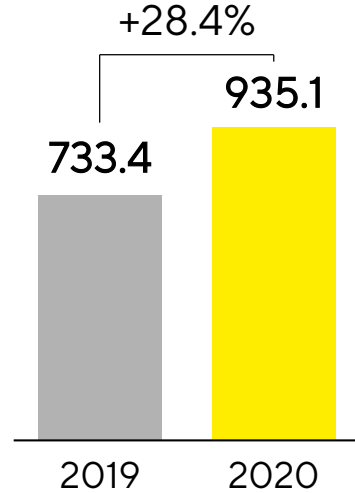
Americas

€ in millions



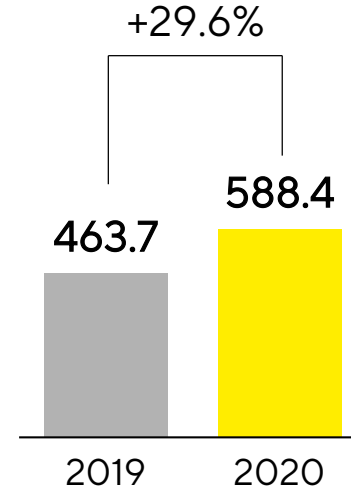
EMEA

€ in millions



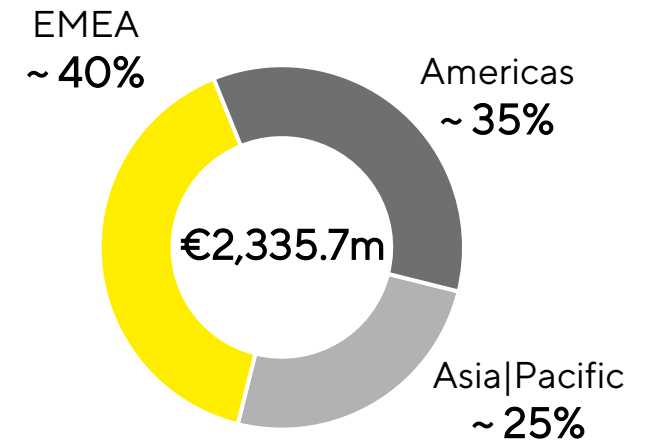
Asia|Pacific

€ in millions



Sales by Region

in %



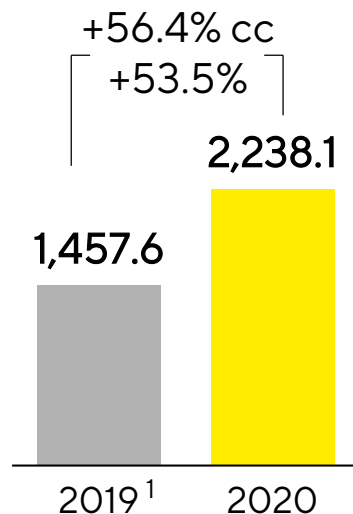
- Americas: BPS benefits from demand in connection with the development of corona vaccines; LPS with larger acquisition impact
- EMEA: BPS with tailwinds from vaccine developers; solid performance of LPS considering economic challenges
- Asia|Pacific: BPS with the highest order momentum; LPS demand improved after lockdown lifted in China with catch-up effects

Acc. to customers' location; growth in constant currencies

BPS: Dynamic growth across all product categories and regions

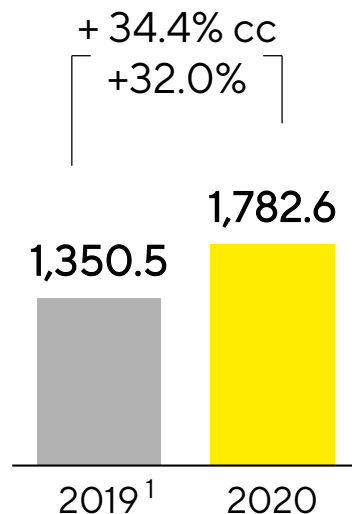
Order Intake

€ in millions



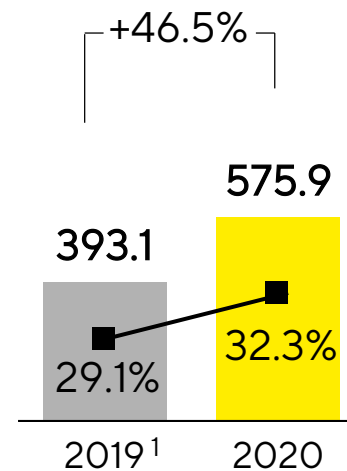
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



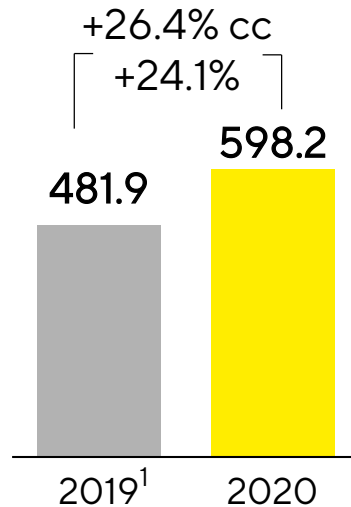
- Strong organic growth; pandemic-driven effects presumably around 12pp (majority of that from demand related to coronavirus vaccines and therapeutics but also related to inventory build-up), acquisitions accounted for close to 5pp of growth
- Pandemic-related effects estimated at around 17pp of order intake growth
- Underlying EBITDA margin rose due to economies of scale and reduced costs in some areas due to pandemic; slight FX dilution

¹ 2019 figures reported: Order intake €1,479.3m, sales €1,372.1m, underlying EBITDA €406.8m

LPS: Rebound and catch-up effects after challenging first half

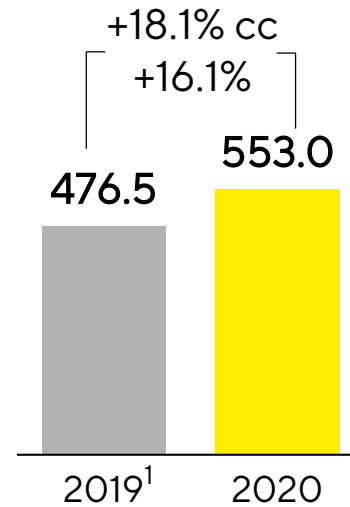
Order Intake

€ in millions



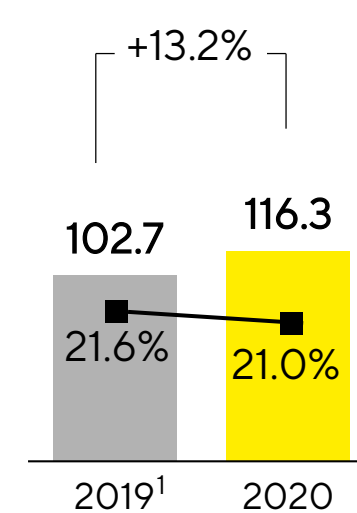
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- In particular, high demand for products used in the context of coronavirus testing
- Acquisitions contribute around 15pp to sales growth; net effect from pandemic approx. -1pp
- Underlying EBITDA margin influenced by lower capacity utilization due to pandemic; acquisitions accretive by a good 2pp

¹ 2019 figures reported: Order intake €460.3m, sales €454.9m, underlying EBITDA €89.0m

Operating cash flow increases significantly

Sartorius Group in millions of € unless otherwise specified	2019	2020	▲ in %
Underlying EBITDA	495.8	692.2	+39.6
Extraordinary items	-28.5	-57.0	n.m.
Financial result	-32.5	-9.4	n.m.
Underlying net profit ^{1,2}	209.4	299.3	+42.9
Reported net profit ²	156.7	226.3	+44.4
Operating cash flow	377.2	519.7	+37.8
Investing cash flow ³	-268.7	-1,278.7	n.m.
CAPEX ratio (in %)	12.3	10.3	-2.0pp

- Net operating cash flow mostly driven by higher earnings and factoring program (~€89m)
- Extraordinary items influenced primarily by M&A
- Financial result includes the valuation effect related to the earn-out from the acquisition of BIA Separations
- Tax rate at 28.0%; excluding earn-out effect tax rate would be 30.2%
- Investing cash flow driven by acquisitions

2019 numbers partly adjusted due to final PPA of BI 1 Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and normalized tax rate
 2 After non-controlling interest 3 Net cash flow from investing activities and acquisitions

Financial indicators remain on very solid level

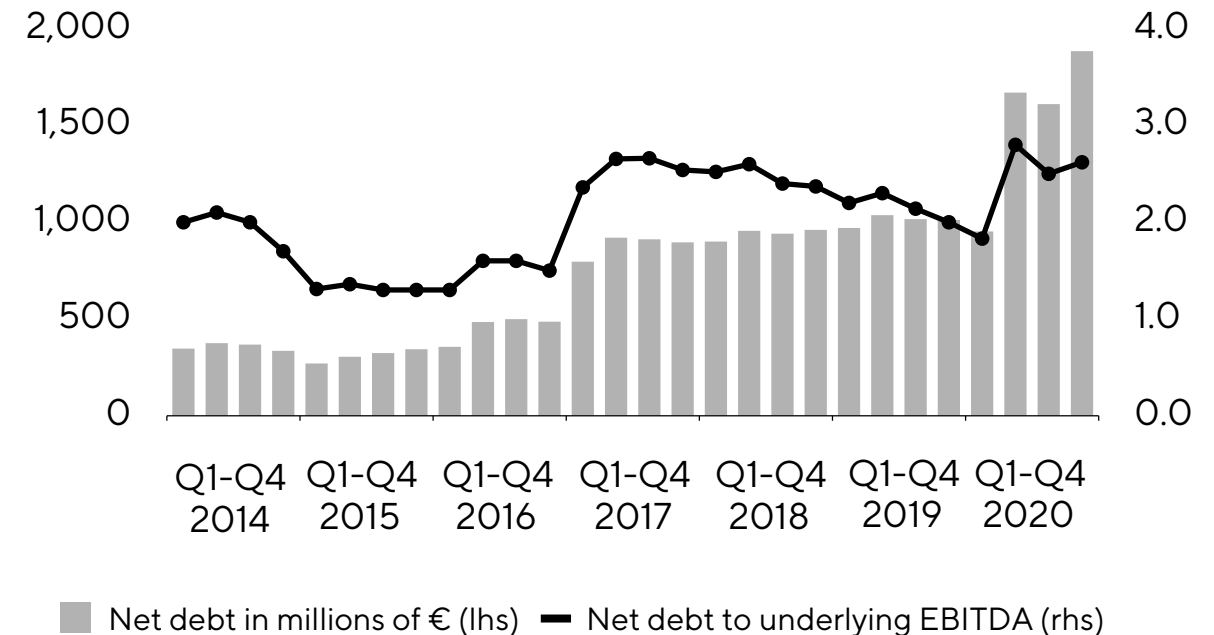
Key Financial Indicators

Sartorius Group	Dec. 31, 2019	Dec. 31, 2020
Equity ratio in %	38.1	29.9
Net debt in millions of €	1,014.0	1,883.6
Net debt underlying EBITDA ¹	2.0	2.6

- Equity ratio influenced by increase in balance sheet sum due to the recent acquisitions and higher cash position

¹ Includes underlying pro forma EBITDA of acquisitions completed in 2020

Net Debt and Net Debt to Underlying EBITDA



Most recent acquisitions broadening the downstream portfolio

Acquisition of WaterSep BioSeparations



- Innovative hollow fiber crossflow filtration units
- Consolidated in BPS division
- Purchase price \$27mn plus earn-out

Agreement to acquire chromatography process equipment division from Novasep



- Resin-based batch and intensified chromatography systems
- Consolidated in BPS division
- Purchase price not disclosed

Strong outlook for 2021, uncertainties remain high

	2020		2021 Guidance ¹	
	Sales Revenue Growth	Underlying EBITDA Margin	Sales Revenue Growth	Underlying EBITDA Margin
Sartorius Group	+30.2%	29.6%	~ 19% - 25%	~ 30.5%
- growth by acquisitions Corona demand	good 7pp good 8pp		~5.5pp up to 6pp	
Bioprocess Solutions	+34.4%	32.3%	~ 22% - 28%	~ 33.0%
- growth by acquisitions Corona demand	close to 5pp ~12pp		~6pp up to 8pp	
Lab Products & Services	+18.1%	21.0%	~ 10% - 16%	~ 23.0%
- growth by acquisitions Corona demand	~15pp -1pp		~5pp no net impact	

- Growth rates expected to be significantly pronounced in H1 due to last years acquisition and strong order book
- In 2021, acquisitions projected with no significant profitability effect on the Group and BPS, plus ~0.5pp for LPS
- CAPEX ratio ~15% (FY 2020: 10.3%); accelerate and extend capacity expansion especially in BPS due to growth expectations
- Net debt to underlying EBITDA is projected at slightly below 2.5 (2020: 2.6)

¹ In constant currencies

2025 ambition – increased baseline and organic growth

- Initial 2025 group sales revenue targets were based on an estimated 2020 group revenue of €2bn, based on the mid-term guidance of 2012
- Expectation was to double the revenue target to €4bn within 5 years
- Actual 2020 Group revenue was approx. €2.3bn; with the overachievement being mainly driven by BPS
- The new mid-term target of €5bn in revenue reflects both the elevated baseline and future growth prospects
- Continued strategy is to achieve the targets primarily through organic growth; acquisition to contribute underproportionally
- The increase in the profitability outlook is due to economies of scale and also reflects the assumption of acquisitions to be initially dilutive

Updated 2025 ambition

BPS

LPS

Sartorius Group

Sales revenue

~€3.8bn
previously ~€2.8bn

~€1.2bn
unchanged

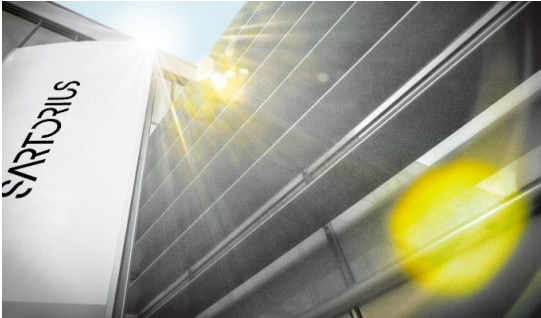
€5bn
previously ~€4bn

EBITDA margin

~34%
previously ~30%

~25%
unchanged

~32%
previously ~28%



2025 targets are based on 2020 currency exchange rates; EBITDA excluding extraordinary items

Corporate responsibility & further financial information

To Sartorius, sustainability means operating responsibly over the long term – with respect to business partners, employees and society as well as to natural resources. Learn more about our commitment:

 SRI Presentation



Please click below for further financial information:

 [Annual Report 2020](#)

 [Earnings Release 9M 2020](#)

 [Half-Year Report H1 2020](#)

 [Earnings Release Q1 2020](#)

Agenda

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FY 2020 results | FY 2021 guidance | 2025 ambition

Sartorius Stedim Biotech Group
FY 2020 results | FY 2021 guidance | 2025 ambition

Questions & Answers



Exceptionally strong growth in 2020

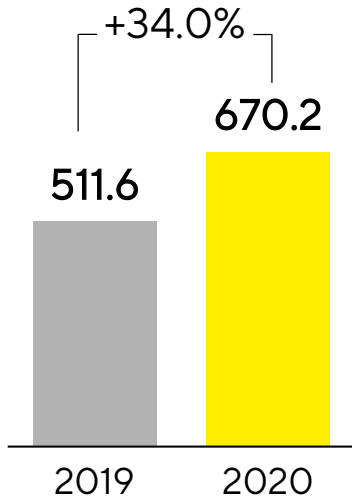
Sartorius Stedim Biotech Group in millions of € unless otherwise specified	2019	2020	▲ in %	▲ in % cc ¹
Sales revenue	1,440.6	1,910.1	+32.6	+34.6
Order intake	1,543.5	2,381.0	+54.3	+56.7
Underlying EBITDA ²	421.5	604.7	+43.5	
Underlying EBITDA ² margin in %	29.3	31.7	+2.4pp	
Underlying EPS ³ in €	2.85	4.16	+45.9	

- Strong organic development; pandemic-driven effects a good 12pp (majority of that from demand related to coronavirus vaccines and therapeutics), acquisitions accounted for close to 6pp of growth
- Pandemic-related effects on order intake growth close to 19pp
- Underl. EBITDA margin up with economies of scale, lower costs due to pandemic; slight FX dilution, M&A with neutral effect

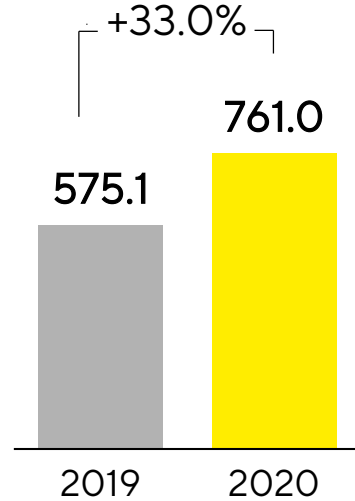
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Double-digit sales growth in all geographies

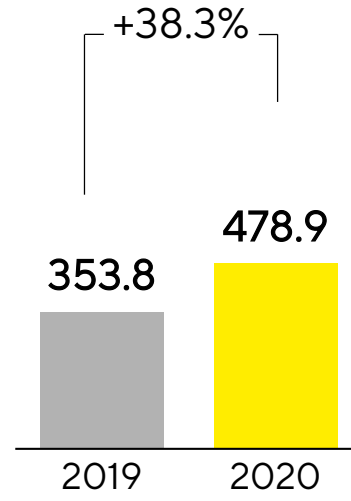
Americas
€ in millions



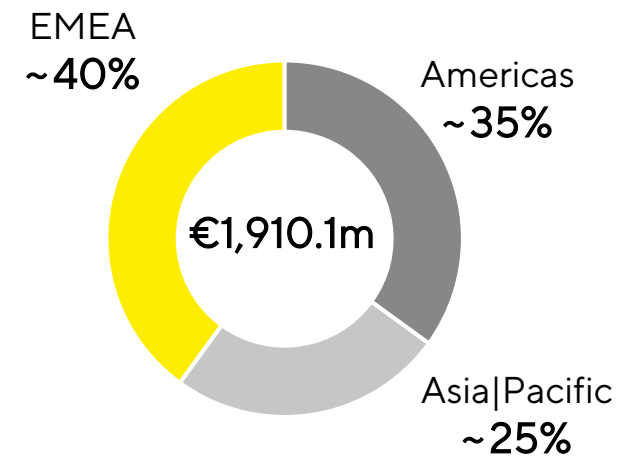
EMEA
€ in millions



Asia|Pacific
€ in millions



Sales by Region
in %



- Especially EMEA and Americas benefited from additional demand in connection with the development and manufacture of coronavirus vaccines and Covid-19 therapeutics
- Asia|Pacific with the highest momentum, fueled by larger project business orders in H1

Acc. to customers' location; growth in constant currencies

Operating cash flow rises significantly

Sartorius Stedim Biotech Group in millions of € unless otherwise specified	2019	2020	▲ in %
Underlying EBITDA	421.5	604.7	+43.5
Extraordinary items	-16.8	-32.0	n.m.
Financial result	-14.4	10.8	n.m.
Underlying net profit ^{1,2}	263.0	383.8	+45.9
Reported net profit ²	234.5	357.8	+52.6
Operating cash flow	310.1	416.9	+34.4
Investing cash flow ³	-184.4	-621.1	n.m.
CAPEX ratio (in %)	9.4	8.3	-1.1pp

- Net operating cash flow mostly driven by higher earnings and factoring program (~€76m)
- Extraordinary items influenced primarily by M&A
- Financial result includes the valuation effect related to the earn-out from the acquisition of BIA Separations
- Tax rate at 25.3%; excluding earn-out effect tax rate would be 27.1%
- Investing cash flow driven by acquisitions

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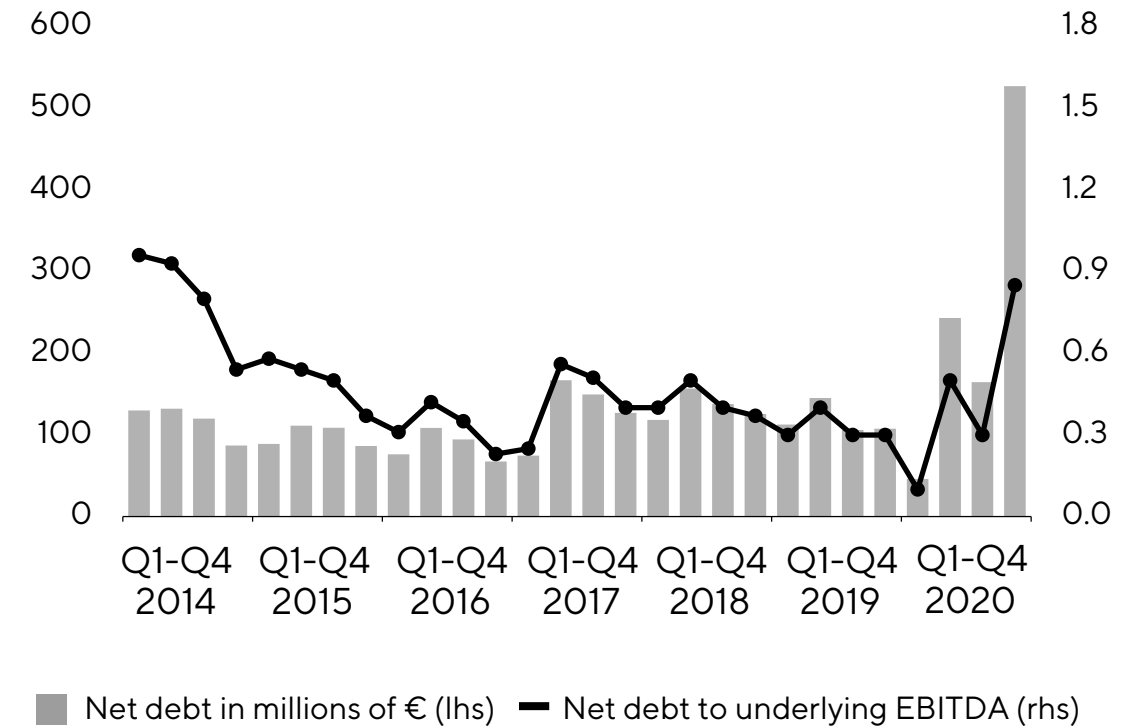
Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2019	Dec. 31, 2020
Equity ratio in %	64.4	48.3
Net debt in millions of €	110.4	527.0
Net debt underlying EBITDA ¹	0.3	0.8

- Equity ratio influenced by increase in balance sheet sum due to the recent acquisitions and higher cash position

¹ Includes underlying pro forma EBITDA of acquisitions completed in 2020

Net Debt and Net Debt to Underlying EBITDA



Strong outlook for 2021, uncertainties remain high

FY 2021 Guidance ¹	Sales revenue growth		Underlying EBITDA margin	
	2020	2021	2020	2021
Sartorius Stedim Biotech	34.6%	~ 20-26%	31.7%	~ 32.0%
- growth by acquisitions Corona demand	close to 6pp good 12pp	~5.5pp up to 7pp		

- Growth rates expected to be significantly pronounced in H1 due to last years acquisition and strong order book
- CAPEX ratio ~15% (FY 2020: 8.3%); increase due to acceleration and extension of capacity expansions across the entire production network, especially in Germany, Puerto Rico and China
- Net debt to underlying EBITDA is projected at around 0.75 (2020: 0.8)

¹ In constant currencies

2025 ambition – increased baseline and organic growth

- Initial 2025 group sales revenue targets were based on an estimated 2020 group revenue of €1.5 to 1.6bn, based on the mid-term guidance of 2012
- Actual 2020 Group revenue was approx. €1.9bn
- New mid-term target reflects both the elevated baseline and future growth prospects
- Continued strategy is to achieve the targets primarily through organic growth; acquisition to contribute underproportionally
- The increase in the profitability outlook is due to economies of scale and also reflects the assumption of acquisitions to be initially dilutive

Sartorius Stedim Biotech

Sales
revenue

€4bn
previously ~€2.8bn

EBITDA
margin

~33%
previously ~30%



2025 targets are based on 2020 currency exchange rates; EBITDA excluding extraordinary items

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