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## Sartorius Stedim Biotech looks back on a very successful 2020 and expects further strong growth

- Sales revenue up 34.6 percent; underlying EBITDA margin at 31.7 percent
- Outlook for the current year: sales projected to increase by 20 percent to 26 percent
- Accelerated and greater ramp-up of production capacities in all geographies; CAPEX ratio of 15 percent expected for 2021
- Group management raises sales target for 2025 to about 4 billion euros

Sartorius Stedim Biotech, a leading partner of the biopharma industry, confirmed its preliminary figures for 2020 upon the release of its Universal Registration Document 2020 including the Annual Financial Report. Group sales revenue surged by 34.6 percent to 1,910 million euros in constant currencies (reported: +32.6 percent). Order intake<sup>1</sup> 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). Due to very high organic growth, Sartorius Stedim Biotech is extending and accelerating the expansion of production capacities. Therefore, the CAPEX ratio<sup>1</sup> is expected to be around 15 percent (previous year: 8.3 percent).

“In an extraordinary and very challenging year, Sartorius Stedim Biotech performed outstandingly. We recorded strong growth and were able to complete several key strategic acquisitions. At the same time, many of our products have been playing an essential role in overcoming the pandemic, in areas ranging from diagnostics to the production of vaccines and therapeutics. For the current year and beyond, we expect growth to remain strong. That’s why we are accelerating the ramp-up of our production capacities yet again, primarily at our sites in Germany, Puerto Rico, China, and South Korea. Our mid-range targets significantly raised now project sales of 4 billion euros and large-scale creation of jobs,” said Joachim Kreuzburg, Chairman of the Board of Directors and CEO.

In 2020, underlying EBITDA<sup>1</sup>, 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 profit<sup>1</sup> 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.

Due to the company’s positive business performance, the Board of Directors will submit a proposal at the virtual Annual Shareholders’ Meeting on March 24, 2021, to pay dividends of 0.68 euros per share. Therefore, the total amount disbursed under this proposal would be 62.7 million 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 EMEA<sup>2</sup> 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 EMEA<sup>2</sup> 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 revenue<sup>1</sup> 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 EBITDA<sup>1</sup> 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 EMEA<sup>2</sup> 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 EBITDA<sup>1</sup> margin will be about 32.0 percent, up from 31.7 percent a year earlier, with a negligible impact of the acquisitions on profitability.

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 EBITDA<sup>1</sup> 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.

<sup>1</sup> 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

<sup>2</sup> 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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### Financial calendar

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)

## Key figures for the full year of 2020

In millions of € unless otherwise specified	2020	2019	Δ in % Reported	Δ in % cc <sup>1</sup>
<b>Order Intake and Sales Revenue</b>				
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
<b>Results</b>				
EBITDA <sup>2</sup>	604.7	421.5	43.5	
EBITDA margin <sup>2</sup> in %	31.7	29.3		
Net profit <sup>3</sup>	383.8	263.0	45.9	
Earnings per share <sup>3</sup> 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
<b>Underlying EBITDA</b>	<b>604.7</b>	<b>421.5</b>
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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 <sup>1</sup>	-7.8	-5.1
Normalized income tax (26%) <sup>2</sup>	-135.8	-92.9
<b>Underlying net result</b>	<b>386.4</b>	<b>264.5</b>
Non-controlling interest	-2.7	-1.5
<b>Underlying net result after non-controlling interest</b>	<b>383.8</b>	<b>263.0</b>
Underlying earnings per share (in €)	4.16	2.85

In millions of €, unless otherwise specified	2020	2019
Gross debt	586.8	138.6
- Cash & cash equivalents	59.8	28.2
<b>Net debt</b>	<b>527.0</b>	<b>110.4</b>
Underlying EBITDA	604.7	421.5
+ Pro forma EBITDA from acquisitions	15.8	3.1
<b>Pro forma underlying EBITDA</b>	<b>620.5</b>	<b>424.6</b>
<b>Net debt/Underlying EBITDA</b>	<b>0.8</b>	<b>0.3</b>

In millions of €, unless otherwise specified	2020	2019
Sales revenue	1,910.1	1,440.6
Capital expenditures	159.2	136.0
<b>Capital expenditures as % of sales revenue</b>	<b>8.3</b>	<b>9.4</b>

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.

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