

Conference Call Preliminary Full-Year 2018 Results

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Disclaimer

This presentation contains statements concerning the future performance of the Sartorius Group and the Sartorius Stedim Biotech Group. 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.

Agenda

Sartorius Group
FY 2018 Results | FY 2019 Guidance

Sartorius Stedim Biotech Group
FY 2018 Results | FY 2019 Guidance

Questions & Answers



FY 2018 Highlights

- ▶ Double-digit growth in sales, order intake and earnings
- ▶ Dynamic profitable growth in Bioprocess Solutions; strong order intake
- ▶ Lab Products & Services with robust development in weakening economy
- ▶ Optimistic outlook for 2019



Strong top-line growth; further margin increase

Sartorius Group

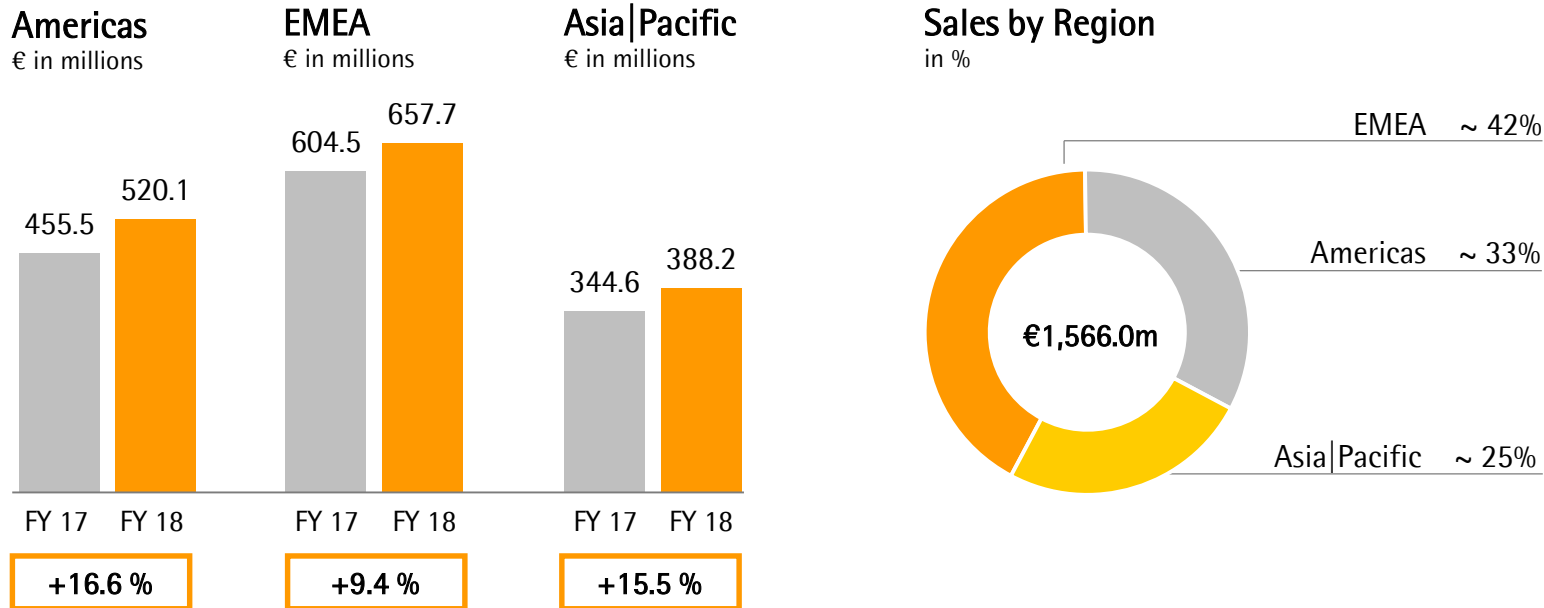
in millions of € unless otherwise specified

	FY 2017	FY 2018	Δ in %	Δ in % cc ¹⁾
Sales revenue	1,404.6	1,566.0	+11.5	+13.2
Order intake	1,501.4	1,662.5	+10.7	+12.5
Underlying EBITDA ²⁾	353.2	405.0	+14.7	
Underlying EBITDA ²⁾ margin in %	25.1	25.9	+0.8 pp	
Underlying EPS ³⁾ (ord.) in €	2.10	2.56	+22.0	
Underlying EPS ³⁾ (pref.) in €	2.11	2.57	+21.9	

- Acquisitions contribute ~1.0pp of non-organic sales growth
- Underlying EBITDA and underlying net result rise overproportionately to sales

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

Growth in all regions; the Americas record strongest gains



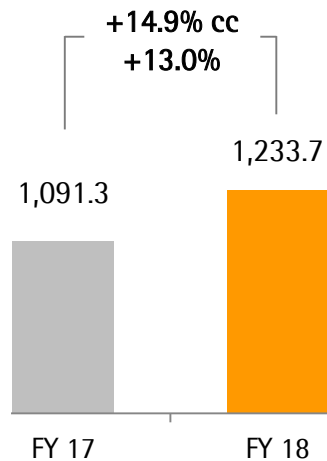
Acc. to customers' location; growth in constant currencies

- Americas: BPS with high momentum versus moderate comps; LPS growth supported by Essen acquisition
- EME A: Robust performance driven by BPS growth; softer economy affects LPS
- Asia|Pacific: Both divisions with solid growth rates against high comps, especially for BPS

BPS: Very dynamic development; yet against moderate comps

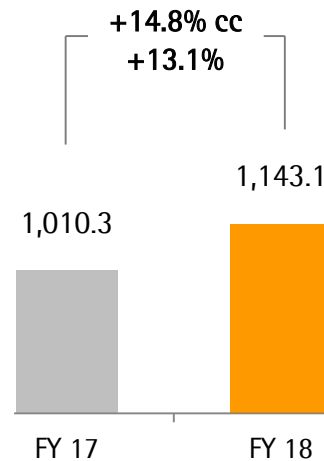
Order Intake

€ in millions



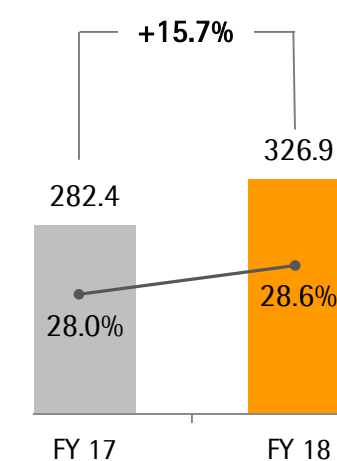
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions

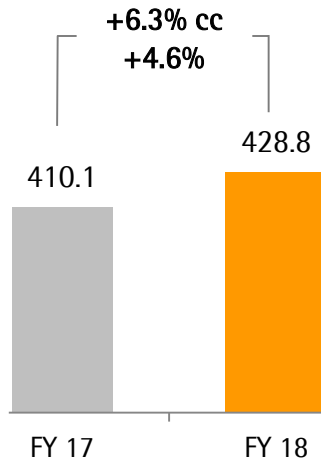


- Continuing double-digit growth driven by strong demand for equipment and single-use
- Umetrics acquisition contributes around 0.5pp of non-organic sales growth
- Underlying EBITDA margin rises due to economies of scale

LPS: Solid performance, yet macro uncertainties weigh on growth

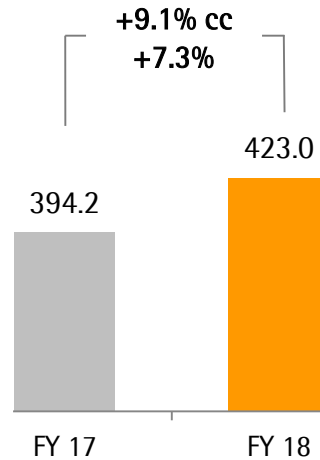
Order Intake

€ in millions



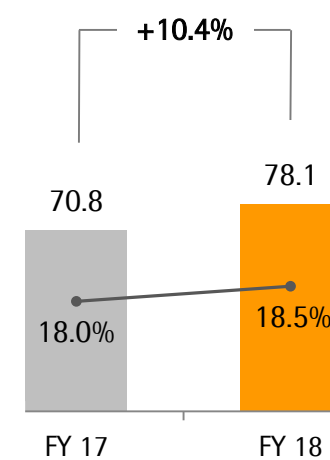
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- Sales and order growth below expectations due to weakening European economy; relatively tough comps
- Essen BioScience acquisition contributes ~2.5pp of non-organic sales growth as planned
- EBITDA margin above prior-year level due to product mix and scale effects

Cash flow enhanced by higher earnings

Sartorius Group

€ in millions unless otherwise specified

	FY 2017 ¹⁾	FY 2018	△ in %
Underlying EBITDA	353.2	405.0	+14.7
Extraordinary items	-35.5	-1.7	+95.3
Financial result	-18.2	-27.9	-53.6
Underlying net profit ^{2,3)}	144.0	175.6	+21.9
Reported net profit ³⁾	114.7	141.3	+23.2
Net operating cash flow	206.5	244.5	+18.4
Net investing cash flow ⁴⁾	-555.1	-242.5	+56.3
CAPEX ratio (in %)	14.9	15.2	+0.3pp

- Net operating cash flow driven by higher earnings
- Positive effect on extraordinary items due to cancellation of liability for the cell culture media business
- Net investing cash flow in previous year primarily reflects the Essen and Umetrics acquisitions
- Capital expenditures in line with expectations

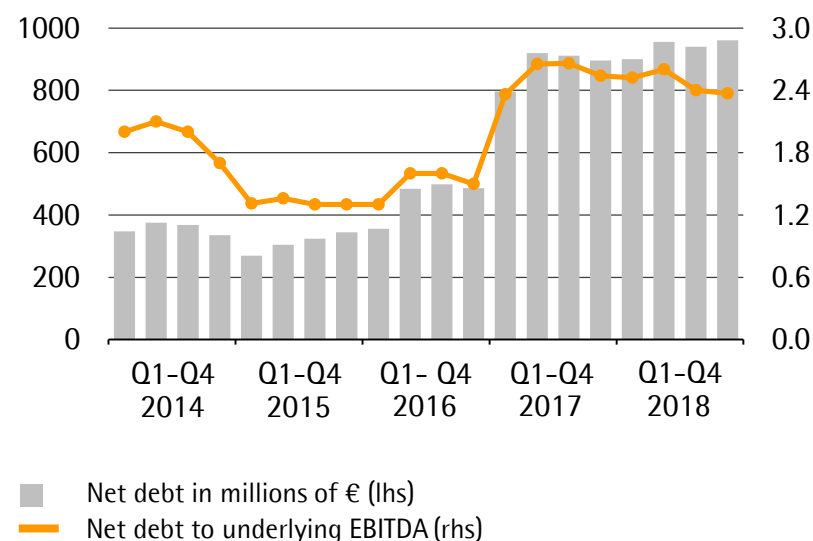
¹⁾ Restated after PPA finalization ²⁾ Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate ³⁾ After non-controlling interest ⁴⁾ Net cash flow from investing activities and acquisitions

Key financial indicators remain at robust levels

Key Financial Indicators

Sartorius Group	Dec. 31, 2017	Dec. 31, 2018
Equity ratio in %	35.1	38.5
Net debt in millions of €	895.5	959.5
Net debt underlying EBITDA	2.5	2.4

Net Debt and Net Debt to Underlying EBITDA



Outlook for 2019

	FY 2018		FY 2019 Guidance ¹⁾	
	Sales Revenue Growth ¹⁾	Underlying EBITDA Margin	Sales Revenue Growth	Underlying EBITDA Margin
Sartorius Group	13.2%	25.9%	~ 7% - 11%	slightly above 27.0%
Bioprocess Solutions	14.8%	28.6%	~ 8% - 12%	slightly above 29.5%
Lab Products & Services	9.1%	18.5%	~ 5% - 9%	slightly above 20.0%

¹⁾ In constant currencies

- Sales guidance includes dilution of 2pp sales growth on Group level and 3pp in BPS due to the modification of the cell culture media agreement with Lonza
- Operational margin increase of ~ 0.5pp on Group and divisional level; remainder due to mandatory IFRS 16 changes
- CAPEX ratio ~ 12% (FY 2018: 15.2%)

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Questions & Answers



Very dynamic profitable growth against moderate comps

Sartorius Stedim Biotech Group

in millions of € unless otherwise specified

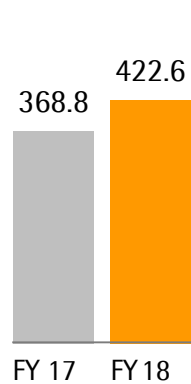
	FY 2017	FY 2018	Δ in %	Δ in % cc ¹⁾
Sales revenue	1,081.0	1,212.2	+12.1	+13.7
Order intake	1,162.3	1,307.3	+12.5	+14.2
Underlying EBITDA ²⁾	294.9	342.4	+16.1	
Underlying EBITDA ²⁾ margin in %	27.3	28.2	+0.9pp	
Underlying EPS ³⁾ per share in €	1.96	2.38	+21.5	

- Continuing double-digit sales and order growth driven by strong demand for equipment and single-use products
- Umetrics acquisition contributes around 0.5pp of non-organic sales growth
- Underlying EBITDA margin rises significantly due to economies of scale

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

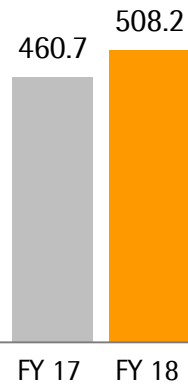
Growth in all regions, the Americas with highest momentum

Americas
in € millions



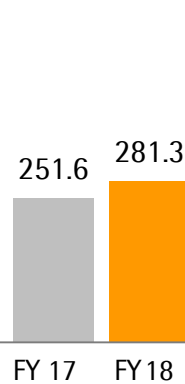
+16.9%

EMEA
in € millions



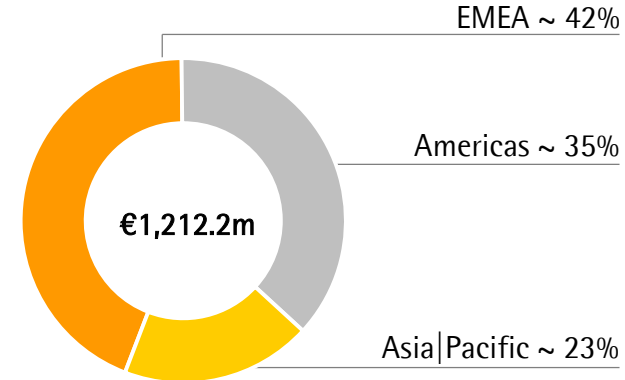
+10.7%

Asia|Pacific
in € millions



+14.7%

Sales by Regions
in %



Acc. to customers' location; growth in constant currencies

- Americas: High momentum against moderate comps
- EMEA: Solid growth in sales revenue and dynamic order intake
- Asia|Pacific: Very positive development considering high comps

Significant increase in operating cash flow

Sartorius Stedim Biotech Group

€ in millions unless otherwise specified

	FY 2017	FY 2018	Δ in %
Underlying EBITDA	294.9	342.4	+16.1
Extraordinary items	-22.6	+12.7	+156.4
Financial result	-1.1	-15.7	n.m.
Underlying net profit ^{1,2)}	180.4	219.3	+21.5
Reported net profit ²⁾	161.1	208.1	+29.2
Net operating cash flow	174.7	227.3	+30.1
Net investing cash flow ³⁾	-194.9	-176.5	+9.4
CAPEX ratio (in %)	12.6	14.6	+2.0pp

- Net operating cash flow driven by higher earnings
- Positive effect on extraordinary items due to cancellation of liability for the cell culture media business
- Net investing cash flow reflects execution of CAPEX program (capacity additions in Yauco and Goettingen; IT investments)

¹⁾ Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate

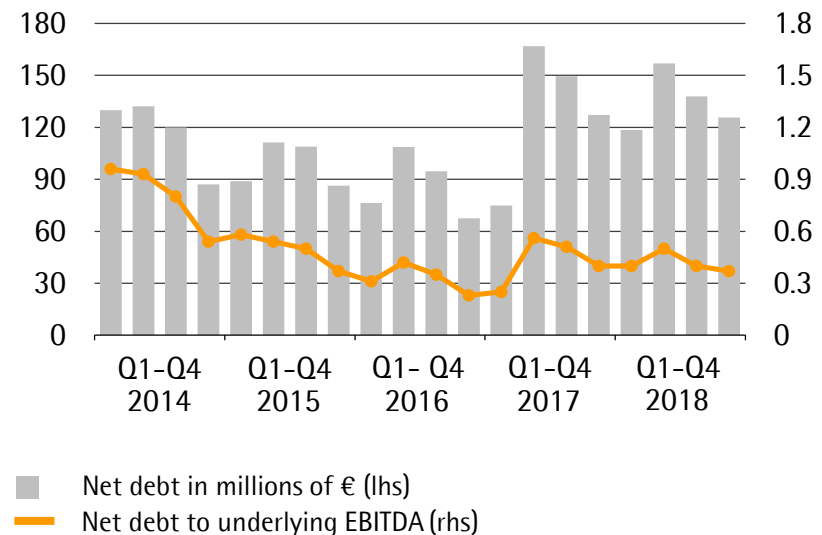
²⁾ After non-controlling interest ³⁾ Net cash flow from investing activities and acquisitions

Financial position remains strong

Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2017	Dec. 31, 2018
Equity ratio in %	62.6	66.5
Net debt in millions of €	127.1	125.7
Net debt underlying EBITDA	0.4	0.4

Net Debt and Net Debt to Underlying EBITDA



Outlook for 2019

	FY 2018	FY 2019 ¹⁾
Sales revenue growth	13.7% ¹⁾	~ 7% - 11%
Underlying EBITDA margin	28.2%	slightly more than + 1pp
CAPEX ratio	14.6%	~ 11%

¹⁾ In constant currencies

- Sales guidance includes dilution of 3pp sales growth due to the modification of the cell culture media agreement with Lonza
- Operational margin increase of ~ 0.5pp; remainder due to mandatory IFRS 16 changes

Q & A



Thank you very much
for your attention

