



## Conference Call Preliminary FY 2015 Results

Joachim Kreuzburg, CEO | February 1, 2016

## 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

**01** Sartorius Group: FY 2015 Results | 2016 Guidance | 2020 Update

**02** Sartorius Stedim Biotech Group: FY 2015 Results | 2016 Guidance | 2020 Update

**03** Questions & Answers



## Strong Performance in Line with Updated Expectations



Very dynamic growth in order intake, sales revenues and earnings



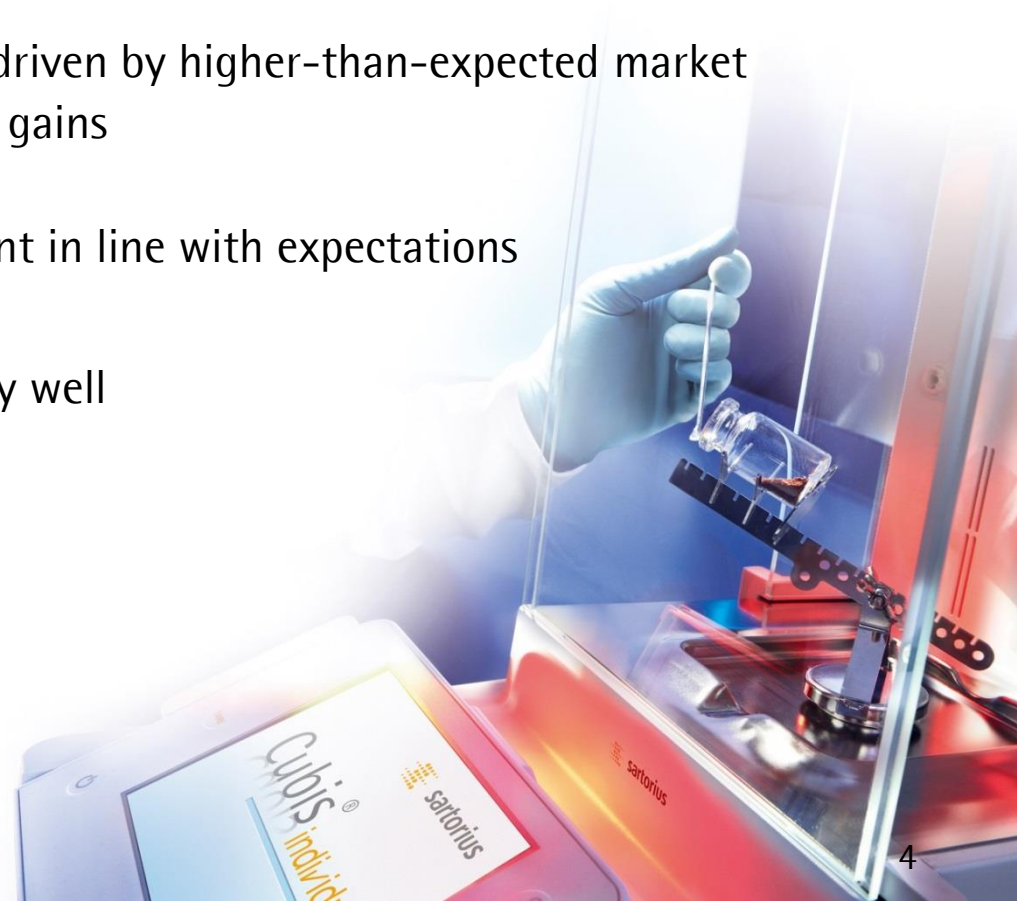
Outstanding development of BPS driven by higher-than-expected market growth and ongoing market share gains



LPS continued positive development in line with expectations



Recent acquisitions performed very well



## Significant Growth Across All Lines

Sartorius Group in millions of € unless otherwise specified	FY 2014	FY 2015	Change in %	Change in % cc <sup>1</sup>
Order intake	929.2	1,172.7	26.2	17.1
Sales revenue	891.2	1,114.8	25.1	16.0
Underlying EBITDA <sup>2</sup>	186.8	263.2	40.9	
Underlying EBITDA <sup>2</sup> margin in %	21.0	23.6	+2.6 pp	
Underlying EPS <sup>3</sup> (ord.) in €	3.87	6.29	62.5	
Underlying EPS <sup>3</sup> (pref.) in €	3.89	6.31	62.2	

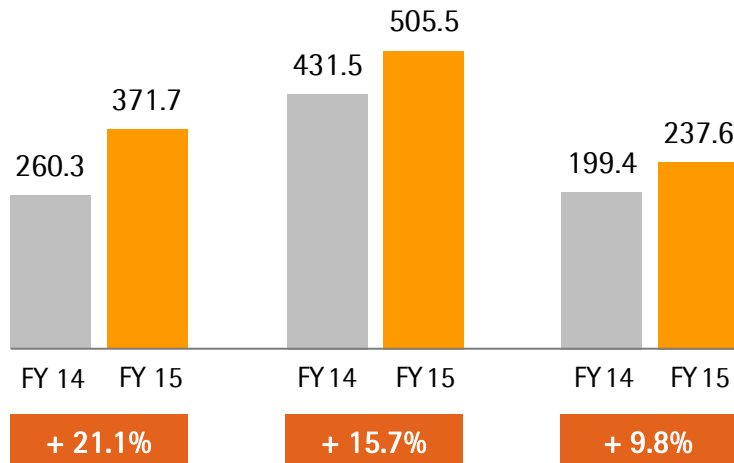
- Capex ratio at 10.1%

<sup>1</sup> cc = constant currencies <sup>2</sup> Underlying = excluding extraordinary items <sup>3</sup> Underlying EPS continued operations = based on net profit after non-controlling interest, adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate



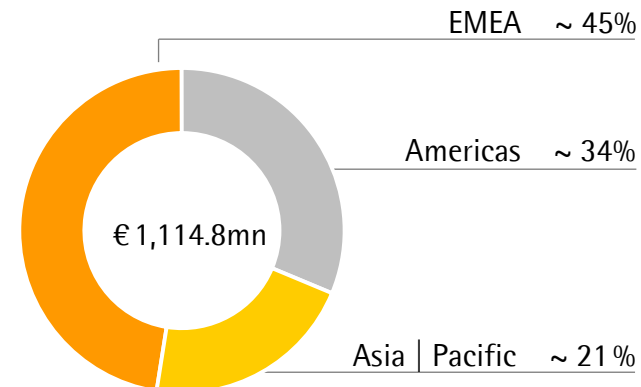
## Broad-based Business Expansion Driven by All Regions

**Americas**  
Sales in € million



Acc. to customers' location; growth in constant currencies

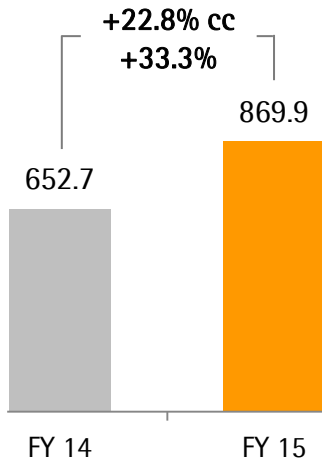
**Sales by Regions**  
in %



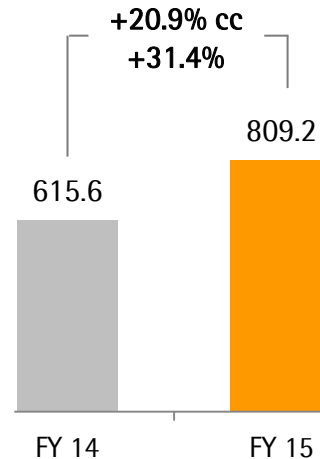
- Americas posted strongest growth driven by outstanding BPS performance; high comps for LPS
- Double-digit growth in EMEA region fueled by BPS; recent acquisitions also contributed to growth
- Development in Asia|Pacific in line with expectations; LPS benefited from new product launches both divisions with strong growth in order intake

## BPS: Outstanding Development in 2015

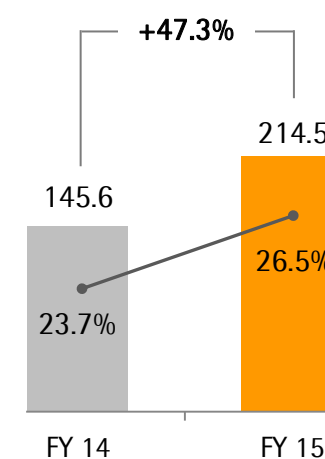
**Order Intake**  
€ in millions



**Sales Revenue**  
€ in millions



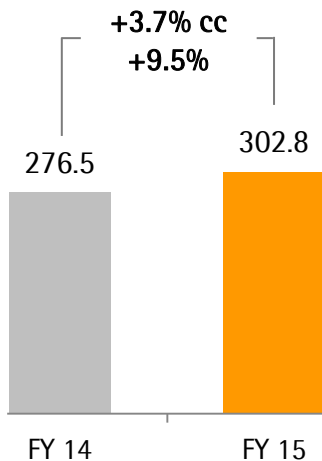
**Underlying EBITDA & Margin**  
€ in millions



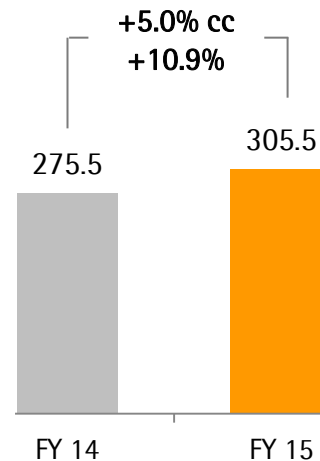
- Biopharma market dynamics stronger than expected; ongoing market share gains
- Performance driven by all product segments
- BioOutsource and Cellca developed very well; nearly 2 pp contribution to sales growth
- Underlying EBITDA margin up by 2.8 pp, mostly due to economies of scale

## LPS: Robust Progress in Line with Expectations

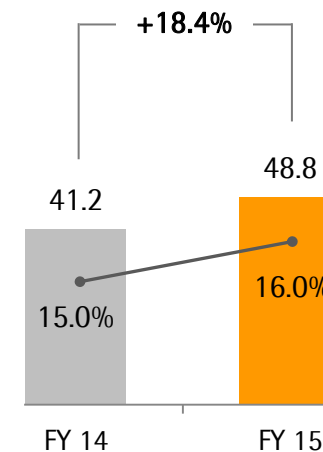
**Order Intake**  
€ in millions



**Sales Revenue**  
€ in millions



**Underlying EBITDA & Margin**  
€ in millions



- All regions and product lines drove business expansion, particularly consumables such as lab filters and microbiology products
- Asia posted strongest growth, partly due to recently launched products; high comps in Americas
- Underlying EBITDA margin up by 1.0 pp; fueled by higher sales and fx effects



## Strong Operational Cash Flow Performance

Sartorius Group in millions of €	FY 2014	FY 2015	Change in %
Underlying EBITDA	186.8	263.2	40.9
Extraordinary items	-8.3	-12.6	-51.8
Financial result	-29.9	-20.0	33.2
Underlying net profit <sup>1,2</sup>	66.1	107.4	62.3
Reported net profit <sup>2</sup>	48.5	126.3	160.5
Net operating cash flow	129.7	125.6	-3.2
Net investing cash flow <sup>3</sup>	-86.3	-92.3	6.9

- Financial result mainly influenced by lower valuation effects
- Reported net profit includes gain from Intec divestiture
- Net operating cash flow affected by discontinuation of factoring program – strong operational growth
- Net investing cash flow reflects higher yoy capex and portfolio changes – Intec sale; acquisitions of BioOutsource and Cellca

<sup>1</sup> Underlying net result continued operations = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate <sup>2</sup> After non-controlling interest <sup>3</sup> Net cash flow from investing activities and acquisitions | divestments

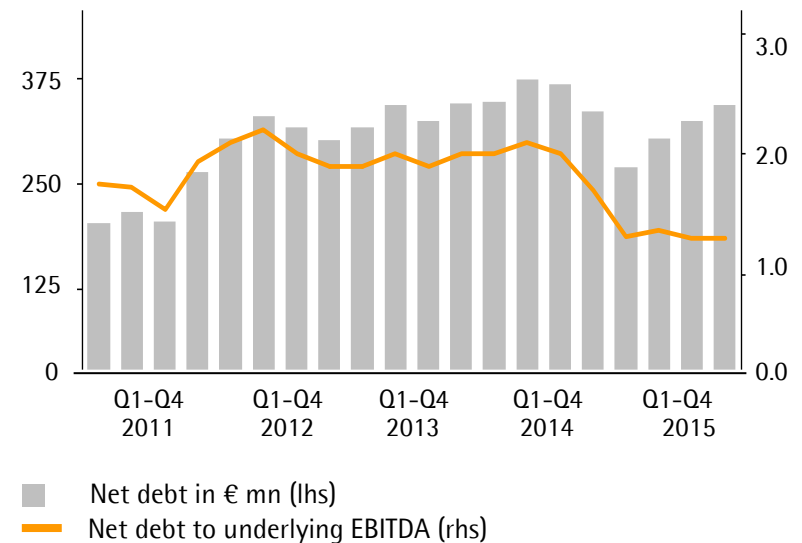
# Financial Position Further Strengthened

## Key Financial Indicators

Sartorius Group	Dec. 31 2014 <sup>1</sup>	Dec. 31 2015
Equity ratio in %	39.1	44.9
Net debt in millions of €	335.6	344.0
Net debt   underlying EBITDA	1.7	1.3

<sup>1</sup> Including discontinued operation

## Net Debt to Underlying EBITDA



## 2016 Guidance – Continued Profitable Growth Expected

	FY 2015		2016 Guidance <sup>1</sup>	
	Sales revenue growth <sup>1</sup>	Underlying EBITDA margin	Sales revenue growth	Underlying EBITDA margin
Sartorius Group	16.0%	23.6%	~ 10% - 14%	~ +1 pp
Bioprocess Solutions	20.9%	26.5%	~ 13% - 17%	~ +1 pp
Lab Products & Services	5.0%	16.0%	~ 3% - 7%	~ +1 pp

<sup>1</sup> In constant currencies

- Guidance includes growth of ~ 1.5 pp (BPS) expected to be contributed by BioOutsource and Cellca
- About half of the margin increase expected to come from economies of scale and the other half from favorable 2015 currency effects that will only be fully reflected in the 2016 margin
- Capex ratio ~ 10%

# Update of 2020 Financial Targets

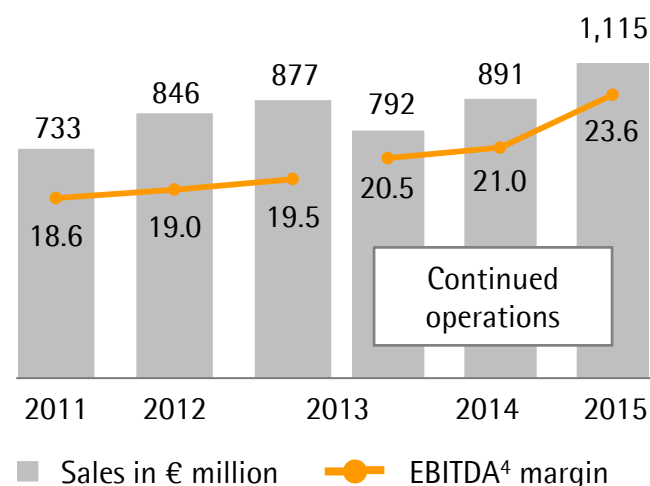
## 2011-2015 Performance Review

Sales CAGR<sup>1</sup> ~ 9%

Share of net incremental sales from M&A<sup>2</sup> ~ 1%

Organic sales CAGR<sup>1,3</sup> ~ 9%

EBITDA<sup>3</sup> margin + 5 pp



## Strategic Initiatives

### Regional

Gain share in North America  
Leverage market growth in Asia

✓  
**Executed**

### Portfolio

Alliances and acquisitions  
Own product development

(✓)  
**Ongoing**

### Infrastructure

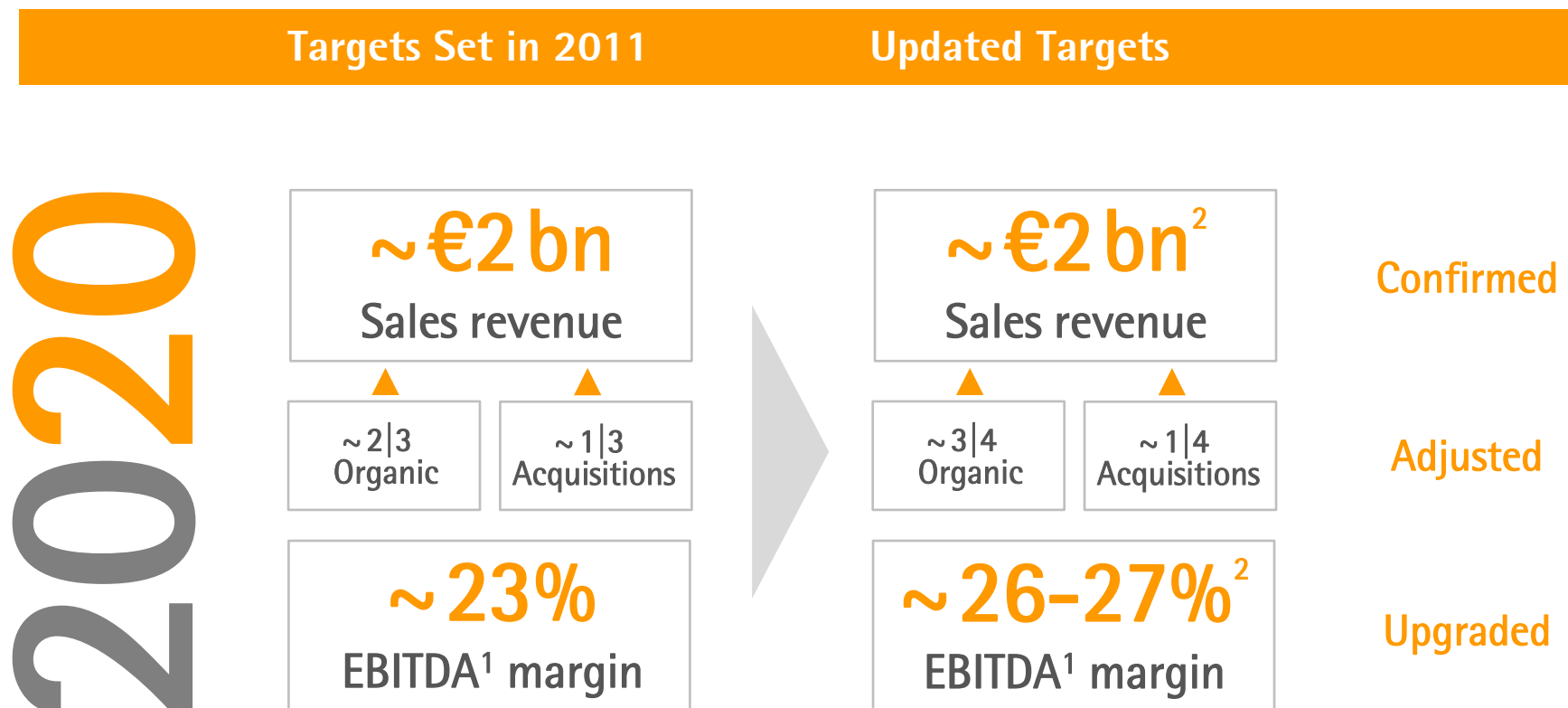
Capacity expansion  
New global ERP system

(✓)  
**Ongoing**

<sup>1</sup> In constant currencies <sup>2</sup> Excluding growth of acquired businesses after initial consolidation <sup>3</sup> Excluding portfolio changes

<sup>4</sup> Excluding extraordinary items

# 2020 Sales Target Confirmed; Margin Target Upgraded



<sup>1</sup> Excluding extraordinary items <sup>2</sup> Based on 2015 fx rates

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## Outstanding Performance in Line with Updated Expectations

Sartorius Stedim Biotech in millions of € unless otherwise specified	FY 2014	FY 2015	Change in %	Change in %   cc
Order intake	722.1	946.4	31.1	21.1
Sales revenue	683.5	884.3	29.4	19.4
Underlying EBITDA	160.5	231.3	44.2	
Underlying EBITDA margin in %	23.5	26.2	+2.7 pp	
Underlying EPS <sup>1</sup> in €	5.68	9.06	59.5	

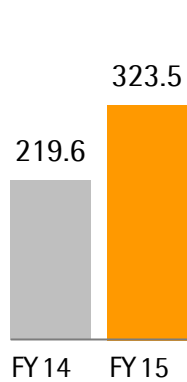
- Biopharma market growth stronger than expected; ongoing market share gains
- All product segments reported substantial growth, esp. single-use solutions, such as filters and bags
- Recent acquisitions performed very well, contributing nearly 2 pp to sales growth
- Underlying EBITDA margin up by 2.7 pp, mainly due to economies of scale

<sup>1</sup> Underlying EPS = based on net profit after non-controlling interest, adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate



# Excellent Development Supported by All Regions, Especially Americas

**Americas**  
Sales in € million



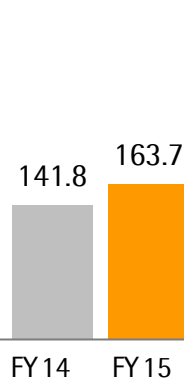
+ 24.7%

**EMEA**  
Sales in € million



+ 21.2%

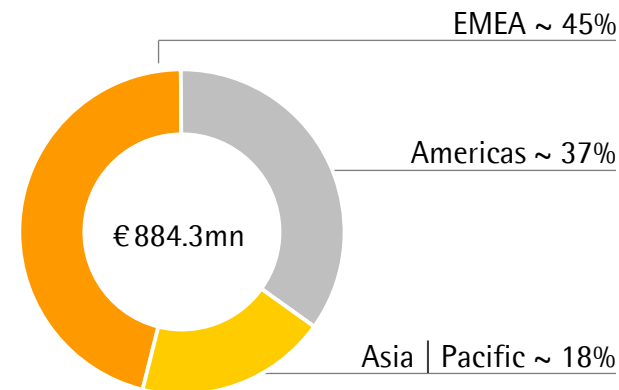
**Asia|Pacific**  
Sales in € million



+ 7.3%

Acc. to customers' location; growth in constant currencies

**Sales by Regions**  
in %



- Dynamic market growth and share gains drive outstanding business expansion in the Americas
- Double-digit growth in the EMEA region due to strong demand for both single-use products and equipment; acquisitions of BioOutsource and Cellca also added to growth
- Development in Asia|Pacific in line with expectations and against high comps; strong order intake momentum

## Significant Increase in Operating Cash Flow

Sartorius Stedim Biotech Group in millions of €	FY 2014	FY 2015	Change in %
Underlying EBITDA	160.5	231.3	44.2
Extraordinary items	-4.9	-7.4	-51.7
Financial result	-15.3	-14.9	2.7
Underlying net profit <sup>1</sup>	87.2	139.3	59.7
Reported net profit	72.4	118.0	62.9
Net operating cash flow	111.3	142.8	28.3
Net investing cash flow <sup>2</sup>	-46.8	-106.3	-127.1

- Financial result influenced by lower interest expenses and, in contrast, by valuation effects of derivatives | fx loans - mainly non-cash effective
- Net operating cash flow driven by strong earnings development
- Net investing cash flow reflects the acquisitions of BioOutsource and Cellca as well as higher capex
- Capex ratio at 6.2%

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

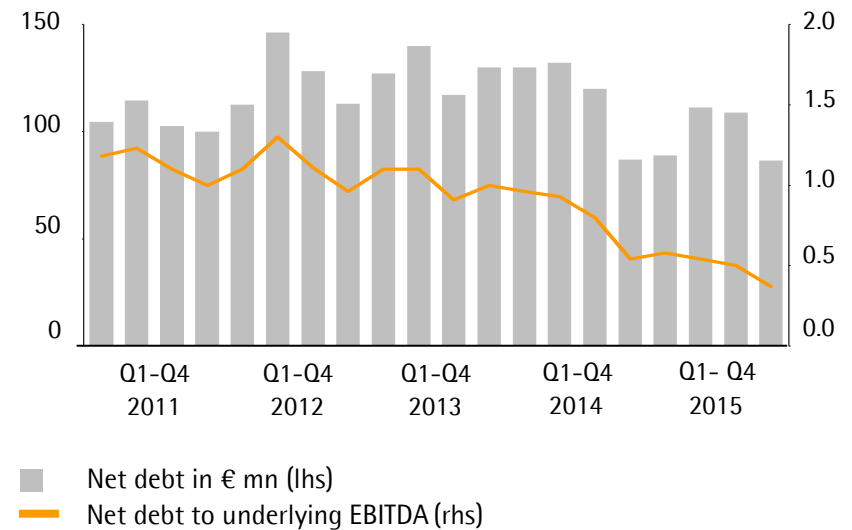
<sup>2</sup> Net cash flow from investing activities and acquisitions | divestments

# Financial Position Remained Strong

## Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31 2014	Dec. 31 2015
Equity ratio in %	59.4	60.7
Net debt in millions of €	87.4	86.4
Net debt   underlying EBITDA	0.5	0.4

## Net Debt to Underlying EBITDA



## 2016 Guidance – Positive Momentum Expected to Continue

	FY 2015 <sup>1</sup>	2016 Guidance <sup>1</sup>
Sales revenue growth	19.4%	~ 12% - 16%
Underlying EBITDA margin	26.2%	~ +1 pp

<sup>1</sup> In constant currencies

- Guidance includes growth of ~ 1.5 pp expected to be contributed by BioOutsource and Cellca
- About half of the margin increase expected to come from economies of scale and the other half from favorable 2015 currency effects that will only be fully reflected in the 2016 margin
- Capex ratio ~6% - 8%

# Update of 2020 Financial Targets

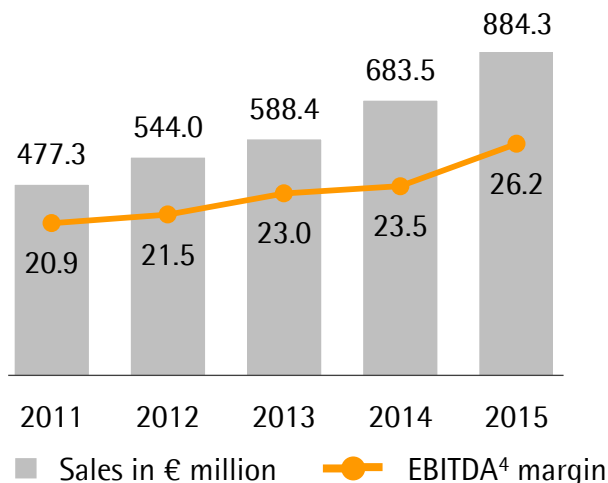
## 2011–2015 Performance Review

Sales CAGR<sup>1</sup> ~ 14%

Share of incremental sales from M&A<sup>2</sup> ~ 18%

Organic sales CAGR<sup>1,3</sup> ~ 10.5%

EBITDA<sup>3</sup> margin + 5.3 pp



## Strategic Initiatives

### Regional

Gain share in North America  
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✓  
**Executed**

### Portfolio

Alliances and acquisitions  
 Own product development

(✓)  
**Ongoing**

### Infrastructure

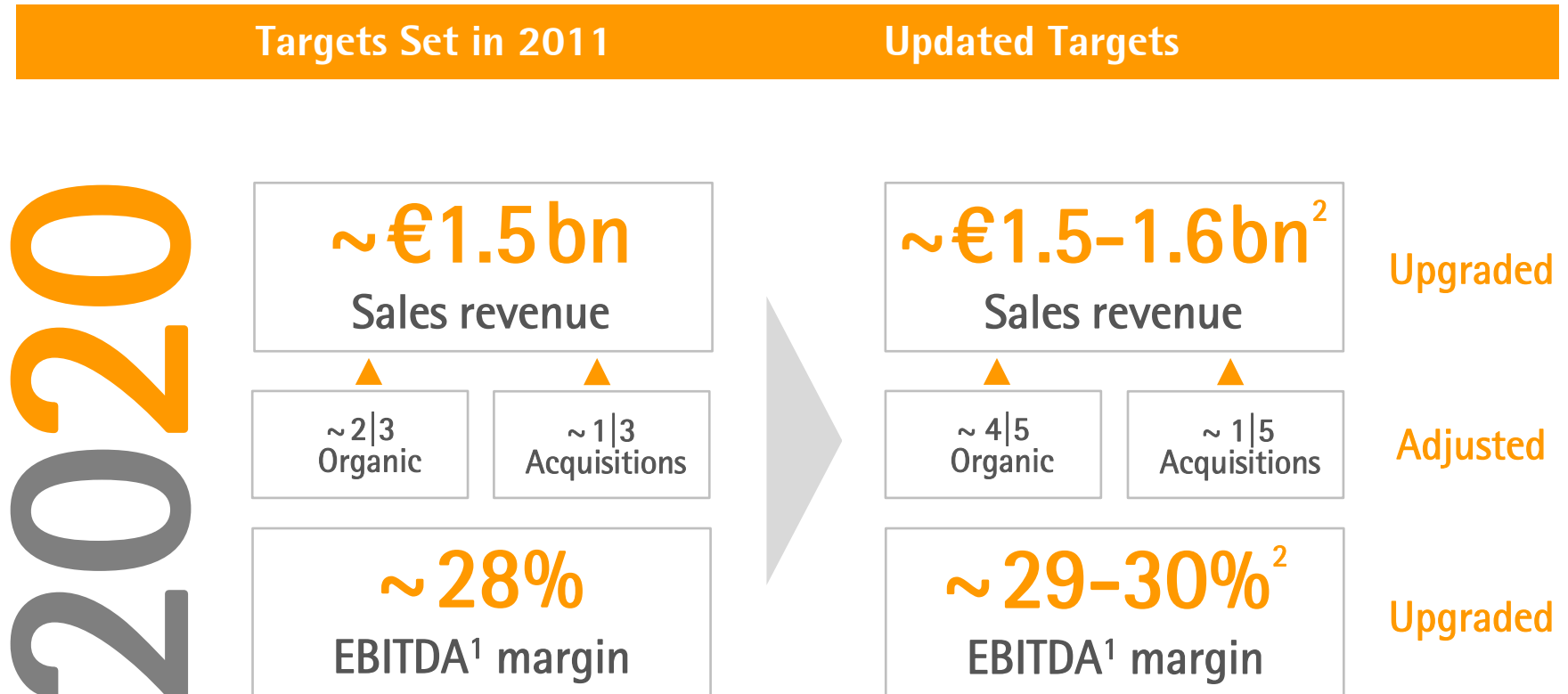
Capacity expansion

(✓)  
**Ongoing**

<sup>1</sup> In constant currencies <sup>2</sup> Excluding growth of acquired businesses after initial consolidation <sup>3</sup> Excluding portfolio changes

<sup>4</sup> Excluding extraordinary items

# 2020 Targets Upgraded



<sup>1</sup> Excluding extraordinary items <sup>2</sup> Based on 2015 fx rates

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Thank you very much  
for your attention