

Conference Call First-Quarter 2019 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
Q1 2019 Results | FY 2019 Guidance

Sartorius Stedim Biotech Group
Q1 2019 Results | FY 2019 Guidance

Questions & Answers



Q1 2019 Highlights

- › Strong double-digit growth in sales, order intake and earnings
- › Continued dynamic momentum in Bioprocess Solutions division
- › Lab Products & Services with robust development
- › 2019 outlook confirmed



Strong top-line growth; further margin increase

Sartorius Group

in millions of € unless otherwise specified

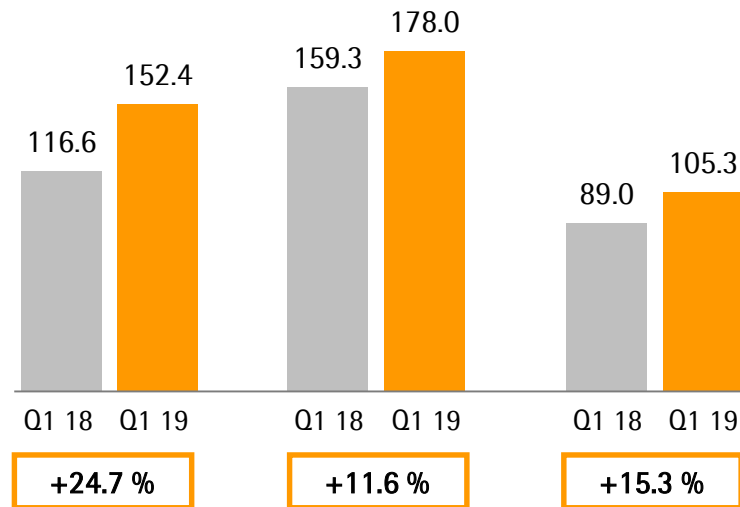
	Q1 2018	Q1 2019	Δ in %	Δ in % cc ¹⁾
Sales revenue	364.9	435.7	+19.4	+16.8
Order intake	404.8	482.8	+19.3	+16.6
Underlying EBITDA ²⁾	88.6	114.0	+28.7	
Underlying EBITDA ²⁾ margin in %	24.3	26.2	+1.9 pp	
Underlying EPS ³⁾ (ord.) in €	0.54	0.71	+31.1	
Underlying EPS ³⁾ (pref.) in €	0.55	0.72	+30.5	

- Underlying EBITDA positively impacted by changes to the IFRS accounting rules, which contributes around half a percentage point to margin improvement as expected

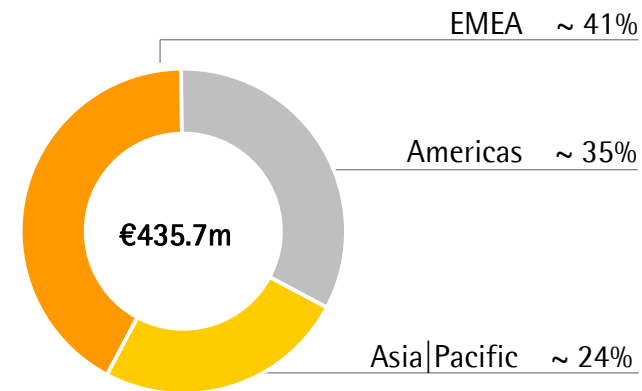
¹⁾ Constant currencies ²⁾ Underlying = excluding extraordinary items ³⁾ Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and tax rate

Double-digit growth in all geographies

Americas
€ in millions



Sales by Region
in %

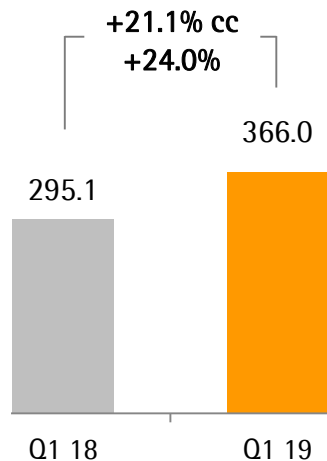


Acc. to customers' location; growth in constant currencies

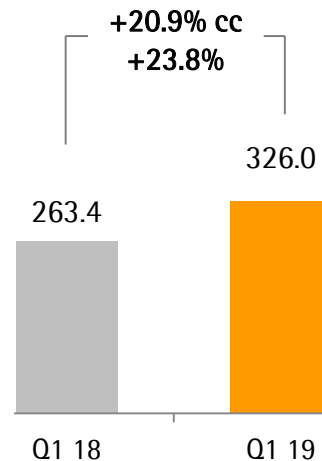
- Americas: BPS with high momentum; robust performance of LPS
- EMEA: Solid performance driven by BPS growth; softer economy affects LPS
- Asia|Pacific: Both divisions with strong growth rates

BPS: Strong demand across all product categories and regions

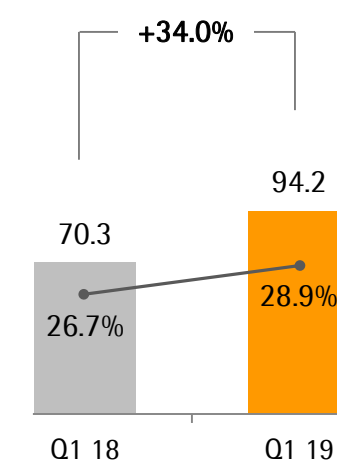
Order Intake
€ in millions



Sales Revenue
€ in millions



Underlying EBITDA & Margin
€ in millions

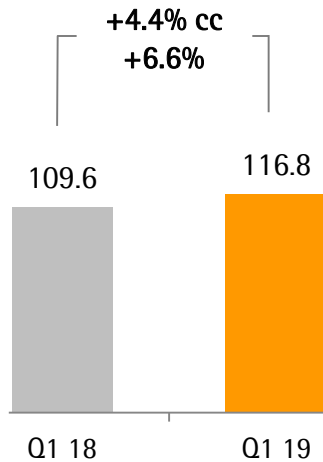


- Above-average growth rates driven by moderate comps, and the modified setup of the cell culture media business that has not yet shown its full effects on Q1 figures; expected to normalize as the year progresses
- Underlying EBITDA margin rises due to economies of scale and changes to the IFRS accounting rules

LPS: Robust performance in line with expectations

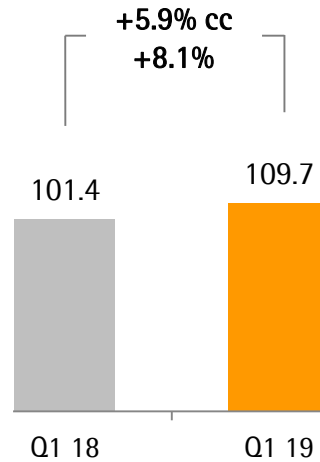
Order Intake

€ in millions



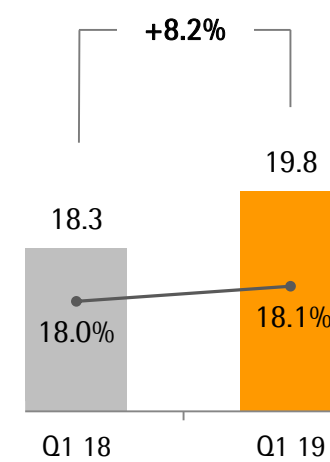
Sales Revenue

€ in millions



Underlying EBITDA & Margin

€ in millions



- Softer European economy weighs on growth; relatively tough comps
- EBITDA margin on prior-year level; positively affected by IFRS 16

Cash flow enhanced by higher earnings

Sartorius Group

€ in millions unless otherwise specified

	Q1 2018 ¹⁾	Q1 2019	Δ in %
Underlying EBITDA	88.6	114.0	+28.7
Extraordinary items	-7.2	-5.0	+30.3
Financial result	-4.1	-7.4	-79.3
Underlying net profit ^{2,3)}	37.2	48.6	+30.8
Reported net profit ³⁾	26.6	37.8	+41.9
Net operating cash flow	38.9	105.9	+172.3
Net investing cash flow ⁴⁾	-40.6	-55.0	-35.7
CAPEX ratio (in %) ⁵⁾	10.3	12.9	+2.6pp

- Net operating cash flow mostly driven by higher earnings
- Extraordinary items decrease after completing the integration of latest acquisitions
- Capital expenditures expected to decrease after the completion of several large projects

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

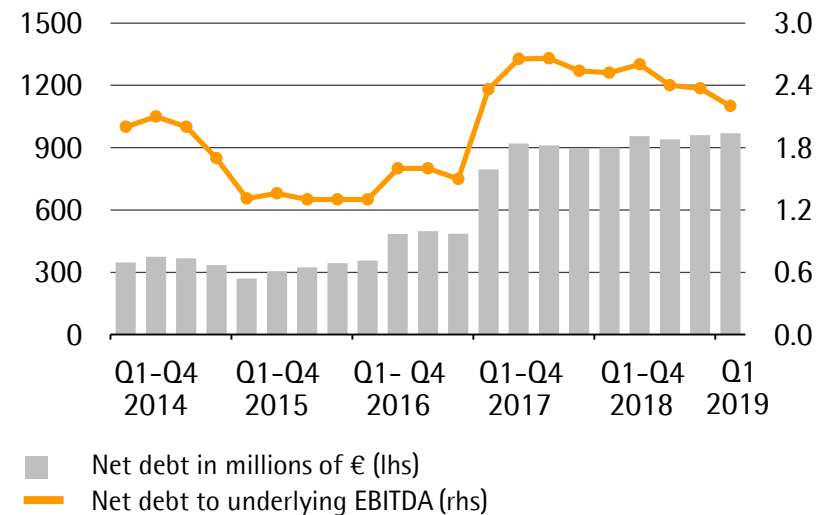
⁵⁾ As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio Q1 2018 restated: 11.1%

Key financial indicators remain at robust levels

Key Financial Indicators

Sartorius Group	Dec. 31, 2018	Mar. 31, 2019
Equity ratio in %	38.5	36.8
Net debt in millions of €	959.5	970.0
Net debt underlying EBITDA	2.4	2.2

Net Debt and Net Debt to Underlying EBITDA



- Equity ratio decreased slightly mainly as a result of the change in accounting rules

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%, restated 14.9%)

Agenda

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Questions & Answers



Dynamic growth driven by high demand across the entire portfolio

Sartorius Stedim Biotech Group

in millions of € unless otherwise specified

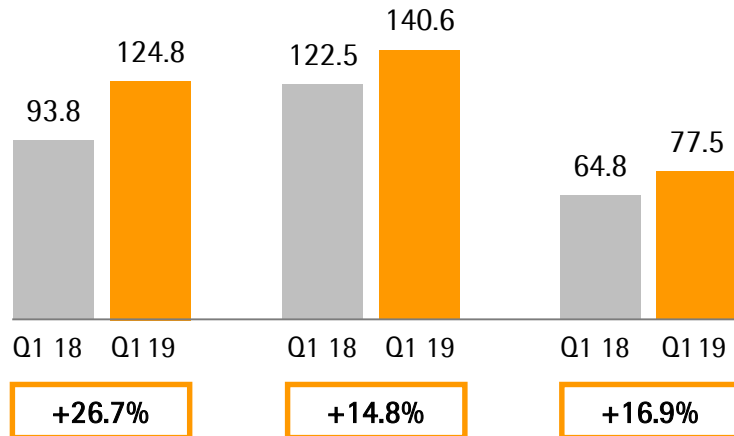
	Q1 2018	Q1 2019	Δ in %	Δ in % cc ¹⁾
Sales revenue	281.1	342.9	+22.0	+19.3
Order intake	313.8	381.3	+21.5	+18.7
Underlying EBITDA ²⁾	74.0	98.1	+32.5	
Underlying EBITDA ²⁾ margin in %	26.3	28.6	+2.3pp	
Underlying EPS ³⁾ per share in €	0.51	0.68	+32.9	

- Above-average growth rates driven by moderate comps, and the modified setup of the cell culture media business that has not yet shown its full effects on Q1 figures; expected to normalize as the year progresses
- Underlying EBITDA impacted by economies of scale and changes to the IFRS accounting rules; the latter contributes around half a percentage point to margin improvement

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

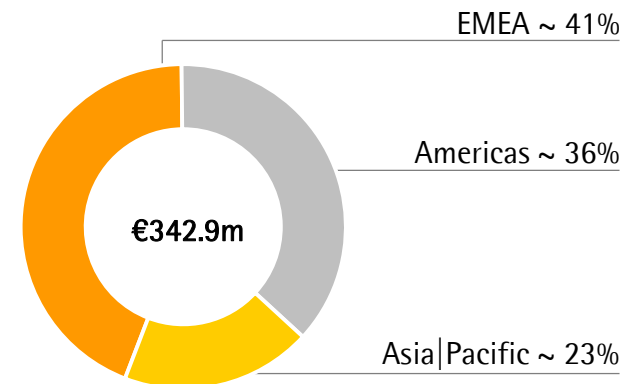
Americas
in € millions



EMEA
in € millions

Asia|Pacific
in € millions

Sales by Regions
in %



Acc. to customers' location; growth in constant currencies

- Americas: High momentum
- EMEA: Very solid growth in sales revenue and dynamic order intake growth
- Asia|Pacific: Very positive development

Significant increase in operating cash flow

Sartorius Stedim Biotech Group

€ in millions unless otherwise specified

	Q1 2018	Q1 2019	Δ in %
Underlying EBITDA	74.0	98.1	+32.5
Extraordinary items	-3.6	-2.6	+27.5
Financial result	-1.7	-3.7	-123.8
Underlying net profit ^{1,2)}	47.1	62.6	+32.9
Reported net profit ²⁾	40.9	56.1	+37.1
Net operating cash flow	38.3	80.7	+110.6
Net investing cash flow ³⁾	-27.4	-32.3	-17.9
CAPEX ratio (in %) ⁴⁾	9.2	9.4	+0.2pp

- Net operating cash flow mostly driven by higher earnings
- Net investing cash flow reflects execution of CAPEX program (capacity additions in Yauco and Göttingen; IT investments)
- Capital expenditures expected to decrease after the completion of several large projects

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

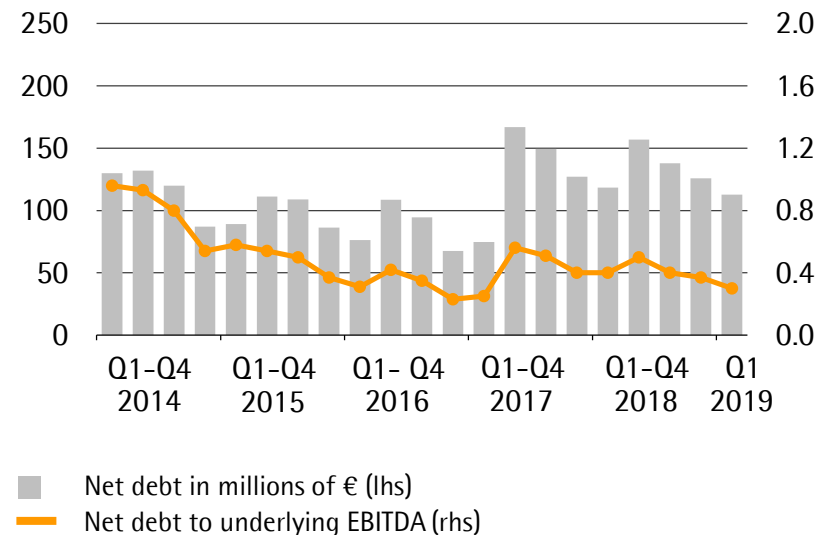
²⁾ After non-controlling interest ³⁾ Net cash flow from investing activities and acquisitions ⁴⁾ As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio Q1 2018 restated: 9.7%

Financial position remains strong

Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2018	Mar. 31, 2019
Equity ratio in %	66.5	63.6
Net debt in millions of €	125.7	112.8
Net debt underlying EBITDA	0.4	0.3

Net Debt and Net Debt to Underlying EBITDA



- Equity ratio decreased slightly mainly as a result of the change in accounting rules

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

