

# SARTORIUS

## Simplifying Progress

### Investors Presentation

February 2024





# Agenda

Overview | Strategy

Bioprocess Solutions Division

Lab Products & Services Division

FY 2023 Results | FY 2024 Guidance



# Partner of Life Science research and the biopharmaceutical industry



Good health and well-being at the focus of Sartorius' business activities

**SUSTAINABLE  
DEVELOPMENT** **GOALS**



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## Our mission

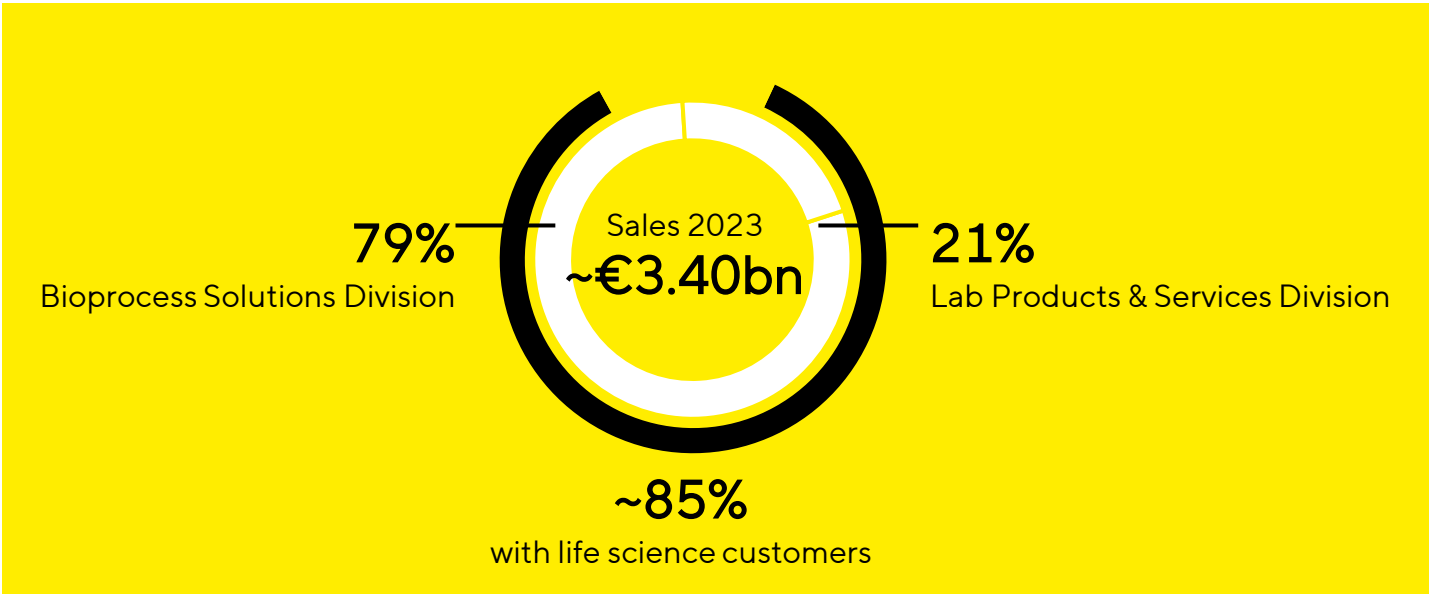
We empower scientists and engineers to simplify and accelerate progress in life science and bioprocessing, enabling the development of new and better therapies and more affordable medicine.

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# Sartorius at a glance

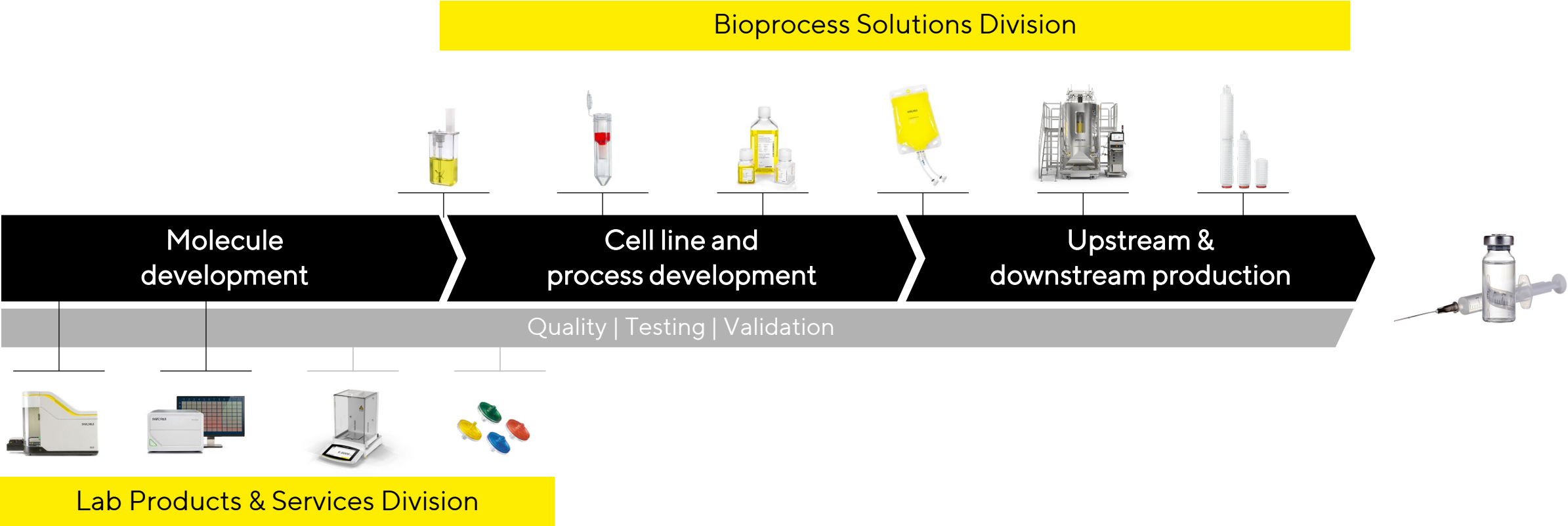
- € ~€3.40bn  
Sales revenue 2023
- ~15%  
Sales CAGR<sup>1</sup> 2013-2023
- 28.3%  
EBITDA margin<sup>2</sup> 2023
- 60+  
Locations worldwide,  
HQ in Göttingen, Germany
- ~14,600  
Employees 12/2023

Two divisions focused on attractive biopharma and life science markets



1 In constant currencies 2 Excluding extraordinary items

# Products and solutions span from lab to production

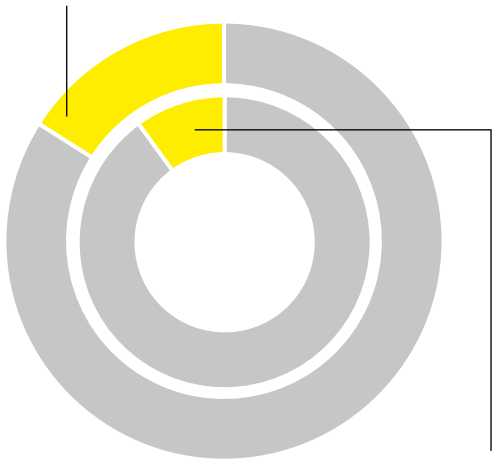


# Attractive market environment offers strong growth opportunities

## Growing and aging population

>9.5 billion people by 2050<sup>1</sup>

World population over age 65 in 2050  
~1.6bn



World population over 65 in 2022  
~0.8bn

## Biologics are gaining importance<sup>2</sup>

Sales share of biologics in 2028  
~44%

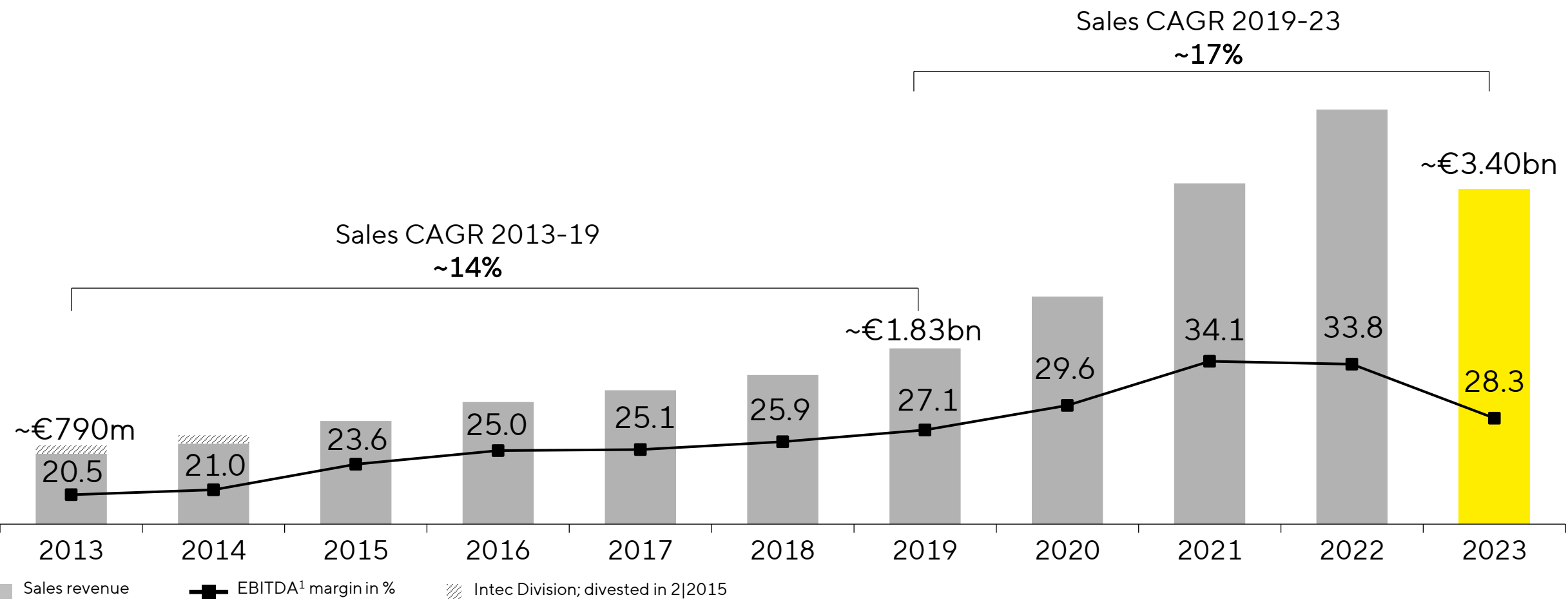


Sales share of biologics in 2023  
~39%

~10% CAGR  
biopharma market  
2023 – 2028

1 United Nations: World Population Prospects, 2022 2 Evaluate Pharma: World Preview 2023, August 2023 3 Company estimates based on industry reports (e.g. IQVIA, Evaluate Pharma, globaldata etc.), 2023

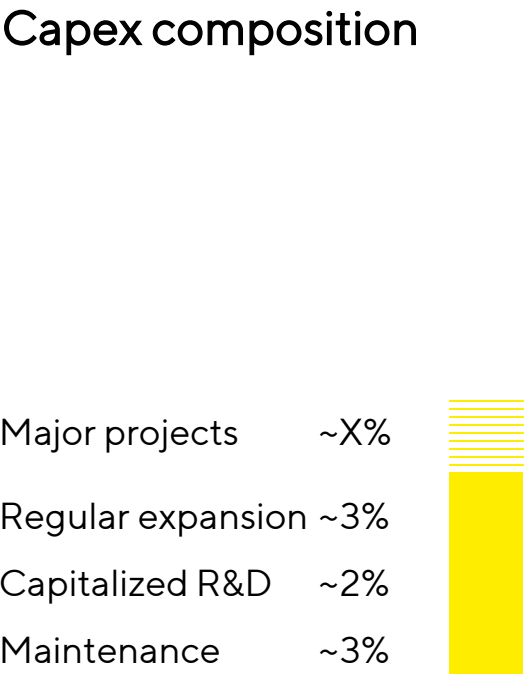
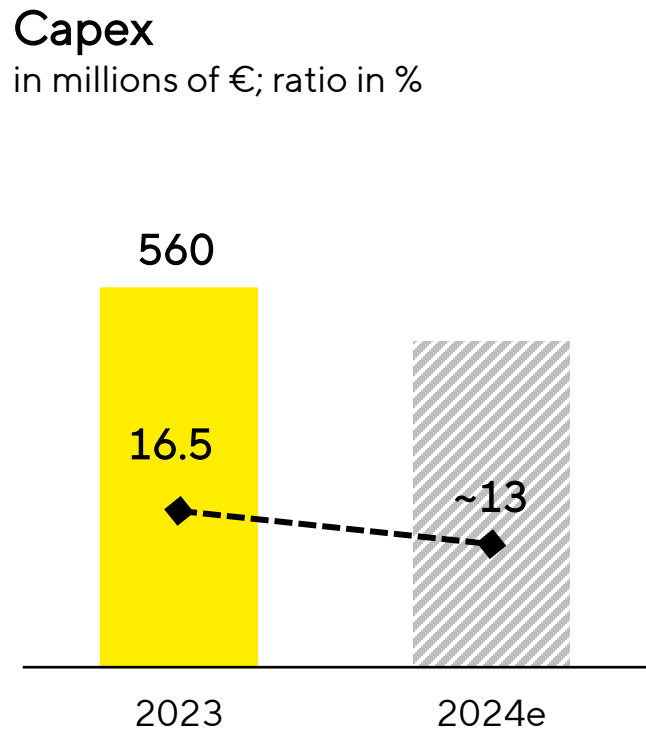
# Strong track record of profitable growth



Sales CAGR for continued operations, in constant currencies; EBITDA margin excluding extraordinary items



# Fueling organic growth; improved resilience by robust regional set-ups





Global Resilience



Redundant Capacity



Customer proximity



Operational Excellence



**Ann Arbor, Michigan, USA**  
Bioanalytics products & services completion in 2024



**Songdo, South Korea**  
Cell culture media, bags, filtration, laboratories, training completion by end of 2025



# Expansion projects proceeding according to plan



**Ann Arbor, Michigan, USA**  
Bioanalytics products and services



**Göttingen, Germany**  
Product development, membrane production, filtration



**Songdo, South Korea**  
Cell culture media, bags, filtration, laboratories, training



**Yauco, Puerto Rico, USA**  
Cell culture media, bags, filtration

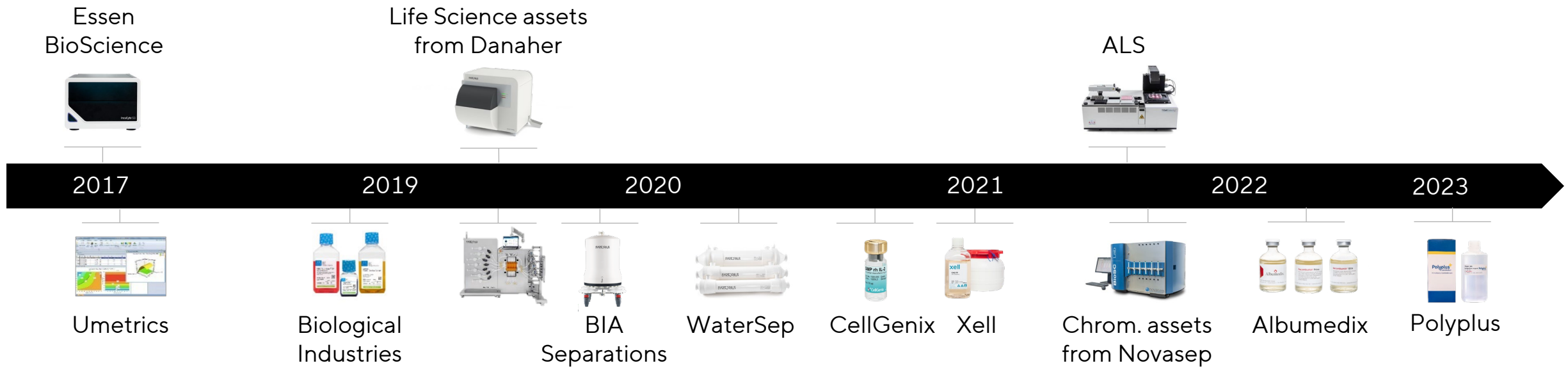


**Aubagne, France**  
Clean rooms, product development, laboratories, offices, storage



**Peking, China**  
Bags

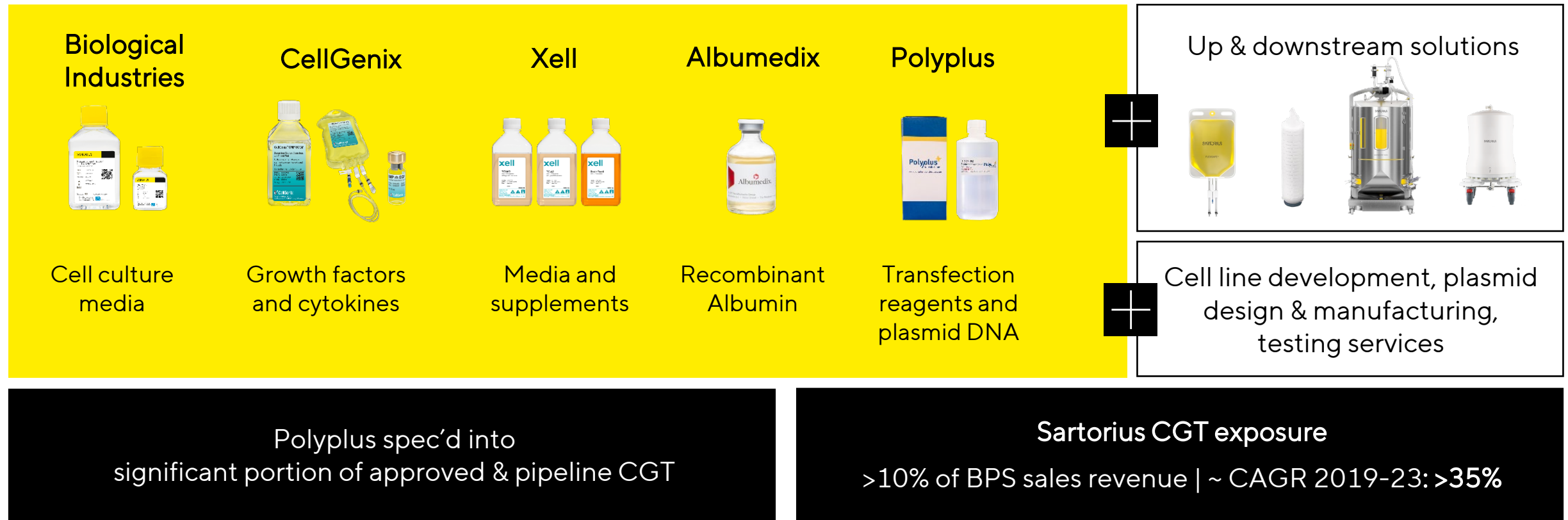
# M&A strategy – adding innovation, enhancing focus



## Acquisition criteria

- Portfolio: Complementary products or technologies
- Market position: Either among the Top 3 or unique selling point
- Integration: Management capacity; cultural fit
- Price: Fair valuation; reach Sartorius' profitability level in 2-3 years

# Polyplus acquisition a milestone for creating a technology platform for applications in the CGT market



# Cell and gene therapies (CGT) an increasingly relevant market segment

~30% of biopharma pipeline is focusing on CGT<sup>1</sup>



- >6,000 CGT candidates in development<sup>1</sup>
- 7 new CGT (2022: 5) approvals in 2023 out of 42 BLA approvals in total (2022: 31)<sup>2</sup>

Number of commercial processes is expanding rapidly

~60

approved CGT globally<sup>1</sup>

11

CGT approvals in 2022 and 2023 alone

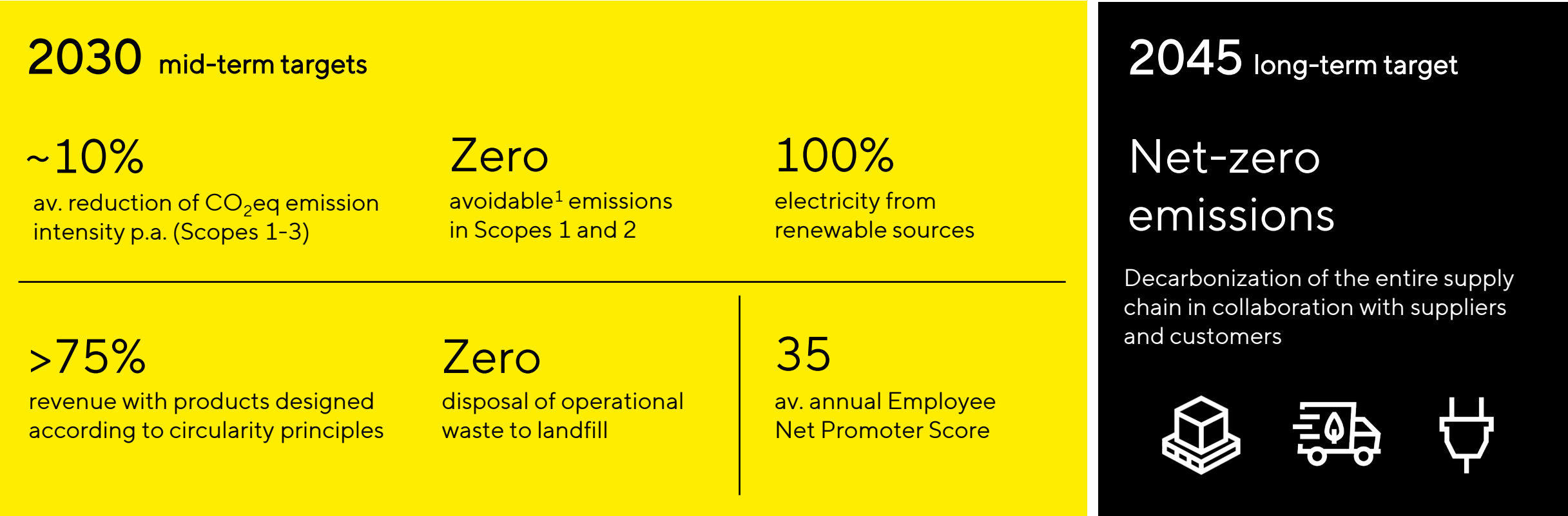
10-20

CGT approvals expected p.a. by 2025<sup>2</sup>

<sup>1</sup> GlobalData, October 2023 <sup>2</sup> FDA, includes CDER and CBER approvals

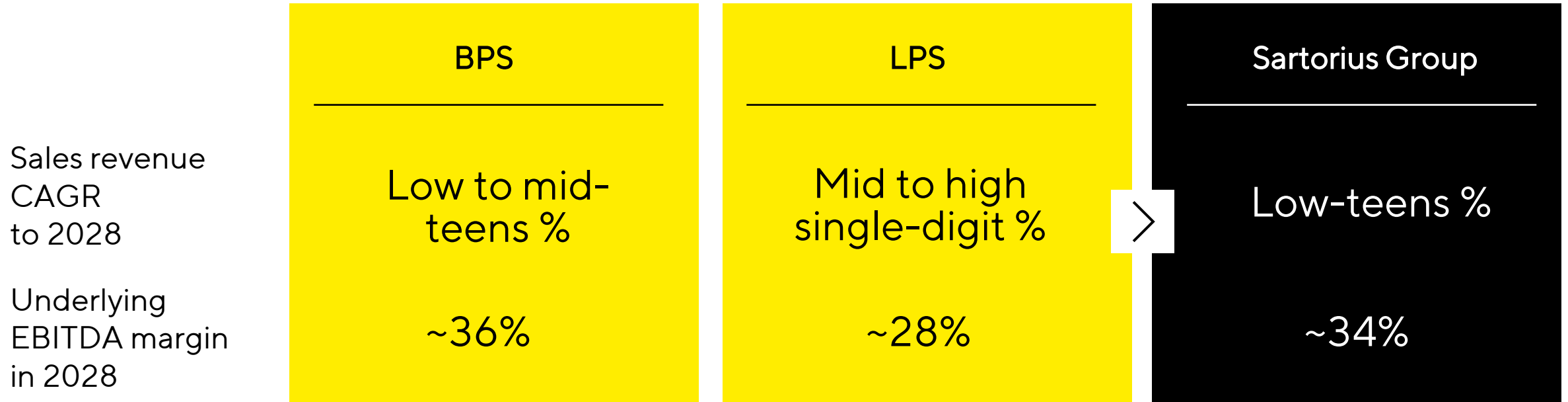


# Broad set of ambitious sustainability targets



1 Process emissions from membrane manufacturing are currently considered unavoidable based on available technology, 2 Including product and transport packaging

# Midterm outlook to 2028: Expect to continue outgrowing the market



- ~1/5 of sales revenue growth to come from acquisitions in both divisions and the Group
- Margin targets include expenses for reduction of the company's CO<sub>2</sub> emission intensity of around 1% of sales

Midterm targets based on current currency exchange rates; underlying EBITDA excluding extraordinary items

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# Bioprocess Solutions (BPS): solution provider for biomanufacturing



**~€2.68bn**

Sales revenue 2023



**29.2%**

EBITDA margin<sup>1</sup> 2023



**~75%**

Recurring revenues

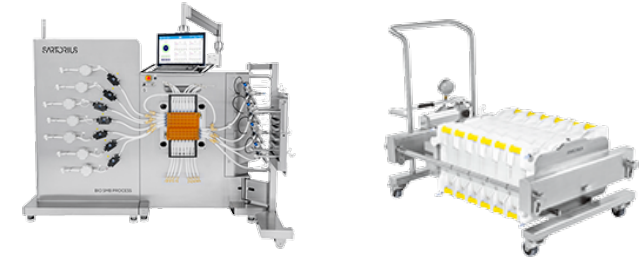


**~90%**

Sales share biopharma



Filtration



Purification



Fermentation



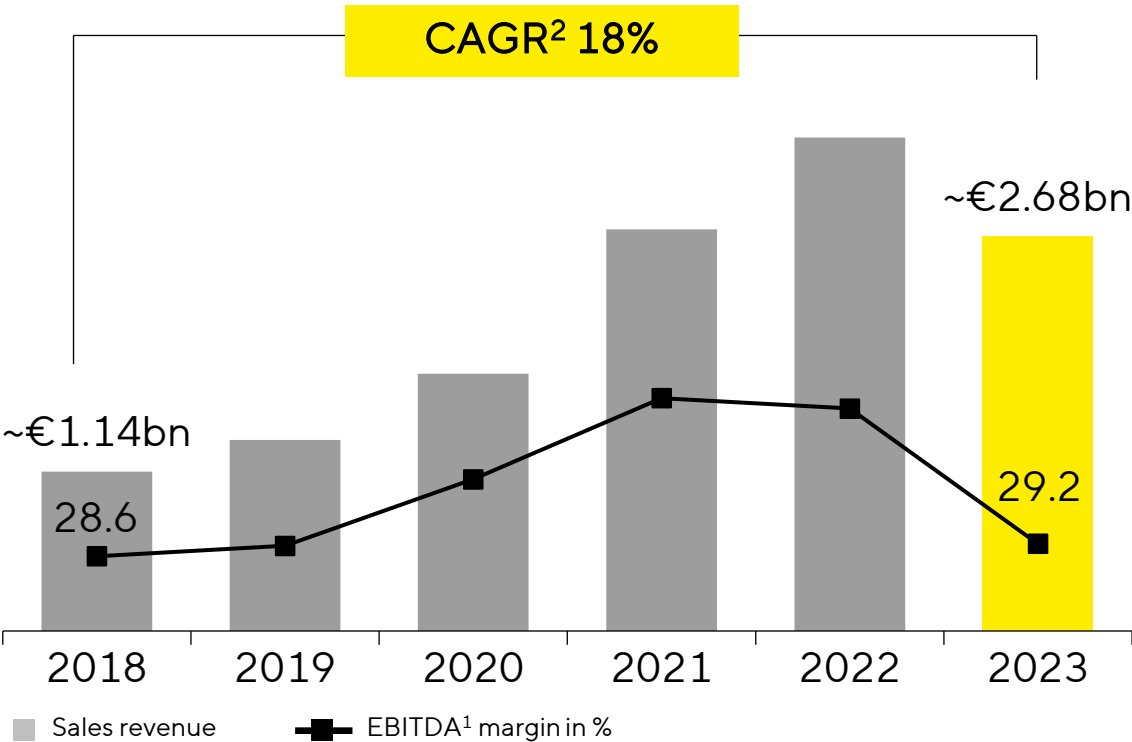
Fluid management

<sup>1</sup> Excluding extraordinary items



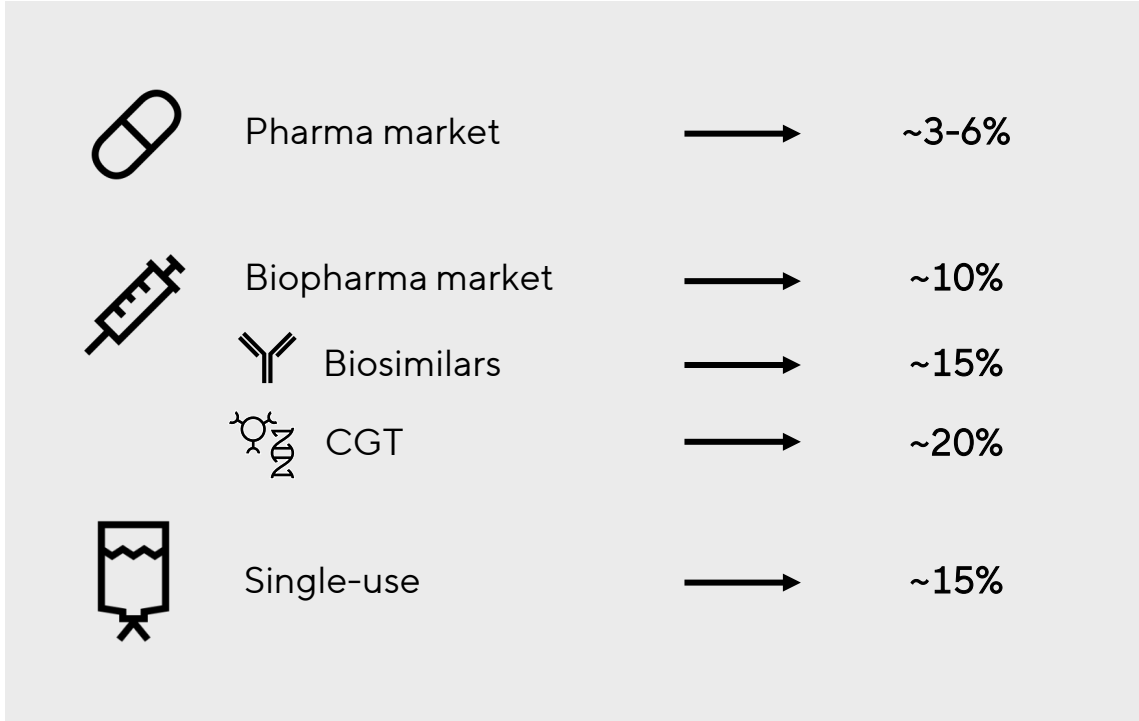
# Track record of dynamic growth; balanced regional revenue profile

BPS sales revenue; EBITDA margin<sup>1</sup> in %

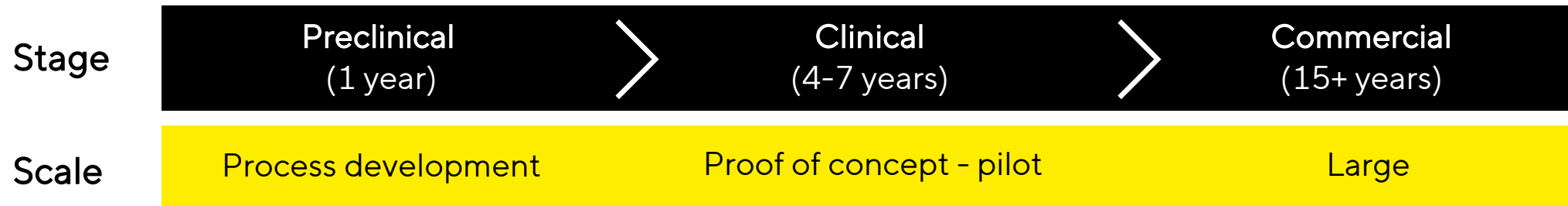


1 Excluding extraordinary items 2 In constant currencies

Pillars of growth CAGRs 2022-2027<sup>1</sup>



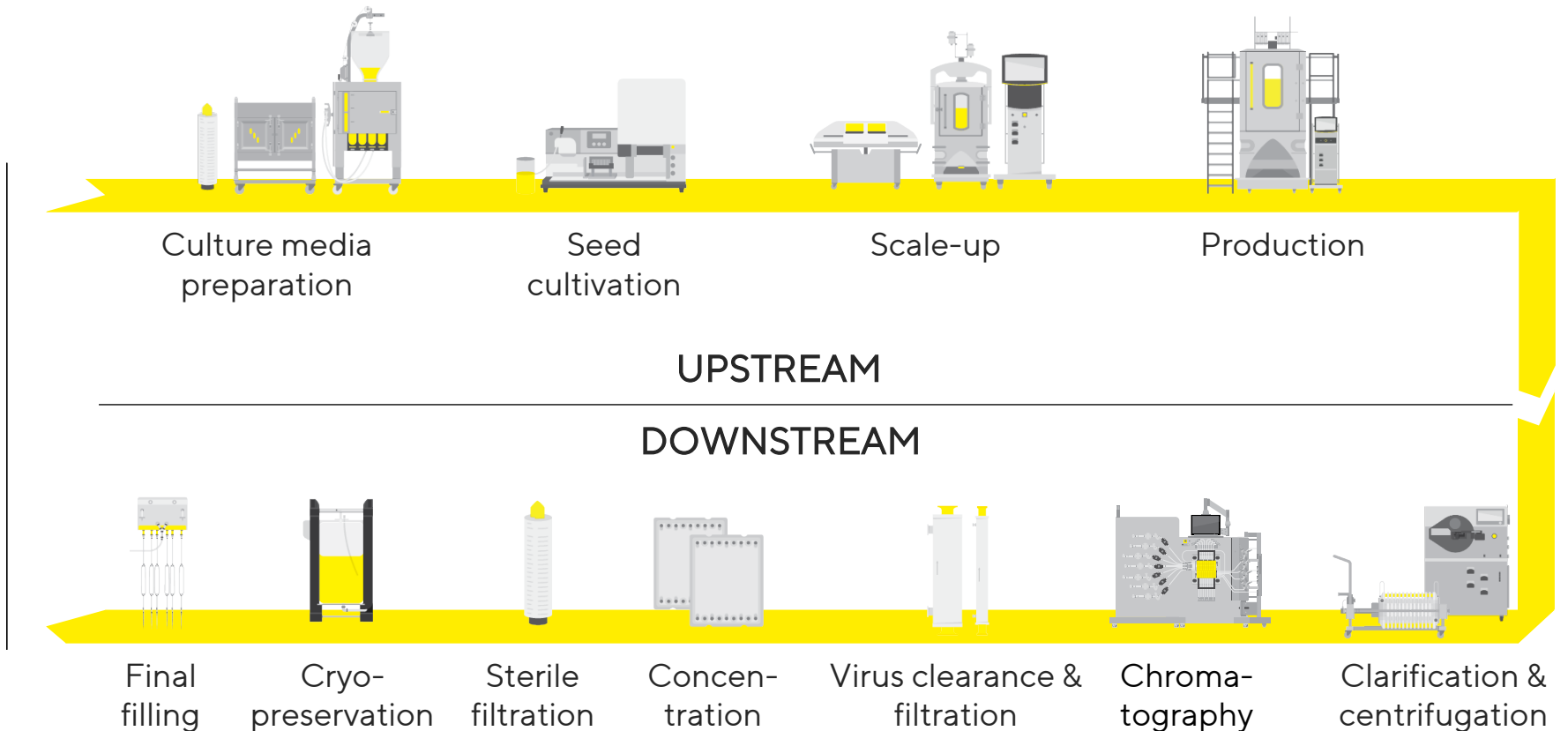
# Generating revenue throughout the lifecycle of a biopharma drug



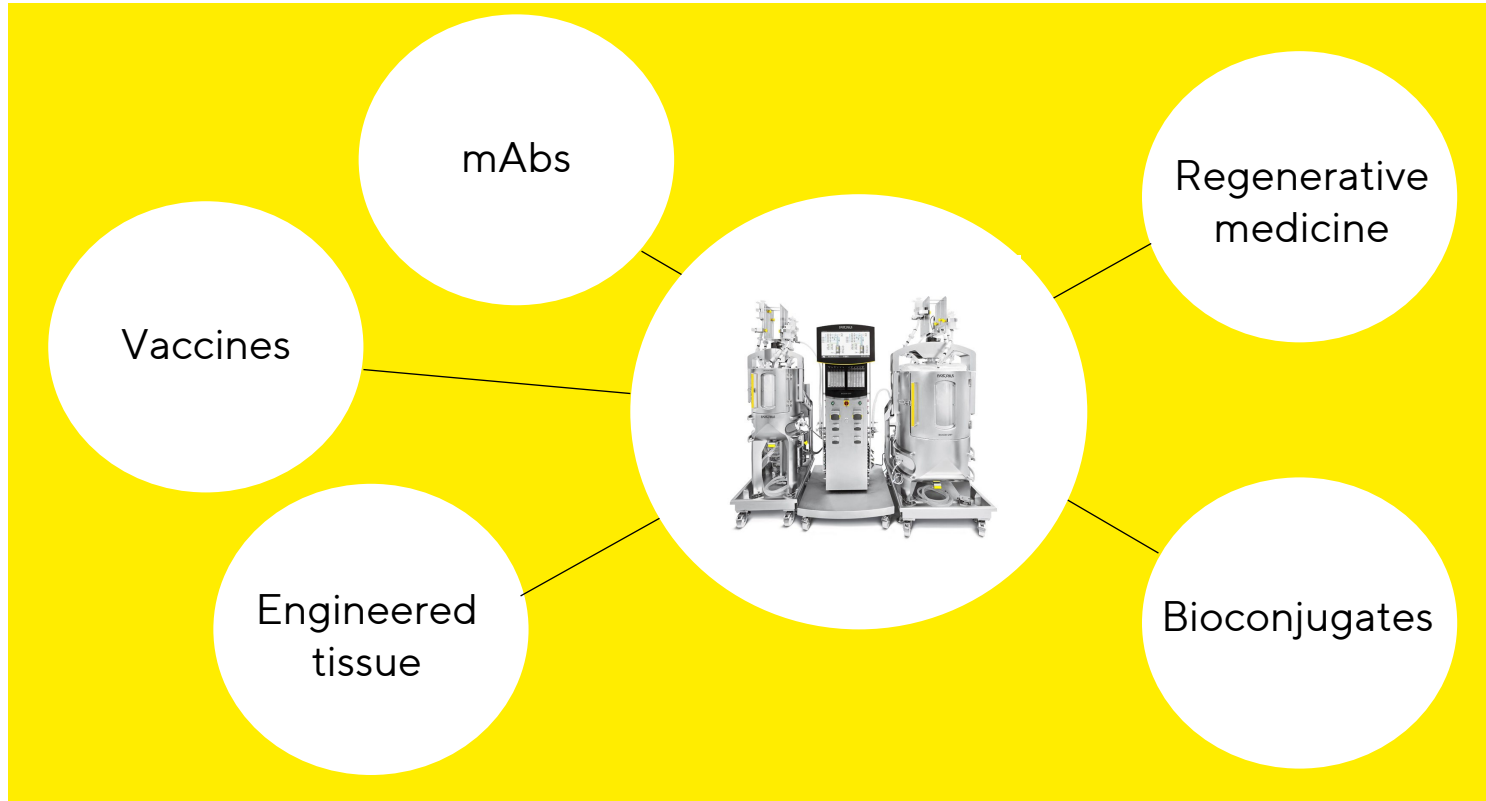
- Wide product range of equipment and consumables for all stages (from pre-commercial to large-scale manufacturing); optimal scalability
- Engineering support with excellent application knowhow and understanding of the entire bio-production process
- Production process of each individual drug is subject to validation by health authorities (e.g. FDA, EMA) and part of the drug approval

# Covering most steps of the biopharmaceutical manufacturing process

- Differentiated by the range and completeness of the portfolio
- Excellent positioning in key single-use technologies
- Internationally recognized supplier enabling innovation in bioprocessing through own R&D and partnerships



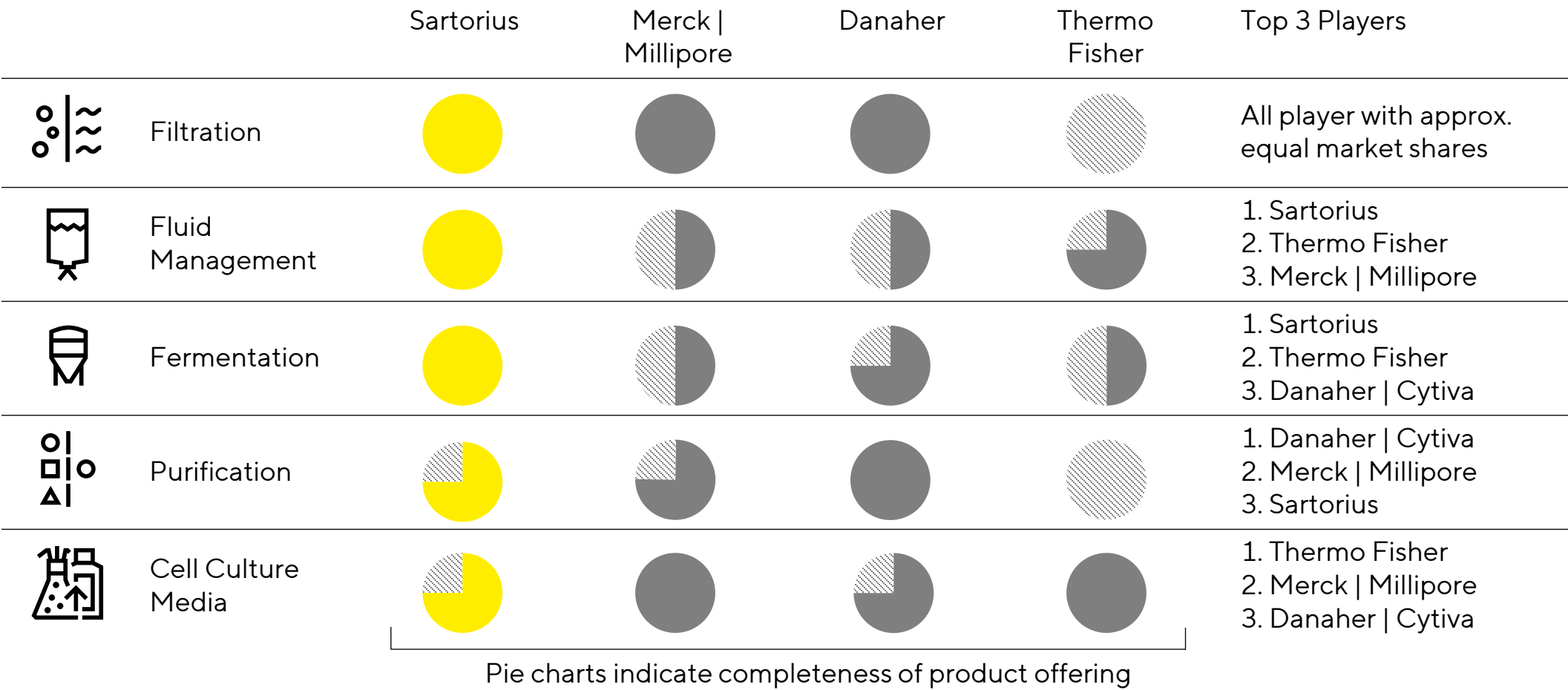
# Integrated services and technologies for all types of biopharmaceuticals



- ~ 95% of BPS revenue generated with bio/pharma customers
- Solutions for the production of all biotechnologically derived drugs and cell derivatives
- Antibodies are most relevant; strong position in vaccines as well
- New modalities such as cell and gene therapies and viral vectors with increasing relevance



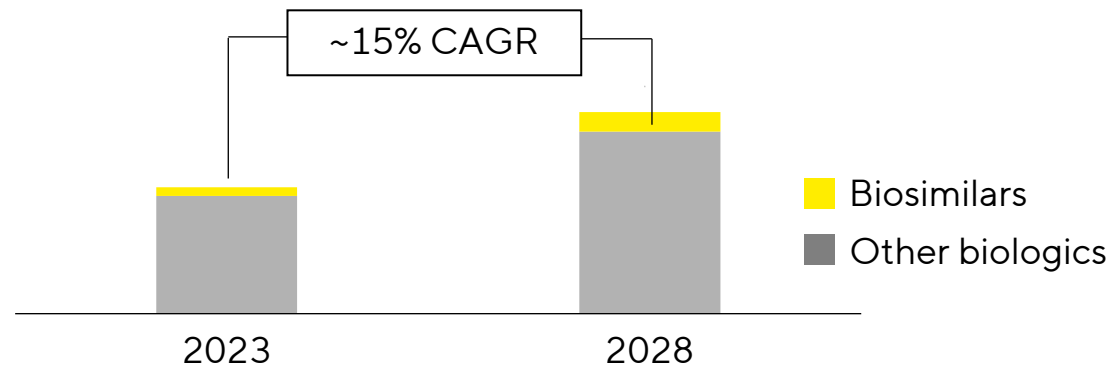
# Competitive product offering



# Biosimilars: Strong growth, big opportunities

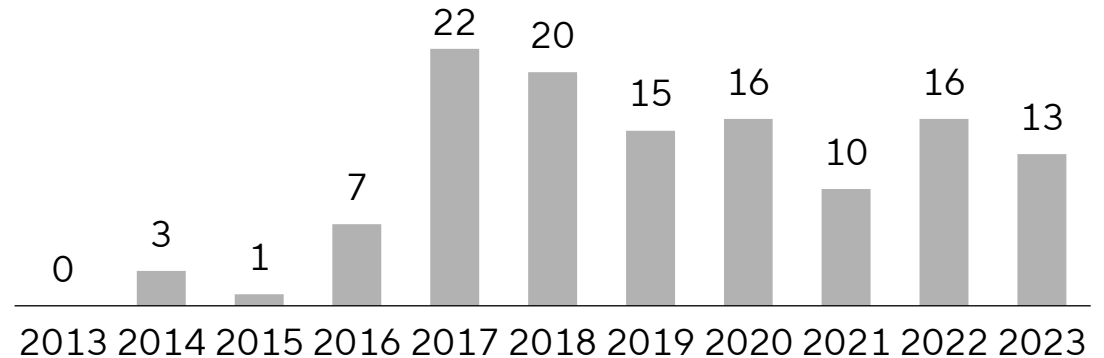
- Major blockbuster biologics are going off-patent
- Time-to-market is key as only the first providers are most likely profitable
- Several approvals in Asia and Europe; U.S. at the beginning
- For now, relatively small market but with strong growth
- Single-use is the preferred platform for biosimilars

## Biosimilars will outperform the biologics market<sup>1</sup>



## Growing number of approved biosimilars<sup>2</sup>

E.U. and U.S.



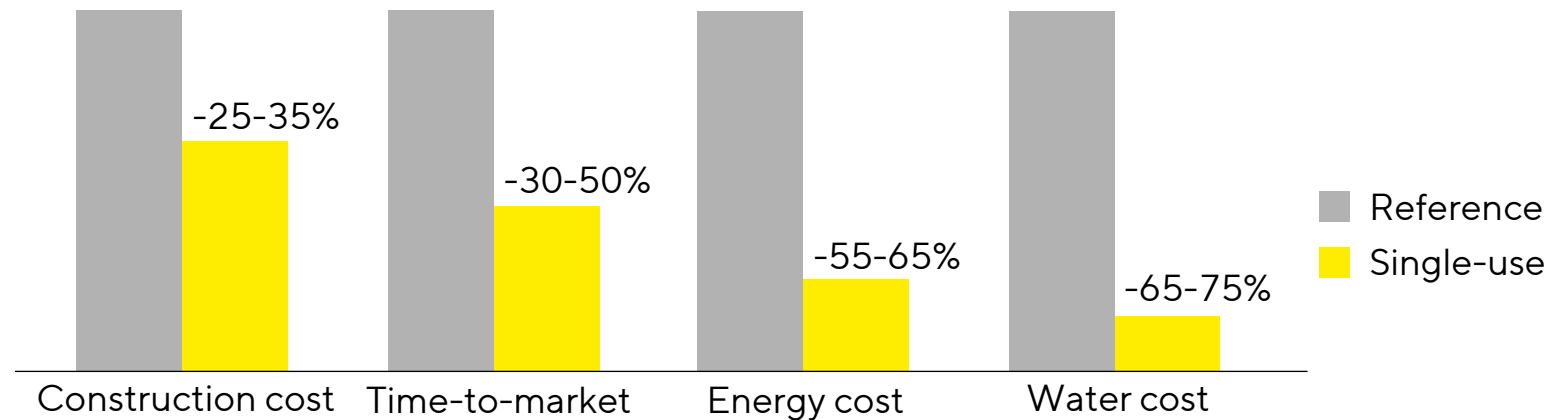
<sup>1</sup> Source: MarketsandMarkets, 2023; EvaluatePharma, 2023 <sup>2</sup> FDA and EMA

# Pioneer and leader in the growing single-use technology market

**Single-use market penetration expected to increase from ~35% to ~75%**

Single-use products offer advantages over conventional stainless-steel devices

- Capex|Opex reduction over entire lifecycle
- Reduced risk of cross-contamination
- Higher flexibility; advantageous for biosimilars

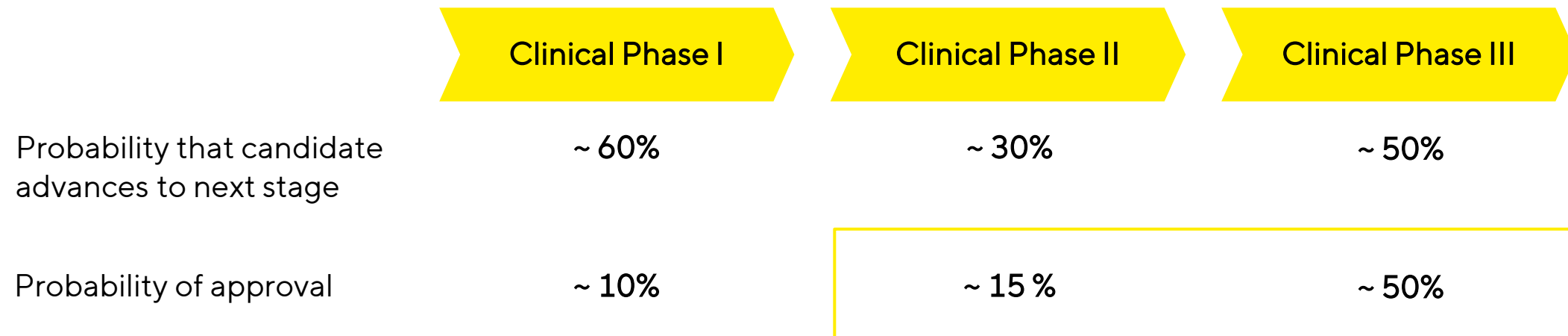


Source: Andrew Sinclair et al., 2008; Sartorius



# Single-use allows manufacturers to mitigate investment risks

- Construction of stainless-steel based facilities takes longer and is more complex compared to single-use
- Therefore, investment in stainless-steel facilities has to start in early clinical phase II
- The construction of single-use facilities may start in clinical phase III, reducing investment risks of clients



Data based on: Wong et al., 2018



# Analytical technologies to improve process economics and safety



- Bioprocess sensors, analyzers and software
  - Collect, monitor and control quality-critical parameters
  - Analyze data to obtain a better process understanding
  - Use knowledge for process development, optimization and automation
- Allows customers to increase time-to-market, to reduce COGS, to improve process robustness and product quality
- Intention to upgrade Umetrics software suite with advanced analytics technologies such as AI and machine learning
- Data analytics just at the beginning in biomanufacturing with high potential

# High innovation dynamics in Biopharma



Development of new drugs and vaccines must be accelerated, e.g. through more automation



Increased efficiency possible in the production of 'classic' biopharmaceuticals and biosimilars



New tools and methods required e.g. for novel cell and gene therapies



Future drug manufacturing is more automated, intensified and scalable

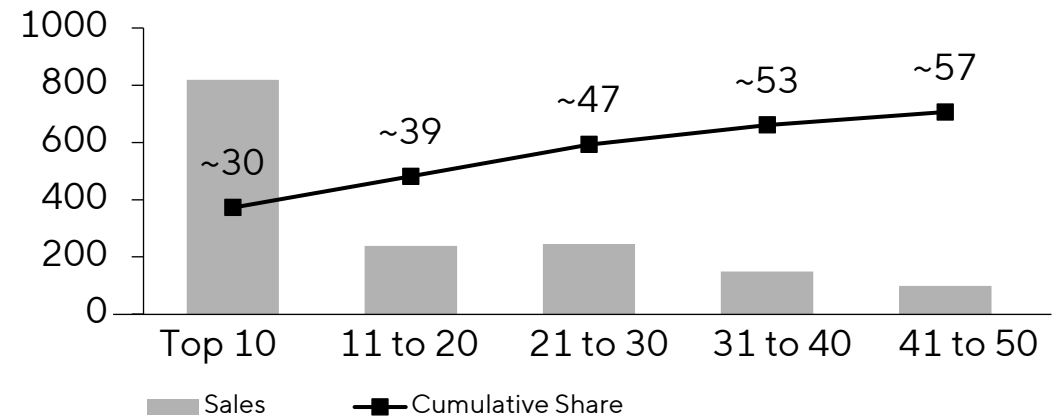
# Limited dependence on individual accounts

Long-term business relationships with leading global (bio-) pharma companies



## Limited dependence on individual accounts

Sales to Top 50 customers  
in 2023, € in millions



- More than half of 2023 BPS sales were generated with the Top 50 customers
- No individual customer accounts for more than 5% of BPS sales revenue

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# Lab Products & Services (LPS): premium supplier for Life Science research and quality control labs




~€720mn

Sales revenue 2023




25.1%

EBITDA margin<sup>2</sup> 2023



45%


Recurring revenue




~60%

Sales share Life Sciences


Portfolio includes lab instruments, consumables, software and services



Bioanalytics



Lab instruments



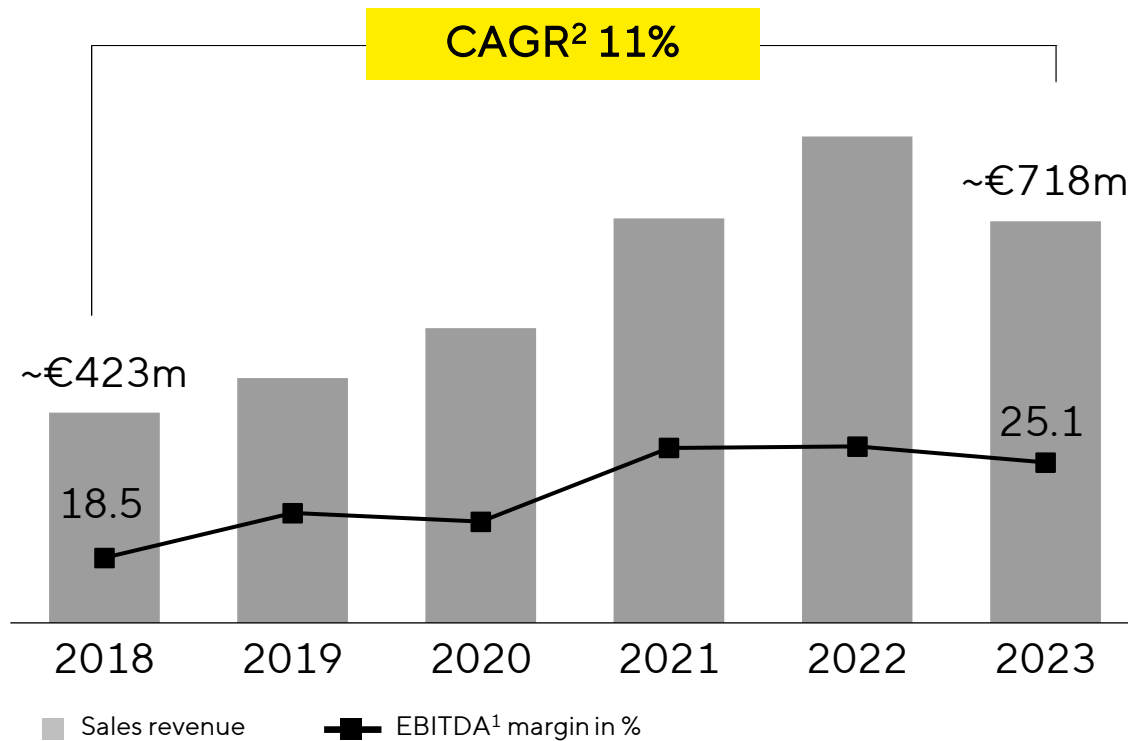
Lab consumables

1 In constant currencies 2 Excluding extraordinary items



# Continuous transition to a higher growth and profitability profile

## LPS sales revenue; EBITDA margin<sup>1</sup> in %



1 Excluding extraordinary items 2 In constant currencies

## Growth drivers



Sales & Marketing pivot to attractive segments and regions



Attractive portfolio mix coupled with M&A



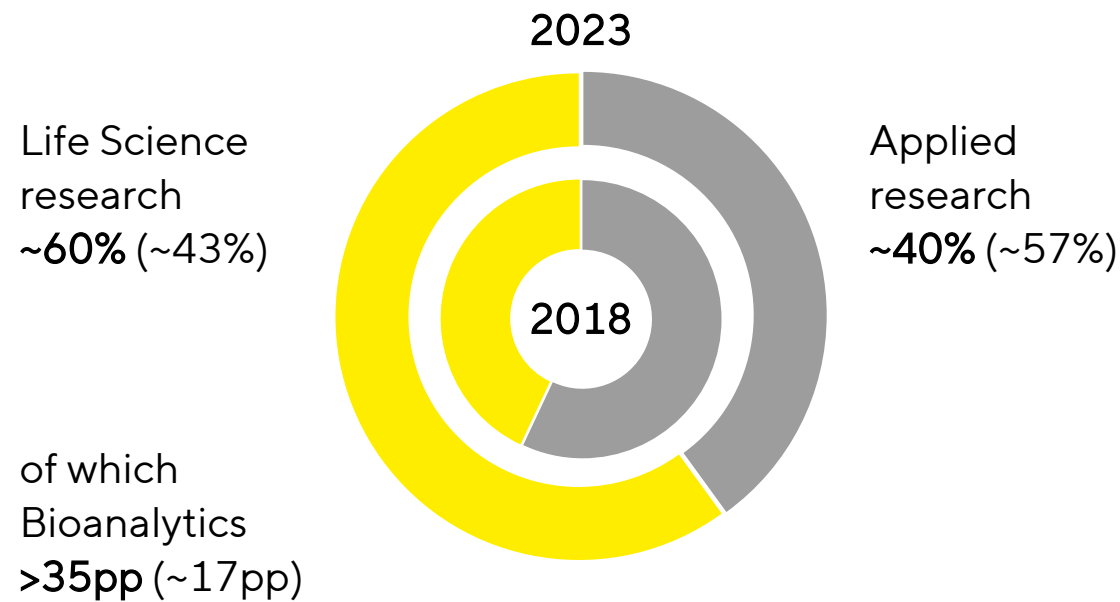
Launch of innovative products



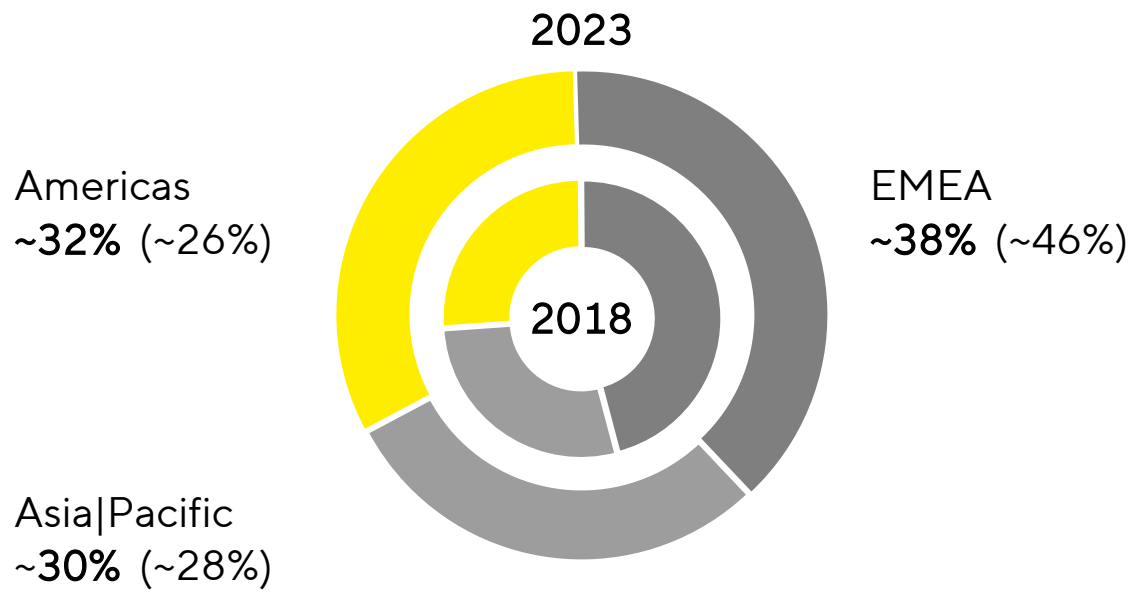
Improved brand awareness

# Focus on attractive Life Science market; regional profile increasingly balanced

Sales revenue share by segment, 2023 vs. 2018



Sales revenue share by geography, 2023 vs. 2018



# Strong market position in essential laboratory product categories

- Average global market share of >10%
- High gross margins offer potential for economies of scale
- Growth potential especially in the U.S. and Asia
- Market growth related to R&D spending in the individual end markets



Lab balances

#2



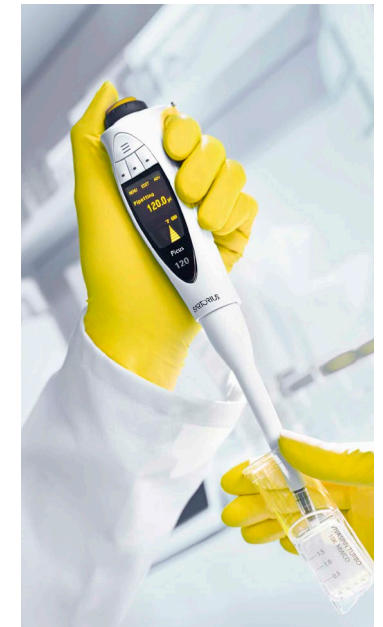
Microb. analysis

#2



Lab filtration

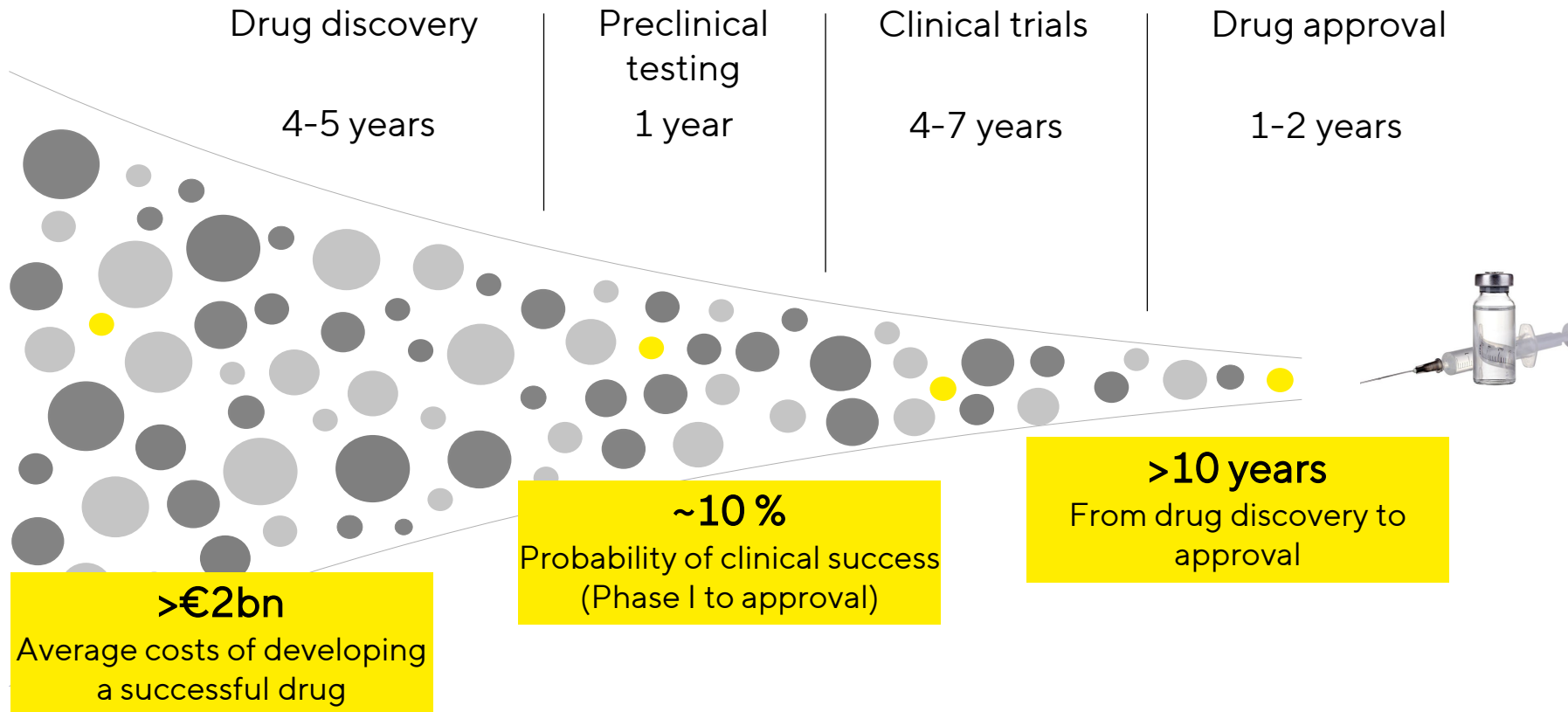
#3



Pipettes

#4

# Bioanalytical tools to address pain points of our customers



## Our approach

- Facilitate digitalization and automatization
- Decrease likelihood of failure
- Reduce time and costs in molecule development; increase speed-to-market

Based on data from the Tufts Center for the Study of Drug Development and the Association of the British Pharmaceutical Industry

# Overview of bioanalytical portfolio



## Solutions for cell analysis

- IncuCyte: Real-time imaging and analysis of living cells



- iQue Screener: Rapid, high content analysis of cells, beads and secreted proteins



## Solutions for protein analysis

- Octet: Real-time, label-free measurement of biomolecular interactions

## Competitive environment

- Beckman Coulter
- Becton Dickinson
- Bio-Rad
- Cytiva
- Merck
- PerkinElmer
- Thermo Fisher
- ...



# Solutions complement each other, optimize successive workflows and have synergies with BPS products

## Application example: Molecule development



**iQue Screener**  
Screening of antibody libraries  
for target-reactive candidates



**Octet**  
Measure how strong the identified  
antibodies bind to their target and rank



**IncuCyte | iQue Screener**  
Selection of lead candidates and  
functional characterization

## Application example: Cell line development



**Octet**  
Identify high-producing clones  
in expression library



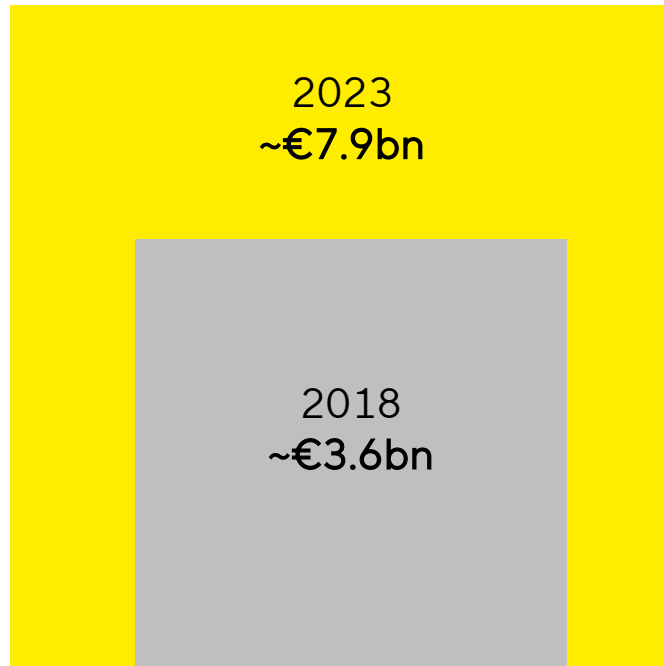
**ambr15 (BPS division)**  
Culture identified clones on  
small-scale



**Octet | iQue Screener**  
Analysis and characterization  
of cell line and antibodies

# Total addressable market increased since 2018

## Total addressable market of LPS



- Market opportunity increased through expanded product offering (e.g., addition of Octet and CellSelector platforms, specialty media, GMP cytokines and OEM diagnostic membranes)
- Higher exposure to faster growing segments in Life Science
- Overall addressable market growing in the mid- to high- single digits

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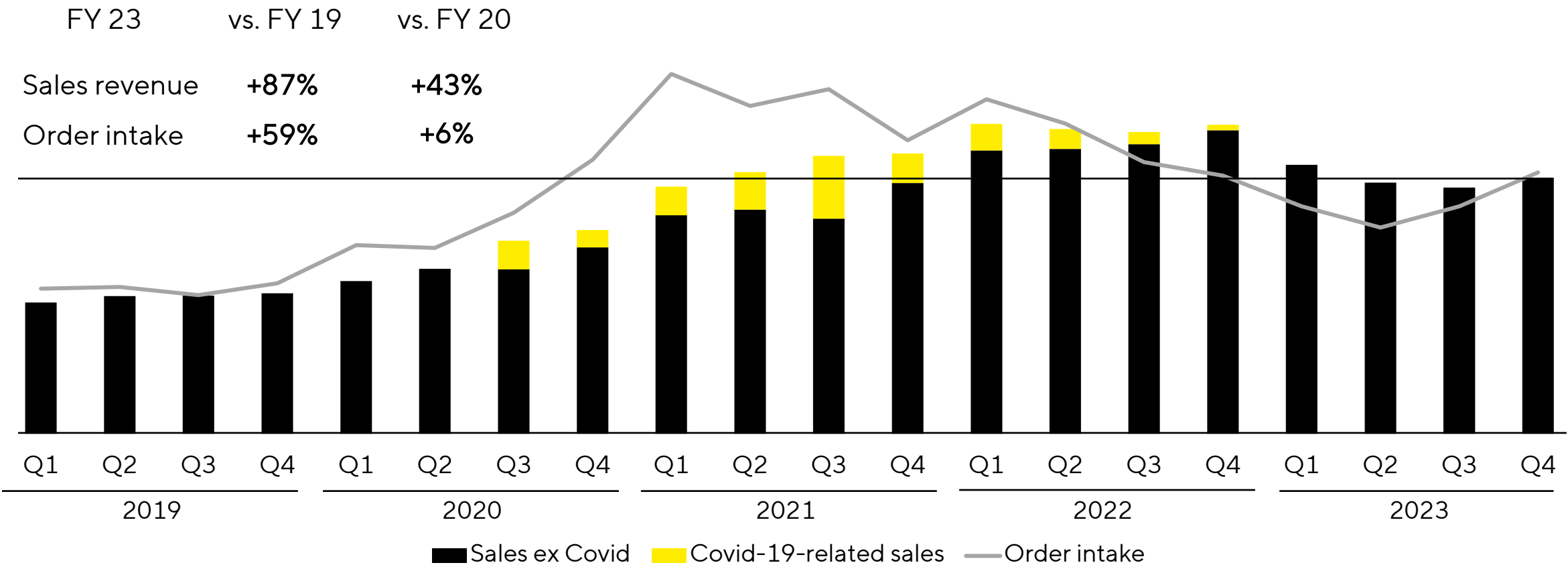
Bioprocess Solutions Division

Lab Products & Services Division

FY 2023 Results | FY 2024 Guidance



# Business picking up since end of Q3; trend expected to gradually intensify



Growth in constant currencies

# FY top and bottom line reflect temporarily weak post pandemic demand

Sartorius Group in millions of € unless otherwise specified	FY 2022	FY 2023	▲ in %	▲ in % cc <sup>1</sup>
Sales revenue	4,175	3,396	-18.7	-16.6
Order intake	4,007	3,067	-23.5	-21.5
Underlying EBITDA <sup>2</sup>	1,410	963	-31.7	
Underlying EBITDA <sup>2</sup> margin in %	33.8	28.3	-5.5pp	
Underlying EPS <sup>3</sup> (ord.) in €	9.57	4.94	-48.4	
Underlying EPS <sup>3</sup> (pref.) in €	9.58	4.95	-48.3	

- Only marginal Covid-related business; excluding this effect, sales decline around 12% in cc
- OI affected by destocking, relatively low production levels at customers and muted investment activities; positive trend in OI starting end of Q3 continues in Q4
- Underlying EBITDA margin decreases due to volume and product mix effects

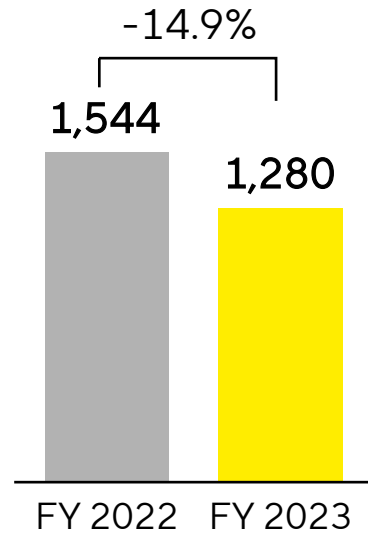
1 Constant currencies 2 Underlying = excluding extraordinary items 3 Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and normalized tax rate



# All regions affected by normalization; China particularly weak

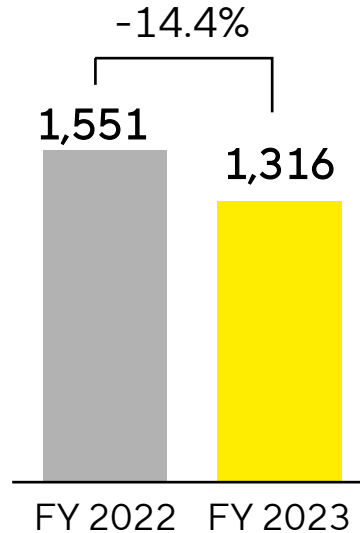
## Americas

€ in millions



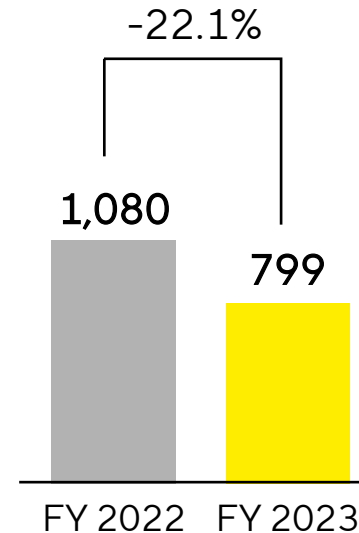
## EMEA

€ in millions



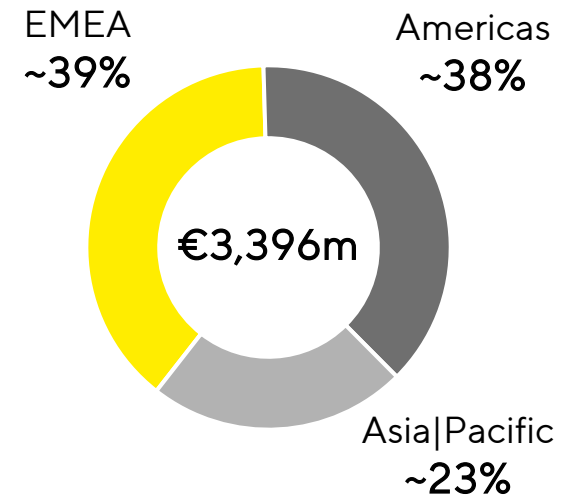
## Asia|Pacific

€ in millions



## Sales by region

in %



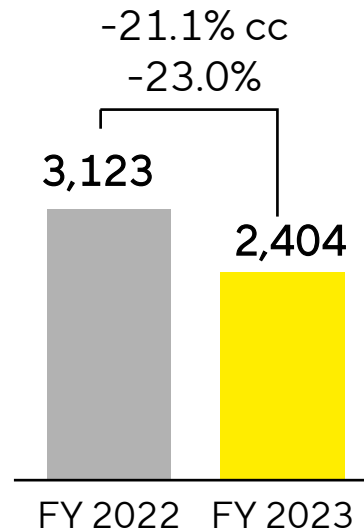
- Americas: Lower revenue in both divisions; soft demand in LPS for BioA instruments after high growth in previous years
- EMEA: moderate sales decline in LPS; BPS below prior year on high comps; Russia weighs on top line with ~3pp
- Asia|Pacific: Sales significantly down in both divisions; China weighing on growth with ~16pp; Korea and rest of region less impacted

Acc. to customers' location; growth in constant currencies

# Bioprocess Solutions: FY strongly impacted by headwinds, sequential OI recovery since end of Q3

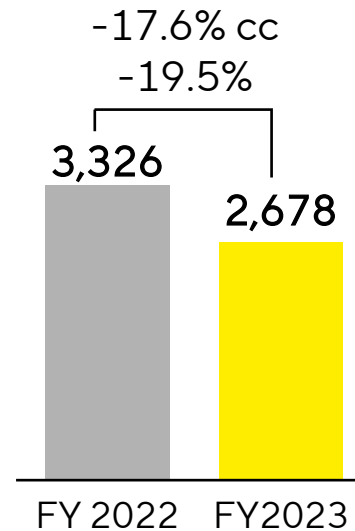
## Order intake

€ in millions



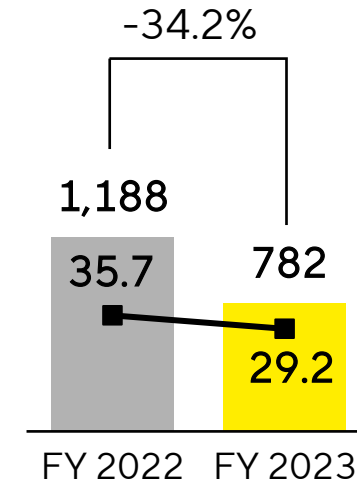
## Sales revenue

€ in millions



## Underlying EBITDA & margin

€ in millions

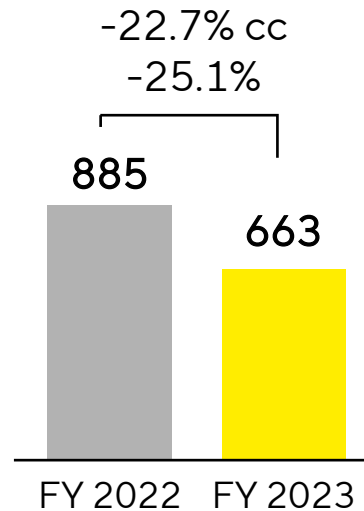


- M&A contributes ~2pp to sales growth; dampening effect from Russia above 1pp; excl. Covid, decline slightly above 12%
- OI affected by destocking, relatively low production levels at customers and muted investment activities; positive trend in OI starting end of Q3 continued in Q4 with b-to-b slightly above 1
- Underlying EBITDA margin decreases mainly due to volume and product mix effects

# Lab Products & Services: Low investments by many customers; margin remains on robust level; positive trend at year-end

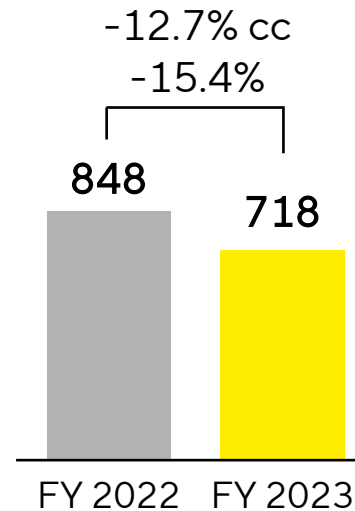
## Order intake

€ in millions



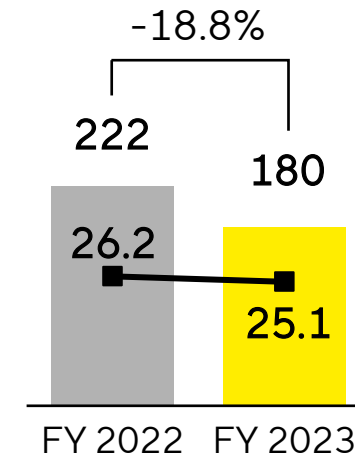
## Sales revenue

€ in millions



## Underlying EBITDA & margin

€ in millions



- Excluding Covid-related business, sales revenue decline slightly below 11%
- OI impacted by overall weak end markets and low investments by early-stage biotech companies as well as larger pharma customers particularly in China and USA; Q4 showed a positive trend with b-t-b slightly above 1
- Despite volume decrease, underlying EBITDA margin remains on robust level due to tight cost control

# Strong operating CF driven by working capital optimization; Polyplus acquisition reflected in investing CF

<b>Sartorius Group</b> in millions of € unless otherwise specified	<b>FY 2022</b>	<b>FY 2023</b>	<b>▲ in %</b>
Underlying EBITDA	1,410	<b>963</b>	-31.7
Extraordinary items	-60	<b>-116</b>	-92.8
Financial result	117	<b>-118</b>	n.m.
Underlying net profit <sup>1,2</sup>	655	<b>339</b>	-48.3
Reported net profit <sup>2</sup>	678	<b>205</b>	-69.7
Operating cash flow	734	<b>854</b>	+16.3
Investing cash flow <sup>3</sup>	-1,130	<b>-2,823</b>	> -100
Capex ratio (in %)	12.5	<b>16.5</b>	+4.0pp

- Extraordinary items driven by acquisitions and integrations, structuring measures and corporate projects
- Financial result influenced by non-cash relevant valuation of earn-out liability and higher interest expenses
- Operating cash flow improved by working capital optimization, mainly by planned reduction of inventory levels
- Investing cash flow reflects acquisition of Polyplus and substantial capex program
- Capex ratio up on lower sales revenue

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

# Balance sheet reflects recent M&A and investment program

## Key financial indicators

<b>Sartorius Group</b> in millions of € unless otherwise specified	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	4,955	<b>7,798</b>
Equity ratio in %	38.1	<b>28.3</b>
Net debt	2,375	<b>4,932</b>
Net debt   underlying EBITDA <sup>1</sup>	1.7	<b>5.0</b>

- Non-current assets increased due to higher goodwill and other intangible assets resulting from M&A
- Net debt up mainly through the financing of the Polyplus acquisition
- Rapid deleveraging a key priority going forward

<sup>1</sup> Includes underlying pro forma EBITDA of acquisitions completed in the last 12 months



# Guidance 2024: Profitable growth with moderate first half of the year

Guidance 2024 <sup>1</sup>	Sales revenue growth	Underlying EBITDA margin
<b>Sartorius Group</b>	Mid- to high single-digit percentage range	slightly above 30%
thereof from acquisitions	~1.5 pp	
<b>Bioprocess Solutions</b>	Mid- to high single-digit percentage range	above 31%
thereof from acquisitions	~ 2 pp	
<b>Lab Products &amp; Services</b>	Low single-digit percentage range	approx. on prior year level (2023: 25.1%)

- Some continued destocking during first half anticipated; growth momentum projected to pick up in the course of the year; H2 stronger than H1
- Polyplus business to positively influence BPS margin
- Capex ratio expected at ~13%
- Net debt to underlying EBITDA anticipated at slightly above 3.0 at year-end excl. possible acquisitions

<sup>1</sup> In constant currency

Appendix



# 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](#)    [Sustainability Report 2022](#)



Please click below for further financial information:

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 [Earnings Release FY 2023](#)

 [Annual Report FY 2023](#)

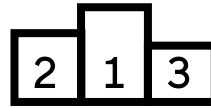
 [Earnings Release 9M 2023](#)

 [Half Year Report H1 2023](#)

# Reasons to invest



Biopharma market  
fueled by long-term  
growth drivers



Leading market positions;  
mission-critical portfolio;  
high brand awareness



Global presence



High entry barriers; low price-  
sensitivity and consolidated  
competitive landscape



High share of recurring  
revenues

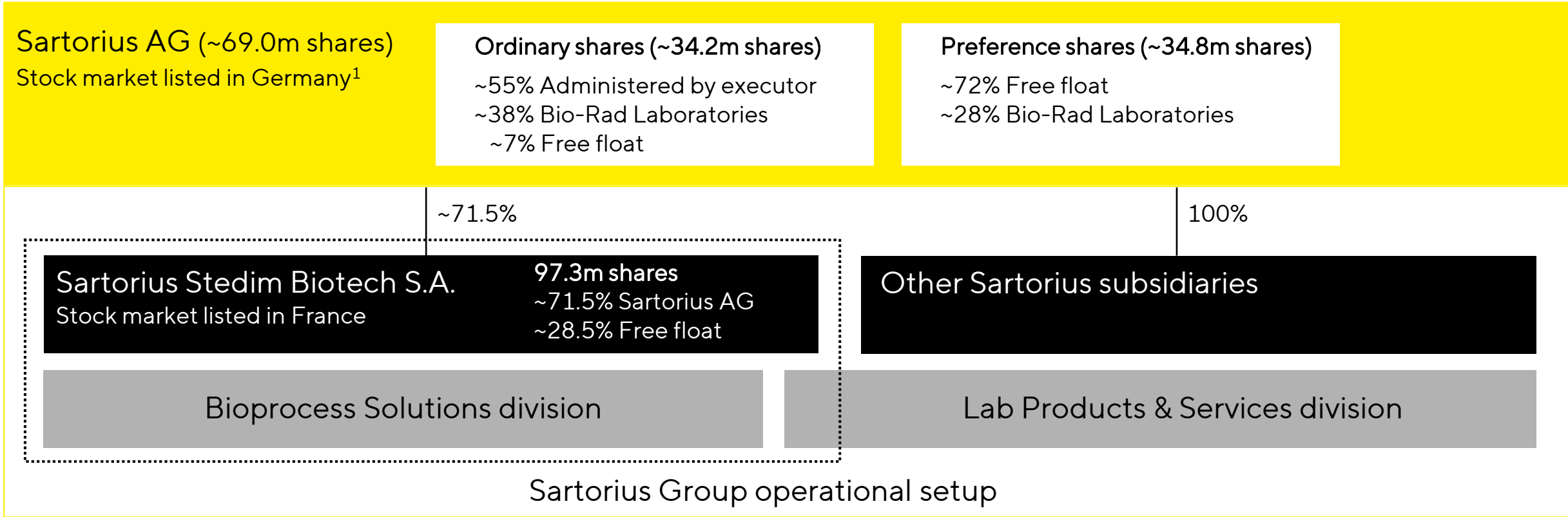


Ambitious  
ESG agenda

1 In constant currencies

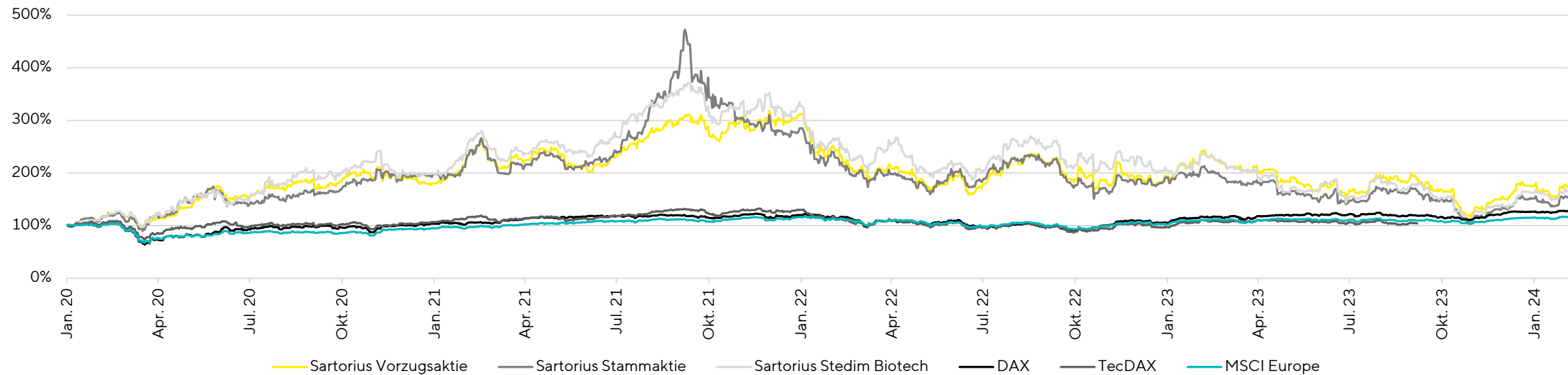
# Sartorius legal & operational structure

## Sartorius Group legal setup



<sup>1</sup> The ownership relates to outstanding shares and thus excludes treasury shares. Information on shareholdings and shares in free float pursuant to the disclosure requirements of Sections 33 et seq. of the German Securities Trading Act (WpHG) and the shareholders' own disclosures. The legal disclosure requirements refer only to voting shares and not to non-voting preference shares.

# Share price performance



ISIN	DE0007165631 (preference share) DE0007165607 (ordinary share)
Ticker	SRT3 (preference share)   SRT (ordinary share)
Number of shares	69,035,489 - thereof pref. shares: 34,803,080 (excluding ~2.6m treasury shares); ord. shares: 34,226,009 (excluding ~3.2m treasury shares)

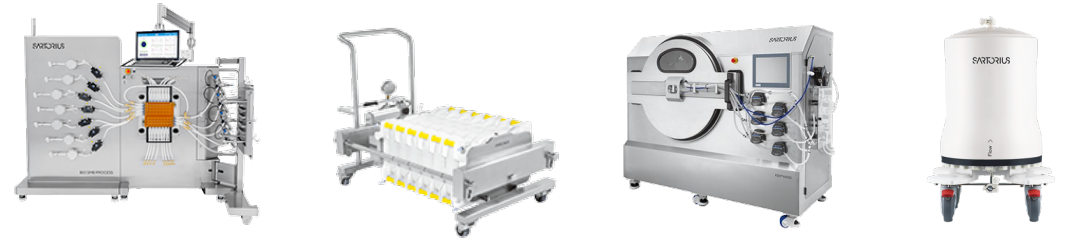
Indices	DAX 50 ESG   DAX   TecDAX   MSCI Europe CDAX   Prime All Share Index   Technology All Share Index   STOXX Europe 600
Market cap.	€21.4bn (as of Februray 9, 2024)



# A sampling of the Bioprocess Solutions' product portfolio



Filtration



Purification



Fermentation

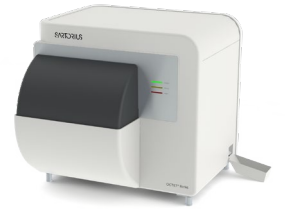


Fluid management

# A sampling of the Lab Products and Services' product portfolio



Lab balances | Lab water systems



Bioanalytics



Lab filtration | Microb. analysis



Pipettes

# Executive Board of Sartorius AG



## Joachim Kreuzburg, CEO, and interim CFO<sup>1</sup>

Joined Sartorius in 1999

Member of the Board since 2002

Group Strategy, Corp Research, HR, Legal & Compliance, Communications, Sustainability

Responsibilities as interim CFO:

Finance, IT, Data Management, Corp Sourcing



## René Fáber

Joined Sartorius in 2002

Member of the Board since 2019

Bioprocess Solutions Division



## Alexandra Gatzemeyer

Joined Sartorius in 2005

Member of the Board since May 1, 2023

Lab Products & Services Division

<sup>1</sup> Florian Funck was appointed as CFO and member of the Sartorius Executive Board, effective April 1, 2024. Until Funck takes over, Joachim Kreuzburg will assume these responsibilities on an interim basis.

# Contacts and Financial calendar



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- **February 26, 2024**  
Morgan Stanley MedTech & Life Sciences Conference | London
- **February 27, 2024**  
UBS European Healthcare Conference | London
- **March 12-13, 2024**  
Barclays Global Healthcare Conference | Miami
- **March 28, 2024**  
Annual Shareholders' Meeting
- **April 18, 2024**  
Publication Q1 2024 Results
- **May 16, 2024**  
Capital Markets Day | Göttingen
- **July 19, 2024**  
Publication Half-Year Report 2024
- **October 17, 2024**  
Publication 9M 2024 Results

# Disclaimer

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This presentation contains statements concerning the future performance of the Sartorius 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.

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Scan or click here to visit our IR website.

# SARTORIUS