

Welcome | Bienvenue | Benvenuti | Bienvenido | Willkommen | Welcome | Bienvenue | Benvenuti

# Combined Extraordinary & Ordinary Shareholders' Meeting on **April 5, 2016**

Bienvenue | Benvenuti | Bienvenido | Willkommen | Welcome | Bienvenue | Benvenuti | Bienvenid  
Willkommen | Welcome | Bienvenue | Benvenuti | Bienvenido | Willkommen | Welcome | Bienvenue

Joachim Kreuzburg  
Chairman of the Board and CEO

## Disclaimer

This presentation contains statements concerning Sartorius Stedim Biotech Group's future performance. 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** 2015 Results Review | Guidance 2016
- 02** Dividend Proposal
- 03** Mid-term Prospects
- 04** VL Finance Merger
- 05** Stock Split



## Outstanding Performance in 2015

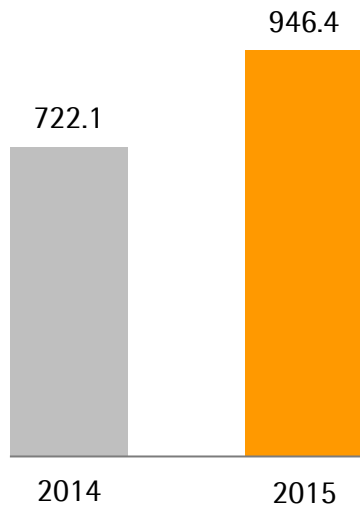
2015

- » Strong double-digit top line growth
- » Overproportionate growth in earnings yet again; supportive currency environment
- » Continued market share gains, especially in North America
- » Process development portfolio significantly expanded through the acquisitions of BioOutsource and Cellca
- » Infrastructure further expanded and enhanced

# Strong Growth Significantly Ahead of Initial Expectations

## Order Intake

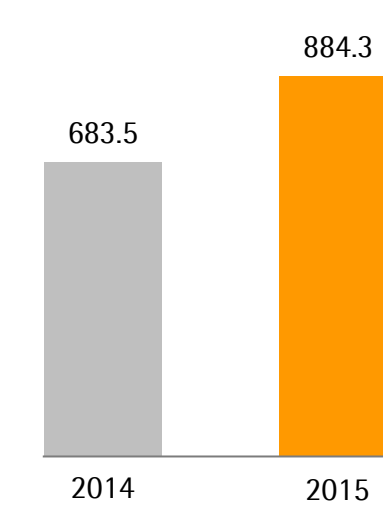
€ in millions



+31.1% | +21.1% cc<sup>1</sup>

## Sales Revenue

€ in millions



+29.4% | +19.4% cc

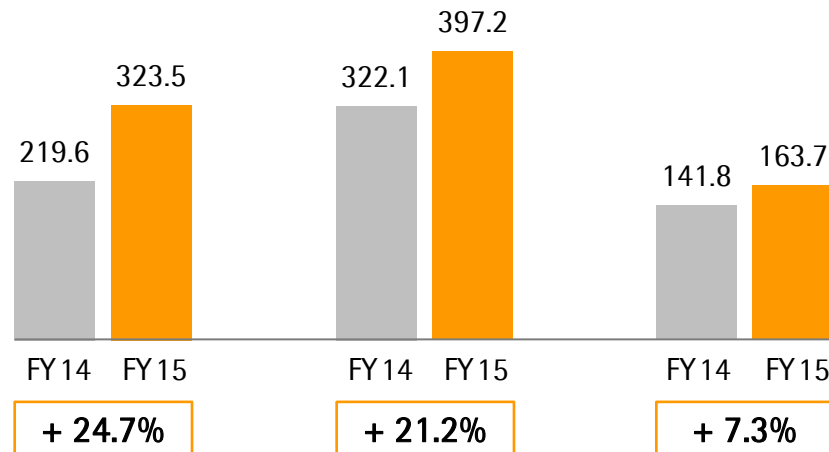
- Biopharma market grew stronger than expected; ongoing market share gains
- All product segments reported substantial growth, especially single-use solutions
- Recent acquisitions performed very well, contributing nearly 2 pp to sales growth

<sup>1</sup> cc = in constant currencies

# Excellent Development Supported by All Regions, Especially Americas

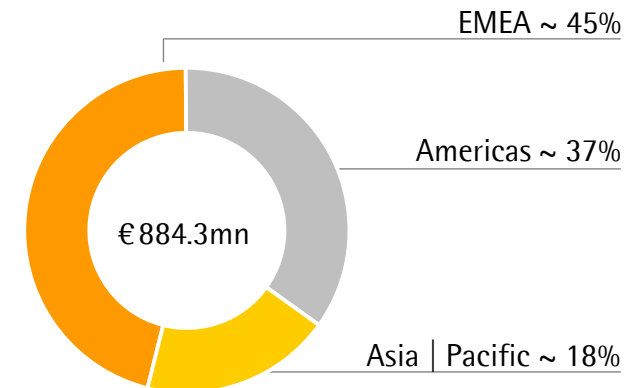
## Americas

Sales in millions of €



## Sales by Regions

in %

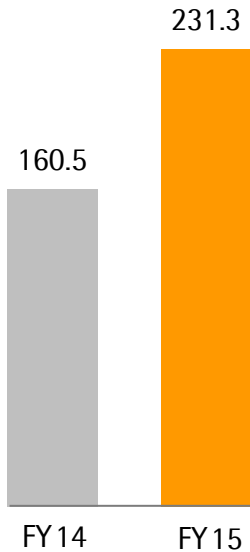


Acc. to customers' location; growth in constant currencies

- 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

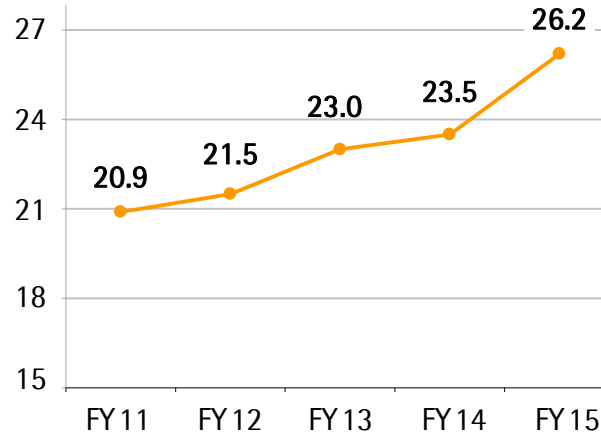
# Overproportionate Earnings Growth Yet Again

**Underlying EBITDA**  
 € in millions



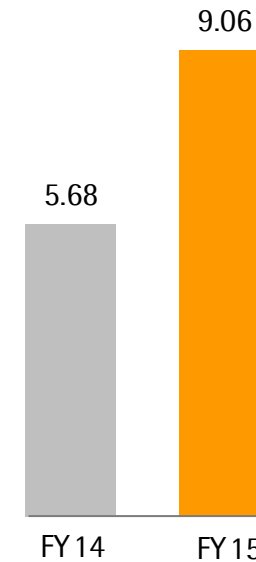
**+44.2%**

**EBITDA Margin**  
 in %



— Underlying EBITDA margin in %

**Earnings per Share<sup>1</sup>**  
 in €



**+59.5%**

- Underlying EBITDA margin increased by 2.7 pp mainly due to economies of scale
- Positive effect from currencies on margin in FY 2015

<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

## Significant Increase in Operating Cash Flow

Sartorius Stedim Biotech Group € in millions	FY 2014	FY 2015	Change in %
Net cash flow from operating activities	111.3	142.8	28.3
Net cash flow from investing activities <sup>1</sup>	-46.8	-106.3	-127.1
Net cash flow from financing activities	-84.2	-27.2	67.7

<sup>1</sup> Net cash flow from investing activities and acquisitions | divestments

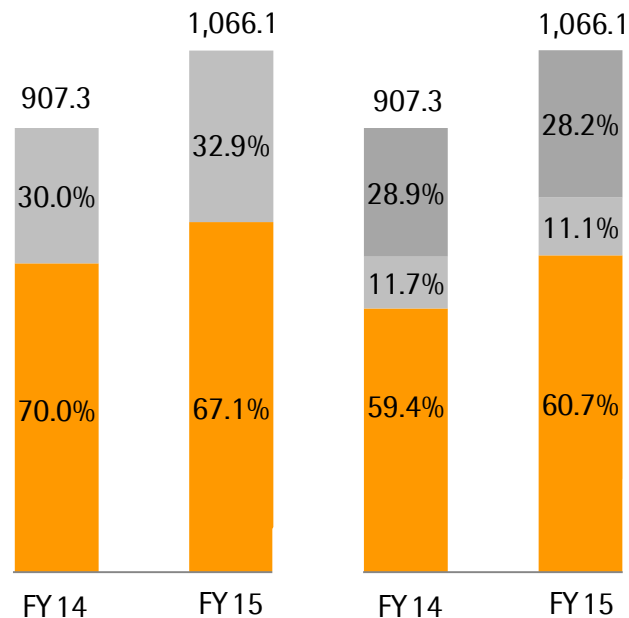
- Net operating cash flow driven by strong earnings development
- Net investing cash flow reflects the acquisitions of BioOutsource and Celica as well as Capex for capacity expansions



# Continued Strong Financial Position

## Balance Sheet

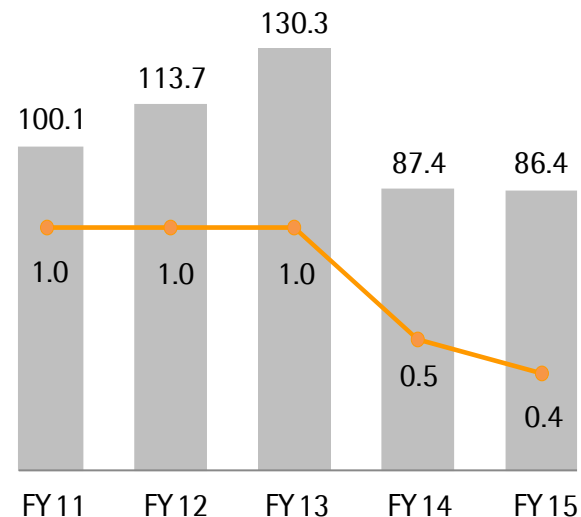
€ in millions



■ Non-current assets  
■ Current assets

■ Equity  
■ Financial debt  
■ Non-financial debt

## Net Debt to Underlying EBITDA



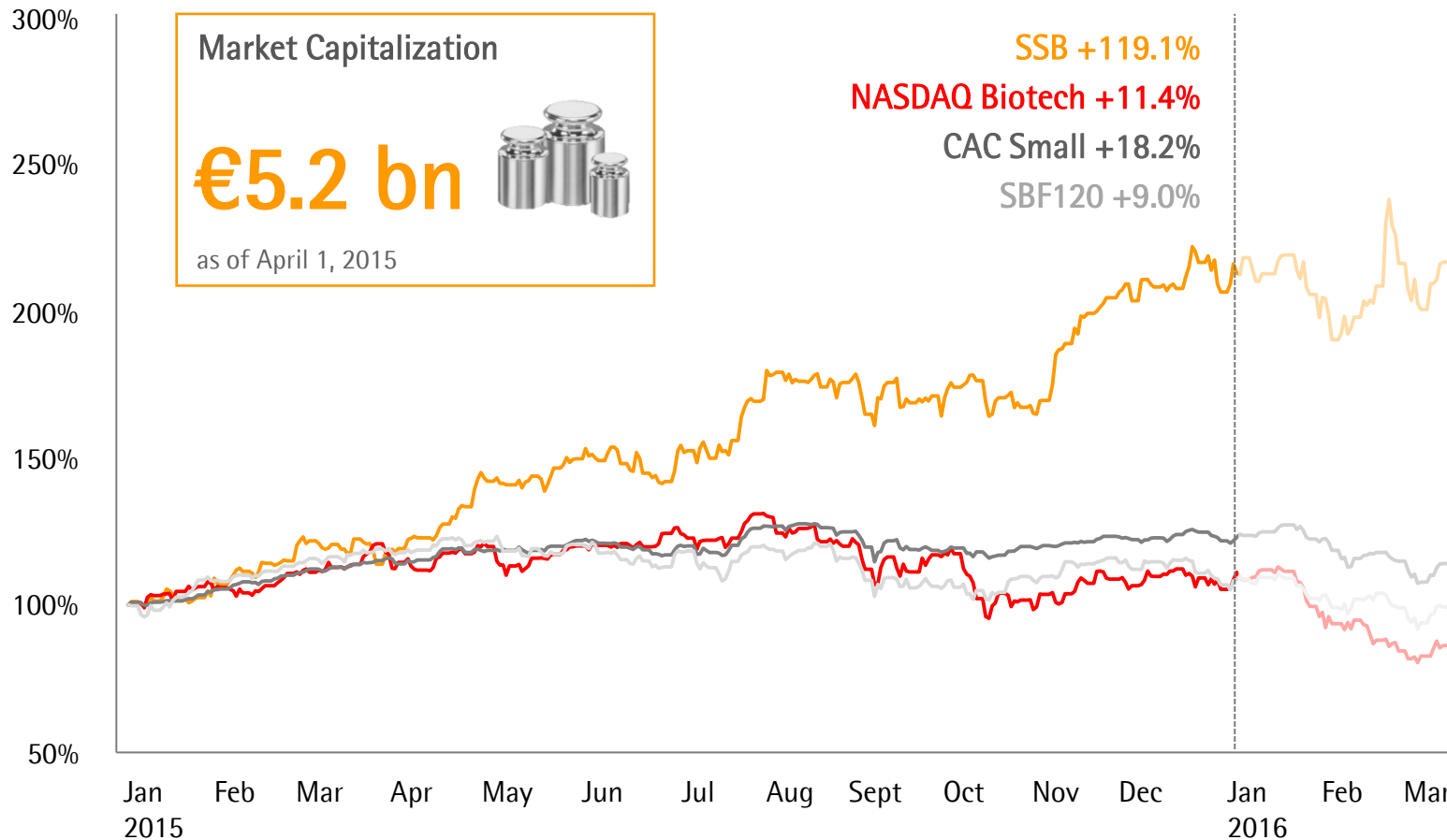
■ Net debt in millions of €  
— Net debt to underlying EBITDA

# Balance Sheet of the Parent Company

December 31, 2015; € in millions (unless otherwise specified)

Assets			Equity and Liabilities		
Non-current assets	136.3	89.8%	Equity	80.7	53.1%
Current assets	15.5	10.2%	Liabilities	71.1	46.9%
<b>Total</b>	<b>151.8</b>	<b>100%</b>	<b>Total</b>	<b>151.8</b>	<b>100%</b>

# Key Stock Market Benchmarks Substantially Outperformed



## 2016 Guidance – Positive Momentum Expected to Continue

	FY 2015	2016 Guidance
Sales revenue growth <sup>1</sup>	19.4%	~ 12% - 16%
Underlying EBITDA margin	26.2%	~ +1 pp <sup>1</sup>
Capex ratio	6.2%	~ 6% - 8%

<sup>1</sup> In constant currencies

- Guidance includes ~ 1.5 pp of growth expected to be contributed by BioOutsource and Cellca
- About half of the margin increase is expected to come from economies of scale and the other half from cessation of dilutive effects relating to fx hedging

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**04** VL Finance Merger

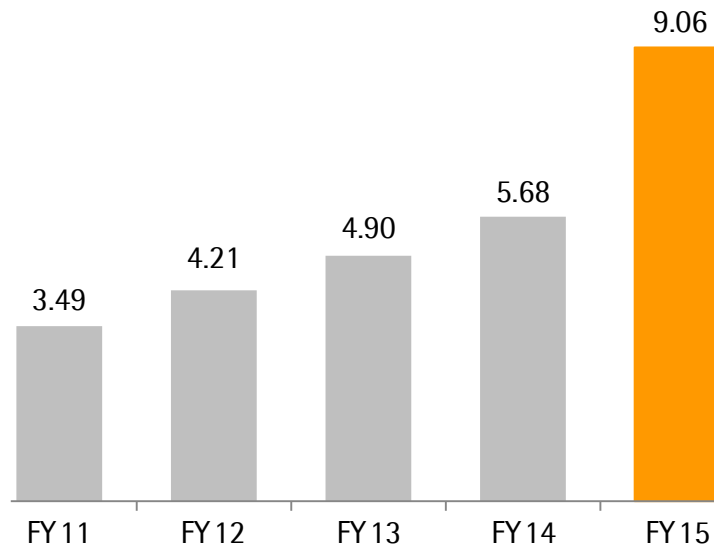
**05** Stock Split



# Significant Dividend Increase

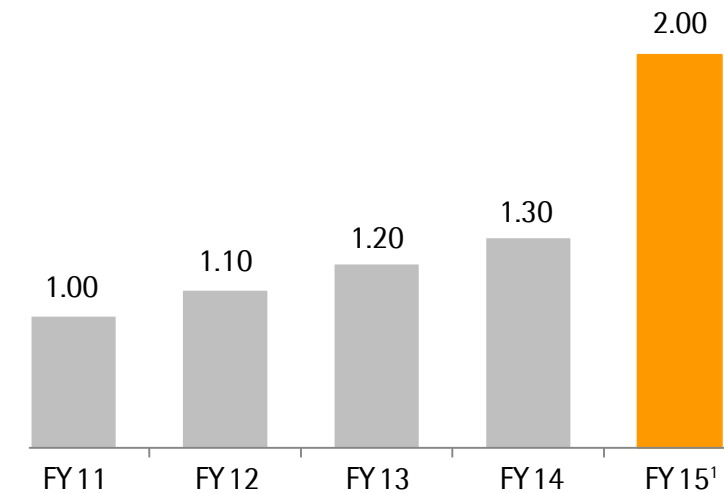
## Earnings per Share

in €



## Dividend per Share

in €



<sup>1</sup> Subject to approval by the AGM

- Total profit distributed would increase from €20.0 mn to €30.7 mn
- Payout ratio at 22.1% (2014: 22.9%)

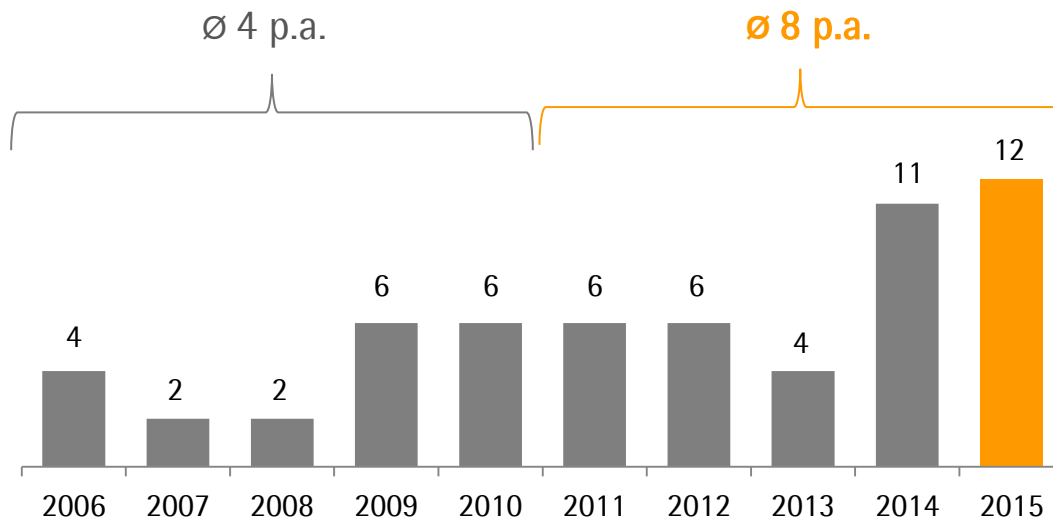
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# Global Biopharma Market in a Very Dynamic Phase

## FDA Original BLA Approvals<sup>1</sup>



## Patent Expiries<sup>2</sup>

Biologic Drug	EU	USA
Humira	2018	2016
Remicade	2015	2018
Rituxan	2013	2016
Enbrel	2015	2028
Lantus	2014	2014
Avastin	2019	2017
Herceptin	2014	2019

- Ongoing market penetration by approved drugs
- High level of new drug approvals
- Strong R&D pipelines
- Biosimilars expected to support volume expansion

<sup>1</sup> FDA.gov <sup>2</sup> IMS



# Complementary Acquisitions to Enhance Portfolio

## M&A Transactions 2011-2015

- + BioOutsource | 2015
- + Cellca | 2015
- + AllPure Technologies | 2014
- + TAP Biosystems | 2013
- + Lonza Cell Culture Media | 2013

## Acquisition Criteria

### Portfolio

Complementary products or technologies

### Market Position

Either among the Top 3 or unique position

### Integration

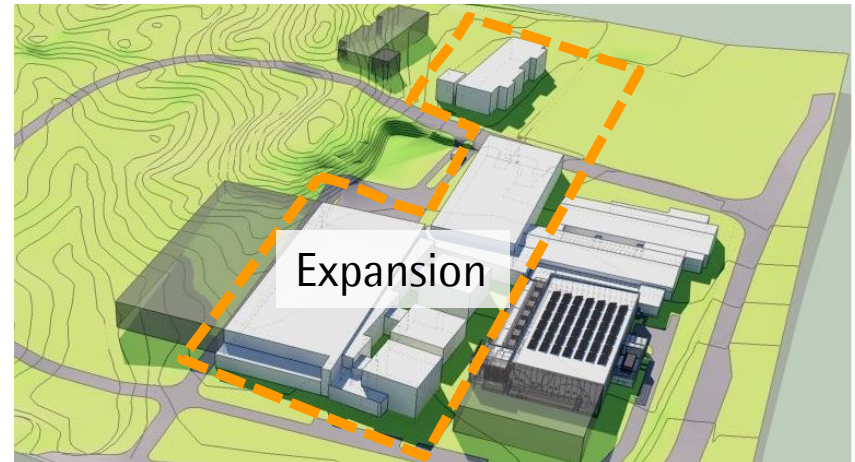
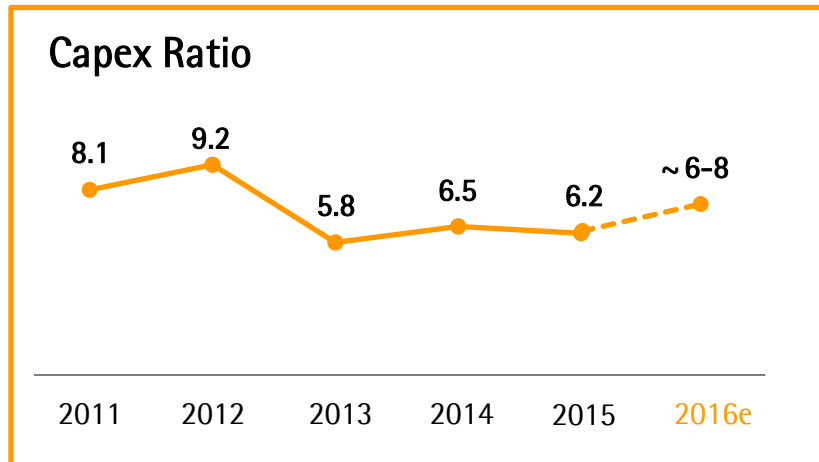
Management capacity; cultural fit

### Price

Fair valuation; reach SSBs' profitability level in 2-3 years



## Continued Capacity Extension to Accommodate Growth



- Ongoing expansion of production capacities worldwide
  - Multi-year program to expand Goettingen site (filter production; additional R&D and application labs)
  - Additional capacities to be built for filters and bags at Yauco site
  - New production facility in the UK will start up operations in Q2 2016
- Capex ratio of ~6% - 8% for 2016; expected to remain in this corridor for the next few years

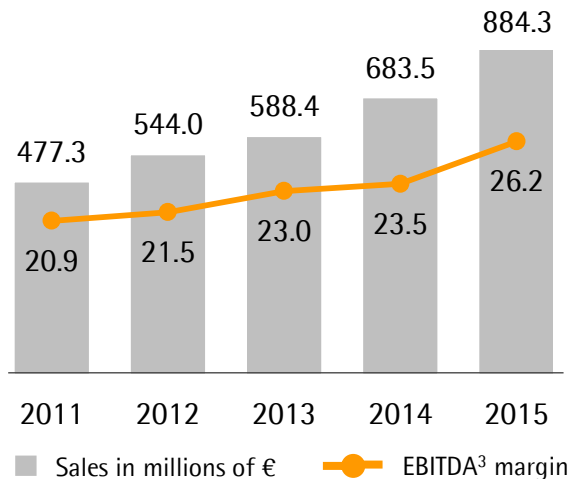
# Strong Performance Slightly Ahead of Long-term Plan

## 2011-2015 Performance Review

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

Organic sales CAGR<sup>1,2</sup> ~ 10.5%

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



## Strategic Initiatives

### Regional

Gain share in North America

Leverage market growth in Asia

✓  
Executed

### Portfolio

Alliances and acquisitions

Own product development

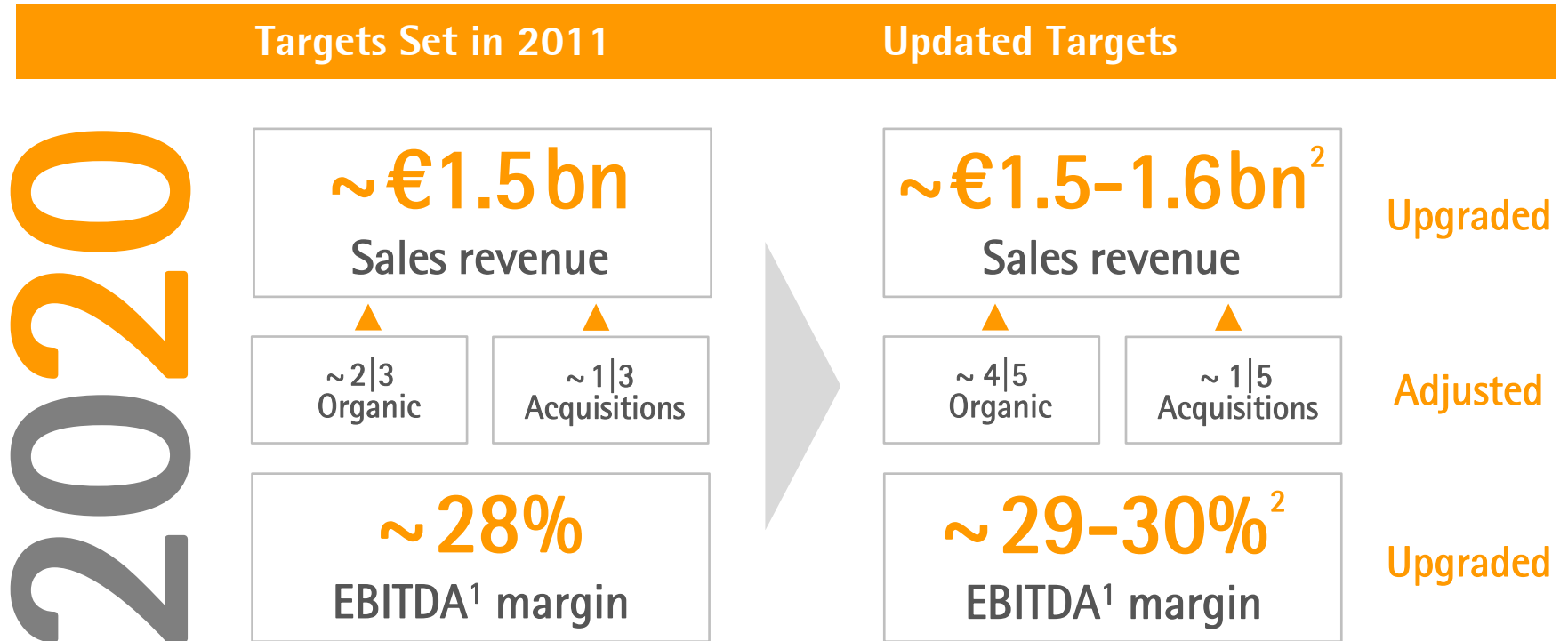
✓  
Ongoing

### Infrastructure

Capacity expansion

✓  
Ongoing

# 2020 Targets Upgraded



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

# Agenda

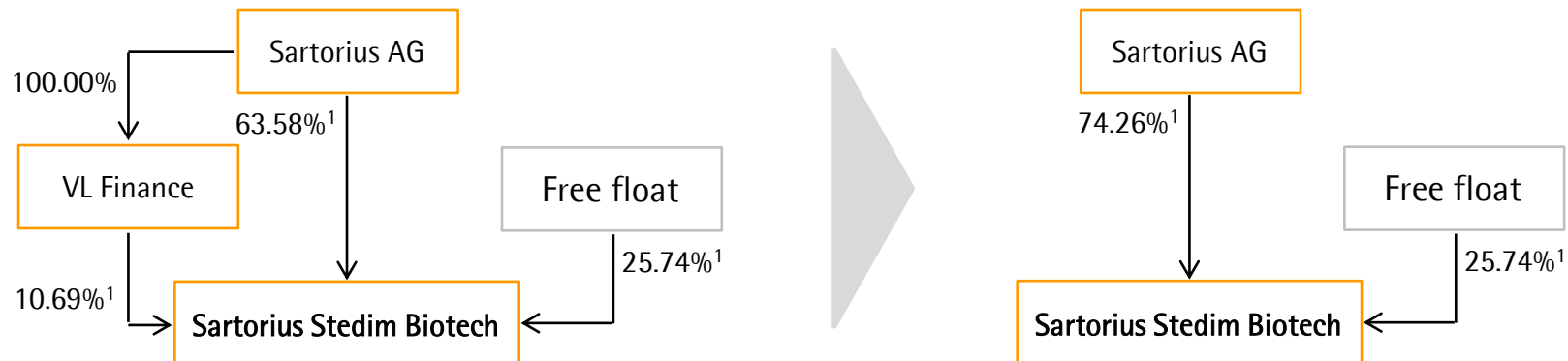
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## Resolutions Regarding VL Finance Merger

Resolutions of the Extraordinary Shareholders' Meeting:  
 Merger between VL Finance SAS and Sartorius Stedim Biotech S.A. (SSBS.A.)

- Sartorius AG holds 100% of the share capital of VL Finance SAS
- VL Finance holds 1,642,095 shares in SSB S.A.
- Sartorius AG to receive 1,638,222 shares in SSB S.A. for its contribution of VL Finance
- SSB shares held by VL Finance to be cancelled



» The purpose of the merger is to restructure and simplify Sartorius' shareholding in SSB S.A.

<sup>1</sup> Stake holding in the share capital of Sartorius Stedim Biotech S.A.

## Resolution Relating to VL Finance Merger

Resolution of the Extraordinary Shareholders' Meeting:  
Authorization to trade in own shares

- Current liquidity provider agreement to support tradability of SSB stock between VL Finance and Gilbert Dupont will be terminated due to the merger
  - A new agreement between SSB S.A. and a liquidity provider will be established
  - Authorization to buy back own shares is a prerequisite to such an agreement
- » **Necessary step to establish a new contract between SSB S.A. and a liquidity provider – common practice in France**

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## Resolution Regarding Stock Split

Resolution of the Extraordinary Shareholders' Meeting:  
Split by 6 of the par value of the company's shares

- Shareholders to receive 6 shares in exchange for each share held in Sartorius Stedim Biotech S.A.
- Further to the definitive completion of the merger, the par value of the shares will be divided by 6 from €1.00 to €0.166667
- Number of shares to increase from 15,363,365 to 92,180,190 after completion of the share split
- The share split is followed by a capital increase by incorporation of reserves to lift the par value per share to €0.20
- The share capital shall then amount to €18,436,038, divided in 92,180,190 shares
- The share split will be effective early May and will be executed without any costs or formalities for shareholders
- No impact on voting rights; dividend entitlement from January 1, 2016 onwards

» **Stock split aims at further enhancing the tradability of shares; broaden investors' base**

Next Annual Shareholders' Meeting of Sartorius Stedim Biotech S.A. | April 4, 2017 | Aubagne |

# Next Annual Shareholders' Meeting on April 4, 2017

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# Financial Calendar

- **April 20, 2016**  
Publication of first-quarter 2016 figures
- **July 25, 2016**  
Publication of first-half 2016 figures
- **October 24, 2016**  
Publication of nine-month 2016 figures
- **January 2017**  
Publication of preliminary full-year 2016 figures
- **April 4, 2017**  
Annual General Shareholders' Meeting, Aubagne

