SRI Presentation
Sartorius Stedim Biotech, 2019
Disclaimer

This presentation contains statements concerning the future performance of 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

Company Overview and Strategy
Responsibility Overview
ESG Performance
### Sartorius Stedim Biotech at a glance

<table>
<thead>
<tr>
<th>Industry focus</th>
<th>A leading partner of the biopharma industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear mission</td>
<td>Making R&amp;D and production processes of innovative biologics more efficient</td>
</tr>
<tr>
<td>Attractive market</td>
<td>Biopharma market fueled by strong long-term growth drivers</td>
</tr>
<tr>
<td>Strong positioning</td>
<td>Double-digit market share in key technologies</td>
</tr>
<tr>
<td>Stable business</td>
<td>Diversified revenue base and high share of recurring revenues</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sales revenue</th>
<th>~€1.21 bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales CAGR(1) 2013-2018</td>
<td>~15%</td>
</tr>
<tr>
<td>EBITDA margin(2)</td>
<td>28.2%</td>
</tr>
<tr>
<td>Countries</td>
<td>&gt;20</td>
</tr>
<tr>
<td>Employees</td>
<td>&gt;5,600</td>
</tr>
</tbody>
</table>

Overview and Strategy
Covering most steps of the biopharma process chain

- Production process design is inalterable for the lifetime of most drugs
- Individually customized production process required for all drugs
- Decisions for process design, and thus supplier selection, are typically made during clinical trials
Attractive market environment with strong growth opportunities

- Favorable demographics
  - 9bn people by 2050;
  - >2bn 60 yrs or older

- Rise of biosimilars
  - ~30% CAGR for biosimilar sales 2018–2022

- Strong R&D pipeline; advances in gene and cell therapy
  - >40% share of biologics in the pharma R&D pipeline

~8% CAGR for biopharma market 2018–2025
Overview and Strategy

Sales revenue more than doubled over the last 6 years

Sales CAGR ~ +14%

EBITDA\(^1\) margin +6.3pp

Excluding extraordinary items

Sales growth and CAGR in constant currencies

\(^1\) Sales revenue more than doubled over the last 6 years

\(^1\) EBITDA margin in %

Sales growth and CAGR in constant currencies \(^1\) Excluding extraordinary items
M&A strategy – adding innovation, enhancing focus

Overview and Strategy

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
Overview and Strategy

Infrastructure prepared for further organic growth

CAPEX ratio in %

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</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>9.2</td>
<td>5.8</td>
<td>6.5</td>
<td>6.2</td>
<td>7.6</td>
<td>12.6</td>
<td>14.6</td>
<td>~11</td>
</tr>
</tbody>
</table>

CAPEX composition 2019

- ~X% Major projects
- ~3% Regular expansion
- ~2% Capitalized R&D
- ~3% Maintenance

Yauco, Puerto Rico
Fluid management and filter capacities doubled

Göttingen, Germany
Consolidation of two sites; significant capacity expansion

Aubagne, France
Extension of bag production and logistics capacities

Group-wide
New IT systems for more efficient business processes
### Overview and Strategy

#### Leading positions in key technology platforms

<table>
<thead>
<tr>
<th>Technology Platform</th>
<th>Sartorius</th>
<th>Merck</th>
<th>Danaher</th>
<th>Thermo Fisher</th>
<th>GE</th>
<th>Top 3 Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filtration</td>
<td><img src="image" alt="Yellow" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td>1. Merck</td>
</tr>
<tr>
<td>Fluid Management</td>
<td><img src="image" alt="Yellow" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td>1. Sartorius 2. Thermo Fisher 3. Merck</td>
</tr>
<tr>
<td>Fermentation</td>
<td><img src="image" alt="Yellow" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td>1. Sartorius 2. Thermo Fisher 3. GE</td>
</tr>
<tr>
<td>Purification</td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td>1. GE 2. Merck</td>
</tr>
<tr>
<td>Cell Culture Media¹</td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td><img src="image" alt="Gray" /></td>
<td>1. Thermo Fisher 2. Merck</td>
</tr>
</tbody>
</table>

¹ As of 2019, reduced scope due to changes to sales alliance in cell culture media with Lonza
² Danaher announced acquisition of GE Biopharma; transaction is expected to be completed in Q4 2019
Limited dependence on individual accounts

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

- More than half of 2018 BPS sales were generated with the Top 50 customers
- No individual customer accounts for more than 5% of BPS sales revenue
- No single drug accounts for more than 3% of BPS sales revenue
Sartorius 2025 targets and initiatives

Strategic initiatives

Regional
- Participate in strong Chinese market growth
- Continue to outperform the important U.S. market

Portfolio
- Add high-impact innovations, e.g. digital tools
- Enhance process development capabilities
- Expand into adjacent applications

Operations
- Accelerate workflows across the organization through digitalization
- Extend manufacturing base in Asia

2025 targets

~€4bn
Sales revenue

~2/3
Organic
~1/3
Acquisitions

~28%
EBITDA margin
Agenda

Company Overview and Strategy

Responsibility Overview

ESG Performance
Strong company values as the basis of all our activities

**Sustainability**
Growing profitably and acting responsibly towards all stakeholders

**Openness**
Driving change and progress internally and externally

**Enjoyment**
Working in an energetic and rewarding environment
Our corporate responsibility endorsements

Sartorius is a signatory of the United Nations Global Compact and is committed to sustainable global business.

Sartorius is a member of econsense, the Forum for Sustainable Development of German Business.
Responsibility

Our corporate responsibility basics

Environment
• Environmental Policy

Social
• Policy on Labor Practices
• Policy on Occupational Safety
• Human Rights Strategy
• Code of Conduct

Governance
• Anti-Corruption Code
• Sustainable Supply Chain Management
• ESG Risk Reporting
• Corporate Responsibility Steering Committee
Responsibility

Transparency

Non-financial group statement published in our annual report and externally audited

Overall rating: 49 of 100
Environment: 60
Labor: 50
Fair business practices: 50
Sustainable procurement: 30

Overall rating SSB: A
Overall rating Group: AA

Overall rating: C
Social governance: C+
Environmental rating: C-
Staff and suppliers: C
Society and product responsibility: C
Products and services: D
Corporate governance and business ethics: B-
Eco-efficiency: A+
Responsibility

Our ESG core topic: Better health for more people

We empower scientists and engineers to simplify and accelerate progress in life sciences

- Anticipate clients needs
- Accelerate innovation
- Collaborate
- Bring experts together

- Time savings in drug discovery
- Cost savings in drug production
- Reduced risk of cross-contamination
- Higher flexibility

New and better therapies and more affordable medicine
Sartorius’ contribution to SDGs

Three-step materiality analysis to determine which SDGs are related to Sartorius business activities

1. Identification of the SDGs that are significant for Sartorius
2. Examination of the relevance of each topic to our business, as well as the potential impacts on people and the environment
3. Determination of whether the impacts are positive or negative and to which degree

Eight SDGs were defined as material in relation to the business activities of Sartorius
Next steps

1. Policy / Strategy / Targets
   - Endorsement
   - Environmental Policy
   - Policy on Labor Practices
   - Policy on Occupational Safety
   - Human Rights Strategy
   - Climate Strategy
   - Plastics Strategy

2. Measures / Management Approach
   - Sustainable Supply Chain Management
   - Non-Financial Risk Management Aspects

3. Results / Communication
   - Non-Financial Group Statement
   - GRI Report
   - UN Communication on Progress
   - ESG Ratings
   - ESG Audits
   - CDP
   - Investor Meetings
   - Home Page
   - Daily / Intranet
Corporate responsibility means taking responsibility for the consequences of our actions – wherever they occur. As a company responsible for purchasing transactions, we shift a part of our environmental and social impacts to others, our suppliers. It is the manufacturing conditions of the materials, products and services that we purchase and their ecological and social impacts that we must consider and take responsibility for. The sustainable management of the supply chain is thus becoming a central component of responsible corporate governance.
# Sustainability in the supply chain

## CODE OF CONDUCT

**Foundation for collaborating with our business partners**
- Work practices
- Workplace health / safety
- Environmental standards
- Ethics
- General rules of conduct
- Supplier relationship

## RISK MANAGEMENT

**Risk-based approach to setting priorities for review**
- Location
- Production processes associated with increased risk to environment or employee safety
- Purchasing volume
- Critical products

## ASSESSMENTS & AUDITS

**Multi-level approach to verify compliance**
- ESG self-assessments
- EcoVadis evidence-based assessments
- Sartorius quick checks
- External ESG assessments

## CONSEQUENCES

**Actively involve with suppliers**
- Corrective action
- Instigate actual change for the better
- Terminate business relationship if no improvement is achieved
The world produces more than 400 million tons of plastics every year; biopharma accounts for only 0.008%

Necessary to differentiate between legitimate and non-legitimate applications for single-use plastics (packaging or products)

Single-use products prevent cross-contamination in life science applications (e.g., blood tests, production of drugs)

Single-use products utilized in biopharmaceutical industry are incinerated after each batch and hence do not end up in the environment

Plastic single-use products mostly consist of polyolefins, leaving no traces after incineration
Agenda

Company Overview and Strategy

Responsibility Overview

ESG Performance
Responsible management and long-term value creation

ESG Performance

- Energy efficiency
- Water management
- Waste management
- Occupational health & safety
- Employee development
- Labor practices
- Compliance
- Diversity
- Management remuneration
ESG Performance

Certifications

**ISO 9001**
10 production sites = 92% of employees in production

**ISO 14001**
3 production sites = 50% of employees in production

**ISO 50001**
3 German companies = 42% of employees in production

**OHSAS 18001**
Production site in Beijing

Companies that are not yet certified are managed according to the same high standards.

<table>
<thead>
<tr>
<th>Location</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yauco, Puerto Rico</td>
<td>Beijing, China</td>
</tr>
<tr>
<td>Göttingen, Germany</td>
<td>Aubagne, France</td>
</tr>
<tr>
<td>Beijing, China</td>
<td>Beijing, China</td>
</tr>
</tbody>
</table>
Energy consumption and emissions

- Emissions caused by direct operations are comparably low
- Target: Keep GHG\(^1\) emissions at under proportionate levels with respect to revenue growth
- Primary energy sources include oil and natural gas

<table>
<thead>
<tr>
<th>Year</th>
<th>GHG emissions in relation to revenue; t/million €</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>30.5</td>
</tr>
<tr>
<td>2015</td>
<td>27.4</td>
</tr>
<tr>
<td>2016</td>
<td>25.9</td>
</tr>
<tr>
<td>2017</td>
<td>28.1</td>
</tr>
<tr>
<td>2018</td>
<td>27.0</td>
</tr>
</tbody>
</table>

\(^1\) GHG = Greenhouse Gas Protocol
Water management

- Most water is used for rinsing in the manufacture of filter membranes acc. to the precipitation bath method in Göttingen
- Water purchased mainly from public supply
- Target: Reduce water consumption in relation to revenue
- Sartorius takes care to reduce water consumption and soil sealing, particularly at plants in baseline water risk areas according to the Aqueduct Water Risk Atlas (Yauco, Bangalore, Beijing)
- Additional system for rainwater use in Yauco and Bangalore

<table>
<thead>
<tr>
<th>Water consumption</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>404,503</td>
<td>409,294</td>
</tr>
<tr>
<td>Water consumption / employees</td>
<td>91.1</td>
<td>80.4</td>
</tr>
</tbody>
</table>

Applies to the average number of employees at production sites
Waste management

- Target: Reduce waste in relation to revenue / increase recycling quota
- Hazardous waste mainly from membrane production (evaporation method)
- 3 of 4 evaporation machines in Göttingen
- Organic solvents are recovered and recycled

Waste development

- Recycling:
  - Waste for recycling ~51%
  - Waste for disposal ~49%

Hazardous waste

- Non hazardous waste ~74%
- Hazardous waste ~26%

Classification of waste in Germany (2018)

Recycling: Global (2018)
ESG Performance

### Single-use technology

Single-use products offer advantages over conventional stainless steel devices

**Social perspective**
- SU products enable manufacturing processes that are safe as cross contamination is avoided
- Processes are scalable and thus flexible and economical

**Environmental perspective**
- Eco-friendly as no energy-intensive steam sterilization and chemical cleaning between batches required
- Ecological footprint considered over whole product lifecycle
- All materials can be safely incinerated and used as energy

<table>
<thead>
<tr>
<th></th>
<th>Construction cost</th>
<th>Time-to-market</th>
<th>Energy cost</th>
<th>Water cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference</td>
<td></td>
<td>-30–50%</td>
<td>-55–65%</td>
<td>-65–75%</td>
</tr>
<tr>
<td>SU</td>
<td>-25–35%</td>
<td></td>
<td>-30–45%</td>
<td></td>
</tr>
</tbody>
</table>

Reference
### Employees

- More than 1,000 new hires in 2018
- 48,758 hours of education and training; ~12.5 hours per employee
- Annual performance reviews
- Flextime, part-time, home office

<table>
<thead>
<tr>
<th>Fluctuation</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of redundancies</td>
<td>45</td>
<td>49</td>
</tr>
<tr>
<td>Attrition rate excl. expired fixed-term contracts, in %</td>
<td>6.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Attrition rate incl. expired fixed-term contracts, in %</td>
<td>9.6</td>
<td>10.2</td>
</tr>
</tbody>
</table>

### Average seniority

- Unlimited: 91%
- Limited: 9%

### ESG Performance

- 84,000 hours of education and training; ~11 hours per employee
- Annual performance reviews
- Flextime, part-time, home office

- unlimited
- 91%
- limited
- 9%
Diversity

- People from 70 nations
- 83% of 550 managers are non-French
- 85% of the SSB’s staff are employed outside France
- Target 2022: women in the first and second management tiers >30%

Women in overall management roles

- Men: 72%
- Women: 28%

Employees by age

- 16-20 years: 0.3%
- 21-30 years: 25%
- 31-40 years: 32%
- 41-50 years: 24%
- 51-60 years: 16%
- >61 years: 3%

Employees by region

- Asia|Pacific: 12%
- Americas: 16%
- EMEA: 71%
Health & safety

- Risk assessments of workplaces and tailored training
- Work-related accidents up due to the tighter notification and reporting requirements in the Fermentation unit

Accident statistics

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work accidents</td>
<td>108</td>
<td>54</td>
</tr>
<tr>
<td>Frequency rate</td>
<td>11.5</td>
<td>6.3</td>
</tr>
<tr>
<td>Severity rate</td>
<td>149.9</td>
<td>248.2</td>
</tr>
</tbody>
</table>

Absenteeism rate

- Corporate health management policy addresses physical as well as psycho-social elements of health
- Mandatory in-house medical service
- External provider offers psychological help for work-related or personal matters
ESG Performance

Sartorius legal & operational structure

Sartorius Group Legal Setup

Sartorius AG
Stock market listed in Germany

Ordinary shares
>50% Administered by executor
~34% Bio-Rad Laboratories
~9% Treasury shares
~5% Family owned
~2% Free float

Preferences shares
~91% Free float
~9% Treasury shares

~74%

Sartorius Stedim Biotech S.A.
Stock market listed in France
~74% Sartorius AG
~26% Free float

100%

Other Sartorius Subsidiaries

Bioprocess Solutions Division

Lab Products & Services Division

Sartorius Group Operational Setup

1) Information on shareholdings and shares in free float pursuant to Sections 33 et seq. of the German Securities Trading Act (WpHG). Reporting obligations refer only to ordinary shares and not to non-voting preference shares.
ESG Performance

Legal & operational structure

Sartorius Stedim Biotech S.A.

<table>
<thead>
<tr>
<th>Board of Directors</th>
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<tbody>
<tr>
<td>J. Kreuzburg</td>
</tr>
<tr>
<td>P. Boissel</td>
</tr>
<tr>
<td>S. Dexter</td>
</tr>
<tr>
<td>R. Fáber</td>
</tr>
<tr>
<td>A.-M. Graffin</td>
</tr>
<tr>
<td>L. Kappich</td>
</tr>
<tr>
<td>H. Riey</td>
</tr>
<tr>
<td>A. Buton</td>
</tr>
<tr>
<td>Chairman &amp; CEO</td>
</tr>
<tr>
<td>Independent</td>
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</tbody>
</table>

Sartorius AG

<table>
<thead>
<tr>
<th>Supervisory Board</th>
<th>Executive Board</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% employee</td>
<td>J. Kreuzburg</td>
</tr>
<tr>
<td>representatives</td>
<td>R. Lehmann</td>
</tr>
<tr>
<td>50% Sartorius AG</td>
<td>R. Fáber</td>
</tr>
<tr>
<td>shareholder</td>
<td>G. Mackay</td>
</tr>
<tr>
<td>representatives</td>
<td>CEO</td>
</tr>
<tr>
<td></td>
<td>CFO</td>
</tr>
<tr>
<td></td>
<td>Head of BPS</td>
</tr>
<tr>
<td></td>
<td>Head of LPS</td>
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</tbody>
</table>
ESG Performance

Interlinkage of Sartorius Stedim and Sartorius AG

- In 2007, Stedim Biotech SA merged with the Biotech Division of Sartorius AG, creating Sartorius Stedim Biotech SA with a stock listing in Paris
- Sartorius AG (SAG) owns approx. 74% of the shares and has control of approx. 85% of the voting rights of Sartorius Stedim Biotech (SSB)
- SSB is fully consolidated by SAG
- Debt financing for SSB is conducted through SAG; equity financing for SSB would be done with SSB capital
- Support functions and facilities and associated costs are shared proportionally by both entities
- SSB executive management receives fixed and variable remuneration from SAG, of which a portion is charged to SSB based on his proportional work for this entity
Appendix
Appendix

Share price performance

Share key facts

<table>
<thead>
<tr>
<th>ISIN</th>
<th>FR0013154002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker</td>
<td>DIM</td>
</tr>
<tr>
<td>Number of shares</td>
<td>92,180,190</td>
</tr>
</tbody>
</table>

Indices

| SBF 120 | CAC All-Tradable | CAC All Shares | CAC Mid & Small 190 | CAC Healthcare | MSCI France | STOXX Europe 600 |

Market cap.\(^1\) €12.3bn

\(^1\) As of October 21, 2019
Appendix

Extract of the Bioprocess Solutions’ product portfolio

Filtration

Purification

Fermentation & Cell Culture Media

Fluid Management
Sartorius 2025 targets and initiatives

Strategic initiatives

Regional
- Gain share in North America ✔
- Leverage strong market growth in Asia ✔

Portfolio
- Complementary extensions through alliances ✔ and acquisitions
- Own product development ✔

Infrastructure
- Expansion of production capacity ✔
- Significant investments in IT infrastructure ✔

2020 targets

~€2bn Sales revenue

~3/4 Organic
~1/4 Acquisitions

~26-27% EBITDA margin

2020 targets are based on 2015 currency exchange rates; EBITDA excluding extraordinary items
Appendix

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