

Sartorius grows significantly again in sales revenue and earnings in 2017 – positive outlook for 2018

- According to preliminary figures, Group sales revenue increased by more than 9% to over 1.4 billion euros; earnings¹ up 8.5% to 353.2 million euros
- Product portfolio expanded by acquisitions; comprehensive investment program under way
- Number of employees rose to around 7,500
- Sartorius projects profitable growth for 2018: Sales revenue to increase by about 9% to 12% and profitability to rise further
- Moderate, positive effects expected from U.S. tax reform

Göttingen, January 31, 2018 – Sartorius, a leading international technology partner of the biopharmaceutical industry and research laboratories, grew substantially according to its preliminary figures for fiscal 2017, with sales revenue up 9.3% to 1,404.6 million euros, and increased its underlying earnings to 353.2 million euros.

"In 2017, Sartorius continued on its profitable growth track, executed two strategically important acquisitions, moved forward on its extensive investment program and created a considerable number of new jobs," commented Group CEO Dr. Joachim Kreuzburg. "By entering the business field of bioanalytics in the Lab Products & Services Division, we opened a new chapter and reached a substantially higher level of growth and profit margin. Given the high revenue base after two years of exceptionally strong expansion and despite several dampening effects, our bioprocess business increased yet again. For 2018, we will continue to pursue our targets of achieving significant profitable growth, investing extensively in innovations and capacities and of creating additional jobs."

Business development of the Sartorius Group

Sartorius achieved an increase in sales revenue by 9.3% in constant currencies to 1,404.6 million euros in fiscal 2017, up from 1,300.3 million euros a year ago (reported: +8.0%), with organic growth and acquisitions contributing almost equally to growth.

All regions contributed to this strong performance. Asia/Pacific expanded the most, with sales up 22.5% to 344.6 million euros. EMEA² grew by 6.8% to 604.5 million euros. In the Americas, the region in which Sartorius had recorded especially strong gains over the past years, sales revenue rose year over year by 3.5% to 455.5 million euros.

Order intake for the Sartorius Group was up 13.7% in 2017, increasing more strongly than sales. Demand in its bioprocess business picked up significantly, especially in the second half.

(All growth rates for the regions and order intake in constant currencies)

Underlying EBITDA rose by 8.5% in the reporting period, despite unfavorable currency effects, to 353.2 million, and the respective margin edged up slightly from 25.0% to 25.1%. Relevant net profit³ for the Group increased 8.6% from 132.6 million euros to 144.0 million euros.

Consolidated earnings per ordinary share rose to 2.10 euros (prior-year period: 1.93 euros) and per preference share, 2.11 euros (prior-year period: 1.94 euros).

The Group's key financial indicators continued to remain at a strong level, even after the two acquisitions executed in 2017. At the end of the reporting period, the company's equity ratio was 35.1%, and the ratio of net debt to underlying EBITDA stood at 2.5 (Dec. 31, 2016: 42.0% and 1.5, respectively).

Capital expenditures rose in the reporting year from 152.1 million euros to 209.4 million euros due to considerable expansion of the Group's global infrastructure; the respective ratio of capital expenditures to sales revenue was 14.9% relative to 11.7% a year ago.

Sartorius employed 7,501 people worldwide at year-end 2017, thus 8.5% or 590 more people than a year earlier. Of this number, 214 employees joined the company due to acquisitions.

Business development of the divisions

The Bioprocess Solutions Division, which offers a wide array of innovative technologies for the manufacture of biopharmaceuticals, recorded full-year sales growth of 4.9% in constant currencies to 1,010.3 million euros in 2017, relative to a very high prior-year revenue base, with acquisitions accounting for around one percentage point of growth in this sales figure. The division's business development was dampened by several simultaneous and temporary effects, primarily impacting the Americas region. Thus, temporary bottlenecks in supply for its business with cell culture media, inventory destocking by a few large customers and an interruption in production at the plant in Puerto Rico following Hurricane Maria all had an impact. Order intake rose at a rate nearly twice as fast as sales revenue, reaching 9.7% in constant currencies after significant double-digit gains in the second half of the year.

The division's underlying EBITDA rose by 3.3% to 282.4 million euros. Despite unfavorable currency effects, the corresponding margin was 28.0%, at the prior-year level.

The Lab Products & Services Division, which offers products and technologies for laboratories primarily in the pharma sector and in life science research, recorded exceptionally dynamic growth due to its strong organic development and to a further acquisition in bioanalytics. The division's sales revenue rose by 22.0% to 394.2 million euros (reported: +21.2%), with around 14 percentage points of this expansion attributed to acquisitions. All regions and product areas contributed to this strong growth. In Lab Products & Services, order intake likewise increased at a faster pace than did sales, rising year over year by 25.8%.

Underlying EBITDA for the division also rose overproportionately with respect to sales, by 36.3% to 70.8 million euros. The division's margin climbed to 18.0% relative to 16.0% in the prior year.

Positive effects expected from U.S. tax reform

The U.S. tax reform approved in December 2017, which essentially lowers the U.S. corporate tax rate from 35% to 21%, resulted in the Sartorius Group in positive, non-cash extraordinary items of around 16 million euros during the reporting year, due to re-evaluation of deferred tax liabilities in the U.S. The corporate tax rate for the Group significantly decreased as a result of this effect from 29.0% a year earlier to 19.8% in the year under review.

A reduction in Sartorius' corporate tax rate by about 2 percentage points to around 27% is expected from 2018 onwards as a future effect. Since the changes in American tax legislation are very extensive, and further explanations and instructions for application by the U.S. tax authorities are still pending, this estimate is to be considered tentative.

Positive Outlook for Fiscal 2018

Sartorius again expects considerable profitable growth for the current year as well. Management thus projects that Group sales revenue for the full year will grow by about 9% to 12% and the company's underlying EBITDA margin will increase by about half a percentage point over the prior-year figure of 25.1%. The capex ratio will remain at the previous year's level of around 15%.

In view of the two divisions, management anticipates that sales for Bioprocess Solutions will grow by about 8% to 11% and that the division's underlying EBITDA margin will rise by around half a percentage point compared with the prior-year figure of 28.0%. For the Lab Products & Services Division, Sartorius projects that sales will grow approx. 12% to 15% and the division's underlying EBITDA margin will increase by about one percentage point (2017: 18.0%).

All forecasts are based on constant currencies, as in the past years. Due to the latest currency developments, especially in the exchange rate between the U.S. dollar and the euro, these figures may have to be reviewed as the year progresses.

¹Sartorius uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as the key profitability indicator

² EMEA = Europe | Middle East | Africa

³ After non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and corresponding tax effects

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The numbers mentioned above are still subject to final review by the auditors.

Current image files

[Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius AG](#)

[Sartorius products used in the manufacture of medications](#)

[Sartorius bioanalytical systems used in pharmaceutical research](#)

Conference call

Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius, and Rainer Lehmann, CFO and member of the Executive Board, will discuss the company's results with analysts and investors on Wednesday, January 31, 2018, at 4:00 p.m. Central European Time (CET) in a teleconference. You may register by clicking on the following link:

<http://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=4999614&linkSecurityString=18dd48dd2>

Alternatively, you can dial into the teleconference, without registering, at:
+49 (0) 69 566 03 6000

To view the presentation, log onto:
<http://www.sartorius.com/com/group/investor-relations/sartorius-ag/>

Upcoming financial dates

February 21, 2018	Annual press conference
April 5, 2018	Annual Shareholders' Meeting
April 24, 2018	Publication of first-quarter figures (January to March 2018)

A Profile of Sartorius

The Sartorius Group is a leading international pharmaceutical and laboratory equipment provider with two divisions: Bioprocess Solutions and Lab Products & Services. Bioprocess Solutions with its broad product portfolio focusing on single-use solutions helps customers produce biotech medications and vaccines safely and efficiently. Lab Products & Services, with its premium laboratory instruments, consumables and services, concentrates on serving the needs of laboratories performing research and quality assurance at pharma and biopharma companies and on those of academic research institutes. Founded in 1870, the company earned sales revenue of more than 1.4 billion euros in 2017 according to its preliminary figures. More than 7,500 people work at the Group's approximately 50 manufacturing and sales sites, serving customers around the globe.

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Preliminary Key Performance Indicators for Fiscal 2017

in millions of € (unless otherwise specified)	Sartorius Group				Bioprocess Solutions				Lab Products & Services			
	2017	2016	in % Reported	in % cc ¹	2017	2016	in % Reported	in % cc ¹	2017	2016	in % Reported	in % cc ¹
Sales Revenue and Order Intake												
Sales revenue	1,404.6	1,300.3	8.0	9.3	1,010.3	975.0	3.6	4.9	394.2	325.3	21.2	22.0
- EMEA ²	604.5	569.1	6.2	6.8	413.8	406.9	1.7	2.5	190.7	162.2	17.6	17.7
- Americas ²	455.5	445.4	2.3	3.5	357.1	374.6	-4.7	-3.3	98.4	70.8	39.0	39.5
- Asia Pacific ²	344.6	285.8	20.6	22.5	239.4	193.5	23.7	25.3	105.2	92.3	14.0	16.6
Order intake	1,501.4	1,334.7	12.5	13.7	1,091.3	1,006.5	8.4	9.7	410.1	328.1	25.0	25.8
Earnings												
EBITDA ³	353.2	325.4	8.5		282.4	273.5	3.3		70.8	51.9	36.3	
EBITDA margin ³ in %	25.1	25.0			28.0	28.0			18.0	16.0		
Net profit for the period ⁴	144.0	132.6	8.6									
Financial Data per Share												
Earnings per ordinary share ⁴ in €	2.10	1.93	8.6									
Earnings per preference share ⁴ in €	2.11	1.94	8.6									

¹ In constant currencies abbreviated as "cc"

² Acc. to the customer's location

³ Underlying

⁴ After non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and corresponding tax effects.