Sartorius Group

First-Half Financial Report
from January to June 2019

2019

Key Figures for the First Half and Second Quarter of 2019

	Group				Bioprocess Solutions				Lab Products & Services			
in millions of € unless otherwise specified	**6-mo. 2019**	6-mo. 2018	Δ in % reported	Δ in % cc[1]	**6-mo. 2019**	6-mo. 2018	Δ in % reported	Δ in % cc[1]	**6-mo. 2019**	6-mo. 2018	Δ in % reported	Δ in % cc[1]
Sales Revenue and Order Intake												
Order intake	974.3	807.6	20.7	18.7	746.4	594.6	25.5	23.4	228.0	213.0	7.0	5.4
Sales revenue	894.7	758.4	18.0	15.9	676.6	550.3	22.9	20.7	218.1	208.1	4.8	3.2
- EMEA[2]	362.0	324.4	11.6	11.4	264.7	229.5	15.3	15.2	97.3	94.9	2.5	2.2
- Americas[2]	308.2	249.6	23.5	18.9	248.5	195.8	26.9	22.0	59.7	53.9	10.9	7.5
- Asia | Pacific[2]	224.5	184.4	21.8	19.9	163.4	125.1	30.7	28.9	61.1	59.3	3.0	1.0
Results												
EBITDA[3]	237.6	189.5	25.4		198.3	153.9	28.8		39.4	35.5	10.9	
EBITDA-Margin[3] in %	26.6	25.0			29.3	28.0			18.1	17.1		
Net result[4]	101.5	79.8	27.3									
Financial data per share												
Earnings per ordinary share[4] in €	1.48	1.16	27.4									
Earnings per preference share[4] in €	1.49	1.17	27.2									
	June 30, 2019	Dec 31, 2018										
Balance Sheet | Financials												
Balance sheet total	2,716.6	2,526.9										
Equity	1,020.3	973.4										
Equity ratio in %	37.6	38.5										
Net debt	1036.6	959.5										
Net debt to underlying EBITDA	2.3	2.4										

	Group				Bioprocess Solutions				Lab Products & Services			
in millions of € unless otherwise specified	**Q2 2019**[5]	Q2 2018[5]	Δ in % reported	Δ in % cc[1]	**Q2 2019**[5]	Q2 2018[5]	Δ in % reported	Δ in % cc[1]	**Q2 2019**[5]	Q2 2018[5]	Δ in % reported	Δ in % cc[1]
Sales Revenue and Order Intake												
Order intake	491.5	402.8	22.0	20.8	380.3	299.4	27.0	25.7	111.1	103.4	7.5	6.5
Sales revenue	459.0	393.5	16.6	15.2	350.6	286.9	22.2	20.6	108.4	106.6	1.7	0.6
- EMEA[2]	184.0	165.1	11.4		136.5	118.2	15.5		47.5	46.9	1.1	
- Americas[2]	155.8	133.0	17.2		125.3	105.1	19.3		30.5	27.9	9.2	
- Asia | Pacific[2]	119.2	95.4	24.9		88.7	63.6	39.4		30.5	31.8	–4.1	
Results												
EBITDA[3]	123.6	100.9	22.6		104.0	83.6	24.4		19.6	17.2	13.8	
EBITDA-Margin[3] in %	26.9	25.6			29.7	29.2			18.1	16.1		
Net result[4]	52.9	42.6	24.3									
Financial Data per Share												
Earnings per ordinary share[4] in €	0.77	0.62	24.3									
Earnings per preference share[4] in €	0.77	0.62	24.3									

[1] In constant currencies
[2] According to customers` location
[3] Adjusted for extraordinary items
[4] After non-controlling interest, adjusted for extraordinary items as well as non-cash amortization, and based on the normalized financial result as well as the corresponding tax effects for each of these items.
[5] Figures have not been audited or reviewed

Interim Management Report

Economic and Sector Report

The sectors in which the Sartorius Group is active differ in their dependence on the economy. The Bioprocess Solutions Division, for instance, operates in an environment that is largely independent of economic fluctuations. The Lab Products & Services Division, in contrast, conducts its business activities in sectors that are more strongly affected by economic factors.

Slowdown in the Global Economy

According to the most recent data of the OECD, the momentum of the global economy tapered off in the first quarter of 2019.

Especially in Sartorius' core European markets, growth rates were below the prior-year figures. While the rise in growth of gross domestic product (GDP) for Germany was estimated at 0.7% (previous year: 2.1%), the French economy expanded by 1.2% relative to 2.4% in the prior year. In Italy, economic performance remained approximately at the previous year's level. The U.K. economy saw an acceleration of growth to 1.8%, up from 1.2% in the prior year. GDP of the entire European Union gained 1.5% relative to 2.4% a year earlier.

The world's largest economy, the USA, continued to grow significantly in the first quarter of 2019. Despite its ongoing trade dispute with China, the U.S. economy saw a 3.2% gain, up from 2.6% in the previous year.

By contrast, the expansion rate in the Asia-Pacific economic area slowed somewhat. Compared with the prior-year quarter, GDP growth in China was 6.4%, down from 6.8% in the year before. India reported a gain of 6.0% (previous year: 7.8%). South Korea and Japan, further important markets for Sartorius in the Asia-Pacific region, reported the following figures: While South Korea's GDP grew by 1.8% (previous year: 2.8%), the rate of increase in Japan was 0.8% (previous year: 1.4%).

Sources: OECD: Quarterly National Accounts, June 2019.

Continued Positive Sector Development

Sartorius' key customer groups include the biopharmaceutical and pharmaceutical industries as well as public research institutions. In addition, the company counts quality assurance laboratories in the chemical and food industries among its customers. Accordingly, the trends in these specific sectors considerably influence the business development of Sartorius.

The international market research institute IQVIA estimates that the global pharmaceutical market has grown annually by around 6% on average over the past five years. Within the pharmaceutical market, the segment for medications and vaccines manufactured using biotech methods has been growing faster than the rest of the market. In 2018, the biopharmaceutical market was projected at a volume of around €217 billion, an increase of approximately 8% to 9% over the previous year. The steadily growing significance and acceptance of biopharmaceutical compounds is reflected in their increasing share of the sales revenue in the global pharmaceutical market and the development activities of the pharmaceutical industry. For example, biopharmaceutical compounds account for more than 40% of the R&D pipeline.

Market growth for biopharmaceuticals fundamentally depends more on medium- to long-term trends than on short-term economic developments. The major growth driver for the global expansion of biopharmaceutical production capacities is the increasing need for medications by the growing world population and by the average aging communities in industrialized nations. In addition, rising incomes in emerging-market economies are leading to improved access to healthcare. Beyond this, growth is boosted by the development and approval of new biopharmaceuticals, which include a growing number of active pharmaceutical compounds to treat rare diseases that have been incurable until now. Recent progress has also been made, for example, in cell and gene therapies. Biosimilars, i.e., biotherapeutic products similar to originally patented reference biologics that are going off-patent, are playing an increasingly important role on the biotechnology market as well.

Demand for laboratory instruments and consumables is generated by public research and the chemical and food sectors besides the biopharmaceutical and pharmaceutical industries.

According to estimates by the market research firm Frost & Sullivan, the global laboratory market grew by approximately 3.6% to €39 billion in the past year. While Europe reported an increase of 2.4%, the United States – the largest market for laboratory products – grew by 4.2%. Significant growth was once again driven by Asian countries, such as China and India, in which the laboratory market saw above-average expansion of 7.0% (China) and 8.2% (India). Macroeconomic indicators for the first half of 2019 suggested that growth of the laboratory equipment market probably has slowed in comparison to the prior-year period.

Sources: IQVIA Institute: The Global Use of Medicine in 2019 and Outlook to 2023, January 2019; EvaluatePharma: World Preview 2019, Outlook to 2025; June 2019; Frost & Sullivan: 2018 Annual Report, November 2018; BioPlan: 15th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2018; Daedal Research: Global Biologics Market: Size, Trends & Forecasts, February 2018.

Group Business Development

- Significant growth in sales revenue, order intake and profit
- Bioprocess Solutions with high growth momentum; moderate development of Lab Products & Services
- Guidance for the full year of 2019 raised

Sartorius with Double-Digit Gains in Sales Revenue and Order Intake

Sartorius grew dynamically in the first half of 2019: sales revenue in constant currencies rose by 15.9% to €894.7 million; the reported increase was 18.0%. Order intake rose slightly more strongly, by 18.7% in constant currencies, to €974.3 million (in the reported figure, it grew by 20.7%). Growth was achieved completely organically and is predominantly attributed to the very strong business performance of the Bioprocess Solutions Division. By contrast, the increase in sales for the Lab Products & Services Division was more moderate as the softer economic environment had a dampening effect on demand, particularly at the end of the second quarter.

Sales Revenue and Order Intake

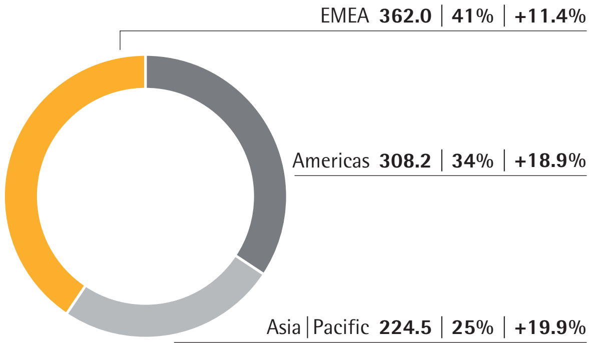
in millions of €	**6-mo. 2019**	6-mo. 2018	Δ in % reported	Δ in % cc[1]
Sales revenue	894.7	758.4	18.0	15.9
Order intake	974.3	807.6	20.7	18.7

[1] In constant currencies

Sartorius increased its sales revenue by double digits in all business regions. Revenue in EMEA rose by 11.4% in constant currencies to €362.0 million (reported: + 11.6%). This region accounted for the largest share of Group sales, around 41%.

The Americas region, which contributed about 34% to total Group sales, saw significant sales growth of 18.9% in constant currencies to €308.2 million (reported: + 23.5%) against a high prior-year base.

Sales Revenue, Share and Growth[1] by Region[2]
in millions of € unless otherwise specified



[1] In constant currencies
[2] Acc. to customers' location

The Asia | Pacific region accounting for around 25% of total consolidated sales showed the highest dynamics, reporting a revenue surge of 19.9% in constant currencies to €224.5 million (reported: + 21.8%).

Underlying EBITDA Increases Overproportionately

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

In the first half of 2019, Sartorius increased its earnings overproportionately. Underlying EBITDA rose 25.4% from €189.5 million to €237.6 million, and the Group's respective EBITDA margin also climbed from 25.0% in the year-earlier period to 26.6%. As expected, about one percentage point of this increase was attributed to the IFRS 16 Standard to be applied for the first time in 2019.

Underlying EBITDA and EBITDA Margin, Group

in millions of €	**6-mo. 2019**	6-mo. 2018	Δ in %
Underlying EBITDA	237.6	189.5	25.4
Underlying EBITDA margin	26.6	25.0	

Consolidated EBIT, including extraordinary items of -€10.6 million (H1 2018: -€13.9 million), depreciation and amortization, amounted to €166.6 million compared with €123.3 million in the previous year. Extraordinary items were primarily related to expenses incurred for various cross-divisional projects, such as the introduction of IT systems, and to the integration of the Group's acquisitions executed in the prior years. Despite higher depreciation, the consolidated EBIT margin rose in the reporting period from 16.3% a year ago to 18.6%.

The financial result was -€9.9 million in the first half of 2019, relative to -€11.0 million for the prior-year period. This change is essentially attributable to valuation effects related to foreign currency liabilities and hedging instruments.

Net profit for the first six months of 2019 rose significantly by 39.5% from €82.0 million in the first half of 2018 to €114.4 million. In addition, net profit after non-controlling interest totaled €82.3 million relative to €57.3 million in the comparable year-earlier period, with non-controlling interest accounting for €32.1 million (H1 2018: €24.7 million). The tax rate for the Sartorius Group remained constant at 27.0%.

Relevant Net Profit Significantly Up Year over Year

The relevant net profit attributable to the shareholders of Sartorius AG rose by 27.3% from €79.8 million to €101.5 million. This profit figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization, and is based on the normalized financial result as well as the corresponding tax effects for each of these items. Underlying earnings per ordinary share totaled €1.48 (H1 2018: €1.16) and €1.49 per preference share (H1 2018: €1.17).

in millions of €	**6-mo. 2019**	6-mo. 2018
EBIT	166.6	123.3
Extraordinary items	10.6	13.9
Amortization	17.1	18.4
Normalized financial result[1]	–7.7	–8.3
Normalized income tax (2019: 27% | 2018: 27%)[2]	–50.4	–39.8
Underlying net result after tax	**136.2**	**107.5**
Non-controlling interest	–34.7	–27.8
Underlying earnings after taxes and non-controlling interest	**101.5**	**79.8**
Underlying earnings per share		
per ordinary share in €	1.48	1.16
per preference share in €	1.49	1.17

[1] Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities
[2] Income tax considering the average group tax rate, based on the underlying profit before tax

Operating Cash Flow Strongly Increased

In the first six months of the current fiscal year, the Sartorius Group increased its cash flow from operating activities: this figure stood at €165.1 million relative to €92.0 million a year ago, which equates to an increase of 79.6%. This development essentially reflects the rise in earnings.

Cash flow from investing activities rose in the reporting period by 19.1% to -€116.0 million. First-half capital expenditures were related to, inter alia, the consolidation and expansion of Group headquarters in Göttingen, Germany. At its site in Yauco, Puerto Rico, Sartorius invested in the expansion of its production capacities for filters and single-use bags. At both sites, new production facilities were completed and started up operations in the reporting period. The ratio of capital expenditures (CAPEX) to sales in the first half of 2019 was in line with expectations, 12.8% compared with 13.2% in the previous year.[1]

[1] As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio restated: 13.1% for H1 2018; 14.9% for FY 2018.

Key Balance Sheet and Financial Indicators Remain at Robust Levels

The balance sheet total for the Sartorius Group stood at €2,716.6 million in the period ended June 30, 2019, and thus increased by €189.7 million compared with €2,526.9 million as of December 31, 2018. This rise is mainly attributable to higher figures for property, plant and equipment, growth-related increases in inventories and trade receivables, as well as the IFRS 16 Standard to be applied for the first time as of 2019.

The Sartorius Group's equity rose from €973.4 million as of December 31, 2018, to €1,020.3 million on the reporting date. The equity ratio continued to remain very robust at 37.6% (December 31, 2018: 38.5%). This slight decrease resulted from the extended balance sheet due to the IFRS 16 Standard.

While gross debt increased from €1,004.6 million as of December 31, 2018, to €1,090.4 million as of June 30, 2019, net debt was €1,036.6 million at the end of the reporting period relative to €959.5 million as of December 31, 2018.

The ratio of net debt to underlying EBITDA slightly edged down from 2.4 at year-end 2018 to 2.3 for the period ended June 30, 2019.

Number of Employees Increases

As of June 30, 2019, the Sartorius Group employed a total of 8,711 people worldwide. Compared with December 31, 2018, head count thus rose by 586 or around 7.2%. From a geographical perspective, the Americas region reported the highest staff increase by 19.7% to 1,513 people. The number of employees in EMEA was up by around 4.6% to 5,965 in the reporting period. Sartorius employed 1,233 people in Asia | Pacific as of the end of the reporting period (December 31, 2018: 1,159).

Business Development of the Divisions

Bioprocess Solutions Expanding Dynamically

The Bioprocess Solutions Division recorded significantly double-digit growth rates in the first half of 2019 in a continued highly positive market environment. Driven by high demand both for single-use technologies and equipment, sales revenue surged 20.7% to €676.6 million in constant currencies (reported: + 22.9%). The strong dynamics seen at the beginning of the year therefore continued in the second quarter.

Order intake also developed very positively in the first half of 2019. Orders rose more strongly than division revenue by 23.4% in constant currencies to €746.4 million (reported: + 25.5%). Particularly notable in this context were the very dynamic project business and exceptionally positive development in Asia | Pacific.

Looking at the geographies, the EMEA region achieved a considerable increase in sales revenue of 15.2%. The Americas region again saw significant sales growth, which was up 22.0% against a high prior-year base, while the Asia | Pacific region showed even stronger momentum, reporting a 28.9% surge. (All rates of regional change in constant currencies.)

Bioprocess Solutions

in millions of €	**6-mo. 2019**	6-mo. 2018	Δ in % reported	Δ in % cc[1]
Sales revenue	676.6	550.3	22.9	20.7
- EMEA[2]	264.7	229.5	15.3	15.2
- Americas[2]	248.5	195.8	26.9	22.0
- Asia | Pacific[2]	163.4	125.1	30.7	28.9
Order intake	746.4	594.6	25.5	23.4

[1] In constant currencies
[2] According to customers' location

Underlying EBITDA grew overproportionately by 28.8% to €198.3 million. The corresponding margin rose to 29.3% from 28.0% in the same period a year earlier due to economies of scale and as a result of a change in an accounting rule (IFRS 16), as well as despite a higher share of project business.

Underlying EBITDA and EBITDA Margin Bioprocess Solutions

in millions of €	6-mo. 2019	6-mo. 2018	Δ in %
Underlying EBITDA	198.3	153.9	28.8
Underlying EBITDA margin in %	29.3	28.0	

Lab Products & Services with Moderate Growth

In the first half of 2019, the Lab Products & Services Division slightly increased its sales by 3.2% to €218.1 million (reported: + 4.8%) against a strong prior-year revenue base. Growth in sales for the Lab Products & Services Division was slightly more moderate than had been initially expected as the softer economic environment had a dampening effect on demand. Especially at the end of the second quarter, development was not satisfactory.

By contrast, order intake for the division rose robustly by 5.4% in constant currencies to €228.0 million (reported: + 7.0%).

Lab Products & Services

in millions of €	**6-mo. 2019**	6-mo. 2018	Δ in % reported	Δ in % cc[1]
Sales revenue	218.1	208.1	4.8	3.2
- EMEA[2]	97.3	94.9	2.5	2.2
- Americas[2]	59.7	53.9	10.9	7.5
- Asia | Pacific[2]	61.1	59.3	3.0	1.0
Order intake	228.0	213.0	7.0	5.4

[1] In constant currencies
[2] According to customers' location

Due to the impacts mentioned above, the EMEA and Asia | Pacific regions showed restrained growth of 2.2% and 1.0%, respectively. In the Americas region, sales revenue rose by 7.5% relative to high prior-year comparables. (All rates of change for regional development in constant currencies.)

Underlying EBITDA of the Lab Products & Services Division rose in the first six months of 2019 by 10.9% to €39.4 million due to economies of scale and as a consequence of the change in an accounting rule (IFRS 16). The division's earnings margin was up year over year from 17.1% to 18.1%.

Underlying EBITDA and EBITDA Margin Lab Products & Services

in millions of €	**6-mo. 2019**	6-mo. 2018	Δ in %
Underlying EBITDA	39.4	35.5	10.9
Underlying EBITDA margin in %	18.1	17.1	

Opportunity and Risk Report

The opportunities and risk situation of the Sartorius Group has not materially changed since the publication of its 2018 Annual Report. For this reason, please refer to a detailed description of the opportunities and risks as well as the risk management system for the Sartorius Group on pp. 54 et seq. and on pp. 67 et seq. of the 2018 Annual Report.

Forecast Report

Global Growth is Set to Moderate

Following an upswing in the global economy that lasted for several years, economic activity slowed in the second half of 2018 in key regions, such as Europe and China. According to International Monetary Fund (IMF) projections, this more moderate development is likely to continue on in the current year. In its most recent outlook of April 2019, the IMF projects that the global growth rate will decrease from 3.6% in 2018 to 3.3% 2019. Risks to global economic growth arise from an escalation of international trade disputes and growing protectionism. In addition, a no-deal exit of the U.K. from the European Union would have a negative impact.

The IMF expects 1.6% growth for the European Union, down from 2.1% a year earlier. Especially in Germany, the largest European economy, the expansion rate is expected to slow from 1.5% in 2018 to 0.8% in 2019. While economic performance in France is likely to increase by 1.3% from 1.5% in the prior year, a gain of 1.2% is forecasted for the U.K. (previous year: 1.4%).

After the U.S. market bucked the global trend last year, reporting accelerated growth, this development could reverse in 2019 according to the IMF's projections. GDP in the USA is expected to rise at a lower rate of 2.3% than 2.9% a year earlier as the higher U.S. taxes and the subsiding positive effects of the tax reduction will dampen growth.

The Asia | Pacific economic area is likely to grow by about 5.4% this year and thus at approximately the prior-year level. This expected growth will be driven especially by the expansion of the economy in India. Here, the forecasted increase of 7.3% is projected to exceed the year-earlier rate of 7.1%. Despite experiencing a slight downturn to 6.3% (2018: 6.6%), China will continue to be the growth engine of the Asia | Pacific region as well. GDP growth in South Korea is expected to increase to 2.6% relative to 2.7% a year ago while GDP in Japan will edge up by 1.0% from 0.8% in 2018.

Sources: International Monetary Fund, World Economic Outlook, April 2019.

Continued Positive Sector Environment

The trends described on pages 63–64 of our 2018 Annual Report have remained unchanged with respect to their impacts on the development of the Sartorius Group.

Most recent estimates project that the global pharmaceutical market will expand at a compound annual growth rate of 3% to 6% during the period of 2019 to 2023. For the biopharma subsegment, market observers continue to expect overproportionate annual growth of around 8% to 9% on average, which will be driven by the rising demand worldwide for biopharmaceuticals. This growth will also be fueled by the ongoing penetration of the market by biopharmaceuticals already approved, the expansion of their areas of indication and the industry's strong research and development pipelines.

Based on Frost & Sullivan estimates, global demand for laboratory products is predicted to continue showing positive development during the next few years. Therefore, growth of around 3.2% has been projected for 2019. While the U.S. market is likely to expand at a rate of 3.5%, market experts have been anticipating that Europe could grow by 2.0%. Yet macroeconomic and political uncertainties in the first half of 2019 pose higher global risks for this development.

Sources: IQVIA Institute: The Global Use of Medicine in 2019 and Outlook to 2023, January 2019; EvaluatePharma: World Preview 2019, Outlook to 2025; June 2019; Frost & Sullivan: 2018 Annual Report, May 2018; BioPlan: 15th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2018; Daedal Research: Global Biologics Market: Size, Trends & Forecasts, February 2018.

Guidance for Fiscal 2019 Raised

In view of business performance in the first half of 2019, management has raised its full-year guidance for the entire Group and modified the divisions' forecasts as follows:

Group

Based on constant currencies, management now projects that Group sales revenue will grow by about 10% to 14%, up from its earlier growth forecast of about 7% to 11%.

Regarding profitability, management still expects that the Group's underlying EBITDA margin will increase to slightly above 27.0%, with an operating gain of about half a percentage point and the remaining rise resulting from changes in an accounting rule.[1)]

The ratio of capital expenditures (CAPEX) to sales revenue is expected to remain at around 12%, down from the year-earlier figure of 15.2%.[2)]

In view of its financial position, management continues to project that the ratio of net debt to underlying EBITDA will be slightly below the prior-year figure of 2.4 by the end of fiscal 2019.

Divisions

Given the higher-than-expected growth dynamics for the Bioprocess Solutions Division, management has raised its sales forecast for this division from its previous guidance of about 8% to 12% to about 13% to 17%. Management's forecast for the division's underlying EBITDA margin remains unchanged, with this margin projected to increase to slightly more than 29.5% relative to 28.6% reported in the prior-year period. The operating gain of this increase is expected to amount to about half of a percentage point.[1)]

For the Lab Products & Services Division, management now anticipates that due to the growing economic uncertainties, the lower range of the division's sales forecast of about 5% to 9% will be reached. The division's underlying EBITDA margin is expected to be just below 20% (previous guidance: slightly above 20%; FY 2018: 18.5%), with the operating increase accounting for about half a percentage point.[1)]

All forecasts are based on constant currencies.

A disorderly exit of the United Kingdom from the EU and exacerbation of international trade disputes could impact our supply chains in both divisions to a certain extent, despite the measures already taken to counteract this development. A reliable prognosis concerning possible effects cannot be made at the current time.

[1)] IFRS 16 required to be applied as of 2019 regulates accounting of lease contracts. Ultimately, this has resulted in reporting longer-term lease payments as depreciation and, accordingly, in a somewhat higher EBITDA.

[2)] As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio restated: 13.1% for H1 2018; 14.9% for FY 2018.

Report on Material Events

No material events occurred after June 30, 2019.

Condensed Interim Financial Statements

Statement of Profit or Loss

	2nd quarter[1] 2019 € in mn	2nd quarter[1] 2018 € in mn	**6 months 2019 € in mn**	6 months 2018 € in mn
Sales revenue	459.0	393.5	894.7	758.4
Cost of sales	–222.9	–192.0	–435.5	–368.5
Gross profit on sales	**236.1**	**201.5**	**459.2**	**389.9**
Selling and distribution costs	–93.3	–84.5	–182.6	–162.1
Research and development expenses	–22.7	–19.5	–45.3	–41.1
General administrative expenses	–25.0	–23.3	–52.3	–46.3
Other operating income and expenses[2]	–8.1	–6.6	–12.4	–16.9
Earnings before interest and taxes (EBIT)	**87.0**	**67.5**	**166.6**	**123.3**
Financial income	1.8	–0.4	4.5	3.1
Financial expenses	–4.4	–6.5	–14.4	–14.1
Financial result	**–2.5**	**–6.9**	**–9.9**	**–11.0**
Profit before tax	**84.5**	**60.6**	**156.7**	**112.3**
Income taxes	–22.8	–16.4	–42.3	–30.3
Net profit for the period	**61.7**	**44.3**	**114.4**	**82.0**
Attributable to:				
Shareholders of Sartorius AG	44.5	30.7	82.3	57.3
Non-controlling interest	17.1	13.6	32.1	24.7
Earnings per ordinary share (€) (basic)	**0.65**	**0.45**	**1.20**	**0.83**
Earnings per preference share (€) (basic)	**0.65**	**0.45**	**1.21**	**0.84**
Earnings per ordinary share (€) (diluted)	**0.65**	**0.45**	**1.20**	**0.83**
Earnings per preference share (€) (diluted)	**0.65**	**0.45**	**1.21**	**0.84**

[1] The 2nd quarter figures were not included in the auditors' review.
[2] The item "Other operating income and expenses" includes extraordinary expenses for Group projects and acquisition and integration costs of €10.6 million for the six-month period of 2019 (6-mo. 2018: €13.9 million).

Statement of Comprehensive Income

	2nd quarter[1)] 2019 € in mn	2nd quarter[1)] 2018 € in mn	**6 months 2019 € in mn**	6 months 2018 € in mn
Net profit for the period	**61.7**	**44.3**	**114.4**	**82.0**
Cash flow hedges	1.7	–12.3	–2.2	–9.7
- of which effective portion of the change in fair value	4.7	–8.8	–0.5	–2.1
- of which reclassified to profit or loss	–3.0	–3.5	–1.7	–7.6
Income tax on cash flow hedges	–0.3	3.6	0.8	2.8
Net investment in a foreign operation	–5.1	20.9	2.2	10.7
Income tax on net investment in a foreign operation	1.4	–5.7	–0.6	–2.9
Currency translation differences	–12.3	7.4	–1.6	1.2
Items that may be reclassified in the profit or loss statement, net of tax	**–14.6**	**14.0**	**–1.3**	**2.2**
Remeasurements of the net defined benefit liability	–6.8	0.2	–6.8	0.2
Income tax on items that will not be reclassified in the profit or loss statement	2.0	0.0	2.0	0.0
Items that will not be reclassified in the profit or loss statement, net of tax	**–4.7**	**0.2**	**–4.7**	**0.2**
Other comprehensive income after tax	**–19.4**	**14.2**	**–6.1**	**2.4**
Total comprehensive income	**42.3**	**58.4**	**108.3**	**84.3**
Attributable to:				
Shareholders of Sartorius AG	28.6	44.3	77.9	60.6
Non-controlling interest	13.7	14.2	30.5	23.7

[1)] The 2nd quarter figures were not included in the auditors' review.

Statement of Financial Position

Assets	June 30, 2019 € in mn	December 31, 2018 € in mn
Non-current assets		
Goodwill	662.1	662.2
Other intangible assets	401.0	401.0
Property, plant and equipment	766.6	659.6
Financial assets	25.6	28.8
Other assets	1.5	0.7
Deferred tax assets	25.8	20.6
	1,882.6	**1,772.9**
Current assets		
Inventories	369.8	321.7
Trade receivables	331.8	307.4
Other financial assets	17.5	29.3
Current tax assets	12.2	15.4
Other assets	49.0	35.1
Cash and cash equivalents	53.8	45.2
	834.0	**753.9**
Total assets	**2,716.6**	**2,526.9**

Equity and liabilities	June 30, 2019 € in mn	December 31, 2018 € in mn
Equity		
Equity attributable to Sartorius AG shareholders	**771.5**	**740.6**
Issued capital	68.4	68.4
Capital reserves	40.4	40.2
Other reserves and retained earnings	662.7	632.0
Non-controlling interest	248.8	232.8
	1,020.3	**973.4**
Non-current liabilities		
Pension provisions	71.7	64.7
Other provisions	8.1	7.8
Loans and borrowings	916.5	878.5
Lease liabilities	52.0	16.1
Other financial liabilities	22.4	21.9
Deferred tax liabilities	80.6	83.7
	1,151.4	**1,072.8**
Current liabilities		
Provisions	15.6	16.3
Trade payables	200.6	173.5
Loans and borrowings	105.0	107.3
Lease liabilities	16.9	2.7
Employee benefits	68.5	63.0
Other financial liabilities	25.0	25.1
Current tax liabilities	49.3	38.1
Other liabilities	64.1	54.8
	544.9	480.7
Total equity and liabilities	**2,716.6**	**2,526.9**

Statement of Cash Flows

	6 months 2019 € in mn	6 months 2018 € in mn
Profit before tax	156,7	112,3
Financial result	9,9	11,0
Depreciation | amortization of intangible and tangible assets	60,8	52,3
Gains | losses from the disposal of fixed assets	0,0	-2,0
Change in provisions	-0,8	-2,8
Change in receivables and other assets	-23,3	-44,1
Change in inventories	-45,5	-34,8
Change in liabilities (without loans and borrowings)	40,2	32,9
Income taxes paid	-33,9	-34,0
Other non-cash items	1,0	1,1
Cash flows from operating activities	**165,1**	**92,0**
Capital expenditures	-114,7	-99,0
Proceeds from the disposal of fixed assets	0,0	2,0
Other payments	-1,3	-0,3
Cash flow from investing activities, acquisitions and disposals	**-116,0**	**-97,4**
Interest received	0,8	0,1
Interest paid and other financial charges	-12,2	-6,9
Dividends paid to:		
- Shareholders of Sartorius AG	-42,1	-34,5
- Non-controlling interest	-14,5	-11,7
Loans repaid	-41,3	-19,6
Loans raised	67,2	71,1
Cash flow from financing activities	**-41,9**	**-1,4**
Net increase | decrease in cash and cash equivalents	**7,2**	**-6,9**
Cash and cash equivalents at the beginning of the period	45,2	59,4
Change in scope of consolidation	2,2	0,0
Net effect of currency translation on cash and cash equivalents	-0,8	-1,3
Cash and cash equivalents at the end of the period	**53,8**	**51,2**

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves	Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	**Equity attributable to Sartorius AG shareholders**	Non-controlling interest	**Total equity**
Balance at Dec. 31, 2017	**68.4**	**39.7**	**11.4**	**–19.1**	**513.3**	**4.1**	**617.8**	**188.8**	**806.6**
Adjustment on adoption of IFRS 9	0.0	0.0	0.0	0.0	0.4	0.0	0.4	0.0	0.4
Balance at January 1, 2018	**68.4**	**39.7**	**11.4**	**–19.1**	**513.7**	**4.1**	**618.2**	**188.8**	**807.0**
Net profit for the period	0.0	0.0	0.0	0.0	57.3	0.0	57.3	24.7	82.0
Cash flow hedges	0.0	0.0	–7.9	0.0	0.0	0.0	–7.9	–1.8	–9.7
Remeasurements of the net defined benefit liability	0.0	0.0	0.0	0.2	0.0	0.0	0.2	0.0	0.2
Currency translation differences	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.2	1.2
Net investment in a foreign operation	0.0	0.0	0.0	0.0	10.7	0.0	10.7	0.0	10.7
Tax effects	0.0	0.0	2.4	–0.1	–2.9	0.0	–0.5	0.5	0.0
Other comprehensive income after tax	**0.0**	**0.0**	**–5.5**	**0.1**	**7.8**	**1.0**	**3.4**	**–1.0**	**2.4**
Total comprehensive income	**0.0**	**0.0**	**–5.5**	**0.1**	**65.1**	**1.0**	**60.6**	**23.7**	**84.3**
Share-based payment	0.0	0.3	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Dividends	0.0	0.0	0.0	0.0	–34.5	0.0	–34.5	–11.7	–46.2
Other changes in equity	0.0	0.0	0.0	0.0	–0.2	0.0	–0.2	0.0	–0.1
Balance at June 30, 2018	**68.4**	**39.9**	**5.9**	**–18.9**	**544.1**	**5.1**	**644.4**	**200.8**	**845.2**
Balance at January 1, 2019	**68.4**	**40.2**	**3.3**	**–19.2**	**639.8**	**8.0**	**740.6**	**232.8**	**973.4**
Net profit for the period	0.0	0.0	0.0	0.0	82.3	0.0	82.3	32.1	114.4
Cash flow hedges	0.0	0.0	–1.7	0.0	0.0	0.0	–1.7	–0.5	–2.2
Remeasurements of the net defined benefit liability	0.0	0.0	0.0	–5.8	0.0	0.0	–5.8	–0.9	–6.8
Currency translation differences	0.0	0.0	0.0	0.0	0.0	–1.0	–1.0	–0.7	–1.6
Net investment in a foreign operation	0.0	0.0	0.0	0.0	2.2	0.0	2.2	0.0	2.2
Tax effects	0.0	0.0	0.5	1.9	–0.6	0.0	1.8	0.5	2.3
Other comprehensive income after tax	**0.0**	**0.0**	**–1.2**	**–3.9**	**1.6**	**–1.0**	**–4.5**	**–1.6**	**–6.1**
Total comprehensive income	**0.0**	**0.0**	**–1.2**	**–3.9**	**84.0**	**–1.0**	**77.9**	**30.5**	**108.3**
Share-based payment	0.0	0.3	0.0	0.0	0.0	0.0	0.3	0.0	0.3
Dividends	0.0	0.0	0.0	0.0	–42.1	0.0	–42.1	–14.5	–56.5
Change in scope of consolidation	0.0	0.0	0.0	0.0	–4.8	0.0	–4.8	0.0	–4.8
Other changes in equity	0.0	0.0	0.0	0.0	–0.4	0.0	–0.4	0.0	–0.4
Balance at June 30, 2019	**68.4**	**40.4**	**2.2**	**–23.1**	**676.5**	**7.1**	**771.5**	**248.8**	**1020.3**

Segment Reports

According to IFRS 8, Operating Segments, the identification of reportable operating segments is based on the "management approach"; i.e., the segments are defined analogously to the internal control and reporting structure of an entity. Accordingly, the divisions called Bioprocess Solutions and Lab Products & Services are to be considered operating segments.

"Underlying EBITDA" is the key performance indicator of the operating segments of the Sartorius Group. EBITDA corresponds to earnings before interest (financial result), taxes, depreciation and amortization.

"Underlying EBITDA" means EBITDA adjusted for extraordinary items. In this connection, extraordinary items are expenses and income that are of an exceptional or a one-time nature and accordingly distort the sustainable profitability of a segment and, from the Group's perspective, have a material impact on the net worth, financial position and earnings of the Group.

Apart from that, the recognition and measurement methods for the reportable segments conform to the general Group accounting principles.

	Sales revenue		Underlying EBITDA	
€ in millions	**6-mo. 2019**	6-mo. 2018	**6-mo. 2019**	6-mo. 2018
Bioprocess Solutions	676.6	550.3	198.3	153.9
Lab Products & Services	218.1	208.1	39.4	35.5
Total	**894.7**	**758.4**	**237.6**	**189.5**
Reconciliation to the profit before tax				
Depreciation and amortization			–60.4	–52.3
Extraordinary items			–10.6	–13.9
Earnings before interest and taxes (EBIT)			**166.6**	**123.3**
Financial result			–9.9	–11.0
Profit before tax			**156.7**	**112.3**

Disaggregation of Revenue: Geographical Information by Segment

Under IFRS 15, revenue recognized from contracts with customers are disaggregated into the categories of the "nature of products" as well as "geographical regions" and presented in the following table. The categorization by "nature of products" corresponds to the reportable segments as the identification of the reportable segments is based, in particular, on the different products sold. Regional disaggregation of revenue is according to the customer's location.

			6-mo. 2019			**6-mo. 2018**
€ in millions	**Group**	Bioprocess Solutions	Lab Products & Services	**Group**	Bioprocess Solutions	Lab Products & Services
Sales revenue	**894.7**	**676.6**	**218.1**	**758.4**	**550.3**	**208.1**
- EMEA	362.0	264.7	97.3	324.4	229.5	94.9
- Americas	308.2	248.5	59.7	249.6	195.8	53.9
- Asia | Pacific	224.5	163.4	61.1	184.4	125.1	59.3

Notes to the Condensed Interim Financial Statements

1. General Information

Sartorius AG is a listed joint stock corporation established according to German law and is the highest-level parent company of the Sartorius Group. The corporation is recorded in the German Commercial Register of the District Court of Göttingen (HRB 1970) and is headquartered at Otto-Brenner-Str. 20 in Göttingen, Federal Republic of Germany.

The Sartorius Group is a leading international partner of biopharmaceutical research and the industry. With innovative laboratory instruments and consumables, the Group's Lab Products & Services Division (LPS) concentrates on serving the needs of laboratories performing research and quality control at pharma and biopharma companies and those of academic research institutes. The Bioprocess Solutions Division (BPS) with its broad product portfolio focusing on single-use solutions helps customers to manufacture biotech medications and vaccines safely and efficiently.

2. Significant Accounting Policies

The consolidated annual financial statements of Sartorius AG for the period ended December 31, 2018, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS) – as they are to be applied in the EU. In the present interim financial statements that were prepared in conformance with the requirements of IAS 34 "Interim financial reporting," basically the same accounting and measurement principles were applied on which the past consolidated financial statements of fiscal 2018 were based with the exception of those principles that were effective in 2019 for the first time.

Furthermore, all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) to be applied effective June 30, 2019, were observed. An explanation of the individual accounting and measurement principles applied is given in the Notes to the Financial Statements of the Group for the year ended December 31, 2018. The material Standards applied for the first time and the amended significant accounting policies are explained in Section 4 below.

A list of the companies included in the scope of consolidation for the Group financial statements is provided in our 2018 Annual Report. In the current fiscal year, the following entities - that previously were not consolidated due to materiality considerations - were included for the first time in the consolidated financial statements of the Group:

- Sartorius Argentina S.A., Buenos Aires, Argentina
- Sartorius do Brasil Ltda., São Paulo, Brazil
- Sartorius de México S.A. de C.V., Tepotzotlán, Mexico
- Sartorius Vietnam Co. Ltd., Ho Chi Minh City, Vietnam

Furthermore, the Group obtained control over the company Sartorius South Africa (Pty) Ltd. that is domiciled in South Africa as of January 1, 2019. The acquired company is not consolidated based on materiality considerations.

For calculation of income tax expenses, the rule of IAS 34.30c was applied to the interim financial statements; i.e., the best estimate of the weighted average annual income tax rate expected for the full financial year, 27%, is applied as a matter of principle.

3. Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions, based on their best knowledge of the current and future situation, that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates, however. The significant judgments and estimates and the key sources of estimation uncertainty have remained the same as those applied to the consolidated financial statements for the year ended December 31, 2018.

4. Accounting Rules Applied for the First Time in the Current Fiscal Year

Standards to Be Applied for the First Time in 2019

The Group initially applied the following new accounting rules for the reporting period:

- Annual Improvements to IFRSs – Cycle 2015–2017 (issued in Dec. 2017), Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

- Amendments to IAS 19, Plan Amendment, Curtailment or Settlement

- Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures

- Amendments to IFRS 9, Prepayment Features with Negative Compensation

- IFRIC 23, Uncertainty over Income Tax Treatments

- IFRS 16, Leases

Only IFRS 16 had an impact on the consolidated financial statements. For lessees, IFRS 16 eliminates the distinction between operating and finance leases. Instead, IFRS 16 introduces a standardized accounting model according to which leases are generally to be recognized on the lessee's balance sheet. A lessee recognizes a right-of-use asset as well as a liability resulting from the lease, which represents its obligation to make lease payments.

The Group makes use of the exemptions for short-term leases and leases of low-value assets, and recognizes the lease payments for such leases as an expense generally on a straight-line basis over the contract period. Accordingly, no right-of-use assets and lease liabilities are recognized for these leases. In addition, no right-of-use assets and lease liabilities according to IFRS 16 are recognized for leases between Group entities. Furthermore, the Group does not apply the standard to leases of intangible assets.

In the statement of financial position, the Group presents the right-of-use assets according to the nature of the underlying lease assets within "Property, plant and equipment." The right-of-use assets are recognized at cost less accumulated depreciation and any impairments. The cost of the right-of-use assets comprises the present value of the future lease payments, any payments paid upon or before commencement of the lease, any initial direct costs, and costs for dismantling or removing the lease asset. The right-of-use assets are typically depreciated over the lease term. If the transfer of legal ownership of the lease asset is planned at the end of the lease term, the right-of-use asset is depreciated over the economic useful life of the lease asset. In the statement of profit or loss, depreciation is recognized in functional costs.

The lease liabilities are presented separately on the face of the statement of financial position. Lease liabilities are initially recognized at an amount equal to the present value of the future lease payments. In general, the incremental borrowing rate of the Group specific to the respective country and lease term is used for discounting. Subsequently, the carrying amount of the lease liabilities is increased by the interest expenses and reduced by the lease payments. Interest expenses are reported within the financial result.

Accounting for the lessor is largely comparable to that of the previous standard IAS 17; i.e., lessors continue to classify leases as finance or operating leases.

The transition method and the effects from the initial application of the standard on the interim financial report are described below.

Initial Application of IFRS 16, Leases

The Group has initially applied IFRS 16 in the 2019 reporting period. Accordingly, the date of initial application is January 1, 2019. In accordance with IFRS 16, the Group applies this standard using the modified retrospective transition approach. Therefore, the cumulative effect of initially applying the standard is recognized on January 1, 2019. There was no material transition effect to be recognized in retained earnings. In line with the transition regulations, the Group does not adjust the prior-year figures.

The Group is mainly affected by the new standard in its role as a lessee as its lessor activities are not material. For leases that were previously classified as operating leases under IAS 17, the Group recognized a lease liability on January 1, 2019. The liabilities were measured at the present value of the remaining lease payments discounted using the respective incremental borrowing rate of the Group as of the date of initial application. The weighted average incremental borrowing rate was 2.1%. On the same date, for each of these leases, a right-of-use asset was recognized at an amount equal to the corresponding lease liability, adjusted for any prepaid or deferred lease payments. At the date of initial application, initial direct costs were not taken into consideration when the right-of-use assets were measured. Furthermore, the Group did not perform an impairment review but relied on its assessment of whether a lease was onerous in accordance with IAS 37 immediately before the date of initial application of IFRS 16. On this basis, no adjustments were necessary on the date of initial application.

No lease liabilities and no right-of-use assets were recognized in the course of the initial application of IFRS 16 for short-term leases and leases of low value assets that were previously classified as operating leases. Instead, in accordance with this standard, the lease payments for these leases are recognized as an expense on a straight-line basis over the lease term. Regardless of their original lease term, leases for which the remaining lease term did not exceed 12 months from the date of initial application onwards were generally not considered lease liabilities and right-of-use assets. Accounting for such leases follows the general accounting rule for short-term leases. The remaining lease terms of the leases were determined based on the knowledge of the Group as of January 1, 2019.

For leases that were previously classified as finance leases and, thus, already reflected on the Group's statement of financial position, the carrying amounts of the corresponding assets and liabilities as of December 31, 2018 were considered as carrying amounts of the right-of-use assets and lease liabilities at the date of initial application of IFRS 16 without any adjustments.

In the course of the transition to IFRS 16, right-of-use assets of €68 million (including €18 million related to leases previously classified as finance leases), as well as lease liabilities of €70 million (including €19 million related to leases previously classified as finance leases), were recognized as of January 1, 2019. In addition, the Group recognized lease receivables from sub-leases of about €1 million. As expected, the new standard led to an increase in total assets of about €51 million at the date of initial application. This corresponds to a reduction in the equity ratio of somewhat less than one percentage point.

Based on the financial commitments from operating leases according to IAS 17 as of December 31, 2018, reconciliation with the opening balance of the lease liabilities as of January 1, 2019, is presented in the table below.

€ in millions	
Financial obligations from operating lease commitments according to IAS 17 as of December 31, 2018	**65**
- of which short-term leases	−2
- of which leases of low value assets	−5
Other	−4
Relevant financial obligations from operating leases (undiscounted)	**54**
Discounting	−3
Relevant financial obligations from operating leases (discounted)	**51**
Carrying amount of lease liabilities from finance leases in accordance with IAS 17 as of December 31, 2018	**19**
Carrying amount of lease liabilities in accordance with IFRS 16 as of January 1, 2019	**70**

As of June 30, 2019, lease liabilities stood at €69 million. This includes lease liabilities from finance leases existing as of December 31, 2018, amounting to €18 million. The composition of the right-of-use assets included in "Property, plant and equipment" as of the date of initial application as well as of June 30, 2019, is presented in the table below. Assets of around €17 million related to finance leases that already existed as of December 31, 2018, are included in these right-of-use assets reported as of June 30, 2019. The total depreciation of right-of-use assets amounted to €9 million in the first half of fiscal 2019.

Right-of-use assets € in millions	Jan. 1, 2019	**June 30, 2019**
Land, buildings and improvements	57	56
Technical machinery and equipment	2	2
Factory and office equipment and other equipment	9	9
Carrying amount of right-of-use assets (total)	**68**	**68**

5. Financial Instruments

The following table presents the carrying amounts and fair values of the Group's financial instruments as of June 30, 2019, and December 31, 2018, according to IFRS 9.

	Category acc. to IFRS 9	**Carrying amount June 30, 2019 € in mn**	**Fair value June 30, 2019 € in mn**	Carrying amount Dec. 31, 2018 € in mn	Fair value Dec. 31, 2018 € in mn
Investments in non-consolidated subsidiaries	n/a	11.0	11.0	13.4	13.4
Financial assets	Equity instruments at fair value through profit or loss	2.1	2.1	2.1	2.1
Financial assets	Debt instruments at fair value through profit or loss	10.3	10.3	7.8	7.8
Financial assets	Measured at amortized cost	2.1	2.1	5.4	5.4
Financial assets (non-current)		**25.6**	**25.6**	**28.8**	**28.8**
Amounts due from customers for contract work (contract assets)	n/a	8.0	8.0	3.9	3.9
Trade receivables	Measured at amortized cost	323.8	323.8	303.5	303.5
Trade receivables		**331.8**	**331.8**	**307.4**	**307.4**
Receivables and other assets	Measured at amortized cost	16.2	16.2	25.9	25.9
Derivative financial instruments in hedge relationships[1]	n/a	1.2	1.2	3.4	3.4
Other financial assets (current)		**17.5**	**17.5**	**29.3**	**29.3**
Cash and cash equivalents	**Measured at amortized cost**	**53.8**	**53.8**	**45.2**	**45.2**
Loans and borrowings	**Financial liabilities at cost**	**1021.5**	**1036.3**	**985.9**	**1,001.8**
Trade payables	Financial liabilities at cost	132.1	132.1	120.5	120.5
Trade payables | payments received for orders	n/a	68.5	68.5	53.0	53.0
Trade payables		**200.6**	**200.6**	**173.5**	**173.5**
Derivative financial instruments in hedge relationships[1]	n/a	0.8	0.8	1.7	1.7
Other financial liabilities	Financial liabilities at cost	46.5	47.2	45.3	45.2
Other financial liabilities		**47.3**	**48.1**	**47.0**	**47.0**

[1] These amounts include the non-designated part of the derivatives in the total amount of - €3.1 million (December 31, 2018: - €4.1 million).

The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are measured on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are measured on the basis of input factors, which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are measured on the basis of input factors that cannot be derived from observable market data.

The financial instruments to be recognized at fair value on the reporting date are mainly derivatives in the form of forward contracts. They were measured on the basis of their quoted exchange rates and market yield curves (Level 2).

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks and those related to note loans ("Schuldscheindarlehen") were measured on the basis of the market interest rate curve, taking the current indicative credit spreads into account (Level 2).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts on account of their predominantly short-term maturity or unchanged cost of acquisition.

The maximum credit loss risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which the change has occurred. In the current reporting period, there were no transfers between the levels.

6. Related Companies and Persons

The Group companies included in the consolidated financial statements carry out business activities and transactions in related party relationships as defined by IAS 24. In particular, this concerns transactions with non-consolidated subsidiaries and are generally concluded according to the customary market terms.

In the reporting period, sales revenue of €0.3 million (H1 2018: €5.0 million) was generated by these companies; there were liabilities from loans and borrowings as well as trade payables, both totaling €4.7 million (H1 2018: €14.9 million). A long-term service contract exists with an affiliate for which expenses of €3.7 million (H1 2018: €3.8 million) were incurred in the reporting period.

For further details, also on related companies and persons, see page 161 in our 2018 Annual Report.

7. Other Disclosures

In the interim reporting period, no asset impairments were identified. Generally, asset impairment tests need to be performed annually for goodwill and other assets with indefinite useful lives.

In the reporting period, Sartorius AG paid dividends totaling €42.1 million, of which €20.9 million were for ordinary shares and €21.2 million for preference shares.

The condensed consolidated financial statements of the Group were authorized for issue by the Executive Board on July 18, 2019. Independent, certified auditors performed an audit review of this consolidated six-month report. The figures of the individual second quarter in the statement of profit or loss, as well as the statement of comprehensive income, were not part of this review.

8. Material Events After the Reporting Date

No material events occurred up to completion of the preparation of these interim financial statements.

Independent Auditors' Review Report

To Sartorius Aktiengesellschaft, Goettingen

We have reviewed the condensed interim consolidated financial statements of the Sartorius Aktiengesellschaft AG – comprising the profit and loss statement and the statement of comprehensive income, the balance sheet, the consolidadet statement of cash flows, the statement of changes in equity and notes to condensed interim consolidated financial statements – together with the interim group management report of the Sartorius Aktiengesellschaft, Göttingen, for the period from 1 January to 30 June, 2019 that are part of the semi annual according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Hanover, Germany, July 19, 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr. Tonne
Wirtschaftsprüfer
German Public Auditor

Thiele
Wirtschaftsprüfer
German Public Auditor

Responsibility Statement of the Legal Representatives

Declaration of the Executive Board

We declare to the best of our knowledge that the condensed interim consolidated financial statements for the first half ended June 30, 2019, present a true and fair view of the actual net worth, financial situation and profitability of the Group in accordance with the ac-counting standards to be applied in preparing these statements. We also certify that the progress of the Group's business, including its business performance and its situation, are represented accurately in the Group interim report in all material respects and describe the most important opportunities and risks of the Group's projected development for the remaining six months of the financial year.

Goettingen, July 19, 2019

Sartorius AG

The Executive Board

Dr. Joachim Kreuzburg

Rainer Lehmann

Dr. René Fáber

John Gerard MacKay

Financial Schedule

Publication of nine-month figures for 2019	October 22, 2019
Publication of preliminary results for fiscal 2019	January 2020
Annual press conference | Goettingen, Germany	February 2020
Annual General Shareholders' Meeting | Goettingen, Germany	March 26, 2020
Publication of first-quarter figures for 2020	April 2020

Contacts

Sartorius AG
Otto-Brenner-Straße 20
37073 Göttingen

Phone: 0551.308.0
www.sartorius.com

Petra Kirchhoff
Head of Corporate Communications & IR
Phone: + 49.551.308.1686
petra.kirchhoff@sartorius.com

Ben Orzelek
Head of Investor Relations
Phone: + 49.551.308.1668
ben.orzelek@sartorius.com

Forward-looking Statements Contain Risks

This Sartorius Group Interim Report for the period from the beginning of January 2019 to the end of June 2019 contains various statements concerning the Sartorius 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 apply. 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 the entire report, differences may be apparent as a result of rounding during addition.