

## **Business figures for the first half of 2019: Sartorius continues double-digit growth**

- **Group revenue up 15.9%; order intake up 18.7%; earnings margin 26.6%**
- **High growth dynamics in the Bioprocess Solutions Division; moderate development of the Lab Products & Services Division**
- **Guidance for 2019 raised**

Göttingen, July 19, 2019 – Sartorius, a leading international partner of biopharmaceutical research and the industry, grew strongly in the first half of 2019, recording double-digit increases in sales revenue, order intake and earnings. Given these results and continued positive prospects for the Bioprocess Solutions Division for the second half, management has raised its full-year targets.

"We are very pleased on the whole with business progress in the first half, though both divisions showed different growth dynamics," said Executive Board Chairman and CEO Dr. Joachim Kreuzburg. "While growth in the lab business slowed down due to the currently uncertain and softer economic environment, especially at the end of the second quarter, momentum for Bioprocess Solutions has remained unchanged at a very high level. In view of further development, we are very confident and expect full-year sales growth of 10% to 14% instead of our previously forecasted 7% to 11%."

Consolidated sales revenue in constant currencies rose in the first six months of the year by 15.9% to 894.7 million euros (reported: +18.0%); order intake increased 18.7% to 974.3 million euros (reported: +20.7%).

Underlying EBITDA rose overproportionately relative to sales by 25.4% to 237.6 million euros (H1 2018: 189.5 million euros); the respective margin reached 26.6% after 25.0% in the year-earlier period. About one percentage point of this increase was due, as expected, to the IFRS 16 Standard to be applied for the first time in 2019. Relevant net profit for the Group was up year over year by 27.3%, from 79.8 million euros to 101.5 million euros, which equates to earnings per ordinary share of 1.48 euros (H1 2018: 1.16) and to earnings per preference share of 1.49 euros (H1 2018: 1.17).

### **Business development in the regions**

Sartorius grew by double digits in all regions: Reporting a sales gain of 19.9% to 224.5 million euros, the Asia | Pacific region showed the highest dynamics, followed by the Americas region, which increased its revenue by 18.9% to 308.2 million euros. The company also considerably expanded in EMEA (Europe, Middle East and Africa), which continued to account for the largest share of total Group sales, recording sales growth of 11.4% to 362.0 million euros.

## Key financial indicators

The Sartorius Group continues to have a very sound balance sheet and financial base. Its ratio of net debt to underlying EBITDA edged down in comparison to December 31, 2018, from 2.4 to 2.3. The ratio of capital expenditures (CAPEX) to sales revenue, which is projected to further decrease in the second half upon completion of several large expansion projects, was 12.8% after the first six months of 2019 (H1 2018: 13.2%), as expected.<sup>2)</sup> Sartorius' equity ratio decreased slightly from 38.5% at year-end 2018 to 37.6% as of June 30, 2019, predominantly due to the change in an accounting rule.<sup>1)</sup>

## Business development of the divisions

The Bioprocess Solutions Division that offers a broad range of innovative technologies for the manufacture of biopharmaceuticals continued on the growth track with the high momentum seen at the beginning of the year. Based on strong demand across all product categories, particularly in project business in Asia, the division's sales revenue surged 20.7% to 676.6 million euros (reported: +22.9%). Order intake for Bioprocess Solutions also rose substantially by 23.4% (reported: +25.5%) to 746.4 million euros.

The division's underlying EBITDA increased by 28.8% to 198.3 million euros, and its earnings margin rose from 28.0% in the prior-year period to 29.3% due to economies of scale and as a result of the change in an accounting rule.<sup>1)</sup>

The Lab Products & Services Division that specializes in technologies and products for laboratories, primarily in the pharma sector and for life science research, saw more moderate sales growth than expected against the backdrop of a softer economic environment, especially at the end of the second quarter. The division's sales rose 3.2% to 218.1 million euros (reported: +4.8%) against a strong prior-year revenue base. By contrast, order intake for Lab Products & Services increased relatively robustly by 5.4% (reported: +7.0%) to 228.0 million euros.

The division increased its underlying EBITDA by 10.9% to 39.4 million; the respective first-half margin rose year over year from 17.1% to 18.1%. Besides economies of scale, the change in an accounting rule<sup>1)</sup> also had a positive effect on this figure.

## Guidance for the full year raised

Based on strong business performance in the first half and continued high demand, management has raised its financial guidance for the full year of 2019.

Group sales revenue for the full year is now projected to increase by about 10% to 14% in constant currencies compared to previous guidance of 7% to 11%. Regarding profitability, management continues to forecast that the company's underlying EBITDA margin will increase to slightly more than 27.0%, with the operating gain projected, as before, to amount to about half a percentage point and the remaining increase expected to result from changes in an accounting rule.<sup>1)</sup>

The ratio of capital expenditures (CAPEX) to sales revenue remains projected at around 12%, down from the year-earlier figure of 15.2%.<sup>2)</sup>

For the Bioprocess Solutions Division, management now expects that growth momentum will continue to exceed initial expectations and has raised its sales guidance from its previous forecast of about 8% to 12% to about 13% to 17%. Forecast for the division's underlying EBITDA margin remains unchanged, which is expected to increase to slightly more than 29.5% relative to the prior-year figure of 28.6%. The operating gain of this increase is expected to amount to around half a percentage point.<sup>1)</sup>

For the Lab Products & Services Division, Sartorius now anticipates that due to the softer economic environment, 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%), with the operating increase accounting for about half a percentage point.<sup>1)</sup>

All forecasts are based on constant currencies, as in the past years. A disorderly exit of the United Kingdom from the EU and an exacerbation of international trade disputes could impact supply chains in both divisions to a certain degree in spite of the measures already taken to counteract these developments. 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 led to a somewhat extended balance sheet and thus to a slightly lower equity ratio. Further, this has resulted in reporting longer-term lease payments as depreciation and, accordingly, in a somewhat higher EBITDA, but does not entail any material changes concerning the Group's relevant net profit or earnings per share.
- 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

Alternative performance indicators:

- Underlying EBITDA: Earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items
- Order intake: All customer orders contractually concluded during the respective reporting period.
- Relevant net profit: Profit for the period 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.

This press release contains statements about the future development of the Sartorius Group. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such statements. Sartorius assumes no liability for updating such statements in light of new information or future events.

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## Conference call

Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius, and Rainer Lehmann, CFO, will discuss the company's business results with analysts and investors on Friday, July 19, 2019, at 3:30 p.m. Central European Summer Time (CEST) in a teleconference.

You may register by clicking on the following link:

<http://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=1777335&linkSecurityString=1127bde29>

Alternatively, you can dial into the teleconference, without registering in advance, at:  
+49 (0) 69 566 03 7000

The presentation will be available on Friday, July 19, 2019, starting at 3:15 p.m. CEST, for viewing on our website at:

<https://www.sartorius.com/en/company/investor-relations/sartorius-ag-investor-relations/presentations>

## Current image files

<https://www.sartorius.com/en/company/newsroom/downloads-publications>

## Financial calendar

October 22, 2019      Publication of nine-month figures (January to September 2019)

## Key Performance Indicators for the First Half of 2019

In millions of € (unless otherwise specified)	Sartorius Group				Bioprocess Solutions				Lab Products & Services			
	H1 2019	H1 2018	Δ in % Reported	Δ in % cc <sup>1)</sup>	H1 2019	H1 2018	Δ in % Reported	Δ in % cc <sup>1)</sup>	H1 2019	H1 2018	Δ in % Reported	Δ in % cc <sup>1)</sup>
<b>Sales Revenue and Order Intake</b>												
Sales revenue	<b>894.7</b>	758.4	18.0	15.9	<b>676.6</b>	550.3	22.9	20.7	<b>218.1</b>	208.1	4.8	3.2
- EMEA <sup>2)</sup>	<b>362.0</b>	324.4	11.6	11.4	<b>264.7</b>	229.5	15.3	15.2	<b>97.3</b>	94.9	2.5	2.2
- Americas <sup>2)</sup>	<b>308.2</b>	249.6	23.5	18.9	<b>248.5</b>	195.8	26.9	22.0	<b>59.7</b>	53.9	10.9	7.5
- Asia   Pacific <sup>2)</sup>	<b>224.5</b>	184.4	21.8	19.9	<b>163.4</b>	125.1	30.7	28.9	<b>61.1</b>	59.3	3.0	1.0
Order intake	<b>974.3</b>	807.6	20.7	18.7	<b>746.4</b>	594.6	25.5	23.4	<b>228.0</b>	213.0	7.0	5.4
<b>Earnings</b>												
EBITDA <sup>3)</sup>	<b>237.6</b>	189.5	25.4		<b>198.3</b>	153.9	28.8		<b>39.4</b>	35.5	10.9	
EBITDA margin <sup>3)</sup> in %	<b>26.6</b>	25.0			<b>29.3</b>	28.0			<b>18.1</b>	17.1		
Net profit for the period <sup>4)</sup>	<b>101.5</b>	79.8	27.3									
<b>Financial Data per Share</b>												
Earnings per ordinary share <sup>4)</sup> in €	<b>1.48</b>	1.16	27.4									
Earnings per preference share <sup>4)</sup> in €	<b>1.49</b>	1.17	27.2									

1) In constant currencies; abbreviated as "cc"

2) Acc. to the customer's location

3) Underlying EBITDA: Earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items

4) Relevant net profit: Profit for the period 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

### A profile of Sartorius

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 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 with its broad product portfolio focusing on single-use solutions helps customers to manufacture biotech medications and vaccines safely and efficiently. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions of complementary technologies. In fiscal 2018, the company earned sales revenue of some 1.57 billion euros. Currently, around 8,700 people work at the Group's approximately 60 manufacturing and sales sites, serving customers around the globe.

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