

First-half 2019 figures: Sartorius Stedim Biotech continues on the growth track

- Sales revenue up 19.0%; order intake up 21.5%; earnings margin 28.9%
- Strong growth across all product categories and geographies
- Management raises guidance for the full year of 2019

Aubagne, July 19, 2019 – Sartorius Stedim Biotech (SSB), a leading partner of the biopharma industry, reported double-digit growth in sales revenue, order intake and earnings for the first half of 2019. Based on this performance and positive prospects for the rest of the fiscal year, management has raised full-year guidance.

"We are very pleased with our strong first-half results," said Dr. Joachim Kreuzburg, Chairman of the Board and CEO. "Fueled by continued healthy end-market dynamics, our business grew across the board with our project business in Asia showing the highest momentum. We also expect strong development for the second half of the year, and have upgraded our revenue guidance from 7%-11% to 12%-16%."

In the first half of 2019, SSB increased its sales revenue by 19.0% to 709.3 million euros (reported: +21.1%). Order intake was also strong, rising 21.5% to 778.1 million euros (reported: +23.5%).

All regions contributed substantially to this dynamic development, with Asia|Pacific recording the highest sales growth of 27.1% (reported: +28.9%) to 169.6 million euros. In the Americas region, revenue totaled 251.8 million euros, an increase of 19.8% (reported: +24.7%) while the EMEA region (Europe | Middle East | Africa), which accounts for the largest share of Group sales, reported a gain of 14.1% (reported: +14.2%) to 288.0 million euros.

Driven by economies of scale and due to a change in an accounting rule¹⁾, underlying EBITDA rose overproportionately to 205.3 million euros, a year-over-year increase of 26.2%. The respective margin increased to 28.9% (H1 2018: +27.8%), with around half of a percentage point attributable to the above-mentioned change in accounting rules, as expected.

Underlying net profit for the period surged 26.4% from €103.7 million to €131.1 million. This yielded underlying earnings per share of €1.42 compared with €1.12 in the prior-year period.

Key financial indicators

The SSB Group continues to have a very solid balance sheet and financial position. Due to strong earnings, equity rose to 1,107.2 million euros as of the balance sheet date, up from 1,044.9 million euros at year-end 2018. The equity ratio of 65.4% remained at a comfortable level (66.5% as of December 31, 2018), and the ratio of net debt to underlying EBITDA remained unchanged compared to year-end 2018 at 0.4. As expected, the CAPEX ratio in the first half of 2019 decreased to 9.0% from 15.9%²⁾ a year ago.

Full-year guidance 2019 raised

Based on business performance so far and strong second-half prospects, management of the Sartorius Stedim Biotech Group has raised its sales forecast for the full year of 2019. Sales revenue is now expected to increase by about 12% to 16% versus previous guidance of about 7% to 11%. The company's underlying EBITDA margin remains projected to rise by slightly more than one percentage point over the prior-year figure of 28.2%, of which approximately half a percentage point is forecasted to be an operational increase, whereas the remainder will result from a change to the accounting rules.¹⁾

All guidance figures are given in constant currencies. A disorderly exit of the United Kingdom from the EU and an exacerbation of international trade disputes could impact SSB's supply chain to a certain extent, despite the measures already taken to counteract this development. A reliable prognosis concerning possible effects cannot be made at the present time.

- 1) IFRS 16 is required to be applied as of 2019 and regulates accounting of lease contracts. 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: 15.6% for H1 2018; 14.6% 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
- Underlying net profit: Profit for the period after non-controlling interest; adjusted for extraordinary items and non-cash amortization, as well as based on a normalized financial result and tax rate

This press release contains forward-looking statements about the future development of the Sartorius Stedim Biotech 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 Stedim Biotech assumes no liability for updating such statements in light of new information or future events.

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Conference call

Joachim Kreuzburg, Chairman of the Board and CEO of the Sartorius Stedim Biotech Group, will discuss the company's 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 at:

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

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

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

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

Press images

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

Financial calendar

October 22, 2019

Publication of nine-month results (January to September 2019)

Key performance indicators for the first half of 2019

€ in millions unless otherwise specified	6 months 2019	6 months 2018	Δ in % reported	Δ % in cc ¹⁾
Sales revenue	709.3	585.7	21.1	19.0
EMEA ²⁾	288.0	252.1	14.2	14.1
Americas ²⁾	251.8	202.0	24.7	19.8
Asia Pacific ²⁾	169.6	131.6	28.9	27.1
Order intake	778.1	630.1	23.5	21.5
EBITDA ³⁾	205.3	162.8	26.2	
EBITDA margin ³⁾ in %	28.9	27.8		
Net profit ⁴⁾	131.1	103.7	26.4	
Earnings per share ⁴⁾ in €	1.42	1.12	26.4	

1) In constant currencies

2) According to customers' location

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

4) Underlying net profit: after non-controlling interest; adjusted for extraordinary items and non-cash amortization, as well as based on a normalized financial result and tax rate

Reconciliation

in millions of €	6 months 2019	6 months 2018
EBIT (operating result)	167.2	129.7
Extraordinary items	6.0	6.3
Depreciation and amortization	32.1	26.7
Underlying EBITDA	205.3	162.8

in millions of €	6 months 2019	6 months 2018
EBIT (operating result)	167.2	129.7
Extraordinary effects	6.0	6.3
Amortization IFRS 3	6.9	8.4
Normalized financial result ¹⁾	-2.1	-2.8
Normalized income tax (2019: 26%; 2018: 26%) ²⁾	-46.3	-36.8
Underlying net result	131.8	104.8
Non-controlling interest	-0.7	-1.1
Underlying net result after non-controlling interest	131.1	103.7
Underlying earnings per share (in €)	1.42	1.12

1) Financial result excluding fair value adjustments of hedging instruments, as well as currency effects from foreign currency loans

2) Income tax considering the average group tax rate, based on the underlying profit before tax

A profile of Sartorius Stedim Biotech

Sartorius Stedim Biotech is a leading international partner of the biopharmaceutical industry. As a total solutions provider, the company helps its customers to manufacture biotech medications safely, rapidly and economically. Headquartered in Aubagne, France, Sartorius Stedim Biotech is quoted on the Eurolist of Euronext Paris. With its own manufacturing and R&D sites in Europe, North America and Asia and an international network of sales companies, Sartorius Stedim Biotech has a global reach. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions of complementary technologies. In 2018, the company earned sales revenue of €1,212.2 million and currently employs some 5,900 people.

Contact

Petra Kirchhoff, Head of Corporate Communications and Investor Relations

Phone: +49(0)551.308.1686; petra.kirchhoff@sartorius.com