

Conference Call First-Half 2019 Results

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Disclaimer

This presentation contains statements concerning the future performance of the Sartorius Group and the Sartorius Stedim Biotech Group. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we cannot guarantee that they will actually materialize. This is because our assumptions harbor risks and uncertainties that could lead to actual results diverging substantially from the expected ones. It is not planned to update our forward-looking statements.

Throughout this presentation, differences may be apparent as a result of rounding during addition.

Agenda

Sartorius Group **H1 2019 Results | FY 2019 Guidance**

Sartorius Stedim Biotech Group
H1 2019 Results | FY 2019 Guidance

Questions & Answers



H1 2019 Highlights

- › Double-digit growth in sales revenue, order intake and profits
- › Bioprocess Solutions Division with continued high growth momentum
- › Moderate development of Lab Products & Services Division
- › 2019 guidance raised



Dynamic top-line growth; further margin increase

Sartorius Group

in millions of € unless otherwise specified

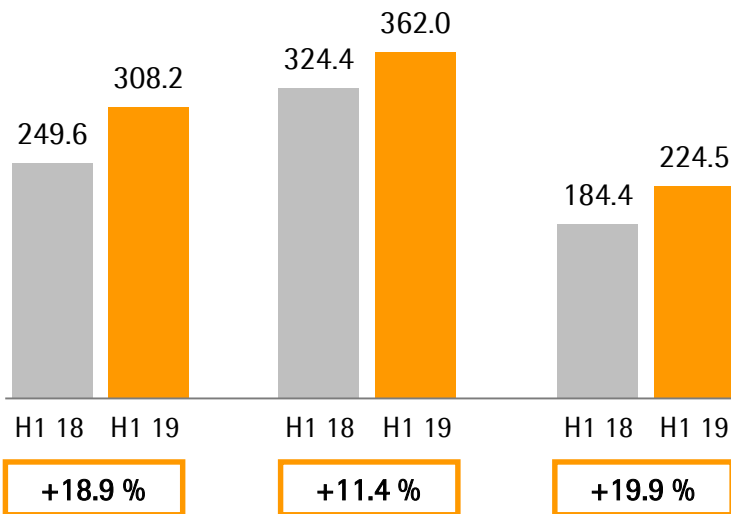
	H1 2018	H1 2019	Δ in %	Δ in % cc ¹⁾
Sales revenue	758.4	894.7	+18.0	+15.9
Order intake	807.6	974.3	+20.7	+18.7
Underlying EBITDA ²⁾	189.5	237.6	+25.4	
Underlying EBITDA ²⁾ margin in %	25.0	26.6	+1.6 pp	
Underlying EPS ³⁾ (ord.) in €	1.16	1.48	+27.4	
Underlying EPS ³⁾ (pref.) in €	1.17	1.49	+27.2	

- Underlying EBITDA positively impacted by changes to the IFRS accounting rules, which contributed about one percentage point to margin improvement as expected

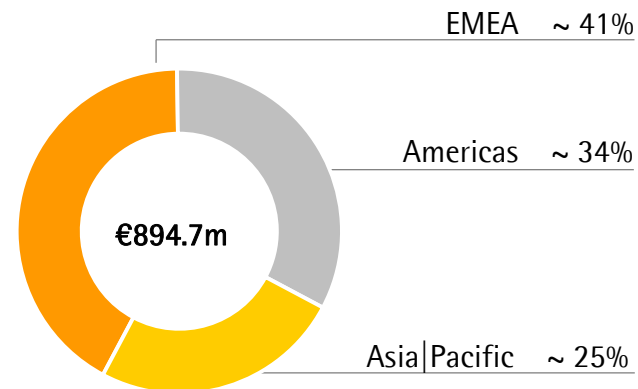
¹⁾ Constant currencies ²⁾ Underlying = excluding extraordinary items ³⁾ Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and tax rate

Double-digit growth in all geographies

Americas
€ in millions



Sales by Region
in %

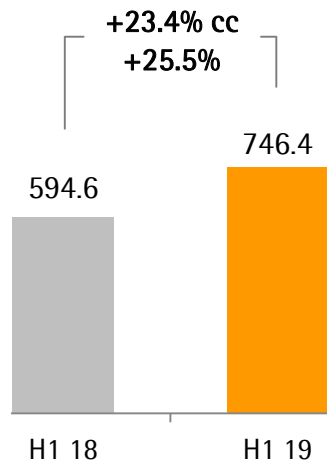


Acc. to customers' location; growth in constant currencies

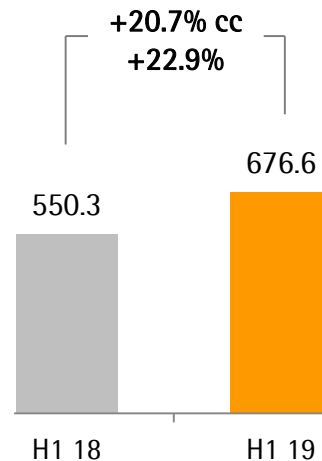
- Americas: BPS with significant growth against high comps, LPS with robust performance
- EMEA: Considerable growth of BPS; softer economy affects LPS
- Asia|Pacific: Highest momentum for BPS, LPS growth restrained

BPS: Strong demand across all product categories and regions

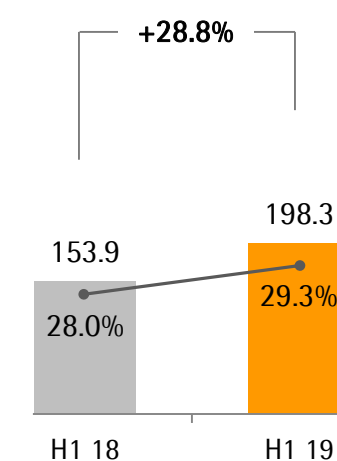
Order Intake
€ in millions



Sales Revenue
€ in millions



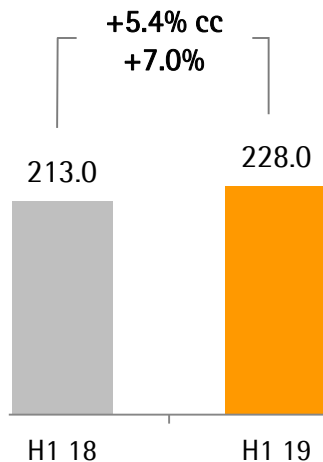
Underlying EBITDA & Margin
€ in millions



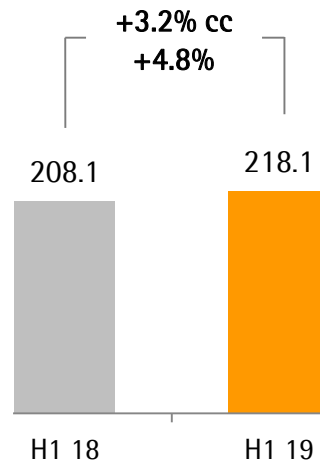
- High order intake driven by dynamic project business, especially in Asia|Pacific
- Effects of modified setup of the cell culture media business started to play a role in Q2; full effect on sales expected in H2
- Underlying EBITDA margin rises due to economies of scale and changes to the IFRS accounting rules

LPS: Moderate performance on relatively high comps

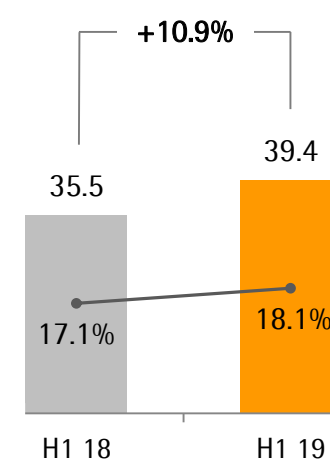
Order Intake
€ in millions



Sales Revenue
€ in millions



Underlying EBITDA & Margin
€ in millions



- Softer economic environment dampens growth; especially the end of Q2 was not satisfactory
- EMEA and Asia|Pacific affected, Americas up to expectations
- EBITDA margin positively impacted by economies of scale and IFRS 16

Cash flow enhanced by higher earnings

Sartorius Group

€ in millions unless otherwise specified

	H1 2018	H1 2019	Δ in %
Underlying EBITDA	189.5	237.6	+25.4
Extraordinary items	-13.9	-10.6	+23.5
Financial result	-11.0	-9.9	+10.1
Underlying net profit ^{1,2)}	79.8	101.5	+27.3
Reported net profit ²⁾	57.3	82.3	+43.7
Operating cash flow	92.0	165.1	+79.6
Investing cash flow³⁾	-97.4	-116.0	-19.1
CAPEX ratio (in %) ⁴⁾	13.2	12.8	-0.4pp

- Net operating cash flow mostly driven by higher earnings
- Financial result, extraordinaries and other positions also improve
- Capital expenditures expected to decrease after the completion of several large projects

¹⁾ Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate

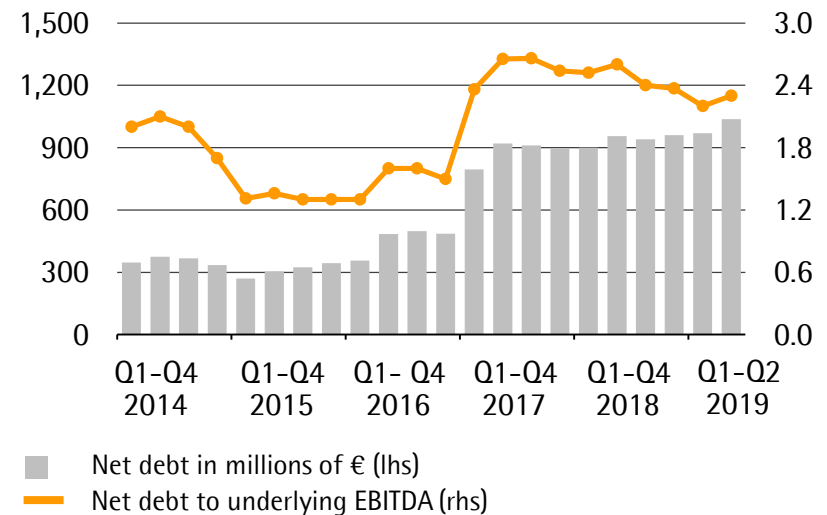
²⁾ After non-controlling interest ³⁾ Net cash flow from investing activities and acquisitions ⁴⁾ As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio H1 2018 restated: 13.1%

Key financial indicators remain at robust levels

Key Financial Indicators

Sartorius Group	Dec. 31, 2018	Jun. 30, 2019
Equity ratio in %	38.5	37.6
Net debt in millions of €	959.5	1,036.6
Net debt underlying EBITDA	2.4	2.3

Net Debt and Net Debt to Underlying EBITDA



- Slight decrease of equity ratio mainly a result of the change in accounting rules

Outlook for 2019

FY 2019 Guidance ¹⁾	Previous		New	
	Sales Revenue Growth ¹⁾	Underlying EBITDA Margin	Sales Revenue Growth	Underlying EBITDA Margin
Sartorius Group	~ 7% - 11%	slightly above 27.0%	~ 10% - 14%	slightly above 27.0%
Bioprocess Solutions	~ 8% - 12%	slightly above 29.5%	~ 13% - 17%	slightly above 29.5%
Lab Products & Services	~ 5% - 9%	slightly above 20.0%	lower end ~ 5% - 9%	slightly below 20.0%

¹⁾ In constant currencies

- Of the margin increase ~ 0.5pp on Group and divisional level should be operational; remainder due to mandatory IFRS 16 changes
- CAPEX ratio ~ 12% (FY 2018: 15.2%, restated 14.9%)

Agenda

Sartorius Group
H1 2019 Results | FY 2019 Guidance

Sartorius Stedim Biotech Group
H1 2019 Results | FY 2019 Guidance

Questions & Answers



Dynamic growth driven by high demand across the entire portfolio

Sartorius Stedim Biotech Group

in millions of € unless otherwise specified

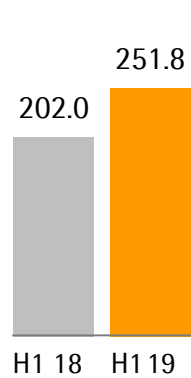
	H1 2018	H1 2019	Δ in %	Δ in % cc ¹⁾
Sales revenue	585.7	709.3	+21.1	+19.0
Order intake	630.1	778.1	+23.5	+21.5
Underlying EBITDA ²⁾	162.8	205.3	+26.2	
Underlying EBITDA ²⁾ margin in %	27.8	28.9	+1.1pp	
Underlying EPS ³⁾ per share in €	1.12	1.42	+26.4	

- Strong demand across all product categories; project business stands out
- Effects of modified setup of the cell culture media business started to play a role in Q2; full effect on sales expected in H2
- Underlying EBITDA margin rises due to economies of scale and changes to the IFRS accounting rules

¹⁾ Constant currencies ²⁾ Underlying = excluding extraordinary items ³⁾ Underlying EPS = based on net profit after non-controlling interest; adjusted for extraordinary items as well as amortization and based on a normalized financial result and tax rate

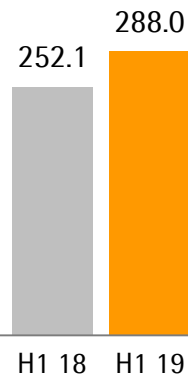
Growth in all regions, Asia|Pacific with highest momentum

Americas
in € millions



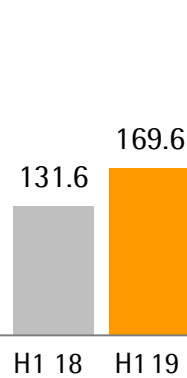
+19.8%

EMEA
in € millions



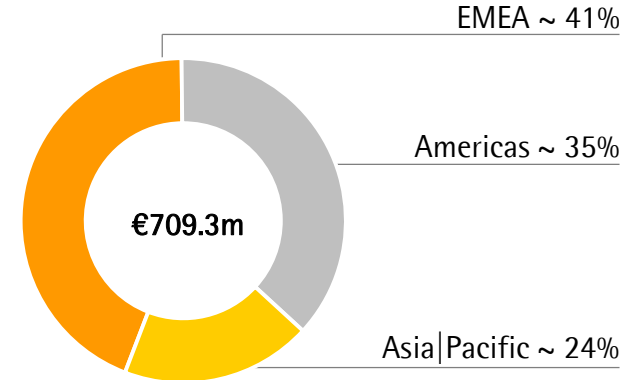
+14.1%

Asia|Pacific
in € millions



+27.1%

Sales by Region
in %



Acc. to customers' location; growth in constant currencies

- Americas: Strong development relative to high comps
- EMEA: Dynamic, above-market growth
- Asia|Pacific: High momentum in sales and order intake accelerated in Q2; driven by project business

Significant increase in operating cash flow

Sartorius Stedim Biotech Group

€ in millions unless otherwise specified

	H1 2018	H1 2019	Δ in %
Underlying EBITDA	162.8	205.3	+26.2
Extraordinary items	-6.3	-6.0	+5.1
Financial result	-5.2	-2.8	+45.9
Underlying net profit ^{1,2)}	103.7	131.1	+26.4
Reported net profit ²⁾	91.0	120.9	+32.9
Operating cash flow	106.1	140.0	+32.0
Investing cash flow³⁾	-91.6	-63.8	+30.3
CAPEX ratio (in %) ⁴⁾	15.9	9.0	-6.9pp

- Net operating cash flow mostly driven by higher earnings
- Net investing cash flow improves on reduced CAPEX ratio
- CAPEX in H1 2018 was influenced by acquisition of software-related assets from Sartorius AG

¹⁾ Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate

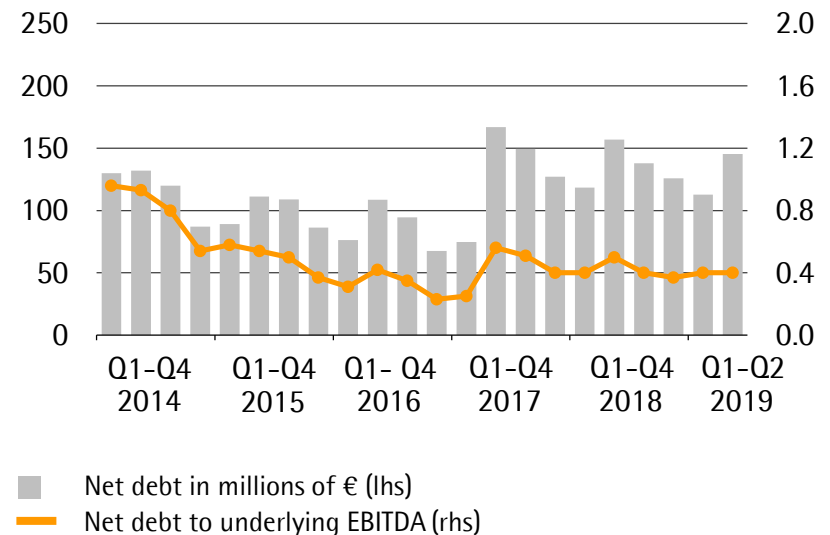
²⁾ After non-controlling interest ³⁾ Net cash flow from investing activities and acquisitions ⁴⁾ As of 2019, CAPEX is based on cash flow instead of balance sheet computation; CAPEX ratio H1 2018 restated: 15.6%

Financial position remains strong

Key Financial Indicators

Sartorius Stedim Biotech	Dec. 31, 2018	Jun. 30, 2019
Equity ratio in %	66.5	65.4
Net debt in millions of €	125.7	145.3
Net debt underlying EBITDA	0.4	0.4

Net Debt and Net Debt to Underlying EBITDA



- Equity ratio decreased slightly mainly as a result of the change in accounting rules

Outlook for 2019

FY 2019 Guidance ¹⁾	Previous	New
Sales revenue growth	~ 7% - 11%	~ 12% - 16%
Underlying EBITDA margin	slightly more than + 1pp	slightly more than + 1pp
CAPEX ratio	~ 11%	~ 11%

¹⁾ In constant currencies

- Of the margin increase ~ 0.5pp should be operational; remainder due to mandatory IFRS 16 changes

Q & A



Thank you very much
for your attention

