SRI Presentation

November 2019
Disclaimer

This presentation contains statements concerning the future performance of 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

Company Overview and Strategy
- Responsibility Overview
- ESG Performance
Overview and Strategy

Sartorius Stedim Biotech at a glance

Industry focus A leading partner of the biopharma industry

Clear mission Making process development and production processes of innovative biologics more efficient

Attractive market Biopharma market fueled by strong long-term growth drivers

Strong positioning Double-digit market share in key technologies

Stable business Diversified revenue base and high share of recurring revenues

Based on FY 2018 figures ¹ In constant currencies ² Excluding extraordinary items

~€1.21bn Sales revenue

~15% Sales CAGR¹ 2013–2018

28.2% EBITDA margin²

>20 Countries

~5,600 Employees
Covering most steps of the biopharma process chain

- Production process design is inalterable for the lifetime of most drugs
- Individually customized production process required for all drugs
- Decisions for process design, and thus supplier selection, are typically made during clinical trials
Overview and Strategy

Strong market fundamentals

- Favorable demographics
  - 9bn people by 2050;
  - >2bn 60 yrs or older

- Rise of biosimilars
  - ~30% CAGR for biosimilar sales 2018–2022

- Strong R&D pipeline; advances in gene and cell therapy
  - >40% share of biologics in the pharma R&D pipeline

~8% CAGR for biopharma market 2018–2025
Overview and Strategy

Sales revenue more than doubled over the last 6 years

Sales CAGR ~+14%
EBITDA\(^1\) margin +7.3pp

Sales growth and CAGR in constant currencies \(^1\) Excluding extraordinary items
U.S. remains the most important market; China with the highest growth rates

Biologics market growth forecast
CAGR 2018 to 2022, € in billions

- U.S. ~100
- Europe ~44
- China ~29
- ROW ~44

- U.S. ~142
- Europe ~56
- China ~52
- ROW ~50

~€217bn
~+9% U.S.
~+7% Europe
~+16% China
~€300bn

- Biologics market in China is at an early stage, but has strong growth potential
- Supportive regulatory environment and solid industry foundation; biopharma considered a priority sector
- Growth of fermentation capacity in China of 80% (2018 to 2022)
M&A strategy – adding innovation, enhancing focus

Overview and Strategy

Acquisition criteria
- Portfolio: Complementary products or technologies
- Market position: Either among the Top 3 or unique selling point
- Integration: Management capacity; cultural fit
- Price: Fair valuation; reach Sartorius' profitability level in 2–3 years
Overview and Strategy

Infrastructure prepared for further organic growth

**CAPEX ratio**
in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>9.2</td>
</tr>
<tr>
<td>2013</td>
<td>5.8</td>
</tr>
<tr>
<td>2014</td>
<td>6.5</td>
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<td>2015</td>
<td>6.2</td>
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<td>2016</td>
<td>7.6</td>
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<tr>
<td>2017</td>
<td>12.6</td>
</tr>
<tr>
<td>2018</td>
<td>14.6</td>
</tr>
<tr>
<td>2019</td>
<td>~11</td>
</tr>
</tbody>
</table>

**CAPEX composition 2019**

- ~X% Major projects
- ~3% Regular expansion
- ~2% Capitalized R&D
- ~3% Maintenance

**Yauco, Puerto Rico**
Fluid management and filter capacities doubled

**Göttingen, Germany**
Consolidation of two sites; significant capacity expansion

**Aubagne, France**
Extension of bag production and logistics capacities

**Group-wide**
New IT systems for more efficient business processes

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1) Based on 2019 guidance
Overview and Strategy

Leading positions in key technology platforms

<table>
<thead>
<tr>
<th></th>
<th>Sartorius</th>
<th>Merck</th>
<th>Millipore</th>
<th>Danaher</th>
<th>Pall</th>
<th>Thermo Fisher</th>
<th>GE</th>
<th>Top 3 Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fermentation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Sartorius</td>
</tr>
<tr>
<td>Purification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. GE</td>
</tr>
<tr>
<td>Cell Culture Media¹</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1. Thermo Fisher</td>
</tr>
</tbody>
</table>

¹As of 2019, changes to sales alliance in cell culture media with Lonza
²Danaher announced acquisition of GE Biopharma. Sartorius announced acquisition of select businesses of Danaher Life Science; transaction is subject to Danaher’s successful acquisition of the GE Biopharma business and to approvals from various regulatory authorities

Pie charts indicate completeness of product offering
Overview and Strategy

Limited dependence on individual accounts

Long-term business relationships with leading global (bio-) pharma companies

- More than half of 2018 SSB sales were generated with the Top 50 customers
- No individual customer accounts for more than 5% of SSB sales revenue
- No single drug accounts for more than 3% of SSB sales revenue

Sales to Top 50 customers in 2018, € in millions

- Top 10: ~25%
- 11 to 20: ~35%
- 21 to 30: ~45%
- 31 to 40: ~50%
- 41 to 50: ~55%

Cumulative share
Overview and Strategy

Sartorius 2025 targets and initiatives

Strategic initiatives

Regional
• Participate in strong Chinese market growth
• Continue to outperform the important U.S. market

Portfolio
• Add high-impact innovation, e.g., digital tools
• Enhance process development capabilities
• Expand into adjacent applications

Operations
• Accelerate workflows across the organization through digitalization
• Extend manufacturing base in Asia

2025 targets

~€2.8bn
Sales revenue

~30%
EBITDA margin

2025 targets are based on 2017 currency exchange rates; non-organic revenue growth accounts for companies acquired from 2018 and onwards; EBITDA excluding extraordinary items
Agenda

Company Overview and Strategy
Responsibility Overview
ESG Performance
Strong worldwide presence
Strong company values

Sustainability
Growing profitably and acting responsibly towards all stakeholders

Openness
Driving change and progress internally and externally

Enjoyment
Working in an energetic and rewarding environment
Our corporate responsibility endorsements

Sartorius is a signatory of the United Nations Global Compact and is committed to sustainable global business.

Sartorius is a member of econsense, the Forum for Sustainable Development of German Business.
Responsibility

Our corporate responsibility basics

Environment
• Environmental Policy

Social
• Policy on Labor Practices
• Policy on Occupational Safety
• Human Rights Strategy
• Code of Conduct

Governance
• Anti-Corruption Code
• Sustainable Supply Chain Management
• ESG Risk Reporting
• Corporate Responsibility Steering Committee
Responsibility

Transparency

Overall rating: 49 of 100
Environment: 60
Labor: 50
Fair business practices: 50
Sustainable procurement: 30

Non-financial group statement published in our annual report and externally audited

Overall rating SSB: A
Overall rating Group: AA

Overall rating: C
Social governance: C+
Environmental rating: C-
Staff and suppliers: C
Society and product responsibility: C
Products and services: D
Corporate governance and business ethics: B-
Eco-efficiency: A+
Our ESG core topic: Better health for more people

We empower scientists and engineers to simplify and accelerate progress in life sciences

- Anticipate clients needs
- Accelerate innovation
- Collaborate
- Bring experts together

- Time savings in drug discovery
- Cost savings in drug production
- Reduced risk of cross-contamination
- Higher flexibility

New and better therapies and more affordable medicine
Sartorius' contribution to SDGs

Three-step materiality analysis to determine which SDGs are related to Sartorius business activities

1. Identification of the SDGs that are significant for Sartorius
2. Examination of the relevance of each topic to our business, as well as the potential impacts on people and the environment
3. Determination of whether the impacts are positive or negative and to which degree

Eight SDGs were defined as material in relation to the business activities of Sartorius
Responsibility

Next steps

1. Policy / Strategy / Targets
   - Endorsement
   - Environmental Policy
   - Policy on Labor Practices
   - Policy on Occupational Safety
   - Human Rights Strategy
   - Climate Strategy
   - Plastics Strategy

2. Measures / Management Approach
   - Sustainable Supply Chain Management
   - Non-Financial Risk Management Aspects

3. Results / Communication
   - Non-Financial Group Statement
   - GRI Report
   - UN Communication on Progress
   - ESG Ratings
   - ESG Audits
   - CDP
   - Investor Meetings
   - Home Page
   - Daily / Intranet
Sustainability in the supply chain

Corporate responsibility means taking responsibility for the consequences of our actions – wherever they occur. As a company responsible for purchasing transactions, we shift a part of our environmental and social impacts to others, our suppliers. It is the manufacturing conditions of the materials, products and services that we purchase and their ecological and social impacts that we must consider and take responsibility for. The sustainable management of the supply chain is thus becoming a central component of responsible corporate governance.
Sustainability in the supply chain

Responsibility

**CODE OF CONDUCT**
Foundation for collaborating with our business partners
- Work practices
- Workplace health / safety
- Environmental standards
- Ethics
- General rules of conduct
- Supplier relationship

**RISK MANAGEMENT**
Risk-based approach to setting priorities for review
- Location
- Production processes associated with increased risk to environment or employee safety
- Purchasing volume
- Critical products

**ASSESSMENTS & AUDITS**
Multi-level approach to verify compliance
- ESG self-assessments
- EcoVadis evidence-based assessments
- Sartorius quick checks
- External ESG assessments

**CONSEQUENCES**
Actively involve with suppliers
- Corrective action
- Instigate actual change for the better
- Terminate business relationship if no improvement is achieved
Biopharma accounts for a marginal share of plastic production

The world produces more than 400 million tons of plastics every year; biopharma accounts for only 0.008%

Necessary to differentiate between legitimate and non-legitimate applications for single-use plastics (packaging or products)

Single-use products prevent cross-contamination in life science applications (e.g., blood tests, production of drugs)

Single-use products utilized in biopharmaceutical industry are incinerated after each batch and hence do not end up in the environment

Plastic single-use products mostly consist of polyolefins, leaving no traces after incineration

Source: United Nations Environment Programme, 2018
Responsible management and long-term value creation

- Energy efficiency
- Water management
- Waste management
- Occupational health & safety
- Employee development
- Labor practices
- Compliance
- Diversity
- Management remuneration
ESG Performance

Certifications

<table>
<thead>
<tr>
<th>Certification</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO 9001</td>
<td>10 production sites = 92% of employees in production</td>
</tr>
<tr>
<td>ISO 14001</td>
<td>3 production sites = 50% of employees in production</td>
</tr>
<tr>
<td>ISO 50001</td>
<td>3 German companies = 41% of employees in production</td>
</tr>
<tr>
<td>OHSAS 18001</td>
<td>Production site in Beijing</td>
</tr>
</tbody>
</table>

Companies that are not yet certified are managed according to the same high standards.

Yauco, Puerto Rico | Göttingen, Germany | Aubagne, France | Beijing, China
Energy consumption and emissions

- Emissions caused by direct operations are comparably low
- Target: Keep GHG\(^1\) emissions at under proportionate levels with respect to revenue growth
- Primary energy sources include oil and natural gas

![Energy consumption chart]

**Development of GHG emissions**

- GHG\(^1\) emissions in relation to revenue; t/million €
  - 2014: 30.5
  - 2015: 27.4
  - 2016: 25.9
  - 2017: 28.1
  - 2018: 27.0

![GHG emissions chart]

**Energy consumption**

- Primary energy: ~48%
- Electricity: ~52%

**GHG emissions**

- Scope 2 emissions: ~61%
- Scope 1 emissions: ~39%

\(^1\) GHG = Greenhouse Gas Protocol
Water management

- Most water is used for rinsing in the manufacture of filter membranes acc. to the precipitation bath method in Göttingen
- Water purchased mainly from public supply
- Target: Reduce water consumption in relation to revenue
- Sartorius takes care to reduce water consumption and soil sealing, particularly at plants in baseline water risk areas according to the Aqueduct Water Risk Atlas (Yauco, Bangalore, Beijing)
- Additional system for rainwater use in Yauco

Water consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Water consumption in cbm</th>
<th>Water consumption / employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>404,503</td>
<td>91.1</td>
</tr>
<tr>
<td>2017</td>
<td>409,294</td>
<td>80.4</td>
</tr>
</tbody>
</table>

Applies to the average number of employees at production sites

Water consumption in relation to revenue; t/million €

- 2014: 438.3
- 2015: 381.0
- 2016: 366.4
- 2017: 378.6
- 2018: 333.7
Waste management

- Target: Reduce waste in relation to revenue / increase recycling quota
- Hazardous waste mainly from membrane production (evaporation method)
- 3 of 4 evaporation machines in Göttingen
- Organic solvents are recovered and recycled

Recycling

- Waste for recycling: ~51%
- Waste for disposal: ~49%

Waste development

<table>
<thead>
<tr>
<th>Year</th>
<th>Waste in relation to revenue; t/million €</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.1</td>
</tr>
<tr>
<td>2015</td>
<td>3.9</td>
</tr>
<tr>
<td>2016</td>
<td>3.8</td>
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<tr>
<td>2017</td>
<td>4.5</td>
</tr>
<tr>
<td>2018</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Hazardous waste

- Non hazardous waste: ~74%
- Hazardous waste: ~26%

Classification of waste in Germany (2018)
Single-use technology

Single-use products offer advantages over conventional stainless steel devices

Social perspective
• SU products enable manufacturing processes that are safe as cross contamination is avoided
• Processes are scalable and thus flexible and economical

Environmental perspective
• Eco-friendly as no energy-intensive steam sterilization and chemical cleaning between batches required
• Ecological footprint considered over whole product lifecycle
• All materials can be safely incinerated and used as energy
Employees

• More than 1,000 new hires in 2018
• 48,758 hours of education and training; ~12.5 hours per employee
• Annual performance reviews
• Flextime, part-time, home office

Fluctuation

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of redundancies</td>
<td>45</td>
<td>49</td>
</tr>
<tr>
<td>Attrition rate excl. expired fixed-term contracts, in %</td>
<td>6.8</td>
<td>6.6</td>
</tr>
<tr>
<td>Attrition rate incl. expired fixed-term contracts, in %</td>
<td>9.6</td>
<td>10.2</td>
</tr>
</tbody>
</table>

Average seniority

<table>
<thead>
<tr>
<th>Average seniority in years</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8.4</td>
<td>8.0</td>
<td>7.4</td>
<td>7.5</td>
<td>7.3</td>
</tr>
</tbody>
</table>

Type of contract

<table>
<thead>
<tr>
<th></th>
<th>Unlimited</th>
<th>Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Percentage</td>
<td>91%</td>
<td>9%</td>
</tr>
</tbody>
</table>
**Diversity**

- People from 70 nations
- 83% of 550 managers are non-French
- 85% of the SSB's staff are employed outside France
- Target 2022: women in the first and second management tiers >30%

**Women in overall management roles**

- Men: 72%
- Women: 28%

**Employees by age**

- 16-20 years: 0.3%
- 21-30 years: 25%
- 31-40 years: 32%
- 41-50 years: 24%
- 51-60 years: 16%
- >61 years: 3%

**Employees by region**

- Asia|Pacific: 12%
- Americas: 16%
- EMEA: 71%
Health & safety

- Risk assessments of workplaces and tailored training
- Work-related accidents up due to the tighter notification and reporting requirements in the Fermentation unit
- Severity rate down due to improved training, equipment and procedures

Accident statistics

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work accidents</td>
<td>108</td>
<td>54</td>
</tr>
<tr>
<td>Frequency rate</td>
<td>11.5</td>
<td>6.3</td>
</tr>
<tr>
<td>Severity rate</td>
<td>149.9</td>
<td>248.2</td>
</tr>
</tbody>
</table>

Absenteeism rate

- Corporate health management policy addresses physical as well as psycho-social elements of health
- Mandatory in-house medical service
- External provider offers psychological help for work-related or personal matters

Without long-term illness, parental leave, sabbaticals, unpaid leave
Sartorius legal & operational structure

Sartorius Group Legal Setup

Sartorius AG  
Stock market listed in Germany

Ordinary shares  
>50% Administered by executor  
~34% Bio-Rad Laboratories  
~9% Treasury shares  
~5% Family owned  
~2% Free float  

Preference shares  
~91% Free float  
~9% Treasury shares  

~74%  

Sartorius Stedim Biotech S.A.  
Stock market listed in France  
~76% Sartorius AG  
~24% Free float  

100%  

Other Sartorius subsidiaries

Bioprocess Solutions Division

Lab Products & Services Division

Sartorius Group Operational Setup

1) Information on shareholdings and shares in free float pursuant to Sections 33 et seq. of the German Securities Trading Act (WpHG). Reporting obligations refer only to ordinary shares and not to non-voting preference shares.
## Legal & operational structure

### Sartorius Stedim Biotech S.A.

#### Board of Directors

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Kreuzburg</td>
<td>Chairman &amp; CEO</td>
</tr>
<tr>
<td>P. Boissel</td>
<td>Independent</td>
</tr>
<tr>
<td>S. Dexter</td>
<td></td>
</tr>
<tr>
<td>R. Fäber</td>
<td></td>
</tr>
<tr>
<td>A.-M. Graffin</td>
<td>Independent</td>
</tr>
<tr>
<td>L. Kappich</td>
<td></td>
</tr>
<tr>
<td>H. Riey</td>
<td></td>
</tr>
<tr>
<td>A. Buton</td>
<td></td>
</tr>
</tbody>
</table>

**Sartorius AG**

#### Supervisory Board

- 50% employee representatives
- 50% Sartorius AG shareholder representatives

#### Executive Board

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Kreuzburg</td>
<td>CEO</td>
</tr>
<tr>
<td>R. Lehmann</td>
<td>CFO</td>
</tr>
<tr>
<td>R. Fäber</td>
<td>Head of BPS</td>
</tr>
<tr>
<td>G. Mackay</td>
<td>Head of LPS</td>
</tr>
</tbody>
</table>
Interlinkage of Sartorius Stedim and Sartorius AG

• In 2007, Stedim Biotech SA merged with the Biotech Division of Sartorius AG, creating Sartorius Stedim Biotech SA with a stock listing in Paris
• Sartorius AG (SAG) owns approx. 74% of the shares and has control of approx. 85% of the voting rights of Sartorius Stedim Biotech (SSB)
• SSB is fully consolidated by SAG
• Debt financing for SSB is conducted through SAG; equity financing for SSB would be done with SSB capital
• Support functions and facilities and associated costs are shared proportionally by both entities
• SSB executive management receives fixed and variable remuneration from SAG, of which a portion is charged to SSB based on his proportional work for this entity
Appendix
Appendix

Share price performance

Share key facts

<table>
<thead>
<tr>
<th>ISIN</th>
<th>FR0013154002</th>
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<tbody>
<tr>
<td>Ticker</td>
<td>DIM</td>
</tr>
<tr>
<td>Number of share</td>
<td>92,180,190</td>
</tr>
</tbody>
</table>

Indices

SBF 120 | CAC All-Tradable | CAC All Shares | CAC Mid & Small 190 | CAC Healthcare | MSCI France | STOXX Europe 600

Market cap.\(^1\) €12.3bn

\(^1\) As of October 21, 2019
Appendix

Extract of the Bioprocess Solutions' product portfolio
On track to meet 2020 targets

Strategic initiatives

Regional
- Further grow sales force effectiveness ✔
- Gain share in North America ✔
- Leverage market growth in Asia ✔

Portfolio
- Alliances and acquisitions ✔
- Own product development ✔

Infrastructure
- Continued capacity expansion ✔
- Drive digitalization and roll-out of efficient IT systems ✔

2020 targets

Sales revenue
~ €1.5–1.6 bn

EBITDA margin
~ 29–30%

2020 targets are based on 2015 currency exchange rates; EBITDA excluding extraordinary items
Appendix

Contacts

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

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

**Katharina Tillmanns-Pelzer**
Corporate Responsibility
Phone: +49.551.308.2893
E-mail: katharina.tillmanns@sartorius.com

Sartorius Corporate Administration GmbH
Otto-Brenner-Straße 20
37079 Goettingen, Germany
www.sartorius.com