

First-quarter figures: Sartorius Stedim Biotech off to a dynamic start into 2018

- Group revenue up 9.8%; driven by positive development in all regions
- Exchange rate effects dampen profit growth
- Guidance for 2018 confirmed

Aubagne, April 24, 2018 – Sartorius Stedim Biotech (SSB), a leading partner of the biopharma industry, successfully started off the year 2018.

"In the first quarter, we have seen continued positive business momentum in all regions. On the currency side, we faced considerable headwinds due to the depreciation of the U.S. dollar against the euro, which also affected our profitability. Order intake developed positively, giving us confidence that we are well on track to deliver on our full-year targets," said CEO Dr. Joachim Kreuzburg.

Business development of the Group

In the first three months of 2018, Sartorius Stedim Biotech increased its sales revenue in constant currencies by 9.8% (reported +4.6%) from 268.8 million euros in the year-earlier period to 281.1 million euros. The acquisition of the software company Umetrics contributed around 1.5 percentage points of inorganic growth. In the reporting period order intake increased by 9.0% in constant currencies (reported +3.9%).

Regionally, Asia|Pacific recorded the strongest growth, driven by solid demand for single-use products. Sales were up by 19.5% to 64.8 million euros. First-quarter sales revenue for the Americas region was 93.8 million euros, up 10.2% from a year ago. In the EMEA¹ region, SSB generated sales of 122.5 million euros, 5.0% more than in the comparable year-earlier period (all regional growth in constant currencies).

Compared with a strong prior-year base, underlying EBITDA² increased 3.0%, and reached 74.0 million euros. Diluted by unfavorable currency effects by approximately 0.5 percentage points, the Group's respective margin was 26.3% relative to 26.7% in the first three months of the previous year. Relevant net profit³ for the Group grew by 7.0% from 44.0 million euros to 47.1 million euros. Earnings per share totaled 0.51 euros (3M 2017: 0.48 euros).

The Group's key financial indicators remained at very robust levels. At the end of the reporting period, the ratio of net debt to underlying EBITDA stood at 0.4, and company's equity ratio was 62.8% (Dec. 31, 2017: 0.4 and 62.6%, resp.). The capex ratio in the first three months of 2018 was 9.2%.

2018 guidance confirmed

In view of positive business development in the first quarter of 2018, management confirms its full-year forecast for 2018: In constant currencies, sales revenue is expected to increase by about 7% to 10%, and the underlying EBITDA margin is anticipated to rise by approx. 0.5 percentage points over the prior-year figure of 27.3%

Because of the latest currency developments, reported figures in actual currencies might differ from constant currency guidance; details will be provided as 2018 progresses.

¹ EMEA = Europe | Middle East | Africa

² Sartorius uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as the key profitability indicator

³ 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 Stedim Biotech Group. We cannot guarantee that the content of these statements will actually apply because these statements are based upon assumptions and estimates that harbor certain risks and uncertainties.

Conference call

Joachim Kreuzburg, CEO and Chairman of the Board of the Sartorius Stedim Biotech Group, will discuss the company's results with analysts and investors on Tuesday, April 24, 2018, at 3:30 p.m. Central European Time (CET), in a teleconference. You may register for the teleconference at:

<http://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=2821803&linkSecurityString=eaa4dd9>

Alternatively, you can dial into the teleconference, without registering, at:
+49 (0) 69 566 03 6000

To view the presentation, log onto: www.sartorius-stedim.com

Current Image Files

Dr. Joachim Kreuzburg, CEO and Chairman of the Board

www.sartorius.com/fileadmin/media/global/company/Sartorius_Kreuzburg.jpg

Sartorius products used in the manufacture of medications

https://www.sartorius.com/mediafile/corp/Sartorius_0232_PG9_01_RGB.jpg

Upcoming Financial Dates

July 24, 2018 Publication of the first-half figures (January to June 2018)

October 23, 2018 Publication of nine-month figures (January to September 2018)

A profile of Sartorius Stedim Biotech

Sartorius Stedim Biotech is a leading international supplier of products and services that enable the biopharmaceutical industry to develop and manufacture drugs safely and efficiently. As a total solutions provider, Sartorius Stedim Biotech offers a portfolio covering nearly all steps of biopharmaceutical manufacture. The company focuses on single-use technologies and value-added services to meet the rapidly changing technology requirements of the industry it serves. 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. In 2017, the company employed approx. 5,100 people, and earned sales revenue of €1,081.0 million.

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Key Performance Indicators for the first quarter of 2018

€ in millions unless otherwise specified	3 months 2018	3 months 2017	Growth in %	Growth in % const. fx
Sales revenue	281.1	268.8	+4.6	+9.8
EMEA ¹	122.5	117.4	+4.4	+5.0
Americas ¹	93.8	94.1	-0.3	+10.2
Asia Pacific ¹	64.8	57.3	+13.1	+19.5
Order intake	313.8	302.1	+3.9	+9.0
EBITDA ²	74.0	71.9	+3.0	
EBITDA margin ² in %	26.3	26.7	-0.4pp	
Net profit ³	47.1	44.0	+7.0	
Earnings per share ³ in €	0.51	0.48	+7.0	

¹ According to customers' location

² Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items

³ Underlying net profit = 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

Statement of Profit or Loss

	3 months 2018 € in mn	3 months 2017 € in mn
Sales revenue	281.1	268.8
Cost of sales	-133.8	-131.5
Gross profit on sales	147.3	137.3
Selling and distribution costs	-50.2	-49.1
Research and development costs	-17.1	-12.9
General administrative expenses	-16.3	-16.1
Other operating income and expenses	-6.1	-1.4
Earnings before interest & taxes (EBIT)	57.6	57.8
Financial income	2.6	0.8
Financial expenses	-4.3	-2.1
Financial result	-1.7	-1.3
Profit before tax	56.0	56.5
Income taxes	-14.5	-15.8
Net profit for the period	41.4	40.7
Attributable to:		
Shareholders of Sartorius Stedim Biotech	40.9	39.8
Non-controlling interest	0.5	0.9
Earnings per share (€)	0.44	0.43
Diluted earnings per share (€)	0.44	0.43

Statement of Comprehensive Income

	3 months 2018 € in mn	3 months 2017 € in mn
Net profit for the period	41.4	40.7
Cash flow hedges	2.5	4.5
of which effective portion of changes in fair value	-0.5	5.5
of which reclassified to profit or loss	3.0	-1.0
Income tax on cash flow hedges	-0.7	-1.4
Foreign currency translation differences	-7.1	0.7
Items that are or may be reclassified subsequently to profit or loss	-5.4	3.8
Items that will not be reclassified in profit or loss	0.0	0.0
Other comprehensive income for the period	-5.4	3.8
Total comprehensive income for the period	36.0	44.5
Attributable to:		
Shareholders of Sartorius Stedim Biotech	35.7	43.2
Non-controlling interest	0.3	1.3

Statement of Cash Flows

	3 months 2018 € in mn	3 months 2017 € in mn
Profit before tax	56.0	56.5
Financial result	1.7	1.3
Earnings before interest & taxes (EBIT)	57.6	57.8
Depreciation amortization of intangible and tangible assets	12.8	12.1
Increase decrease in provisions	-0.9	0.5
Income taxes paid	-5.5	-13.8
Other non-cash items	0.3	0.0
Gross cash flows from operating activities	64.3	56.7
Increase decrease in receivables and other assets	-16.7	-14.7
Increase decrease in inventories	-18.4	-9.6
Increase decrease in liabilities	9.1	-15.6
Net cash flow from operating activities	38.3	16.8
Acquisitions of intangible and tangible assets	-27.4	-23.8
Other payments	0.0	0.0
Net cash flow from investing activities	-27.4	-23.8
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	0.0	0.0
Net cash flow from investing activities and acquisitions	-27.4	-23.8
Changes in capital	0.0	0.0
Interest received	0.0	0.1
Interest paid and other financial charges	-1.9	-0.4
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	0.0	0.0
- Non-controlling Interest	0.0	-0.7
Gross cash flows from financing activities	-1.9	-1.1
Repayments of loans and borrowings	-2.8	-1.3
Proceeds from loans and borrowings raised	4.1	73.3
Changes in non-controlling interest	0.0	0.0
Net cash flow from financing activities	-0.5	71.0
Net increase decrease in cash and cash equivalents	10.4	64.0
Cash and cash equivalents at the beginning of the period	32.6	34.8
Net effect of currency translation on cash and cash equivalents	-0.3	0.9
Cash and cash equivalents at the end of the period	42.7	99.6

Statement of Financial Positions

Assets	March 31, 2018	Dec. 31, 2017
	€ in mn	€ in mn
Non-current assets		
Goodwill	384.1	386.0
Other intangible assets	170.8	172.9
Property, plant and equipment	342.9	331.3
Financial assets	11.9	11.8
Other assets	0.0	0.0
Deferred tax assets	11.7	11.0
	921.4	913.1
Current assets		
Inventories	203.0	185.6
Trade receivables	218.2	211.6
Other financial assets	27.5	20.0
Current tax assets	23.0	24.5
Other assets	21.4	16.6
Cash and cash equivalents	42.7	32.6
	535.8	490.8
Total assets	1.457.2	1.403.9
Equity and liabilities	March 31, 2018	Dec. 31, 2017
	€ in mn	€ in mn
Equity		
Attributable to SSB S.A. shareholders	907.7	872.0
Issued capital	18.4	18.4
Capital reserves	231.5	231.5
Retained earnings (including net profit)	657.8	622.1
Non-controlling interest	7.7	7.4
	915.4	879.5
Non-current liabilities		
Pension provisions	35.8	35.4
Other provisions	3.1	3.1
Loans and borrowings	45.5	46.3
Finance lease liabilities	15.7	15.8
Other financial liabilities	30.9	30.4
Deferred tax liabilities	44.4	43.0
	175.3	174.0
Current liabilities		
Provisions	8.3	9.6
Trade payables	126.5	118.0
Loans and borrowings	98.3	95.9
Finance lease liabilities	1.6	1.7
Employee benefits	31.5	31.9
Other financial liabilities	32.6	35.0
Current tax liabilities	39.3	31.8
Other liabilities	28.3	26.7
	366.4	350.4
Total equity and liabilities	1.457.2	1.403.9

Reconciliation

	3 months 2018 € in mn	3 months 2017 € in mn
EBIT (operating result)	57.6	57.8
Extraordinary items	3.6	2.0
Depreciation and amortization	12.8	12.1
Underlying EBITDA	74.0	71.9

	3 months 2018 € in mn	3 months 2017 € in mn
EBIT (operating result)	57.6	57.8
Extraordinary effects	3.6	2.0
Amortization IFRS 3	4.2	3.7
Normalized financial result ¹⁾	-1.1	-1.1
Normalized income tax (2018: 26%, 2017: 28%) ²⁾	-16.7	-17.5
Underlying net result	47.5	44.9
Non-controlling interest	-0.5	-0.9
Underlying net result after non-controlling interest	47.1	44.0
Underlying earnings per share ³⁾	0.51	0.48

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