Göttingen, February 18, 2020

Sartorius reports positive performance in 2019 and looks optimistically to 2020

- Group sales revenue up 14.8%; order intake up 14.8%; underlying EBITDA margin 27.1%
- Dividend proposal: 0.71 euros per preference share; 0.70 euros per ordinary share
- Positive outlook for 2020: Sales growth of 10% to 13% with a further increase in earnings margin projected

Sartorius, a leading international partner of life science research and the biopharmaceutical industry, confirmed its preliminary figures upon publication of its 2019 Annual Report today.

Group sales revenue rose in constant currencies by 14.8% (reported: +16.7%) to 1,827.0 million euros. Growth was almost entirely organic as the acquisition of the cell culture media specialist Biological Industries completed in December 2019 contributed only marginally to this increase. Order intake\(^1\) also rose by 14.8% in constant currencies (reported: +16.7%) to 1,939.5 million euros.

In line with its strong growth, Sartorius further increased its number of employees. At year-end 2019, the Group employed 9,016 staff members. This equates to an 11% increase or around 900 people more than a year ago. In particular, the company’s customer-facing units, research and development, and production reported staff gains.

“The once again very positive development of the Group shows that we have laid a strong foundation for sustained profitable growth by concentrating in both divisions on the dynamic biopharma sector,” commented CEO Dr. Joachim Kreuzburg on the past fiscal year. “We will extend our already good position by focusing on fields of the future, such as biosimilars as well as advanced therapies. From a technological standpoint as well, we have taken important steps to further increase the relevance of our product portfolio for customers. We aim to raise our revenue by 10% to 13% and further increase our profitability in 2020.”

In December 2019, Sartorius had acquired a majority stake in Biological Industries, an Israeli company specializing particularly in the development and manufacture of cell culture media for cell and gene therapies. As a result, the Group now owns production facilities for cell culture media. The planned acquisition of parts of Danaher’s life science portfolio announced in October 2019 covers, among others, the FortéBio business for label-free biomolecular characterization, as well as chromatography hardware and resins, with which Sartorius would extend its portfolio in the downstream area. The transaction is presently expected to close around the end of the first quarter of 2020.

Beyond operating business development and the integration of acquisitions, additional topics are on the 2020 agenda at Sartorius. “Over the past years, we have evolved from a product supplier for various sectors into an application-oriented solutions provider for life science research and the biopharmaceutical industry. We want to underscore this transformation and communicate it even more strongly than in the
past with our new brand claim of ‘Simplifying Progress’ and our new brand look,” said Dr. Joachim Kreuzburg. In addition, Sartorius will be celebrating its 150-year company anniversary. “To mark this milestone event, we will be hosting an international Life Science Festival for the first time and look forward to discussing the latest trends and challenges in the life sciences and in the biopharmaceutical industry with leading experts in the sector.”

**Overproportionate profit growth; increase in dividends planned**

Underlying EBITDA\(^1\) rose overproportionately again relative to sales, as in the prior year, by 22.4% to 495.8 million euros in 2019; the respective margin was 27.1% (previous year: 25.9%) in line with our guidance. As expected, slightly less than one percentage point of this increase was attributable to the IFRS 16\(^2\) Standard required to be applied for the first time in 2019. Relevant net profit\(^3\) rose by 19.2% from 175.6 million euros a year ago to 209.3 million euros, yielding earnings per ordinary share of 3.06 euros (2018: 2.56 euros) and earnings per preference share of 3.07 euros (2018: 2.57 euros).

Based on the company’s positive business performance, the Executive Board and the Supervisory Board will submit a proposal to the Annual General Shareholders’ Meeting on March 26, 2020, to pay dividends of 0.71 euros per preference share and 0.70 euros per ordinary share. Under this proposal, the total amount disbursed would increase by 14.6% to 48.2 million euros from 42.1 million euros a year earlier. The dividend payout ratio of 23.0% would be approximately at the level of the previous years (2018: 24.0%).

**Solid key financial indicators**

The Sartorius Group continued to make substantial investments in expanding its global capacity, even though, as expected, its CAPEX ratio\(^6\) decreased upon the completion of several large projects to 12.3% (2018: 15.2%). Due to strong net cash flow from operating activities and despite the intensive investment activity and successful acquisition, the company’s ratio of net debt to underlying EBITDA\(^1\) was 2.0 and thus below the prior-year figure of 2.4. Equity rose from 973.4 million euros to 1,081.2 million euros at year-end. In connection with IFRS 16\(^3\), the equity ratio decreased slightly from 38.5% as of December 31, 2018, to 38.0%. Sartorius therefore continues to have a very sound balance sheet and financial base.

**Growth in all regions**

Sartorius dynamically increased its sales in all regions compared with the previous year. EMEA (Europe, Middle East and Africa) increased its revenue by 11.2% to 733.4 million euros, accounting for 40% of the Group’s consolidated sales. The Americas region achieved a 17.4% increase in sales to 629.9 million euros, contributing around 35% to Group revenue. In Asia | Pacific, Sartorius earned sales of 463.7 million euros (+17.4%), which equates to a share of around 25% of Group revenue.

(All growth rates for the regions are in constant currencies.)

**Bioprocess Solutions strong; Lab Products & Services robust**

The Bioprocess Solutions Division that offers a wide array of innovative technologies for the manufacture of biopharmaceuticals exceeded its already strong prior-year performance, increasing its sales revenue in constant currencies by 18.1% (reported: +20.0%) to 1,372.1 million euros. This gain was fueled by ongoing strong demand across all product categories, particularly in project business in Asia. The division’s order intake\(^1\) rose significantly as well by 18.0% (reported: +19.9%) to 1,479.3 million euros. Underlying EBITDA\(^1\) for Bioprocess Solutions increased overproportionately to sales by 24.5% to 406.8 million euros. The division’s respective margin rose due to economies of scale and as a consequence of the change in IFRS 16\(^3\), from 28.6% to 29.6%.
The Lab Products & Services Division specializes in technologies and products for laboratories in the pharma sector and in life science research as well as in a few additional segments. It showed robust performance in a partly challenging economic environment, achieving sales growth of 5.9% (reported: +7.5%) to 454.9 million euros. The division’s order intake\(^1\) increased by 5.7% (reported: +7.3%) to 460.3 million euros. Underlying EBITDA\(^1\) for Lab Products & Services rose year over year by 14.0% to 89.0 million euros. The corresponding margin was positively affected by IFRS 16\(^2\) and stood at 19.6%, up from the previous year’s level of 18.5%.

(All growth rates for sales revenue and order intake are given in constant currencies.)

**Profitable growth projected for 2020**

Sartorius projects that it will increase Group sales in fiscal 2020 by 10% to 13%, with the acquisition of Biological Industries, completed at the end of 2019, expected to contribute approx. 1.5 percentage points to this growth. Regarding profitability, Sartorius forecasts that its underlying EBITDA margin\(^3\) will increase year over year from 27.1% to about 27.5%. The ratio of capital expenditures (CAPEX) to sales revenue\(^3\) is expected to be around 10% (2018: 12.3%).

For the Bioprocess Solutions Division, the Executive Board projects sales growth of 11% to 14%, with consolidation of Biological Industries expected to contribute about one percentage point to this gain. With respect to the division’s underlying EBITDA margin\(^3\), management assumes that it will increase to around 30.0% (2018: 29.6%).

The Lab Products & Services Division should increase its sales revenue by 7% to 10%, with Biological Industries projected to contribute around 2.5 percentage points to growth. For this division, the underlying EBITDA margin\(^3\) is forecasted at around 20.0% (2018: 19.6%).

The above forecast does not consider the acquisition of parts of Danaher’s life science portfolio, which was announced on October 21, 2019, and is currently undergoing antitrust clearance. Following the closing of this transaction, presently expected around the end of the first quarter of 2020, management will update its full-year guidance accordingly.

All forecasts are based on constant currencies, as in the past years. In addition, we assume overall stable conditions regarding the global economy and supply chains.

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1) Sartorius publishes alternative performance measures that are not defined by international accounting standards. These are determined with the aim of improving the comparability of business performance over time and within the industry.
   - Order intake: all customer orders contractually concluded during the respective reporting period
   - Underlying EBITDA: earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items
   - 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
   - CAPEX ratio: investment payments in relation to sales revenue for the same period. Since 2019 and as a result of the change in IFRS 16 accounting principles, CAPEX has been based on cash flow instead of balance sheet computation; CAPEX ratio restated for 2018: 14.9%
   - Ratio of net debt to underlying EBITDA: quotient of net debt and underlying EBITDA
2) 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.
This press release contains forward-looking 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. This is a translation of the original German-language press release. Sartorius shall not assume any liability for the correctness of this translation. The original German press release is the legally binding version.

Key performance indicators for fiscal 2019

<table>
<thead>
<tr>
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<th>Sartorius Group</th>
<th>Bioprocess Solutions</th>
<th>Lab Products &amp; Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>In millions of €, unless otherwise specified</td>
<td>2019</td>
<td>2018</td>
<td>in % reported</td>
</tr>
<tr>
<td>Sales Revenue and Order Intake</td>
<td>Sales revenue</td>
<td>1,827.0</td>
<td>1,566.0</td>
</tr>
<tr>
<td>- EMEA(2)</td>
<td>733.4</td>
<td>657.7</td>
<td>11.5</td>
</tr>
<tr>
<td>- Americas(2)</td>
<td>629.9</td>
<td>520.1</td>
<td>21.1</td>
</tr>
<tr>
<td>- Asia</td>
<td>Pacific(2)</td>
<td>463.7</td>
<td>388.2</td>
</tr>
<tr>
<td>Order intake</td>
<td>1,939.5</td>
<td>1,662.5</td>
<td>16.7</td>
</tr>
<tr>
<td>Earnings</td>
<td>EBITDA(3)</td>
<td>495.8</td>
<td>405.0</td>
</tr>
<tr>
<td>EBITDA margin(3) in %</td>
<td>27.1</td>
<td>25.9</td>
<td>29.6</td>
</tr>
<tr>
<td>Net profit for the period(4)</td>
<td>209.3</td>
<td>175.6</td>
<td>19.2</td>
</tr>
<tr>
<td>Financial Data per Share</td>
<td>Earnings per ordinary share(5) in €</td>
<td>3.06</td>
<td>2.56</td>
</tr>
<tr>
<td>Earnings per preference share(5) in €</td>
<td>3.07</td>
<td>2.57</td>
<td>19.2</td>
</tr>
</tbody>
</table>

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

2019 Annual Report

Financial calendar
March 26, 2020       Annual Shareholders’ Meeting
April 21, 2020       Publication of first-quarter figures (January to March 2020)

Current image files

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 2019, the company earned sales revenue of some 1.83 billion euros. At the end of 2019, more than 9,000 people were employed at the Group’s approximately 60 manufacturing and sales sites, serving customers around the globe.

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