

Nine-month figures for 2018: Sartorius Stedim Biotech continues to grow by double digits

- Group sales revenue up 13.8%; order intake up 14.5%; earnings margin¹⁾ 28.1%
- Dynamic development across all product categories and geographies
- Management specifies 2018 sales guidance at upper range of bandwidth

Aubagne, October 23, 2018 – With double-digit increases in sales revenue and earnings, Sartorius Stedim Biotech (SSB), a leading partner of the biopharma industry, continues on the growth track.

"Momentum developed very strongly in the course of this year, even if we adjust for relative moderate comparables particularly in the third quarter of 2017. We grew dynamically across all product categories and geographies and increased our profitability significantly. Conditions in the biopharma market continue to be healthy and demand for our products remains high. Backed by a strong order intake, we see us well on track to deliver on our ambitious 2018 targets," said Dr. Joachim Kreuzburg, Chairman of the Board and CEO.

Business development of the Group

In the first nine months of 2018, Sartorius Stedim Biotech increased its sales revenue in constant currencies by 13.8% to 896.1 million euros (reported +11.4%). Growth was driven both by strong demand for equipment and single-use products. Almost all of the increase in sales revenue was achieved organically, whereas the acquisition of the software company Umetrics contributed around 0.5 percentage points of non-organic growth. Order intake also rose significantly by 14.5% in constant currencies to 955.6 million euros (reported +12.0%).

In view of the regions, the Americas led growth, reporting a gain of 20.3% to 315.8 million euros relative to a moderate previous-year base (reported +15.9%). Compared to high growth in the year-earlier period, sales revenue in Asia|Pacific also showed positive development, increasing by 11.9% to 203.8 million euros. The EMEA²⁾ region recorded a solid gain of 9.8% to 376.5 million euros (reported +9.4%). (All regional growth in constant currencies.)

In the first nine months of 2018, Sartorius Stedim Biotech increased its underlying EBITDA¹⁾ overproportionately relative to sales, by 17.2% to 251.4 million euros. Driven by economies of scale and positive product mix effects, the Group's respective margin improved significantly year over year from 26.7% to 28.1%. Relevant net profit³⁾ for the Group grew even more strongly by 22.9% from 130.8 million euros to 160.7 million euros thus earnings per share were 1.74 euros (9M 2017: 1.42 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 61.6% (Dec. 31, 2017: 0.4 and 62.6%, resp.). The CAPEX ratio in the first nine months of 2018 was 13.9%, in-line with expectations (9M 2017: 11.3%). Investment activities focused on the expansion of the plant for manufacturing single-use bags and filters in Puerto Rico, IT and digitalization projects, and on the consolidation and expansion of sites and production capacity levels in Göttingen, Germany.

2018 guidance confirmed and specified

In view of positive business development in the first nine months of 2018, management specified its full-year guidance as follows: Sales revenue growth is now projected to be in the upper range of the previously targeted bandwidth of 11% to 14% while the underlying EBITDA margin continues to be expected at around 28.0%, up from the prior-year figure of 27.3.

All forecasts are based on constant currencies. As a result of changes in the currency exchange rates, reported figures in actual currencies may differ from constant currency guidance.

- ¹⁾ Sartorius uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as the key profitability indicator
- ²⁾ EMEA = Europe | Middle East | Africa
- 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, Chairman of the Board and CEO of the Sartorius Stedim Biotech Group, will discuss the company's results with analysts and investors on Tuesday, October 23, 2018, at 3:00 p.m. Central European Time (CEST), in a teleconference. You may register for the teleconference at:

<http://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=6785779&linkSecurityString=2c6a4a5c7>

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

To view the presentation, log onto: <https://www.sartorius.com/en/company/investor-relations/sartorius-stedim-biotech-sa-investor-relations>

Current image files

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

Upcoming financial dates

January 29, 2019 Publication of preliminary figures for 2018

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 2017, Sartorius Stedim Biotech employed approx. 5,100 people and earned sales revenue of €1,081.0 million.

Contact

Petra Kirchhoff | Head of Corporate Communications and IR

+49 (0)551.308.1686 | petra.kirchhoff@sartorius.com | www.sartorius-stedim.com

Key Performance Indicators for the Nine-Month Period of 2018

€ in millions unless otherwise specified	9 months 2018	9 months ¹⁾ 2017	Δ in % Reported	Δ in % cc ²⁾
Sales revenue	896.1	804.7	+11.4	+13.8
EMEA ³⁾	376.5	344.2	+9.4	+9.8
Americas ³⁾	315.8	272.6	+15.9	+20.3
Asia Pacific ³⁾	203.8	187.9	+8.4	+11.9
Order intake	955.6	853.0	+12.0	+14.5
EBITDA ⁴⁾	251.4	214.5	+17.2	
EBITDA margin ⁴⁾ in %	28.1	26.7	+1.4pp	
Net profit ⁵⁾	160.7	130.8	+22.9	
Earnings per share ⁵⁾ in €	1.74	1.42	+22.9	

¹⁾ Data slightly adjusted due to finalization of purchase price allocation of the acquisition of Umetrics (now Sartorius Stedim Data Analytics AB)

²⁾ In constant currencies

³⁾ According to customers' location

⁴⁾ Underlying EBITDA = earnings before interest, taxes, depreciation and amortization, and adjusted for extraordinary items

⁵⁾ 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

	3rd quarter 2018 € in mn	3rd quarter 2017 € in mn ¹⁾	9 months 2018 € in mn	9 months 2017 € in mn ¹⁾
Sales revenue	310.4	258.9	896.1	804.7
Cost of sales	-145.5	-124.7	-424.9	-394.5
Gross profit on sales	164.9	134.2	471.2	410.3
Selling and distribution costs	-57.2	-45.4	-161.5	-144.4
Research and development costs	-16.1	-15.1	-48.2	-41.7
General administrative expenses	-16.3	-14.4	-48.5	-45.9
Other operating income and expenses	-2.7	-8.4	-10.8	-12.3
Earnings before interest & taxes (EBIT)	72.5	51.0	202.2	166.0
Financial income	2.4	4.6	4.5	6.9
Financial expenses	-7.6	-3.4	-14.9	-8.2
Financial result	-5.2	1.2	-10.4	-1.3
Profit before tax	67.3	52.2	191.8	164.6
Income taxes	-17.5	-14.6	-49.9	-46.1
Net profit for the period	49.8	37.6	141.9	118.5
Attributable to:				
Shareholders of Sartorius Stedim Biotech	49.4	37.3	140.4	116.2
Non-controlling interest	0.4	0.3	1.5	2.3
Earnings per share (€)	0.54	0.40	1.52	1.26
Diluted earnings per share (€)	0.54	0.40	1.52	1.26

¹⁾ Data slightly adjusted due to finalization of purchase price allocation of the acquisition of Umetrics (now Sartorius Stedim Data Analytics AB)

Statement of Comprehensive Income

	3rd quarter 2018 € in mn	3rd quarter 2017 € in mn ¹⁾	9 months 2018 € in mn	9 months 2017 € in mn ¹⁾
Net profit for the period	49.8	37.6	141.9	118.5
Cash flow hedges	-2.1	5.1	-9.0	24.4
of which effective portion of changes in fair value	-0.5	5.6	-1.7	23.1
of which reclassified to profit or loss	-1.6	-0.5	-7.3	1.3
Income tax on cash flow hedges	0.6	-1.5	2.7	-7.3
Foreign currency translation differences	2.2	-7.2	3.5	-23.4
Items that are or may be reclassified subsequently to profit or loss	0.7	-3.6	-2.8	-6.4
Remeasurements of the net defined benefit liabilities	0.0	0.0	0.0	1.1
Income tax on remeasurements of the net defined benefit liability	0.0	0.0	0.0	-0.3
Items that will not be reclassified in profit or loss	0.0	0.0	0.0	0.8
Other comprehensive income for the period	0.7	-3.6	-2.8	-5.6
Total comprehensive income for the period	50.5	34.0	139.1	113.0
Attributable to:				
Shareholders of Sartorius Stedim Biotech	50.1	33.9	137.7	111.1
Non-controlling interest	0.5	0.0	1.5	1.9

¹⁾ Data slightly adjusted due to finalization of purchase price allocation of the acquisition of Umetrics (now Sartorius Stedim Data Analytics AB)

Statement of Financial Position

Assets	Sept. 30, 2018 € in mn	Dec. 31, 2017 € in mn
Non-current assets		
Goodwill	384.5	386.0
Other intangible assets	188.3	172.9
Property, plant and equipment	401.3	331.3
Financial assets	4.7	11.8
Other assets	0.6	0.0
Deferred tax assets	10.3	11.0
	989.7	913.1
Current assets		
Inventories	240.0	185.6
Trade receivables	233.8	211.6
Other financial assets	20.1	20.0
Current tax assets	21.6	24.5
Other assets	23.4	16.6
Cash and cash equivalents	56.7	32.6
	595.5	490.8
Total assets	1,585.1	1,403.9
Equity and liabilities	Sept. 30, 2018 € in mn	Dec. 31, 2017 € in mn
Equity		
Attributable to SSB S.A. shareholders	967.6	872.0
Issued capital	18.4	18.4
Capital reserves	231.5	231.5
Retained earnings (including net profit)	717.6	622.1
Non-controlling interest	8.1	7.4
	975.7	879.5
Non-current liabilities		
Pension provisions	36.3	35.4
Other provisions	3.1	3.1
Loans and borrowings	43.6	46.3
Finance lease liabilities	15.3	15.8
Other financial liabilities	31.8	30.4
Deferred tax liabilities	38.7	43.0
	168.9	174.0
Current liabilities		
Provisions	8.5	9.6
Trade payables	155.6	118.0
Loans and borrowings	134.0	95.9
Finance lease liabilities	1.7	1.7
Employee benefits	47.5	31.9
Other financial liabilities	30.0	35.0
Current tax liabilities	32.6	31.8
Other liabilities	30.7	26.7
	440.6	350.4
Total equity and liabilities	1,585.1	1,403.9

Statement of Cash Flows

	9 months 2018 € in mn	9 months 2017 € in mn ¹⁾
Profit before tax	191.8	164.6
Financial result	10.4	1.3
Earnings before interest & taxes (EBIT)	202.2	166.0
Depreciation amortization of intangible and tangible assets	40.8	36.7
Increase decrease in provisions	-0.6	-0.3
Income taxes paid	-46.8	-39.6
Other non-cash items	1.1	0.3
Gross cash flows from operating activities	196.8	163.0
Increase decrease in receivables and other assets	-31.7	-25.7
Increase decrease in inventories	-53.9	-19.4
Increase decrease in liabilities	49.3	-9.2
Net cash flow from operating activities	160.6	108.8
Acquisitions of intangible and tangible assets	-126.6	-84.4
Other payments	0.0	0.0
Net cash flow from investing activities	-126.6	-84.4
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	0.0	-68.1
Net cash flow from investing activities and acquisitions	-126.6	-152.5
Changes in capital	0.0	0.0
Interest received	0.2	0.3
Interest paid and other financial charges	-2.7	-1.3
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	-42.4	-38.7
- Non-controlling interest	-0.8	-0.7
Gross cash flows from financing activities	-45.8	-40.5
Repayments of loans and borrowings	-3.2	-5.7
Proceeds from loans and borrowings raised	38.1	83.5
Net cash flow from financing activities	-10.8	37.2
Net increase decrease in cash and cash equivalents	23.2	-6.5
Cash and cash equivalents at the beginning of the period	32.6	34.8
Net effect of currency translation on cash and cash equivalents	1.0	2.1
Cash and cash equivalents at the end of the period	56.7	30.3

¹⁾ Data slightly adjusted due to finalization of purchase price allocation of the acquisition of Umetrics (now Sartorius Stedim Data Analytics AB)

Reconciliation

in millions of €	9 months 2018	9 months 2017 ¹⁾
EBIT (operating result)	202.2	166.0
Extraordinary items	8.5	11.9
Depreciation and amortization	40.7	36.7
Underlying EBITDA	251.4	214.5

in millions of €	9 months 2018	9 months 2017 ¹⁾
EBIT (operating result)	202.2	166.0
Extraordinary items	8.5	11.9
Amortization IFRS 3	12.5	12.1
Normalized financial result ²⁾	-4.0	-5.0
Normalized income tax (2018: 26%; 2017: 28%) ³⁾	-57.0	-51.8
Underlying net result	162.2	133.2
Non-controlling interest	-1.5	-2.3
Underlying net result after non-controlling interest	160.7	130.8
Underlying earnings per share (in €)	1.74	1.42

¹⁾ Data slightly adjusted due to finalization of purchase price allocation of the acquisition of Umetrics (now Sartorius Stedim Data Analytics AB)

²⁾ Financial result excluding fair value adjustments of hedging instruments, as well as currency effects from foreign currency loans

³⁾ Income tax considering the average group tax rate, based on the underlying profit before tax