Sartorius Stedim Biotech
Investors Presentation
Q1 2020 Results
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

Overview | Strategy
Mid-term Growth Prospects
FY 2020 Guidance | Q1 2020 Results
Appendix
A leading partner of the biopharma industry

We empower scientists and engineers to simplify and accelerate progress in life science and bioprocessing, enabling the development of new and better therapies and more affordable medicine.
Sartorius Stedim Biotech at a glance

€ ~€1.4bn
Sales revenue

~15%
Sales CAGR¹ 2014-2019

29.3%
EBITDA margin²

>20
countries, headquartered in Aubagne, France

6,203
Employees

Based on FY 2019 figures ¹ In constant currencies ² Excluding extraordinary items

Four strong pillars drive above-average growth

- Pharma market
  - CAGR 4-7%
- Biopharma market
  - CAGR ~8%
- Single-use penetration
  - Double-digit growth
- Market share gains
  - Esp. in North America

Overview | Strategy
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
## Strong market fundamentals

<table>
<thead>
<tr>
<th>Favorable demographics</th>
<th>9bn people by 2050; &gt;2bn 60 yrs or older</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rise of biosimilars</td>
<td>~30% CAGR for biosimilar sales 2019–2022</td>
</tr>
<tr>
<td>Strong R&amp;D pipeline; advances in gene and cell therapy</td>
<td>&gt;40% share of biologics in the pharma R&amp;D pipeline</td>
</tr>
</tbody>
</table>
Sales revenue more than doubled over the last 6 years

Sales CAGR ~+14%

EBITDA-margin\(^1\) +8.4pp

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales revenue (€m)</th>
<th>EBITDA margin in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>20.9</td>
<td>+10.3%</td>
</tr>
<tr>
<td>2012</td>
<td>21.5</td>
<td>+10.8%</td>
</tr>
<tr>
<td>2013</td>
<td>23.0</td>
<td>+15.9%</td>
</tr>
<tr>
<td>2014</td>
<td>23.5</td>
<td>+19.4%</td>
</tr>
<tr>
<td>2015</td>
<td>26.2</td>
<td>+20.4%</td>
</tr>
<tr>
<td>2016</td>
<td>27.5</td>
<td>+13.7%</td>
</tr>
<tr>
<td>2017</td>
<td>27.3</td>
<td>+4.1%</td>
</tr>
<tr>
<td>2018</td>
<td>28.2</td>
<td>+18.8%</td>
</tr>
<tr>
<td>2019</td>
<td>29.3</td>
<td>+10.3%</td>
</tr>
</tbody>
</table>

Sales growth and CAGR in constant currencies 1 Excluding extraordinary items

Excluding extraordinary items
## M&A strategy – adding innovation, enhancing focus

### 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

### Timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>TAP Biosystems</td>
</tr>
<tr>
<td>2014</td>
<td>AllPure Technologies</td>
</tr>
<tr>
<td>2015</td>
<td>Bio Outsource</td>
</tr>
<tr>
<td>2016</td>
<td>Cellca</td>
</tr>
<tr>
<td>2017</td>
<td>kSep</td>
</tr>
<tr>
<td>2018</td>
<td>Umetrics</td>
</tr>
<tr>
<td>2019</td>
<td>Biological Industries</td>
</tr>
</tbody>
</table>

**Acquisition of selected assets from Danaher¹**

1 Announced in Oct. 2019; consolidation in May 2020
Acquisition of Biological Industries in Q4 2019

- Developer and manufacturer of cell culture media
- Specializes in media for advanced therapies (cell and gene therapies)
- ~130 employees; headquartered in Beit Haemek, near Haifa (Israel)
- 2019 revenue €20m to €25m with healthy growth profile; slightly dilutive EBITDA margin
- Fully consolidated in Sartorius Stedim Biotech
- Closing of transaction in Dec. 2019, total purchase price of approx. €45m for just over 50% of the shares
Acquisition of selected life science assets from Danaher

- Portfolio of upstream and downstream technologies with a strong complementary fit, especially in chromatography/purification
- Combined 2019 sales amounted to c. $100m with strong double-digit but slightly dilutive EBITDA margin
- ~100 employees with production sites in the U.S., EMEA and China
- Transaction part of a broader deal of Sartorius AG; of the total purchase price of $825m, approx. one third to be allocated to SSB
- Announced in Q4 2019, deal closed after all regulatory approvals were received; consolidation in May 2020
Leading positions in key technology platforms

<table>
<thead>
<tr>
<th>Technology Platform</th>
<th>Sartorius¹</th>
<th>Merck</th>
<th>Pall</th>
<th>Danaher</th>
<th>Cytiva²</th>
<th>Thermo Fisher</th>
<th>Top 3 Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filtration</td>
<td>🟢</td>
<td>🟣</td>
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<td>🟡</td>
<td></td>
<td></td>
<td>1. Merck</td>
</tr>
<tr>
<td></td>
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<td>2. Danaher</td>
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<td></td>
<td>3. Sartorius</td>
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<tr>
<td>Fluid Management</td>
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<td>🟣</td>
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<td>1. Sartorius</td>
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<td>2. Thermo Fisher</td>
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<td>3. Merck</td>
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<tr>
<td>Fermentation</td>
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<td>🟢</td>
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<td>2. Thermo Fisher</td>
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<td>🟢</td>
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<td></td>
<td>3. Sartorius</td>
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<tr>
<td>Cell Culture Media</td>
<td>🟢</td>
<td>🟣</td>
<td>🟢</td>
<td>🟢</td>
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<td>1. Thermo Fisher</td>
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<td>2. Merck</td>
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<td></td>
<td>3. Danaher</td>
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</tbody>
</table>

Pie charts indicate completeness of product offering

¹ Sartorius with strengthened portfolio after acquisition of selected life science assets from Danaher; ² Formerly GE Biopharma
Leader in the growing single-use technology market

Single-use market penetration expected to increase from ~35% to ~75%

Single-use products offer advantages over conventional stainless-steel devices

- Capex|Opex reduction over entire lifecycle
- Reduced risk of cross-contamination
- Higher flexibility; advantageous for biosimilars

<table>
<thead>
<tr>
<th></th>
<th>Reference</th>
<th>Single-use</th>
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<tbody>
<tr>
<td>Construction cost</td>
<td>-25-35%</td>
<td>-30-50%</td>
</tr>
<tr>
<td>Time-to-market</td>
<td>-30-50%</td>
<td>-30-50%</td>
</tr>
<tr>
<td>Energy cost</td>
<td>-55-65%</td>
<td>-55-65%</td>
</tr>
<tr>
<td>Water cost</td>
<td>-65-75%</td>
<td>-65-75%</td>
</tr>
</tbody>
</table>

Overview | Strategy
Limited dependence on individual accounts

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

- More than half of 2019 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
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Mid-term Growth Prospects

FY 2020 Guidance | Q1 2020 Results

Appendix
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 is accounted for companies acquired from 2018 and onwards; EBITDA excluding extraordinary items
U.S. remains most important market; China with highest growth rates

Biologics market growth forecast
CAGR 2019 to 2023, € in billions

- U.S.: ~110
- Europe: ~48
- China: ~35
- ROW: ~47

- U.S.: ~155
- Europe: ~61
- China: ~62
- ROW: ~57

~€240bn

~+9% U.S.

~+6% Europe

~+15% China

~€335bn

- 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)
Regional balance better reflecting end-markets

Sales by region 2011

- Asia | Pacific: 27%
- Americas: 53%
- EMEA: 20%

CAGR: ~+16%

Sales by region 2019

- Asia | Pacific: 25%
- Americas: 35%
- EMEA: 40%

CAGR: ~+18%

Global biopharma market 2019

- Asia | Pacific: 27%
- Americas: 51%
- EMEA: 22%

CAGR: ~+11%

CAGR for continued operations, in constant currencies
Biosimilars: Strong growth, big opportunities

- Major blockbuster biologics are going off-patent
- Time-to-market is key as only the first providers are most likely profitable
- Several approvals in Asia and Europe; U.S. at the beginning
- For now, relatively small market but with strong growth
- Single-use is the preferred platform for biosimilars

Biosimilars will outperform the biologics market
€ in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Other Biologics</th>
<th>Biosimilars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>~231</td>
<td>~9</td>
</tr>
<tr>
<td>2023</td>
<td>~311</td>
<td>~24</td>
</tr>
</tbody>
</table>

~+30% CAGR

Growing number of biosimilar approvals
E.U. and U.S.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>E.U.</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>7</td>
<td>22</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>U.S.</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The biopharma market is not yet mature, but is maturing

... not mature because
- Underpenetrated global market
- Strong flow of innovation
- Time-consuming product development

... but maturing because
- Increasing importance of product costs and time to market
- Robustness and ease of use of tools are becoming more important
- Companies invest in market consolidation

Cumulative investment and absolute survival rate in drug development

Digitalization is arriving in biopharma

Sartorius Stedim Biotech offers the leading software for bioprocess data analytics

- Enhanced process control and robustness
- Improved product quality
- Predictive process control

- Powerful solutions for modeling and optimizing development and manufacturing
- Help to gain insights from complex data sets
- Data analytics just at the beginning in biomanufacturing and shows high potential
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Mid-term Growth Prospects

FY 2020 Guidance | Q1 2020 Results

Appendix
Dynamic top-line growth; further margin increase

<table>
<thead>
<tr>
<th>Sartorius Stedim Biotech Group</th>
<th>Q1 2019</th>
<th>Q1 2020</th>
<th>▲ in %</th>
<th>▲ in % cc¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>342.9</td>
<td>422.1</td>
<td>+23.1</td>
<td>+22.3</td>
</tr>
<tr>
<td>Order intake</td>
<td>381.3</td>
<td>534.8</td>
<td>+40.3</td>
<td>+39.3</td>
</tr>
<tr>
<td>Underlying EBITDA²</td>
<td>98.1</td>
<td>126.7</td>
<td>+29.2</td>
<td></td>
</tr>
<tr>
<td>Underlying EBITDA² margin in %</td>
<td>28.6</td>
<td>30.0</td>
<td>+1.4pp</td>
<td></td>
</tr>
<tr>
<td>Underlying EPS³</td>
<td>0.68</td>
<td>0.87</td>
<td>+28.4</td>
<td></td>
</tr>
</tbody>
</table>

- Strong demand across all product categories; equipment orders from China and stocking initiatives drove order intake
- Consolidation of Biological Industries accounted for about 1.5pp of non-organic growth
- Underlying EBITDA margin rose due to economies of scale; currencies slightly dilutive

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 the highest dynamics

- Americas: Continued strong momentum
- EMEA: Strong growth
- Asia|Pacific: Most dynamic against weaker comps; order intake driven by larger equipment orders from China

Acc. to customers’ location; growth in constant currencies
### Sartorius Stedim Biotech Group
in millions of € unless otherwise specified

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q1 2020</th>
<th>▲ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Underlying EBITDA</td>
<td>98.1</td>
<td>126.7</td>
<td>+29.2</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>-2.6</td>
<td>-4.6</td>
<td>-77.4</td>
</tr>
<tr>
<td>Financial result</td>
<td>-3.7</td>
<td>-0.1</td>
<td>n.m.</td>
</tr>
<tr>
<td>Underlying net profit&lt;sup&gt;1,2&lt;/sup&gt;</td>
<td>62.6</td>
<td>80.3</td>
<td>+28.4</td>
</tr>
<tr>
<td>Reported net profit&lt;sup&gt;2&lt;/sup&gt;</td>
<td>56.1</td>
<td>75.1</td>
<td>+33.9</td>
</tr>
<tr>
<td>Operating cash flow</td>
<td>80.7</td>
<td>115.4</td>
<td>+43.0</td>
</tr>
<tr>
<td>Investing cash flow&lt;sup&gt;3&lt;/sup&gt;</td>
<td>-32.3</td>
<td>-49.7</td>
<td>-53.9</td>
</tr>
<tr>
<td>CAPEX ratio (in %)</td>
<td>9.4</td>
<td>6.0</td>
<td>-3.4pp</td>
</tr>
</tbody>
</table>

- Net operating cash flow mostly driven by higher earnings and factoring of receivables in the amount of ~€75m
- Extraordinaries driven by rebranding and M&A expenses among others
- Some investments postponed due to pandemic crisis
- Review of dividend proposal for FY 2019 under consideration

<sup>1</sup> Underlying net profit = net profit adjusted for extraordinary items, amortization and based on a normalized financial result and tax rate  
<sup>2</sup> After non-controlling interest  
<sup>3</sup> Net cash flow from investing activities and acquisitions
Very solid balance sheet and financial position

### Key Financial Indicators

<table>
<thead>
<tr>
<th></th>
<th>Dec. 31, 2019</th>
<th>Mar. 31, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio in %</td>
<td>64.7</td>
<td>65.7</td>
</tr>
<tr>
<td>Net debt in millions of €</td>
<td>107.7</td>
<td>46.2</td>
</tr>
<tr>
<td>Net debt</td>
<td>underlying EBITDA</td>
<td>0.3</td>
</tr>
</tbody>
</table>

- All financial indicators improved compared to last reporting

**Net Debt and Net Debt to Underlying EBITDA**

- Net debt in millions of € (lhs)
- Net debt to underlying EBITDA (rhs)
Outlook for 2020, higher uncertainty than usual

<table>
<thead>
<tr>
<th>FY 2020 Guidance¹</th>
<th>Previous</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue growth</td>
<td>~11% - 14%</td>
<td>~17% - 21%</td>
</tr>
<tr>
<td>Underlying EBITDA margin</td>
<td>~29.5</td>
<td>~30.0</td>
</tr>
<tr>
<td>CAPEX ratio</td>
<td>~8%</td>
<td>~8%</td>
</tr>
</tbody>
</table>

¹ In constant currencies

- Forecast includes life science portfolio from Danaher for approx. 8 months
- Sales guidance includes contribution from Biological Industries of ~2pp and of the Danaher portfolio of ~3pp
- Margin includes slightly dilutive effect from consolidation of Biological Industries and an expected dilution of about -0.5pp from the consolidation of the Danaher portfolio
- Net debt to underlying EBITDA is expected to be approx. 0.5 (before: 0.3; FY 2019: 0.3)
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Sartorius Stedim Biotech shares – an attractive investment

- Biopharma market fueled by long-term growth drivers
- Leading market positions in key technologies and high brand awareness
- Global presence with strong base in growth regions

- High entry barriers, low price-sensitivity and consolidated competitive landscape
- Diversified revenue base and high share of recurring revenues provide low volatility
- Proven growth track record: Sales CAGR of ~15% over the last five years
Share price performance

Share key facts

<table>
<thead>
<tr>
<th>ISIN</th>
<th>FR0013154002</th>
<th>Indices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticker</td>
<td>DIM</td>
<td>SBF 120</td>
</tr>
<tr>
<td>Number of share</td>
<td>92,180,190</td>
<td>Market cap.¹</td>
</tr>
</tbody>
</table>

¹ As of April 20, 2020
Sartorius Stedim Biotech

A sampling of the product portfolio

Filtration

Purification

Fermentation

Fluid management
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

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

2020 targets

- ~€1.5-1.6bn
  Sales revenue

- ~4/5
  Organic

- ~1/5
  Acquisitions

- ~29-30%
  EBITDA margin

2025 targets are based on 2017 currency exchange rates; non-organic revenue growth is accounted for companies acquired from 2018 and onwards; EBITDA excluding extraordinary items
Financial calendar and contacts

- **July 21, 2020**
  Publication Half-Year Report 2020 | Göttingen

- **October 20, 2020**
  Publication Nine-Month Results 2020 | Göttingen

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