

Aubagne, October 20, 2021

Nine-month results of Sartorius Stedim Biotech

- Sales revenue up 56.2 percent to 2,109 million euros; underlying EBITDA margin 36.3 percent
- Dynamic and profitable organic growth; significant demand momentum generated by the production of coronavirus vaccines as well as strong development of acquisitions
- Forecast raised at the beginning of July for 2021 confirmed

Sartorius Stedim Biotech, a leading partner of the biopharma industry, has continued to grow dynamically and profitably. For the nine-month reporting period of 2021, the company recorded significant double-digit growth rates in sales and earnings.

“In the first nine months of the year, high demand for innovative technologies for efficient biopharmaceutical manufacturing has led to the expected very dynamic development of our business. Additional momentum related to coronavirus vaccine production was significant, but not dominant. We expanded our product portfolio for use in the production of cell and gene therapeutics as well as vaccines by taking over a majority stake in CellGenix and acquiring the cell culture media specialist Xell,” said Joachim Kreuzburg, Chairman of the Board of Directors and CEO. In addition, he confirmed the forecast for the current year. “We are optimistic about the further development of our business, are driving our extensive capacity expansion and recruitment programs full steam ahead, and confirm our full-year forecast,” emphasized Kreuzburg.

Group sales revenue surged by 56.2 percent to around 2,109 million euros in constant currencies (reported: +52.9 percent). The majority of this growth was attributable to strong organic expansion of the core business and in all regions. In particular, business with manufacturers of biopharmaceutical medications performed very well. Beyond this, the ramp-up in coronavirus vaccine production by many customers added a good 24 percentage points to growth in sales revenue. Non-organic growth contributed by the acquisitions² was around 5 percentage points. Expanded production capacities at several company sites and overall stable, yet strained, supply chains supported this development.

Order intake¹ increased even more strongly than sales revenue, surging 78.4 percent in constant currencies to 2,852 million euros (reported: +74.1 percent). Part of this higher order intake was due to adapted ordering patterns of some customers who in the current situation have been placing their orders further in advance than usual.

Between January and September 2021, underlying EBITDA¹ rose by 76.1 percent to 766 million euros and thus at a significantly overproportionate rate in relation to sales. The respective margin climbed year over year from 31.5 percent to 36.3 percent. This increase was driven especially by economies of scale and by partially deferred cost development, for example, as a result of the low number of business trips and underproportionate new hires in non-production areas due to the pandemic. These trends have started to

abate as the coronavirus-related restrictions have progressively eased. Relevant net profit¹ for the Group surged by 83.0 percent to 509 million euros; earnings per share were 5.52 euros (9M 2020: 3.02 euros).

Business development in the regions

Sartorius Stedim Biotech increased its revenues significantly in all three business regions. Sales in the EMEA³ region that contributes the highest share of around 42 percent to total Group revenue amounted to 884 million euros, up 60.9 percent in constant currencies (reported: +60.6 percent). The Americas region accounted for about 32 percent of total Group sales. Here, business grew by 48.2 percent to 678 million euros in constant currencies (reported: +40.0 percent). Sales in the Asia | Pacific region likewise saw dynamic growth, up 59.7 percent in constant currencies to 547 million euros (reported: +58.7 percent). As a result, this region's share of total Group revenue was 26 percent.

Key financial indicators

The Sartorius Stedim Biotech Group has a very sound balance sheet and financial base. As of September 30, 2021, its equity ratio stood at 44.3 percent (December 31, 2020: 48.4 percent). Net debt to underlying EBITDA¹ was 0.4 on the reporting date as a result of strong net cash flow and the increase in earnings, relative to 0.8 at year-end 2020. The ratio of capital expenditures (CAPEX) to sales was 8.8 percent for the nine-month period relative to 5.6 percent in the prior-year period. Overall, cash flow from investing activities rose in the reporting period by 62.1 percent, amounting to -186.2 million euros.

Increase in the number of employees

As of September 30, 2021, Sartorius Stedim Biotech employed a total of 9,619 people worldwide. Compared with December 31, 2020, headcount thus rose by 2,053 or around 27.1 percent. The accelerated increase in the number of employees compared with previous years resulted from the expansion of production capacities that was moved ahead of schedule to some extent. However, due to the pandemic, buildup of the workforce was underproportionate on the whole compared with the company's business development. This trend particularly affected the non-production departments, such as sales and marketing functions, and has begun to subside as a result of additional hires.

Forecast for 2021 confirmed

Management confirms its growth forecast, last raised in July, for the full year of 2021. Accordingly, the Sartorius Stedim Biotech Group projects consolidated sales growth of around 48 percent and an underlying EBITDA margin¹ of about 36 percent.

The investment program for 2021 is to remain unchanged and the corresponding CAPEX¹ ratio for the Group is projected at about 12 percent. The focus of these substantial investments is on the partly extended and accelerated expansion of production capacities, primarily at sites in Germany, Puerto Rico, China, and South Korea. Net debt to underlying EBITDA¹ is expected to be slightly below 0.5 at year-end. Possible acquisitions are not included in these projections.

Mid-range targets updated in January 2021 remain unchanged and assume that for 2025, consolidated sales revenue will increase to about 4 billion euros at an underlying EBITDA margin of around 33 percent.

All forecasts are based on constant currencies as in the past years. In addition, the company assumes that the global economy will increasingly recover, the supply of raw materials and primary products will continue at a good level and that supply chains will remain stable as the current year progresses.

Financial indicators of the comparative period partly restated due to the finalized purchase price allocation for acquisitions made in 2020.

1 Sartorius Stedim Biotech 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 and booked 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 the normalized tax rate
- Ratio of net debt to underlying EBITDA: quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period

2 Acquisitions of the following entities: selected life science businesses from Danaher; BIA Separations; WaterSep BioSeparations; CellGenix; and Xell

3 EMEA = Europe, Middle East, Africa

This press release contains forward-looking statements about the future development of the Sartorius Stedim Biotech 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 Stedim Biotech assumes no liability for updating such statements in light of new information or future events. This is a translation of the original French-language press release. Sartorius Stedim Biotech shall not assume any liability for the correctness of this translation. The original French press release is the legally binding version.

Follow Sartorius Stedim Biotech on Twitter **@Sartorius_Group** and on LinkedIn.

Conference call

Joachim Kreuzburg, Chairman of the Board of Directors and CEO, will discuss the company's business results with analysts and investors on October 20, 2021, at 3:30 p.m. Central European Summer Time (CEST) in a teleconference. You may register by clicking on the following link:

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=P22ZUZu2>

The presentation will be available on the same day starting at 2:30 p.m. CEST, for viewing on our website at:

<https://www.sartorius.com/en/company/investor-relations/sartorius-ag-investor-relations/presentations>

Current image files

www.sartorius.com/en/company/newsroom/downloads-publications

Key Performance Indicators for Nine Months and Third Quarter of 2021

in millions of € unless otherwise specified	9 months 2021	9 months 2020 ¹	Δ in % Reported	Δ in % cc ²
Order Intake and Sales Revenue				
Order intake	2,851.9	1,637.9	74.1	78.4
Sales revenue	2,108.8	1,379.4	52.9	56.2
▪ EMEA ³	884.1	550.5	60.6	60.9
▪ Americas ³	677.8	484.3	40.0	48.2
▪ Asia Pacific ³	546.9	344.7	58.7	59.7
Results				
EBITDA ⁴	765.5	434.7	76.1	
EBITDA margin ⁴ in %	36.3	31.5		
Net profit ⁵	508.8	278.1	83.0	
Earnings per share ⁵ in €	5.52	3.02	83.0	

in millions of € unless otherwise specified	3rd quarter 2021	3rd quarter 2020 ¹	Δ in % Reported	Δ in % cc ²
Order Intake and Sales Revenue				
Order intake	962.1	589.1	63.3	62.9
Sales revenue	757.0	510.4	48.3	48.0
▪ EMEA ³	304.0	210.2	44.6	
▪ Americas ³	258.0	171.7	50.3	
▪ Asia Pacific ³	195.0	128.5	51.7	
Results				
EBITDA ⁴	278.1	172.4	61.3	
EBITDA margin ⁴ in %	36.7	33.8		
Net profit ⁵	187.4	110.6	69.4	
Earnings per share ⁵ in €	2.03	1.20	69.4	

1 The previous year's figures have been restated due to finalization of the purchase price allocations for acquisitions of 2020

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 normalized tax rate

Reconciliation

in millions of €	9 months 2021	9 months 2020 ¹
EBIT (operating result)	644.0	348.6
Extraordinary items	15.9	17.5
Depreciation & amortization	105.7	68.7
Underlying EBITDA	765.5	434.7

in millions of €	9 months 2021	9 months 2020 ¹
EBIT (operating result)	644.0	348.6
Extraordinary items	15.9	17.5
Amortization IFRS 3	37.4	17.0
Normalized financial result ²	-8.0	-4.9
Normalized income tax (26%) ³	-179.2	-98.3
Underlying net result	510.1	279.8
Non-controlling interest	-1.3	-1.7
Underlying net result after non-controlling interest	508.8	278.1
Underlying earnings per share (in €)	5.52	3.02

1 The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of the Life Science business from Danaher.

2 Financial result excluding fair value adjustments of hedging instruments and currency effects relating to financing activities and change in valuation of earn-out liability

3 Normalized income tax based on the underlying profit before taxes and non-cash amortization

in millions of €	9 months 2021	9 months 2020
Gross debt	643.1	330.5
- Cash & cash equivalents	226.8	165.9
Net debt	416.3	164.6
Underlying EBITDA (12 months)	935.4	544.0
+ Pro forma EBITDA from acquisitions (12 months)	10.1	11.1
Pro forma underlying EBITDA	945.5	555.1
Net debt/Underlying EBITDA	0.4	0.3

in millions of €	9 months 2021	9 months 2020
Sales revenue	2,108.8	1,379.4
Capital expenditures	186.0	77.2
Capital expenditures as % of sales revenue	8.8	5.6

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of the Life Science business from Danaher.

Statement of Profit or Loss

€ in millions	3rd quarter 2021	3rd quarter 2020	9 months 2021	9 months 2020
Sales revenue	757.0	510.4	2,108.8	1,379.4
Cost of sales	-347.1	-234.5	-963.1	-646.7
Gross profit on sales	409.9	275.9	1,145.8	732.8
Selling and distribution costs	-101.9	-74.9	-291.0	-219.3
Research and development costs	-27.1	-22.0	-79.3	-60.6
General administrative expenses	-25.0	-23.7	-85.2	-70.0
Other operating income and expenses	-26.1	-11.7	-46.3	-34.3
Earnings before interest & taxes (EBIT)	229.9	143.6	644.0	348.6
Financial income	3.9	4.5	15.5	11.5
Financial expenses	-24.2	-7.9	-76.6	-25.4
Financial result	-20.3	-3.4	-61.1	-13.9
Profit before tax	209.5	140.1	582.9	334.7
Income taxes	-63.1	-38.5	-175.5	-92.0
Net profit for the period	146.5	101.6	407.5	242.6
Attributable to:				
Shareholders of Sartorius Stedim Biotech	147.7	99.8	406.2	240.9
Non-controlling interest	-1.3	1.8	1.3	1.7
Earnings per share (€)	1.60	1.08	4.41	2.61
Diluted earnings per share (€)	1.60	1.08	4.41	2.61

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of the Life Science business from Danaher.

Statement of Comprehensive Income

€ in millions	3rd quarter 2021	3rd quarter 2020	9 months 2021	9 months 2020
Net profit for the period	146.5	101.6	407.5	242.6
Cash flow hedges	-4.7	3.7	-15.9	7.7
- of which effective portion of changes in fair value	-5.1	7.3	-7.6	10.7
- of which reclassified to profit or loss	0.4	-3.6	-8.4	-3.0
Income tax on cash flow hedges	1.4	-1.1	4.8	-2.3
Net investment in a foreign operation	0.0	0.0	0.0	-1.9
Deferred taxes	0.0	0.0	0.0	0.6
Foreign currency translation differences	11.2	-16.7	31.1	-28.5
Items that are or may be reclassified subsequently to profit or loss	8.0	-14.1	20.0	-24.4
Items that will not be reclassified in profit or loss	0.0	0.0	1.8	0.3
Other comprehensive income for the period	8.0	-14.1	21.7	-24.1
Total comprehensive income for the period	154.4	87.5	429.2	218.5
Attributable to:				
Shareholders of Sartorius Stedim Biotech	155.5	86.7	427.4	218.1
Non-controlling interest	-1.1	0.8	1.7	0.5

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of the Life Science business from Danaher.

Statement of Financial Position

	Sept. 30, 2021 € in mn	Dec. 31, 2020 € in mn
Assets		
Non-current assets		
Goodwill	934.7	862.8
Other intangible assets	805.5	641.6
Property, plant and equipment	799.8	644.3
Financial assets	14.4	13.5
Other assets	0.6	0.5
Deferred tax assets	33.4	27.5
	2,588.3	2,190.2
Current assets		
Inventories	703.9	472.4
Trade receivables	358.1	256.9
Other financial assets	9.7	21.0
Current tax assets	10.2	6.1
Other assets	79.1	59.2
Cash and cash equivalents	226.8	59.8
	1,387.8	875.3
Total assets	3,976.1	3,065.5
Equity and liabilities		
Equity		
Equity attributable to SSB S.A. shareholders	1,668.3	1,460.0
Share capital	18.4	18.4
Reserves	231.5	231.5
Retained earnings (including net profit)	1,418.4	1,210.1
Non-controlling interest	95.1	22.9
	1,763.4	1,482.9
Non-current liabilities		
Pension provisions	45.8	47.4
Other provisions	6.6	6.5
Loans and borrowings	522.5	515.7
Lease liabilities	56.8	47.5
Other financial liabilities	494.4	299.1
Deferred tax liabilities	148.1	98.6
	1,274.2	1,014.7
Current liabilities		
Provisions	33.5	20.7
Trade payables	439.8	307.0
Loans and borrowings	50.6	13.1
Lease liabilities	13.2	10.9
Employee benefits	112.3	59.9
Other financial liabilities	61.6	29.2
Current tax liabilities	155.4	71.5
Other liabilities	72.3	55.5
	938.6	567.8
Total equity and liabilities	3,976.1	3,065.5

The previous year's figures have been restated due to finalization of the purchase price allocation for WaterSep BioSeparations.

Statement of Cash Flows

€ in millions	9 months 2021	9 months 2020
Profit before tax	582.9	334.7
Financial result	61.1	13.9
Depreciation amortization of fixed assets	105.7	70.0
Change in provisions	10.8	98.2
Change in receivables and other assets	-104.9	-127.4
Change in inventories	-205.6	-86.0
Change in liabilities (excl. loans and borrowings)	192.3	93.8
Income taxes paid	-109.0	-70.6
Other non-cash items	0.4	0.7
Cash flow from operating activities	533.6	327.3
Capital expenditures	-186.0	-77.2
Other payments	-0.2	-37.7
Cash flow from investing activities	-186.2	-114.9
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	-138.7	-221.9
Cash flow from investing activities and acquisitions	-325.0	-336.7
Interest received	3.9	3.2
Interest paid and other financial charges	-6.1	-6.1
Dividends paid to:		
- Shareholders of Sartorius Stedim Biotech SA	-62.7	-31.3
- Non-controlling Interest	-1.1	-0.8
Changes in non-controlling interest	0.0	-1.1
Loans and borrowings repaid	-31.9	-37.3
Loans and borrowings raised	56.9	219.5
Cash flow from financing activities	-41.0	146.1
Increase decrease in cash and cash equivalents	167.6	136.7
Cash and cash equivalents at the beginning of the period	59.8	28.2
Effect of currency translation on cash and cash equivalents	-0.6	1.1
Cash and cash equivalents at the end of the period	226.8	165.9

The previous year's figures have been restated due to finalization of the purchase price allocation for the acquisition of the Life Science business from Danaher.

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 2020, the company employed more than 7,500 people, and earned sales revenue of 1,910 million euros.

Contact

Petra Kirchhoff

Head of Corporate Communications & Investor Relations

+49 (0)551 308 1686

petra.kirchhoff@sartorius.com