Sartorius Stedim Biotech

First-Half Financial Report January to June 2021

Simplifying Progress

SARTORIUS

Key Figures for the First Half and Second Quarter of 2021

in millions of € unless otherwise specified	**6 months 2021**	6 months 2020[1]	Δ in %	Δ in % cc[2]
Order Intake and Sales Revenue				
Order intake	1,889.9	1,048.7	80.2	87.4
Sales revenue	1,351.9	869.1	55.6	61.1
▪ EMEA[3]	580.1	340.3	70.5	71.3
▪ Americas[3]	419.8	312.6	34.3	46.1
▪ Asia | Pacific[3]	352.0	216.2	62.8	66.1
Results				
EBITDA[4]	487.4	262.3	85.8	
EBITDA margin[4] in %	36.1	30.2		
Net profit[5]	321.4	167.4	91.9	
Earnings per share[5] in €	3.49	1.82	91.9	
	June 30, 2021	Dec. 31, 2020		
Balance Sheet | Financials				
Balance sheet total	3,521.9	3,065.5		
Equity	1,693.1	1,482.9		
Equity ratio in %	48.1	48.4		
Net debt	355.2	527.3		
Ratio of net debt to underlying EBITDA	0.4	0.8		

in millions of € unless otherwise specified	**Q2 2021[6]**	Q2 2020[1,6]	Δ in %	Δ in % cc[2]
Order Intake and Sales Revenue				
Order intake	885.5	514.0	72.3	78.7
Sales revenue	696.7	447.0	55.9	61.1
▪ EMEA[3]	296.0	172.7	71.4	
▪ Americas[3]	215.8	159.9	35.0	
▪ Asia | Pacific[3]	184.9	114.4	61.6	
Results				
EBITDA[4]	255.8	135.6	88.6	
EBITDA margin[4] in %	36.7	30.3		
Net profit[5]	170.2	86.8	96.2	
Earnings per share[5] in €	1.85	0.94	96.2	

1 The previous year's figures have been restated due to finalization of the purchase price allocations for acquisitions of 2020
2 cc = in constant currencies
3 According to customer 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, amortization and based on a normalized financial result and normalized tax rate
6 Figures are not audited nor reviewed

Sector Environment

The Sartorius Stedim Biotech Group serves customers mainly in the biopharmaceutical industry. Thus, the development of this sector provides important impetus to the Group's business performance.

Biopharmaceutical Market Grows Considerably – Pandemic Leads to Additional Demand for Manufacturers of Bioprocess Technology

In 2020, the period to which the most recent data available refers, estimates published by EvaluatePharma show that, despite the global recession, growth in the global pharmaceutical market was almost at prior-year levels, increasing approximately 3% to 4%. Sales of biotechnologically manufactured drugs and vaccines in particular continued to grow faster than the market as a whole, by around 7%, to approximately €247 billion.

Sales revenue growth of providers of technologies for the development and production of biopharmaceuticals was especially buoyant in 2020. This was attributable to the continuing good performance of the core business and strong additional demand fueled by the ramp-up of production capacity for coronavirus vaccines and Covid-19 therapeutics. Given the large investment of resources and considerable governmental and private sector cooperation, many drug candidates progressed through the various phases of development at a record pace. This has since then resulted in the market approval of more than 30 vaccines and anti-coronavirus compounds. The demand associated with the research activities and expanding commercial production again resulted in very positive business performance for providers of bioprocess technology in the first half of 2021.

The growth of the biopharma market fundamentally depends more on medium- to long-term trends than on short-term economic developments. In addition to the market launch of innovative biopharmaceuticals, significant impetus is provided by the world's rising demand for medications as well as the expanded range of indications for approved medicines and their further market penetration. A growing number of active substances manufactured using biotech production methods is being approved for the treatment of rare illnesses that have been incurable so far. In the process, the pharmaceutical industry is increasingly concentrating on advanced therapies, such as gene and cell therapies and biotechnologically processed tissue products. The approval process for new medications relies on the performance of clinical studies. In 2020, over 1,000 clinical studies had to be suspended or their scheduled start delayed as a result of the coronavirus pandemic. A similarly high number of studies was again suspended in the first half of 2021. This development could lead to the delayed approval of new drugs in the future.

Sources: BioPlan: 17th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2020; Daedal Research: Global Biologics Market: Size, Trends & Forecasts, December 2020; IQVIA Institute: Global Medicine Spending and Usage Trends, March 2020; Evaluate Pharma: World Preview 2020, Outlook to 2026, July 2020

Group Business Development

- Sartorius Stedim Biotech with uptick in sales revenue and earnings and exceptionally high order intake
- Dynamic organic growth; added momentum from pandemic-related business and acquisitions
- Forecast for 2021 raised once again at the beginning of July

Sartorius Stedim Biotech has continued on its fast growth trajectory, closing the first half of 2021 with significant double-digit increases in both sales revenue and order intake. Based on constant currencies, Group sales revenue rose 61.1% to €1,351.9 million; the reported increase was 55.6%. The majority of this growth was generated through strong organic expansion in all regions and is based on unabated high demand for innovative technologies used in the development and production of biopharmaceuticals, both in the area of classic monoclonal antibodies and in the emerging fields of cell and gene therapies. In addition to solid performance by its core business, Sartorius Stedim Biotech benefited from the ramp-up in coronavirus vaccine production by many manufacturers. The pandemic-related businesses contributed around 26 percentage points, while acquisitions added around 6 percentage points to the growth in sales revenue. Order intake grew even more dynamically, rising to €1,889.9 million (+87.4% in constant currencies of which a good 31 percentage points were attributable to the coronavirus pandemic and around 9 percentage points to acquisitions; reported: +80.2%). 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.

It should be noted that the comparative base for these high growth figures is a relatively modest prior-year period, which did not yet include any substantial pandemic-related business. In fact, the demand for technologies for developing and producing coronavirus vaccines and Covid-19 therapeutics started to gain momentum in the second half of 2020. Moreover, the above-mentioned non-organic contributions to growth must be considered in a year-over-year comparison.

Against the backdrop of this dynamic business performance, the strong order situation, and expanded production capacity, Sartorius Stedim Biotech`s management again raised the forecast for the full-year. The company now expects sales revenue growth of around 48% based on constant currencies (previously around 38%) and an underlying EBITDA margin of about 36% (previously about 34%).

in millions of €	**6 months 2021**	6 months 2020	in %	Δ in % cc[1]
Order intake	1,889.9	1,048.7	80.2	87.4
Sales revenue	1,351.9	869.1	55.6	61.1

1 cc= in constant currencies

Sartorius Stedim Biotech increased its sales revenue very significantly in all three business regions. Sales in the EMEA region surged by 71.3% in constant currencies (reported: +70.5%) to €580.1 million, particularly benefitting from additional demand from coronavirus vaccine manufacturers. This region accounted for the largest share of Group sales of about 43%. With a rise of 66.1% in constant currencies to €352.0 million (reported: +62.8%), sales in the Asia| Pacific also rose strongly, increasing the region's share of Group sales revenue slightly to 26%. The Americas region accounted for around 31% of Group sales and registered growth of 46.1% in constant currencies to €419.8 million (reported: +34.3%).

Overproportionate Increase in Underlying Earnings

Sartorius Stedim Biotech uses earnings before interest, taxes, depreciation and amortization (EBITDA) as the key profitability measure. To provide a complete and transparent presentation of the Group's profitability, SSB reports earnings adjusted for extraordinary items (underlying EBITDA).

In the first half of 2021, underlying EBITDA of the Sartorius Stedim Biotech Group rose sharply by 85.8% to €487.4 million. The corresponding margin increased year over year from 30.2% to 36.1%. The increase was driven especially by economies of scale and, additionally, by partially deferred cost development caused by the low number of business trips and underproportionate new hires in non-production areas as a result of the pandemic. These effects are expected to decrease as the year progresses.

Reconciliation between EBIT and underlying EBITDA

in millions of €	**6 months 2021**	6 months 2020[1]
EBIT (operating result)	414.1	205.0
Extraordinary items	7.0	13.5
Depreciation & amortization	66.3	43.8
Underlying EBITDA	**487.4**	**262.3**

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

Consolidated EBIT doubled by 102.0% to €414.1 million, up from €205.0 million in the prior-year period. In addition to depreciation and amortization, this figure includes extraordinary items of –€7.0 million compared to –€13.5 million in the previous year, which were primarily related to the integration of the company's most recent acquisitions, as well as to expenses incurred for various corporate projects and the rebranding. The consolidated EBIT margin amounted to 30.6% (H1 2020: 23.6%).

The financial result was –€40.8 million for the first half of 2021, relative to –€10.5 million for the prior-year period, and includes an expense item of –€35.3 million that resulted from the reporting date valuation of the share-based earn-out liability to be paid in connection with the acquisition of BIA Separations. This item was essentially incurred due to the increase in the corresponding share prices.

Net profit attributable to shareholders of Sartorius Stedim Biotech S.A. surged by 83.2% to €258.4 million (H1 2020: €141.1 million). Regarding the calculation of tax expenses, the tax rate of 27.5% expected for the full year was applied (H1 2021: 27.5%). Considering the non-tax-deductible items in the above-mentioned valuation of the earn-out liability, this would yield a nominal tax rate of approximately 30.1%.

Strong Increase in Underlying Net Profit

The underlying net profit after non-controlling interest grew at a significantly overproportionate rate with respect to sales revenue, by 91.9% from €167.4 million to €321.4 million. This profit figure is calculated by adjusting for extraordinary items and eliminating non-cash amortization and is based on the normalized financial result and on the normalized tax rate. Underlying earnings per share rose accordingly from €1.82 to €3.49.

in millions of €	**6 months 2021**	6 months 2020[1]
EBIT (operational result)	414.1	205.0
Extraordinary effects	7.0	13.5
Amortization | IFRS 3	21.7	10.2
Normalized financial result[2]	-5.1	-2.5
Normalized income tax (26%)[3]	-113.8	-58.8
Underlying net result	**324.0**	**167.4**
Non-controlling interest	-2.6	0.0
Underlying net result excluding non-controlling interest	**321.4**	**167.4**
Underlying earnings per share in €	3.49	1.82

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

Operating Cash Flow Significantly Increased

In the first six months of the current fiscal year, Sartorius Stedim Biotech very significantly increased its cash flow from operating activities. This figure stood at €368.1 million, up from €195.3 million a year ago, which equates to a gain of 88.5%. The development essentially reflects the rise in earnings. Changes in working capital and cash flow in connection with the factoring program had no significant impact on this development.

Against the backdrop of exceptionally high demand, Sartorius Stedim Biotech is continuing to move ahead with the expansion of its production facilities. Its investment program covers, in particular, the partly extended and accelerated expansion of production capacities at sites in Germany, Puerto Rico, China, and South Korea. The ratio of capital expenditures (CAPEX) to sales in the first half of 2021 was 8.4% relative to 5.8% in the year-earlier period. Cash outflows for capital expenditures increased by 125.0% amounting to €113.4 million.

Key Balance Sheet and Financial Indicators Remain Strong

The balance sheet total of the Sartorius Stedim Biotech Group stood at €3,521.9 million and was thus €456.4 million higher than the figure of €3,065.5 million reported as of December 31, 2020. This rise is mainly attributable to higher cash and cash equivalents, to the increase in property, plant and equipment as a result of the company's extensive investment program as well as to the growth-driven buildup of working capital.

In the reporting period, gross debt rose slightly from €587.1 million as of December 31, 2020, to €609.9 million as of June 30, 2021. Due to the significant increase in cash and cash equivalents, net debt accordingly decreased from €527.3 million as of December 31, 2020, to €355.2 million as of the end of the reporting period. Driven by strong development of earnings, the ratio of net debt to underlying EBITDA decreased from

0.8 at year-end 2020 to 0.4 for the period ended June 30, 2021. This ratio is calculated as the quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period.

Substantial Increase in the Number of Employees

As of June 30, 2021, the Sartorius Stedim Biotech Group employed a total of 8,746 people worldwide. Compared with December 31, 2020, head count thus rose considerably by 1,180 or around 15.6%. The higher increase in the number of employees compared with previous years is especially attributable to the expansion of production capacities that was moved ahead of schedule and accelerated 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 is expected to subside as a result of additional hires during the further course of the year.

The number of employees in EMEA rose in the reporting period by around 13.0% to 5,937. In the Americas, Sartorius employed 1,588 people as of the end of the reporting period, equaling an increase of 28.3%. Workforece in the Asia | Pacific region grew by 13.6% to 1,221 people.

Opportunity and Risk Report

The opportunities and risk situation of the Sartorius Stedim Biotech Group has not materially changed since the publication of its 2020 Annual Report. For this reason, please refer to a detailed description of the opportunities and risks as well as the risk management system for the Sartorius Stedim Biotech Group on pp. 42 et seq. of the Annual Report called Universal Registration Document 2020.

Forecast Report

Further Growth of the Biopharmaceutical Market Expected

In general, the trends affecting the development of the Sartorius Stedim Biotech Group that are described on pages 59 to 61 of its 2020 Annual Report remain in place.

EvaluatePharma estimates that the global pharmaceutical market will grow by around 7% annually during the period up to 2026. The biopharma segment of the pharmaceutical market, which has been enjoying particularly strong growth for years, will continue to outperform the market. For the period of 2020 to 2026, the compound annual growth rate is projected to average about 10%. This would equate to an increase in market volume from the current level of €247 billion to €440 billion. The share of biological medications and vaccines in the total revenue generated by the global pharmaceutical market is forecasted to continue rising.

Manufacturers of bioprocess technologies expect sales revenue to increase significantly again in 2021, driven by the development and production of vaccines against coronavirus and therapeutics against Covid-19. Based on current information, the effects on medium- to long-term sector growth cannot be estimated exactly as they depend on unpredictable factors such as the need for booster shots and their effectiveness, and on the approval of further vaccine candidates. In addition to these potentially positive drivers, demand could be dampened in the coming years by delayed approval of new medications due to the interruption of many clinical studies or by the reduction in inventories that were built up in the past year by some biopharma companies due to uncertainties related to the pandemic

Sources: 17th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2020; Daedal Research: Global Biologics Market: Size, Trends & Forecasts, December 2020; IQVIA Institute: Global Medicine Spending and Usage Trends, March 2020; Evaluate Pharma: World Preview 2020, Outlook to 2026, July 2020

Full-Year 2021 Guidance Raised

Based on the dynamic business performance in the first half, strong order intake, and on expanded production capacities, Sartorius Stedim Biotech raised its full-year 2021 growth forecast again at the beginning of July.

At the same time, management points out that this guidance continues to be subject to higher uncertainty than usual due to the pandemic and is particularly based on the assumptions that supply chains will remain stable and production lines will stay up and running.

Management now anticipates sales growth of around 48% (previously around 38%) of which about 20 percentage points are expected to be contributed by business related to the coronavirus pandemic (previously about 18 percentage points). The acquisitions made in the previous year are overall developing slightly better than expected, but due to the overproportionate sales realization in the second half of the year, the contribution to growth to be reported as non-organic now is expected to be 4 percentage points (previously 5.5 percentage points).

Regarding profitability, an underlying EBITDA margin of about 36% is forecasted (previously about 33%).

Due to sales revenue that is now expected to be higher, the corresponding ratio of capital expenditures (CAPEX) to sales revenue for the Group is projected at about 12% (previously around 14%). The focus of the 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 EBITDA is expected to be around 0.5 at year-end (previously around 0.6). Possible acquisitions are not included in these projections.

Mid-term guidance unchanged
Mid-range targets updated in January 2021 remain unchanged and assume that by 2025, consolidated sales revenue will increase to around €4 billion at an underlying EBITDA margin of around 33%.

As in previous years, all figures are given in constant currencies. In addition, the company assumes that the global economy will increasingly recover as the current year progresses and that supply chains will remain stable.

Report on Subsequent Events

On July 1, 2021, the Group acquired a majority stake in the reagent manufacturer CellGenix GmbH. The company that is based in Freiburg, Germany, and has a sales subsidiary near the biotechnology hub in Boston, Massachusetts, USA, produces and markets cell culture components, such as GMP-grade growth factors, cytokines and media for manufacturing cell and gene therapy products. Founded in 1994 at the University Medical Center of Freiburg, CellGenix currently employs some 70 people and generated sales of more than €20 million in 2020.

The purchase price for the acquired stake of 51% of CellGenix GmbH amounted to approx. €100 million (net) and was paid in cash. The parties further agreed on options according to which the acquisition of an additional 25% of the shares is planned in 2023 and that of the remaining 24% stake in 2026. In view of the short period between the acquisition and the preparation of the consolidated interim financial statements, no preliminary revaluation of the acquired net assets and goodwill is available. It is expected that the intangible assets to be recognized separately will primarily reflect technologies and customer relationships. The transaction has not been recognized in the interim consolidated financial statements as the entity will be consolidated as of the acquisition date.

Apart from that no material events occurred after the end of the first half of 2021.

Statement of Profit or Loss and Other Comprehensive Income

in millions of €	**Q2 2021[1]**	Q2 2020[1]	**6 months 2021**	6 months 2020
Sales revenue	696.7	447.0	1,351.9	869.1
Cost of sales	-312.4	-212.5	-616.0	-412.2
Gross profit on sales	**384.3**	**234.5**	**735.9**	**456.9**
Selling and distribution costs	-98.3	-72.8	-189.2	-144.4
Research and development costs	-27.6	-18.6	-52.3	-38.6
General administrative expenses	-32.3	-24.1	-60.2	-46.2
Other operating income and expenses	-9.2	-15.0	-20.2	-22.7
Earnings before interest & taxes (EBIT)	**216.9**	**103.9**	**414.1**	**205.0**
Financial income	2.9	1.6	11.6	7.0
Financial expenses	-17.0	-12.0	-52.4	-17.5
Financial result	**-14.1**	**-10.4**	**-40.8**	**-10.5**
Profit before tax	**202.8**	**93.6**	**373.4**	**194.5**
Income taxes	-58.3	-27.3	-112.4	-53.5
Net profit for the period	**144.5**	**66.3**	**261.0**	**141.0**
Attributable to:				
Shareholders of Sartorius Stedim Biotech	144.2	66.4	258.4	141.1
Non-controlling interest	0.3	0.0	2.6	0.0
Earnings per share (€)	1.56	0.72	2.80	1.53
Diluted earnings per share (€)	1.56	0.72	2.80	1.53

1 Data not audited or reviewed

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 of €	**Q2 2021[1]**	Q2 2020[1]	**6 months 2021**	6 months 2020
Net profit for the period	144.5	66.3	261.0	141.0
Cash flow hedges	-3.5	5.6	-11.2	4.0
of which effective portion of changes in fair value	0.7	4.8	-2.5	3.3
of which reclassified to profit or loss	-4.2	0.9	-8.7	0.7
Income tax on cash flow hedges	1.0	-1.7	3.4	-1.2
Foreign currency translation differences	-4.7	-5.8	19.9	-11.8
Items that are or may be reclassified subsequently to profit or loss	**-7.1**	**-3.2**	**12.0**	**-10.4**
Items that will not be reclassified in profit or loss	**1.8**	**0.3**	**1.8**	**0.3**
Other comprehensive income for the period	**-5.4**	**-2.9**	**13.8**	**-10.0**
Total comprehensive income for the period	**139.1**	**63.4**	**274.8**	**131.0**
Attributable to:				
Shareholders of Sartorius Stedim Biotech	138.8	63.4	272.0	131.4
Non-controlling interest	0.3	0.0	2.8	-0.4

1 Data not audited or reviewed

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

Assets	June 30, 2021 € in mn	Dec. 31, 2020 € in mn
Non-current assets		
Goodwill	866.8	862.8
Other intangible assets	631.6	641.6
Property, plant and equipment	726.0	644.3
Financial assets	15.0	13.5
Other assets	0.5	0.5
Deferred tax assets	30.0	27.5
	2,269.9	**2,190.2**
Current assets		
Inventories	599.6	472.4
Trade receivables	307.9	256.9
Other financial assets	18.4	21.0
Current tax assets	12.4	6.1
Other assets	58.9	59.2
Cash and cash equivalents	254.7	59.8
	1,252.0	**875.3**
Total assets	**3,521.9**	**3,065.5**

Equity and liabilities	June 30, 2021 € in mn	Dec. 31, 2020 € in mn
Equity		
Attributable to SSB S.A. shareholders	1,668.5	1,460.0
Share capital	18.4	18.4
Reserves	231.5	231.5
Retained earnings (including net profit)	1,418.5	1,210.1
Non-controlling interest	24.6	22.9
	1,693.1	**1,482.9**
Non-current liabilities		
Pension provisions	45.3	47.4
Other provisions	6.5	6.5
Loans and borrowings	515.4	515.7
Lease liabilities	55.1	47.5
Other financial liabilities	320.0	299.1
Deferred tax liabilities	94.0	98.6
	1,036.4	**1,014.7**
Current liabilities		
Provisions	31.8	20.7
Trade payables	407.4	307.0
Loans and borrowings	26.4	13.1
Lease liabilities	13.0	10.9
Employee benefits	86.8	59.9
Other financial liabilities	44.6	29.2
Current tax liabilities	111.9	71.5
Other liabilities	70.6	55.5
	792.4	**567.8**
Total equity and liabilities	**3,521.9**	**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 of €	**6 months 2021**	6 months 2020
Profit before tax	373.4	194.5
Financial result	40.8	10.5
Depreciation | amortization of fixed assets	66.3	44.9
Change in provisions	9.3	91.1
Change in receivables and other assets	-52.3	-97.5
Change in inventories	-119.9	-48.3
Change in liabilities (excl. loans and borrowings)	133.4	47.7
Income taxes paid	-83.0	-48.0
Other non-cash items	0.3	0.4
Cash flow from operating activities	**368.1**	**195.3**
Capital expenditures	-113.4	-50.4
Other payments	-1.0	-28.1
Cash flow from investing activities	**-114.5**	**-78.5**
Payments for acquisitions of consolidated subsidiaries and other business operations; net of cash acquired	-0.1	-217.9
Cash flow from investing activities and acquisitions	**-114.5**	**-296.4**
Interest received	3.0	2.2
Interest paid and other financial charges	-4.4	-4.3
Dividends paid to:		
Shareholders of Sartorius Stedim Biotech SA	-62.7	0.0
Non-controlling interest	-1.1	-0.8
Changes in non-controlling interest	0.0	-1.0
Loans and borrowings repaid	-31.9	-30.5
Loans and borrowings raised	38.5	196.0
Cash flow from financing activities	**-58.7**	**161.5**
Increase | decrease in cash and cash equivalents	194.9	60.4
Cash and cash equivalents at the beginning of the period	59.8	28.2
Effect of currency translation on cash and cash equivalents	0.1	0.8
Cash and cash equivalents at the end of the period	**254.7**	**89.3**

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 Changes in Equity

in millions of €	Issued capital	Capital reserves	Hedging reserves
Balance at Jan. 1, 2020	**18.4**	**231.5**	**1.2**
Net profit for the period	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	4.0
Remeasurements of the net defined benefit liabilities	0.0	0.0	0.0
Foreign currency translation differences	0.0	0.0	0.0
Net investment in a foreign operation	0.0	0.0	0.0
Deferred taxes	0.0	0.0	-1.2
Other comprehensive income for the period	**0.0**	**0.0**	**2.8**
Total comprehensive income for the period	**0.0**	**0.0**	**2.8**
Dividends	0.0	0.0	0.0
Change in non-controlling interest	0.0	0.0	0.0
Other changes in equity	0.0	0.0	0.0
Balance at June 30, 2020	**18.4**	**231.5**	**3.9**
Balance at Jan. 1, 2021	**18.4**	**231.5**	**7.6**
Net profit for the period	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	-11.2
Remeasurements of the net defined benefit liabilities	0.0	0.0	0.0
Foreign currency translation differences	0.0	0.0	0.0
Net investment in a foreign operation	0.0	0.0	0.0
Deferred taxes	0.0	0.0	3.4
Other comprehensive income for the period	**0.0**	**0.0**	**-7.9**
Total comprehensive income for the period	**0.0**	**0.0**	**-7.9**
Dividends	0.0	0.0	0.0
Change in non-controlling interest	0.0	0.0	0.0
Other changes in equity	0.0	0.0	0.0
Balance at June 30, 2021	**18.4**	**231.5**	**-0.3**

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.

	Pension reserves	Retained earnings	Foreign currency translation reserves	Group equity	Non-controlling interest	Total equity
	-16.5	**899.4**	**24.7**	**1,158.7**	**30.2**	**1,188.9**
	0.0	141.1	0.0	141.1	0.0	141.0
	0.0	0.0	0.0	4.0	0.0	4.0
	0.4	0.0	0.0	0.4	0.0	0.4
	0.0	0.0	-11.5	-11.5	-0.3	-11.8
	0.0	-1.9	0.0	-1.9	0.0	-1.9
	-0.1	0.6	0.0	-0.7	0.0	-0.7
	0.3	**-1.3**	**-11.5**	**-9.7**	**-0.3**	**-10.0**
	0.3	**139.7**	**-11.5**	**131.4**	**-0.4**	**131.0**
	0.0	-31.3	0.0	-31.3	-0.8	-32.1
	0.0	-1.1	0.0	-1.1	0.1	-1.0
	0.0	0.1	0.0	0.1	0.0	0.1
	-16.1	**1,006.8**	**13.2**	**1,257.8**	**29.0**	**1,286.8**
	-18.6	**1,231.2**	**-10.1**	**1,460.0**	**22.9**	**1,482.9**
	0.0	258.4	0.0	258.4	2.6	261.0
	0.0	0.0	0.0	-11.2	0.0	-11.2
	2.5	0.0	0.0	2.5	0.0	2.5
	0.0	0.0	19.6	19.6	0.2	19.9
	0.0	0.0	0.0	0.0	0.0	0.0
	-0.7	0.0	0.0	2.7	0.0	2.7
	1.8	**0.0**	**19.6**	**13.5**	**0.2**	**13.8**
	1.8	**258.4**	**19.6**	**272.0**	**2.8**	**274.8**
	0.0	-62.7	0.0	-62.7	-1.1	-63.8
	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	-0.8	0.0	-0.8	0.0	-0.8
	-16.8	**1,426.1**	**9.5**	**1,668.5**	**24.6**	**1,693.1**

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.

Operating Segments

Internal control and reporting within Sartorius Stedim Biotech is based on the approach of operating as a "total solutions provider" for our customers. Accordingly, one reportable operating segment has been identified by Sartorius Stedim Biotech: Biopharm.

The segment result that is the key profitability measure used internally is "underlying EBITDA," or earnings before interest, taxes and depreciation and amortization, and adjusted for extraordinary income and expenses. Therefore, taxes and financing expenses and income are not included in the segment's measure of profit or loss. The accounting and measurement principles for the segments correspond to the general Group accounting principles.

Segment Information

in millions of €	**6 months 2021**	6 months 2020
Sales revenue	1,351.9	869.1
Underlying EBITDA of the segment	487.4	262.3
Depreciation and amortization	-66.3	-43.8
Extraordinary items	-7.0	-13.5
EBIT	**414.1**	**205.0**
Financial result	-40.8	-10.5
Profit before tax	**373.4**	**194.5**

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.

Supplementary Information by Region

The revenues from contracts with customers according to IFRS 15 are disaggregated into the categories below. This categorization follows the approach of operating as a "total solutions provider" for our customers in the Biopharm segment. The revenues are disaggregated into geographical regions, and the basis for the regional allocation of revenues is the customers' location.

	Sales revenue	
in millions of €	**6 months 2021**	6 months 2020
EMEA	**580.1**	**340.3**
Americas	**419.8**	**312.6**
Asia | Pacific	**352.0**	**216.2**
Group	**1,351.9**	**869.1**

Notes to the Condensed Interim Financial Statements

1. Reporting Entity

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. 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.

Headquartered in Aubagne, France, Sartorius Stedim Biotech S.A. is listed on the Euronext Paris (ISIN code: FR 0013154002).

The interim condensed consolidated financial statements of the Sartorius Stedim Biotech Group for the period from January 1, 2021, to June 30, 2021, were authorized for issue by the Board of Directors on July 15, 2021.

2. Basis of Accounting

The interim consolidated financial statements of the Sartorius Stedim Biotech Group for the period ended June 30, 2021, were prepared in accordance with IAS 34 "Interim financial reporting." They do not include all the information required for a complete set of IFRS financial statements and must be read in relation to the consolidated annual financial statements of the Sartorius Stedim Biotech Group for the year ended December 31, 2020. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended December 31, 2020.

The accounting principles retained for preparing the consolidated first-half statements are in conformity with the IFRS Standards and Interpretations as adopted by the European Union on June 30, 2021, and are available on the website:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_fr

The accounting principles applied are generally identical to those used to prepare the annual consolidated financial statements for the year ended December 31, 2020. Standards that were applied for the first time in the current reporting period are described in Section 4 below.

The Universal Registration Document 2020 provides a list of subsidiaries (see page 141). The scope of consolidation has remained unchanged as of June 30, 2021.

For the calculation of income tax expenses, the provisions of IAS 34.30c were adopted; i.e., the best estimate of the weighted average annual income tax rate expected for the full financial year was applied (27.5%). The consideration of the non-deductible expense in connection with the valuation of the earn-out liability leads to a nominal rate of 30.1%.

3. Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments and estimates made by management in applying the Group's accounting policies have remained generally the same as those applied to the consolidated financial statements for the year ended December 31, 2020. In the first half of 2021, the Group achieved double-digit revenue growth and observed ongoing strong demand across all product categories in line with the assumption that our industry and our customers have not been seriously impacted by the COVID-19 pandemic crisis so far. Furthermore, the Group did not experience major difficulties on the supply side so that business continuity has been ensured. For the interim reporting period, it can therefore be concluded that the Group has benefitted to some extent from the situation, as the Group's customers started to produce coronavirus vaccines and Covid-19 therapeutics after having ramped up manufacturing capacities for that purpose. Management has observed, however, that the general uncertainty has increased as a result of the COVID-19 pandemic crisis.

4. Initial Application of New Standards

The Group applied the following new accounting rules that were mandatory for the reporting period:

- Amendments to IFRS 9, Financial Instruments, IAS 39, Financial Instruments: Recognition and Measurement, and IFRS 7, Financial Instruments: Disclosures, IFRS 4, Insurance Contracts, and IFRS 16, Leases, Interest Rate Benchmark Reform (Phase 2)

- Amendments to IFRS 4, Insurance Contracts, Deferral of Effective Date of IFRS 9

The application of the new rules did not have a material impact on the consolidated interim financial statements.

5. Business Combinations

Acquisition of WaterSep BioSeparations LLC in 2020
On December 9, 2020, the Group acquired 100% of the shares in the U.S.-based entity WaterSep BioSeparations LLC. The company employs around 15 people in Marlborough, Massachusetts, USA. WaterSep BioSeparations develops, manufactures and markets hollow-fiber membrane devices and pre-sterilized assemblies for upstream and downstream biopharmaceutical applications. This acquisition is complementary to our current offering for cell and gene therapy applications, cell harvesting and various solutions for intensified bioprocessing.

Determination of the acquisition-date fair values of the assets acquired and liabilities assumed as well as the consideration transferred was completed in 2021. The following table presents preliminary and final valuations:

in millions of €	Preliminary purchase price allocation	**Final purchase price allocation**
Intangible assets	0.0	8.1
Property, plant and equipment	0.2	0.6
Inventories	0.4	0.5
Trade receivables	0.4	0.4
Other assets	0.1	0.0
Cash and cash equivalents	0.1	0.1
Lease liabilities	0.0	-0.3
Other liabilities	-0.1	-0.1
Net assets acquired	**1.1**	**9.2**
Purchase price	22.5	22.5
Contingent consideration	4.9	0.7
Goodwill	**26.3**	**14.0**

The purchase price amounts to €23.2 million of which €22.5 million was paid in cash. The parties further agreed on an earn-out component which depends on the future sales revenue in the years of 2021 to 2023 and is due in 2024. Until this contingent consideration is settled, the agreement is classified as a financial liability and measured at fair value through profit or loss on each reporting date. The contingent consideration was measured at a fair value of €0.7 million at the acquisition date. On the reporting date of June 30, 2021, the fair value amounted to €0.7 million. The lower end of the bandwidth of possible outcomes of the contingent consideration is zero; the upper limit is $9 million.

Expenses of €0.7 million directly attributable to the acquisition were recognized as other expenses in profit or loss. The other intangible assets comprise technologies (€6.6 million) and customer relationships (€1.4 million). The resulting goodwill represents synergies, such as those arising from WaterSep BioSeparations' access to the Group's worldwide sales and distribution network, the completion of the Group's product portfolio, and intangible assets that are not recognized separately, e.g., the know-how of the workforce. Goodwill is tax deductible.

Acquisition of BIA Separations in 2020

On November 2, 2020, the Group acquired 100% of the shares in the Slovenian purification specialist BIA Separations Podjetje za separacijske tehnologije d.o.o. ("BIA Separations") headquartered in Ajdovščina, Slovenia. Purchase price allocation has not yet been completed. Therefore, the presentation of the acquisition and the subsequent accounting in the first half of 2021 is based on the preliminary purchase price allocation described in the notes to the 2020 consolidated financial statements of the Group. Please refer to the consolidated financial statements of 2020 (p. 144) for a detailed description of the transaction.

The parties to the transaction agreed on three tranches of earn-out payments based on the sales performance of the acquired business over the next five fiscal years. Depending on the sales performance, the sellers are entitled to receive additional shares in Sartorius Stedim Biotech S.A. This additional contingent consideration agreement is classified as a financial liability and measured at fair value through profit or loss at each reporting date.

On the reporting date of June 30, 2021, the fair value of the contingent consideration liability was measured at €289.2 million (December 31, 2020: €253.9 million). This change mainly reflects the development of the share price of Sartorius Stedim Biotech S.A. as starting point for estimating the future share price at the expected settlement dates since December 31, 2020. Furthermore, the discount rates applied to calculate the present value of the future obligation were adjusted to reflect the market rates on June 30, 2021. The difference of about €35.3 million between the valuation as of December 31, 2020, and that on the reporting date was recognized in the financial result. The lower end of the bandwidth of possible outcomes of the contingent consideration is zero, while the upper limit cannot be quantified due to the settlement in shares. The key input parameters for the valuation of the financial liability are the sales revenue expectations for the next five years as well as the share price of Sartorius Stedim Biotech S.A. on the respective valuation date. The valuation results are less sensitive to realistic changes of other valuation parameters, e.g., the discount rates applied. Assuming 10% higher (lower) sales revenues in each of the five years of the plan period would result in an increase of the liability to be reported at the reporting date by approximately €38 million (decrease by approximately €33 million). If the share price of Sartorius Stedim Biotech S.A. had been 10% higher (lower) at the reporting date, the liability would have been €29 million higher (€29 million lower). The actual future outcomes may differ from these sensitivities that are determined by changing only the respective key input parameter in isolation.

6. Related Parties

The majority shareholder of Sartorius Stedim Biotech S.A. is Sartorius AG, which holds a controlling stake in the company of 73.8% in equity capital and 84.3% of the voting rights. Shares in free float are about 26%.

The Sartorius Group itself is organized in two divisions: Bioprocess Solutions, which is mainly run by the Sartorius Stedim Biotech Group, and Lab Products & Services that is primarily operated by the other companies of the Sartorius Group. This structure explains why the Sartorius Group holds two subsidiaries in most of the countries, and these companies partially share space, staff and other resources.

Furthermore, the German Group companies carry out various central functions and accordingly deliver services to the worldwide entities (e.g., IT support). Sartorius Corporate Administration GmbH, a 100% subsidiary of Sartorius AG, has departments that perform numerous functions for the Sartorius Group. These include, for example, Group Finance, HR, IT, Investor Relations, Legal and Central Marketing. The expenses for these services performed are further invoiced within the Sartorius Group and, to a significant extent, to Sartorius Stedim Biotech as well.

The structure described above has resulted in various relations and transactions with related parties. These include sales, purchases and commissions, management fees and shareholder costs, as well as loans, administrative services and shared costs. For further details, please refer to the Universal Registration Document 2020 (pp. 183 and 184).

7. Financial Instruments

The following tables show the carrying amounts and fair values of financial assets and liabilities by category of financial instrument according to IFRS 9 as of June 30, 2021, and as of December 31, 2020.

in millions of €	Categories (IFRS 9)	**June 30, 2021 Carrying amount**	**June 30, 2021 Fair value**	Dec. 31, 2020 Carrying amount	Dec. 31, 2020 Fair value
Investments in non-consolidated subsidiaries and associates	n/a	7.9	7.9	7.0	7.0
Financial assets	Equity instruments at fair value through profit or loss	0.0	0.0	0.0	0.0
Financial assets	Debt instruments at fairvalue through profit or loss	1.2	1.2	1.1	1.1
Financial assets	Measured at amortized cost	5.8	5.8	5.4	5.4
Financial assets (non-current)		**15.0**	**15.0**	**13.5**	**13.5**
Amounts due from customers for contract work (contract assets)	n/a	6.5	6.5	6.2	6.2
Trade receivables	Measured at fair value through other comprehensive income	123.0	123.0	105.4	105.4
Trade receivables	Measured at amortized cost	178.4	178.4	145.3	145.3
Trade receivables		**307.9**	**307.9**	**256.9**	**256.9**
Receivables and other assets	Measured at amortized cost	17.0	17.0	10.9	10.9
Derivative financial instruments designated as hedging instruments[1]	n/a	1.3	1.3	10.1	10.1
Derivative financial instruments	Held for trading	0.1	0.1	0.0	0.0
Other financial assets (current)		**18.4**	**18.4**	**21.0**	**21.0**
Cash and cash equivalents	**Measured at amortized cost**	**254.7**	**254.7**	**59.8**	**59.8**

in millions of €	Categories (IFRS 9)	**June 30, 2021 Carrying amount**	**June 30, 2021 Fair value**	Dec. 31, 2020 Carrying amount	Dec. 31, 2020 Fair value
Loans and borrowings	**Financial liabilities at cost**	**541.8**	**548.4**	**528.8**	**532.9**
Trade payables	Financial liabilities at cost	210.2	210.2	174.7	174.7
Trade payables | payments received for orders	n/a	197.2	197.2	132.2	132.2
Trade payables		**407.4**	**407.4**	**307.0**	**307.0**
Derivative financial instruments designated as hedging instruments[1]	n/a	2.0	2.0	0.0	0.0
Other financial liabilities	Financial liabilities at fair value through profit or loss	289.9	289.9	254.6	254.6
Other financial liabilities	Financial liabilities at cost	72.7	72.7	73.8	73.9
Other financial liabilities		**364.6**	**364.6**	**328.4**	**328.5**

1 The amounts include the non-designated part of the contracts.

Previous year's figures adjusted for finalization of purchase price allocation WaterSep BioSeparations LLC

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are measured on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are measured on the basis of input factors which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are measured on the basis of input factors that cannot be derived from observable market data.

Besides the liabilities arising from contingent consideration agreements (Level 3; see note 5 for details), the financial instruments to be measured at fair value on the reporting date are mainly derivatives in the form of forward contracts and options. They were measured on the basis of their quoted exchange rates and market yield curves (Level 2).

The fair values to be disclosed for financial liabilities recognized at amortized cost, especially liabilities to banks, were measured on the basis of the market interest rate, taking the current indicative credit spreads into account (Level 2).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts on account of their predominantly short-term maturity. The maximum credit loss risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which a change occurs. In the current reporting period, there were no transfers between the levels.

8. Other Disclosures

Impairment Test
As of June 30, 2021, no asset impairments were identified. Generally, impairment tests need to be performed for goodwill and other assets with indefinite useful lives. As described in Section 3 above, the COVID-19 crisis did not lead to impairments.

Earnings Reporting
Sartorius Stedim Biotech uses the indicator "underlying EBITDA" as the key figure for measuring earnings. The key indicator "EBITDA" refers to earnings before interest, taxes, depreciation and amortization. In addition, the key indicator "underlying EBITDA" corresponds to the key indicator EBITDA adjusted for extraordinary income and expenses recorded during the relevant period.

Material Events after the Reporting Date
On July 1, 2021, the Group acquired a majority stake in the reagent manufacturer CellGenix GmbH. The company that is based in Freiburg, Germany, and has a sales subsidiary near the biotechnology hub in Boston, Massachusetts, USA, produces and markets cell culture components, such as GMP-grade growth factors, cytokines and media for manufacturing cell and gene therapy products. Founded in 1994 at the University Medical Center of Freiburg, CellGenix currently employs some 70 people and generated sales of more than €20 million in 2020.

The purchase price for the acquired stake of 51% of CellGenix GmbH amounted to approx. €100 million (net) and was paid in cash. The parties further agreed on options according to which the acquisition of an additional 25% of the shares is planned in 2023 and that of the remaining 24% stake in 2026. In view of the short period between the acquisition and the preparation of the consolidated interim financial statements, no preliminary revaluation of the acquired net assets and goodwill is available. It is expected that the intangible assets to be recognized separately will primarily reflect technologies and customer relationships. The transaction has not been recognized in the interim consolidated financial statements as the entity will be consolidated as of the acquisition date.

Dividend

In the reporting period, shareholders of Sartorius Stedim Biotech S.A. passed the resolution to pay a dividend of €0.68 per share for fiscal 2020. The total dividend distribution of €62.7 million was paid in March 2021.

Audit

- Level of audit procedures:
- December 31, 2020: audit
- June 30, 2021: limited review

Quarterly information: not audited; not reviewed

Statutory Auditors' Review Report on the 2021 Half-yearly Financial Information

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Sartorius Stedim Biotech S.A.
Registered office:
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C.S. 91051
13781 Aubagne cedex

Period from January 1, 2021 to June 30, 2021

To the Shareholders of Sartorius Stedim Biotech S.A.,

In compliance with the assignment entrusted to us by your Shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Sartorius Stedim Biotech S.A., for the period from January 1, 2021 to June 30, 2021,

- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our review procedures.

These condensed half-yearly consolidated financial statements are the responsibility of Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the Financial Statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific Verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Marseille, July 19, 2021

The Statutory Auditors

French original signed by

KPMG Audit A division of KPMG S.A.	Deloitte & Associés
Nicolas Blasquez	Philippe Battisti

Information on the First-Half Financial Report

Declaration of Responsibility for the First-Half Financial Report

I certify, to the best of my knowledge, that the condensed financial statements for the first half ended June 30, 2021, have been prepared in accordance with the applicable accounting standards and give a fair view of the assets, the financial position and the results of the company and of the group of companies included in the consolidation, and that the first-half financial report on pages 2 to 23 presents a fair review of the important events that occurred during the first six months of the financial year, including their effects on the accounts, and of the major transactions between the related parties, as well as of the description of the main risks and uncertainties for the remaining six months of the financial year.

Joachim Kreuzburg
CEO of the Sartorius Stedim Biotech Group

Financial Schedule

Publication of nine-month figures for 2021	October 20, 2021
Publication of preliminary results for fiscal 2021	January 2022
Annual General Shareholders' Meeting | Aubagne, France	March 2022
Publication of first-quarter figures for 2022	April 2022

Contacts

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Forward-looking Statements Contain Risks

This Sartorius Group Interim Report for the period from the beginning of January 2021 to the end of June 2021 contains various statements concerning the Sartorius Group's future performance. 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 apply. 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 the entire report, differences may be apparent as a result of rounding during addition.