

## Sartorius increases sales revenue and earnings in 2018 by double digits – further profitable growth planned for 2019

- Group sales based on preliminary figures up 13.2% to 1.57 billion euros; earnings<sup>1)</sup> increase overproportionately by 14.7% to 405.0 million euros
- Growth in both divisions and across all regions; Bioprocess Solutions and the Americas especially strong
- **Positive outlook for 2019: Management forecasts that revenue will increase by 7% to 11% and the earnings margin will further rise**

Göttingen, January 29, 2019 – Sartorius, a leading international partner of biopharmaceutical research and the industry, continued on the growth track in 2018 in both divisions and across all geographies, and thus achieved its forecast raised considerably at mid-year. According to preliminary figures, Group sales revenue rose in constant currencies by 13.2% to 1,566.0 million euros (reported: +11.5%). The non-organic share of the increase in consolidated sales was around one percentage point. Order intake rose in constant currencies by 12.5% to 1,662.5 million euros.

"Sartorius demonstrated its operational strength again in 2018 by its dynamic development. We achieved our ambitious revenue and earnings targets that we had raised as of the first half last year and further extended our strong international market position," said Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius AG. "We are very optimistic about 2019, despite weaker economic indicators and a few macroeconomic risks, and plan to continue on our profitable growth track."

The Group's underlying earnings before interest, taxes, depreciation and amortization (underlying EBITDA) increased overproportionately by 14.7% to 405.0 million euros. Its corresponding margin rose by 0.8 percentage points to 25.9%. Relevant net profit<sup>2)</sup> for the Group surged 21.9% from 144.0 million euros a year earlier to 175.6 million euros. This yielded earnings per ordinary share of 2.56 euros (2017: 2.10 euros) and earnings per preference share of 2.57 euros (2017: 2.11 euros).

Regionally, the Americas showed the highest dynamics following moderate development in the previous year. Here, Sartorius increased its sales revenue by 16.6% to 520.1 million euros. The Asia | Pacific region achieved a gain of 15.5% to 388.2 million euros compared against a very strong previous year. In the EMEA region (Europe | Middle East | Africa), sales revenue was up 9.4%, to 657.7 million euros. (All regional figures in constant currencies.)

## **Key financial indicators**

The Sartorius Group continues to have a very sound financial base. Its equity ratio at year-end was 38.5%, above the previous year's level of 35.1%, and its ratio of net debt to underlying EBITDA edged down slightly from 2.5 in 2017 to 2.4 despite its extensive investment program.

Capital expenditures rose by 13.6% from the already high prior-year figure to 237.8 million euros. Investing activities focused on the expansion of production capacity levels at the company's site in Yauco, Puerto Rico, and on the extension of Group headquarters as well as manufacturing capacity in Göttingen, Germany. The ratio of capital expenditures to sales revenue was 15.2% relative to 14.9% in the previous year.

Growth of the Group is also reflected by the increase yet again in the number of employees. For the year ended December 31, 2018, a total of 8,125 people were employed at Sartorius worldwide, representing a year-over-year gain of 600 new employees or 8.3%.

## **Business development of the divisions**

The Bioprocess Solutions Division, which offers a wide array of innovative technologies for the manufacture of biopharmaceuticals, grew very dynamically and even better than expected at the beginning of the year. It increased its sales revenue in constant currencies by 14.8% to 1,143.1 million euros (reported: +13.1%). The division's highly competitive product portfolio and rising demand across all product categories fueled growth, which was mainly organic, while acquisitions contributed about half a percentage point of non-organic growth. Order intake in constant currencies was up 14.9% from the year-earlier figure. The division's underlying EBITDA rose slightly overproportionately by 15.7% to 326.9 million euros. Its underlying EBITDA margin increased accordingly by 0.6 percentage points to 28.6% due to economies of scale.

The Lab Products & Services Division, which offers laboratory instruments and technologies for R&D and quality assurance primarily in the life science sector, developed robustly following a very strong year earlier. Despite softer demand in Europe since the second half of 2018, the division increased its sales revenue by 9.1% (reported: +7.3%) to 423.0 million euros. Essen Bioscience acquired in March 2017 contributed some 2.5 percentage points of non-organic growth. In constant currencies, order intake for the division was up 6.3% from 2017. The division's underlying EBITDA climbed 10.4% to 78.1 million euros; its earnings margin was positively influenced by economics of scale and product mix effects, and stood at 18.5%, half a percentage point above the prior-year figure.

## Further profitable growth expected for 2019

Sartorius expects to grow profitably in 2019 as well. Consolidated sales revenue is thus projected to grow by about 7% to 11%. This forecast considers the changes to the sales alliance with the Lonza group in the area of cell culture media. Without these changes, sales growth would probably be some 2 percentage points higher. Regarding profitability, management forecasts that the company's EBITDA margin will increase to slightly more than 27.0% over the prior-year figure of 25.9%, with the operating gain projected to be about half a percentage point and the remaining increase expected to result from a change in the accounting rules.<sup>3)</sup> The ratio of capital expenditures to sales revenue is forecasted to be around 12%, down from the 2018 figure of 15.2%.

For the Bioprocess Solutions Division, management expects dynamic growth to continue. It anticipates that sales will increase by about 8% to 12% over the previous year's high revenue base (without considering the modification of our partnership with Lonza, between approx. 11% and 15%). Management forecasts that the division's underlying EBITDA margin will increase to slightly more than 29.5% relative to the prior-year figure of 28.6%. The operating gain is expected to account for around half a percentage point.<sup>3)</sup>

The Lab Products & Services Division is partly dependent on the development of economic cycles. A number of indicators now signal that economic development is slowing in important economic regions. Against this backdrop, management forecasts that the division's sales revenue will increase by about 5% to 9% and the underlying EBITDA margin to slightly more than 20.0% (previous year: 18.5%), with the operating gain accounting for about half a percentage point.<sup>3)</sup>

All forecasts are based on constant currencies, as in the past years. A no-deal exit of the U.K. from the E.U. might impact our supply chains in both divisions to a certain degree in spite of the measures already taken to counteract this development. A reliable prognosis concerning possible effects cannot be made at the current time.

- 1) Sartorius uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as the key profitability indicator.
- 2) After non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and corresponding tax effects.
- 3) IFRS 16 required to be applied as of 2019 regulates accounting of leasing contracts. Ultimately, this will result in the disclosure of longer-term lease payments as depreciation and, accordingly, to a somewhat higher EBITDA, among other things. This will not entail any material changes concerning the Group's relevant net profit or earnings per share.

This press release contains statements about the future development of the Sartorius Group. The content of these statements cannot be guaranteed as they are based on assumptions and estimates that harbor certain risks and uncertainties. This is a translation of the original German-language press release. Sartorius shall not assume any liability for the correctness of this translation. The original German press release is the legally binding version. Furthermore, Sartorius reserves the right not to be responsible for the topicality, correctness, completeness or quality of the information provided. Liability claims regarding damage caused by the use of any information provided, including any kind of information that is incomplete or incorrect, will therefore be rejected.

The numbers mentioned above are still subject to final review by the auditors.

## Preliminary Key Performance Indicators for Fiscal 2018

In millions of €, unless otherwise specified	Sartorius Group				Bioprocess Solutions				Lab Products & Services			
	2018	2017	Δ in % Reported	Δ in % cc <sup>1)</sup>	2018	2017	Δ in % Reported	Δ in % cc <sup>1)</sup>	2018	2017	Δ in % Reported	Δ in % cc <sup>1)</sup>
<b>Sales Revenue and Order Intake</b>												
Sales revenue	<b>1,566.0</b>	<b>1,404.6</b>	11.5	13.2	<b>1,143.1</b>	<b>1,010.3</b>	13.1	14.8	<b>423.0</b>	<b>394.2</b>	7.3	9.1
- EMEA <sup>2)</sup>	<b>657.7</b>	<b>604.5</b>	8.8	9.4	<b>464.7</b>	<b>413.8</b>	12.3	12.7	<b>193.1</b>	<b>190.7</b>	1.2	2.2
- Americas <sup>2)</sup>	<b>520.1</b>	<b>455.5</b>	14.2	16.6	<b>410.0</b>	<b>357.1</b>	14.8	17.1	<b>110.1</b>	<b>98.4</b>	11.9	14.5
- Asia   Pacific <sup>2)</sup>	<b>388.2</b>	<b>344.6</b>	12.7	15.5	<b>268.4</b>	<b>239.4</b>	12.1	15.0	<b>119.8</b>	<b>105.2</b>	13.9	16.6
Order intake	<b>1,662.5</b>	<b>1,501.4</b>	10.7	12.5	<b>1,233.7</b>	<b>1,091.3</b>	13.0	14.9	<b>428.8</b>	<b>410.1</b>	4.6	6.3
<b>Earnings</b>												
EBITDA <sup>3)</sup>	<b>405.0</b>	<b>353.2</b>	14.7		<b>326.9</b>	<b>282.4</b>	15.7		<b>78.1</b>	<b>70.8</b>	10.4	
EBITDA margin <sup>3)</sup> in %	<b>25.9</b>	<b>25.1</b>			<b>28.6</b>	<b>28.0</b>			<b>18.5</b>	<b>18.0</b>		
Net profit for the period <sup>4)</sup>	<b>175.6</b>	<b>144.0</b>	21.9									
<b>Financial Data per Share</b>												
Earnings per ordinary share <sup>4)</sup> in €	<b>2.56</b>	<b>2.10</b>	22.0									
Earnings per preference share <sup>4)</sup> in €	<b>2.57</b>	<b>2.11</b>	21.9									

1) In constant currencies, abbreviated as "cc"

2) Acc. to the customer's location

3) Adjusted for extraordinary items (underlying)

4) After non-controlling interest, adjusted for extraordinary items and non-cash amortization, as well as based on the normalized financial result and corresponding tax effects.

### Current image files

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

### Conference call

Dr. Joachim Kreuzburg, CEO and Executive Board Chairman of Sartorius, and Rainer Lehmann, CFO, will discuss the company's business results with analysts and investors on Tuesday, January 29, 2019, at 3:30 p.m. Central European Time (CET) in a teleconference.

You may register by clicking on the following link:

<http://services.choruscall.de/DiamondPassRegistration/register?confirmationNumber=4454566&linkSecurityString=1ee1e8ebe>

Alternatively, you can dial into the teleconference, without registering, at:  
+49 (0) 69 566 03 7000

The presentation will be available on January 29, 2019, starting at 3:15 p.m. CET, for viewing on our website at:

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

### **Upcoming financial dates**

February 19, 2019	Annual press conference
March 28, 2019	Annual Shareholders' Meeting
April 18, 2019	Publication of first-quarter figures for 2019

### **A profile of Sartorius**

The Sartorius Group is a leading international partner of biopharmaceutical research and the industry. With innovative laboratory instruments and consumables, the Group's Lab Products & Services Division concentrates on serving the needs of laboratories performing research and quality control at pharma and biopharma companies and those of academic research institutes. The Bioprocess Solutions Division with its broad product portfolio focusing on single-use solutions helps customers to manufacture biotech medications and vaccines safely and efficiently. The Group has been annually growing by double digits on average and has been regularly expanding its portfolio by acquisitions of complementary technologies. In fiscal 2018, the company earned sales revenue of some 1.6 billion euros according to its preliminary figures. Currently, more than 8,100 people work at the Group's approximately 60 manufacturing and sales sites, serving customers around the globe.

---

### **Contact**

Petra Kirchhoff | Head of Corporate Communications and Investor Relations  
+49 (0)551.308.1686 | [petra.kirchhoff@sartorius.com](mailto:petra.kirchhoff@sartorius.com)