



Simplifying Progress

SRI Presentation

Sartorius Stedim Biotech, February 2020

SARTORIUS

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


Company Overview and Strategy

Responsibility Overview


ESG Performance




Sartorius in brief

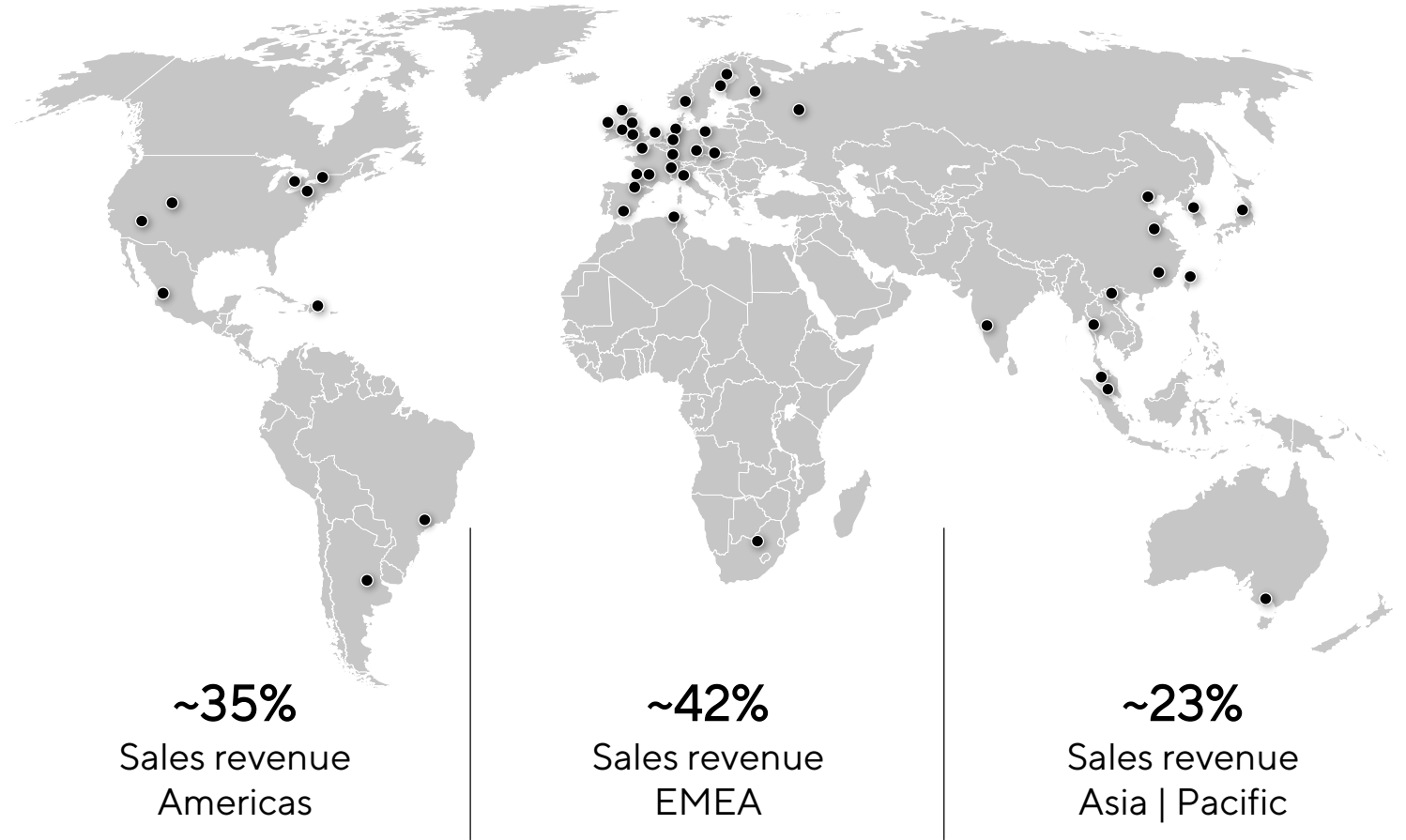
 **35+**
Locations worldwide,
headquartered in Aubagne, France

 **6,203**
Employees

 **~1.44bn**
Sales revenue

 **29.3%**
EBITDA margin¹

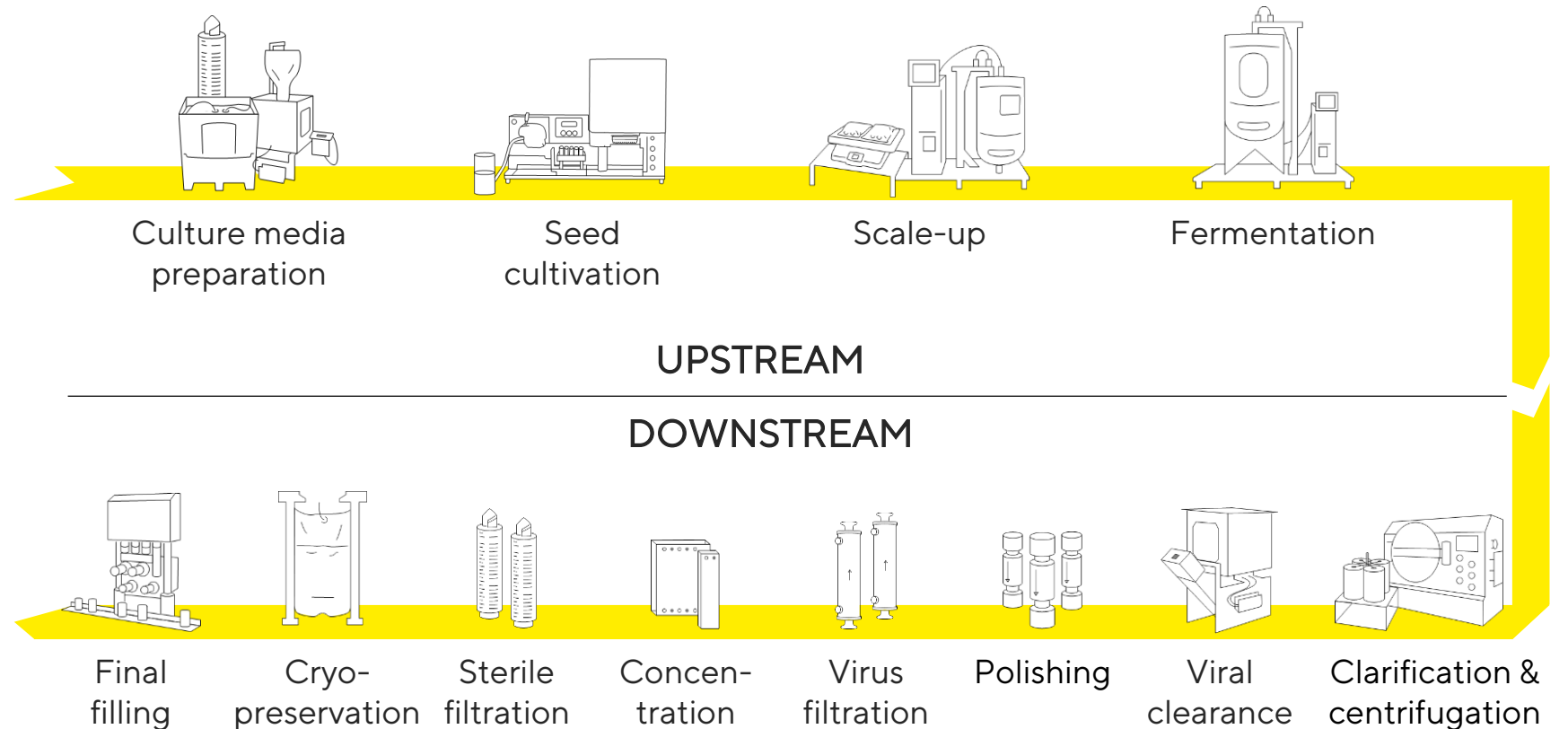
 **~€15.0bn**
Sartorius AG market capitalization²



As of December 31, 2019; ¹ Underlying EBITDA; ² As of January 28, 2020; free float 25.7%

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



Attractive market environment with strong growth opportunities



Favorable demographics

9bn people by 2050;
>2bn 60 yrs or older



Rise of biosimilars

~30% CAGR for biosimilar sales 2018-2022



Strong R&D pipeline; advances in gene and cell therapy

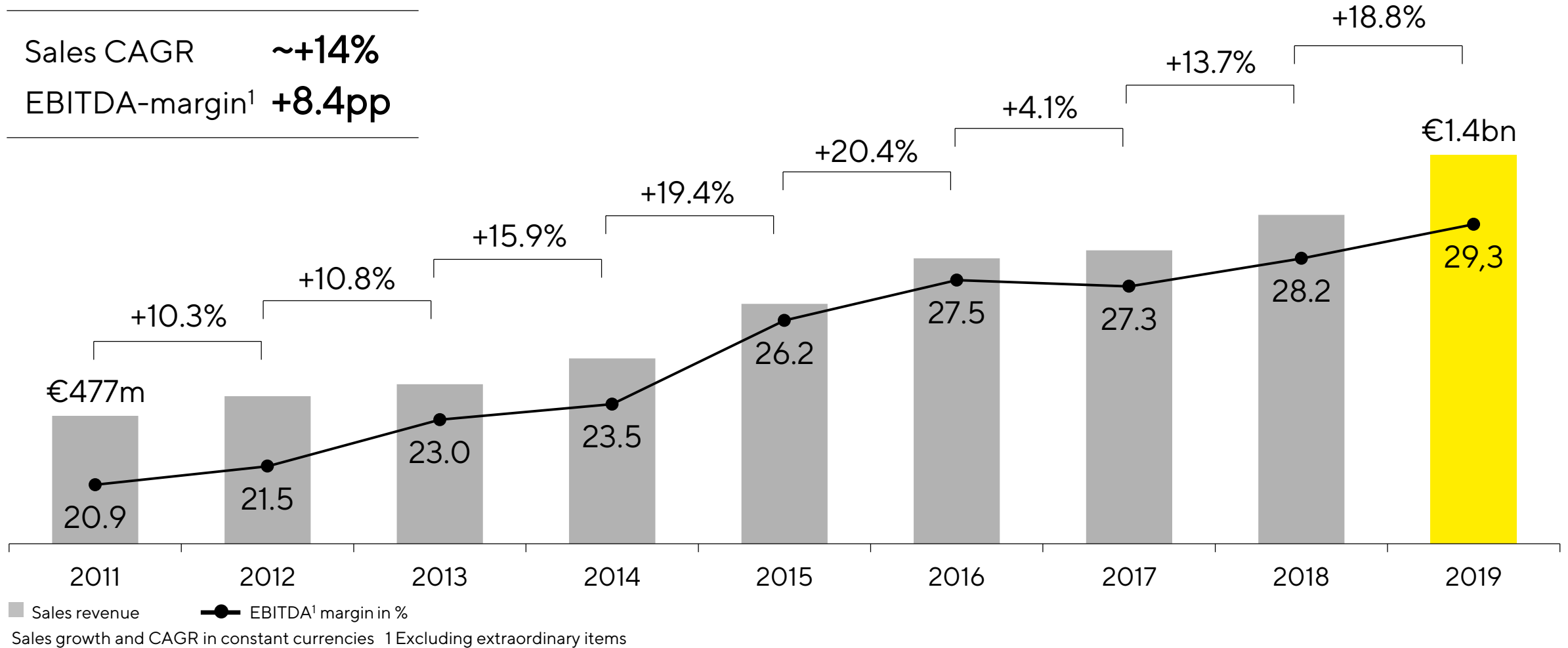
>40% share of biologics in the pharma R&D pipeline

~8%

CAGR for biopharma market 2018-2025

Sales revenue more than doubled over the last 6 years

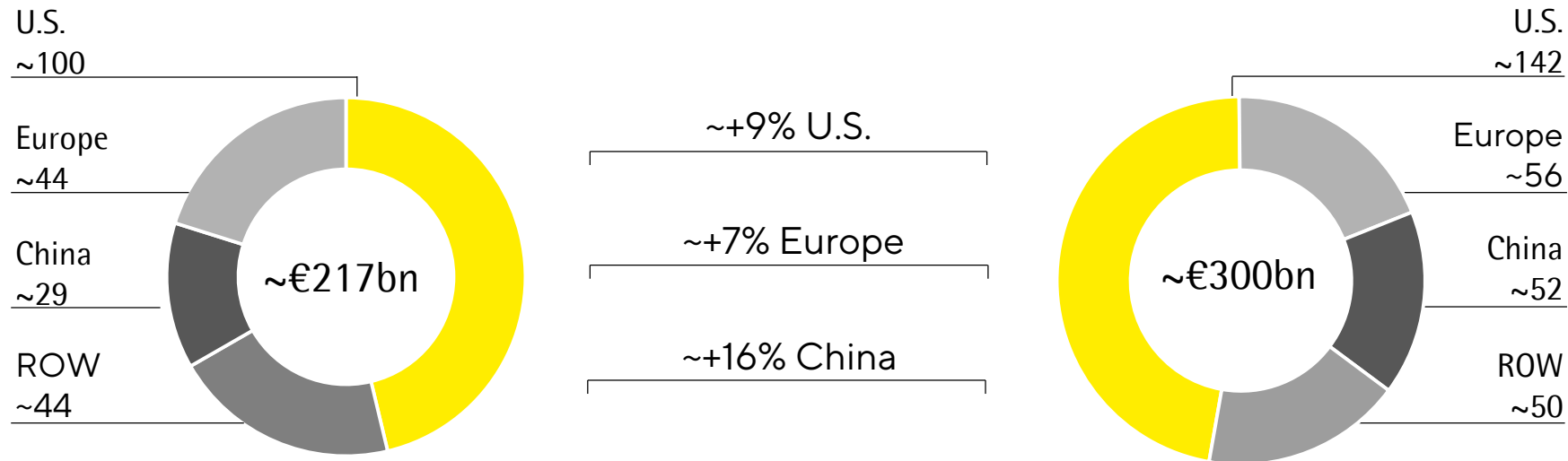
Sales CAGR **~+14%**
 EBITDA-margin¹ **+8.4pp**



U.S. remains the most important market; China with the highest growth rates

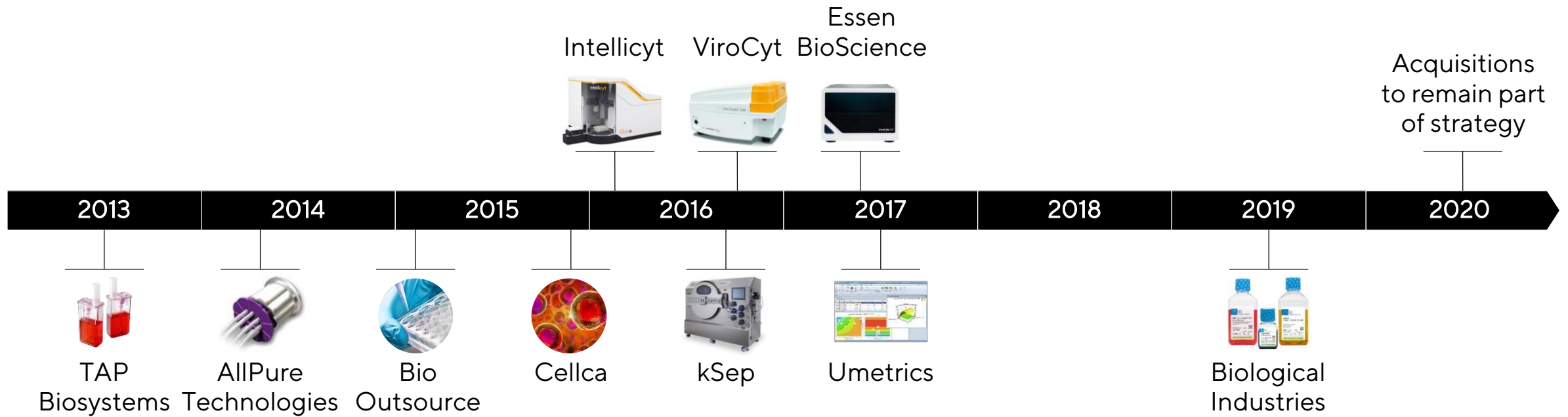
Biologics market growth forecast

CAGR 2018 to 2022, € in billions



- 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)

Acquisitions strengthen and differentiate the Sartorius portfolio



Recent investments: Infrastructure prepared for further growth

Aubagne, France
Capacity extension for
single-use bag
production



Göttingen, Germany
Expansion of lab instrument
manufacture and extension of
capacities for filter production;
new Application Center



Boston, USA
New bioanalytical and
biosafety testing facility

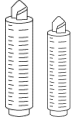
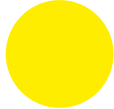





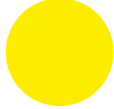




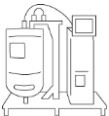
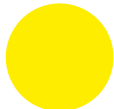




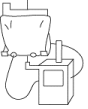













Yauco, Puerto Rico
Capacities for bag and
filter production doubled



Beijing & Shanghai, China
Production of aseptic bags and
new center for validation services

Leading positions in key technology platforms

	Sartorius	Merck Millipore	Danaher Pall ¹⁾	Thermo Fisher	GE	Top 3 Players
 Filtration						1. Merck Millipore 2. Danaher Pall 3. Sartorius
 Fluid Management						1. Sartorius 2. Thermo Fisher 3. Merck Millipore
 Fermentation						1. Sartorius 2. Thermo Fisher 3. GE
 Purification						1. GE 2. Merck Millipore 3. Danaher Pall
 Cell Culture Media						1. Thermo Fisher 2. Merck Millipore 3. GE

Pie charts indicate completeness of product offering

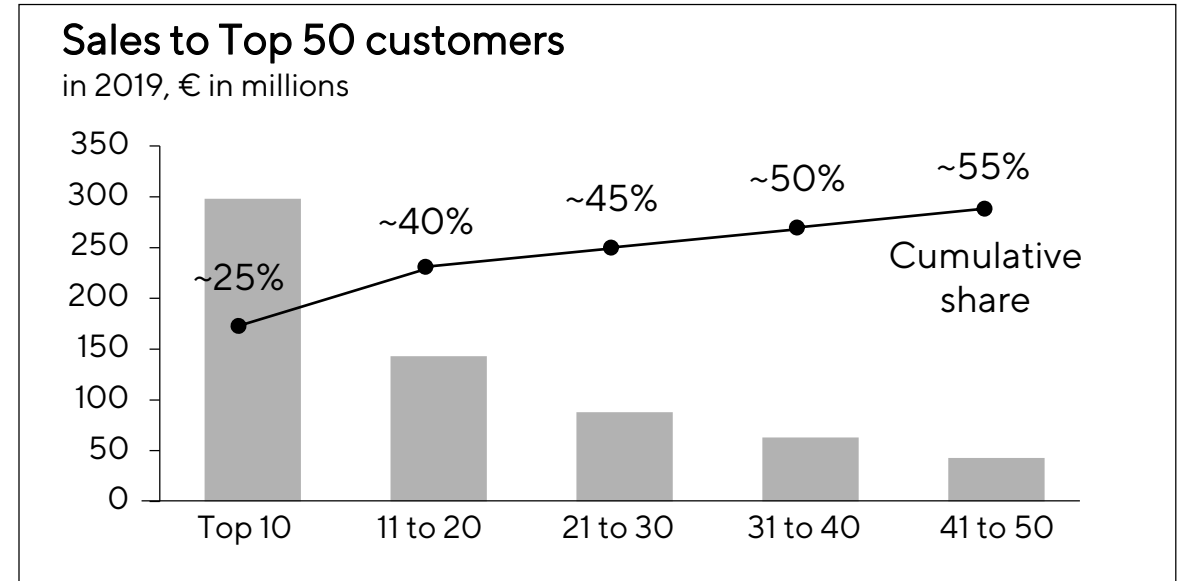
¹⁾ Danaher announced acquisition of GE Biopharma. Sartorius announced acquisition of select businesses of Danaher Life Science; transaction is subject to Danaher's successful acquisition of the GE Biopharma business and to approvals from various regulatory authorities

Limited dependence on individual accounts

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



Limited dependence on individual accounts



- More than half of 2018 BPS sales were generated with the Top 50 customers
- No individual customer accounts for more than 5% of BPS sales revenue
- No single drug accounts for more than 3% of BPS sales revenue

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 innovations, 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

~€4bn

Sales revenue

~2/3
Organic

~1/3
Acquisitions

~28%
EBITDA margin

Agenda

Company Overview and Strategy

Responsibility Overview

ESG Performance



Strong company values as the basis of all our activities



Sustainability

Growing profitably and acting responsibly towards all stakeholders



Openness

Driving change and progress internally and externally



Enjoyment

Working in an energetic and rewarding environment



Our corporate responsibility endorsements



Sartorius is a signatory of the United Nations Global Compact and is committed to sustainable global business.



Sartorius is a member of econsense, the Forum for Sustainable Development of German Business.

Our corporate responsibility basics

Environment

- Environmental Policy

Social

- Policy on Labor Practices
- Policy on Occupational Safety
- Human Rights Strategy
- Code of Conduct

Governance

- Anti-Corruption Code
- Sustainable Supply Chain Management
- ESG Risk Reporting
- Corporate Responsibility Steering Committee



Responsibility

Transparency



Non-financial group statement published in our annual report and externally audited



Overall rating: 57 of 100
Environment: 70
Labor: 60
Ethics: 50
Sustainable procurement: 40



Overall rating SSB: A
Overall rating Group: AA



Overall rating: C
Social governance: C+
Environmental rating: C-
Staff and suppliers: C
Society and product responsibility: C
Products and services: D
Corporate governance and business ethics: B-
Eco-efficiency: A+

Responsibility

Our ESG core topic: Better health for more people

We empower scientists and engineers to simplify and accelerate progress in life sciences



- Anticipate clients needs
- Accelerate innovation
- Collaborate
- Bring experts together



- Time savings in drug discovery
- Cost savings in drug production
- Reduced risk of cross-contamination
- Higher flexibility

› **New and better therapies and more affordable medicine**

Sartorius' contribution to SDGs

Three-step materiality analysis to determine which SDGs are related to Sartorius business activities

1. Identification of the SDGs that are significant for Sartorius
2. Examination of the relevance of each topic to our business, as well as the potential impacts on people and the environment
3. Determination of whether the impacts are positive or negative and to which degree



Eight SDGs were defined as material in relation to the business activities of Sartorius

Next steps

1. Policy / Strategy / Targets

- Endorsement



- Environmental Policy
- Policy on Labor Practices
- Policy on Occupational Safety
- Human Rights Strategy

- Climate Strategy
- Plastics Strategy

2. Measures / Management Approach

- Sustainable Supply Chain Management
- Non-Financial Risk Management Aspects

3. Results / Communication

- Non-Financial Group Statement
- GRI Report
- UN Communication on Progress

- ESG Ratings
- ESG Audits
- CDP

- Investor Meetings
- Home Page
- Daily / Intranet

Sustainability in the supply chain

CODE OF CONDUCT

Foundation for collaborating with our business partners

- Work practices
- Workplace health / safety
- Environmental standards
- Ethics
- General rules of conduct
- Supplier relationship

RISK MANAGEMENT

Risk-based approach to setting priorities for review

- Location
- Production processes associated with increased risk to environment or employee safety
- Purchasing volume
- Critical products

ASSESSMENTS & AUDITS

Multi-level approach to verify compliance

- ESG self-assessments
- EcoVadis evidence-based assessments
- Sartorius quick checks
- External ESG assessments

CONSEQUENCES

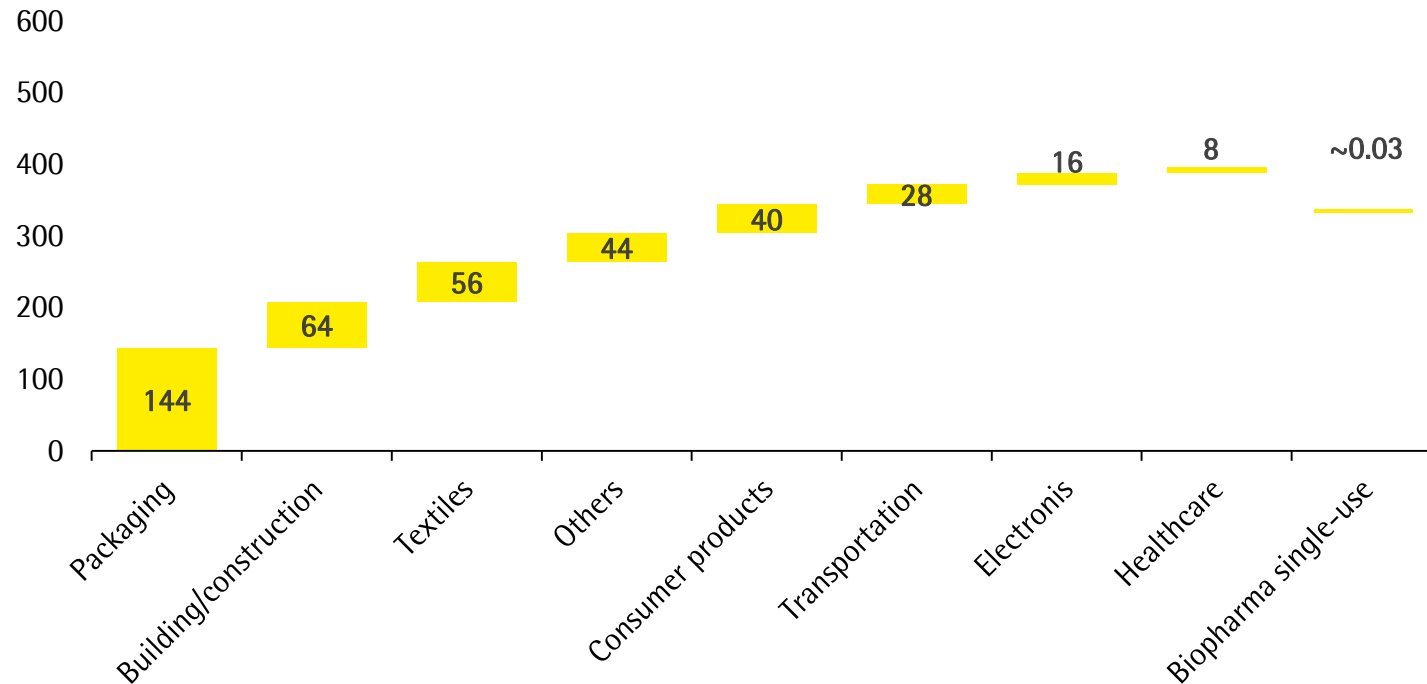
Actively involve with suppliers

- Corrective action
- Instigate actual change for the better
- Terminate business relationship if no improvement is achieved

Biopharma accounts for a marginal share of plastic production

The world produces more than 400 million tons of plastics every year; biopharma accounts for only 0.008%

Million tons



Necessary to differentiate between legitimate and non-legitimate applications for single-use plastics (packaging or products)

Single-use products prevent cross-contamination in life science applications (e.g., blood tests, production of drugs)

Single-use products utilized in biopharmaceutical industry are incinerated after each batch and hence do not end up in the environment

Plastic single-use products mostly consist of polyolefins, leaving no traces after incineration

Agenda

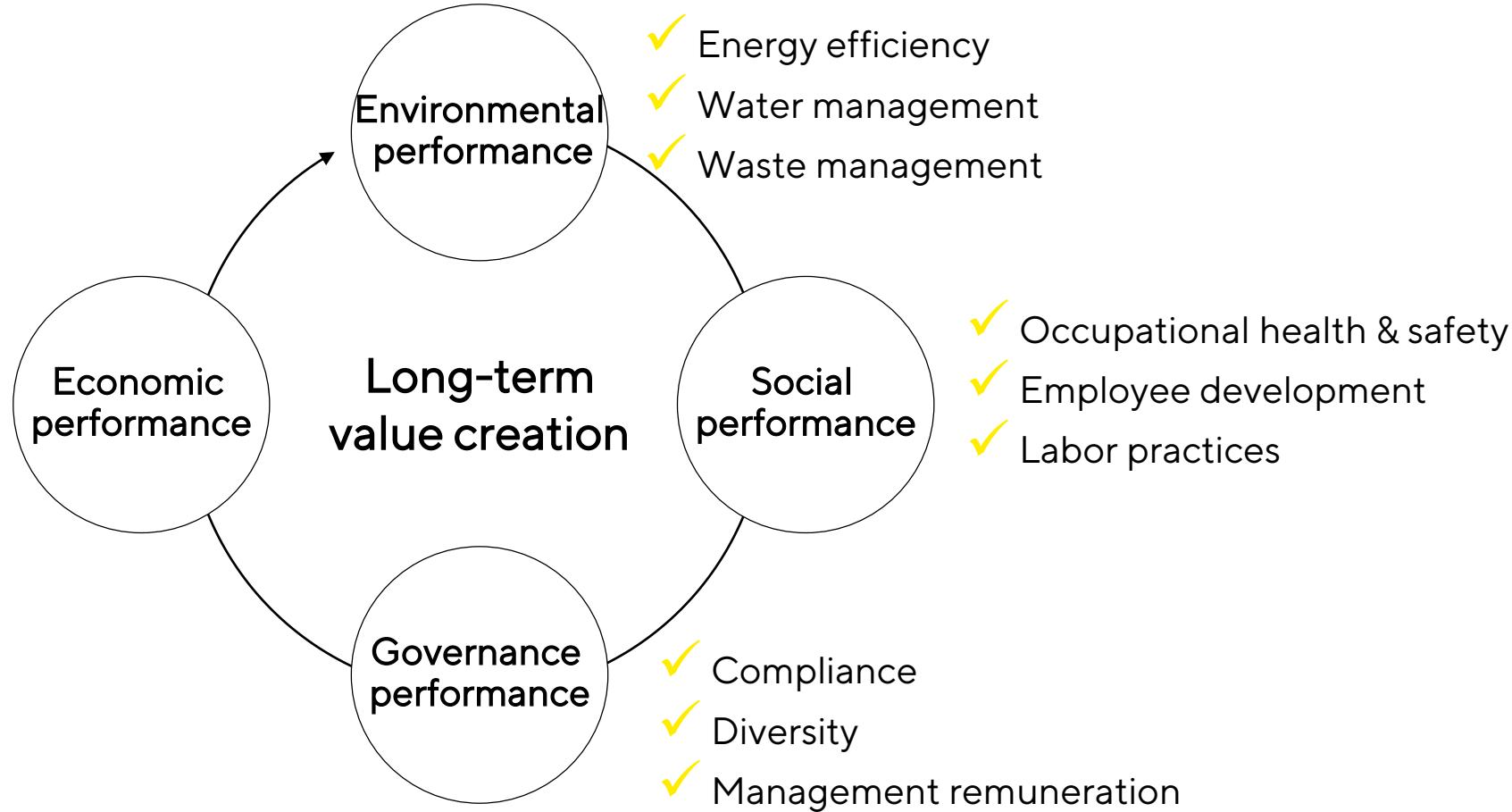
Company Overview and Strategy

Responsibility Overview

ESG Performance



Responsible management and long-term value creation



Certifications

ISO 9001

13 production sites = 93% of employees in production

ISO 14001

3 production sites = 52% of employees in production

ISO 50001

3 German companies = 40% of employees in production

OHSAS 18001

Production site in Beijing

Companies that are not yet certified are managed according to the same high standards.

Yauco, Puerto Rico



Göttingen, Germany



Aubagne, France



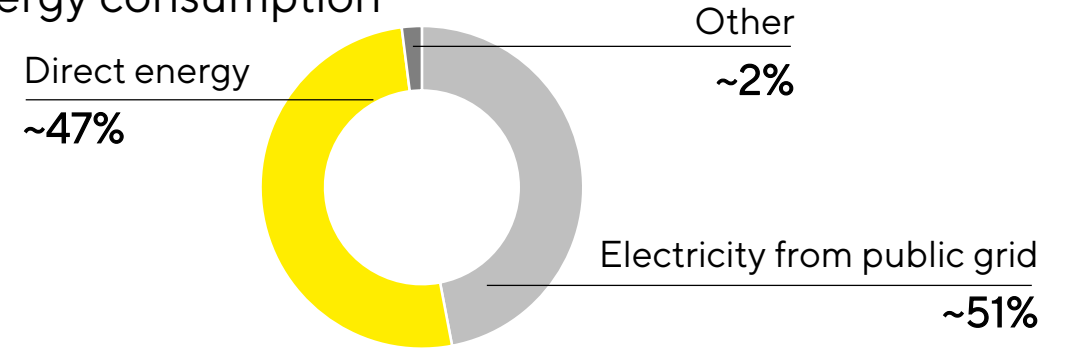
Beijing, China



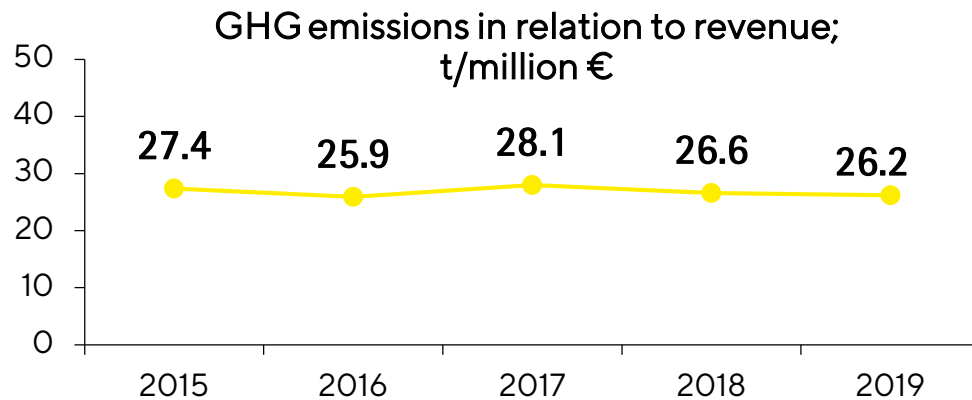
Energy consumption and emissions

- Emissions caused by direct operations are comparably low
- Target: Keep GHG¹⁾ emissions at under proportionate levels with respect to revenue growth
- Primary energy sources include oil and natural gas

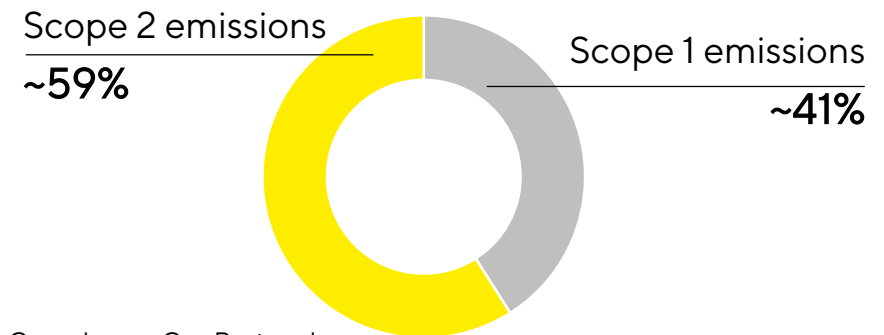
Energy consumption



Development of GHG emissions



GHG¹⁾ emissions



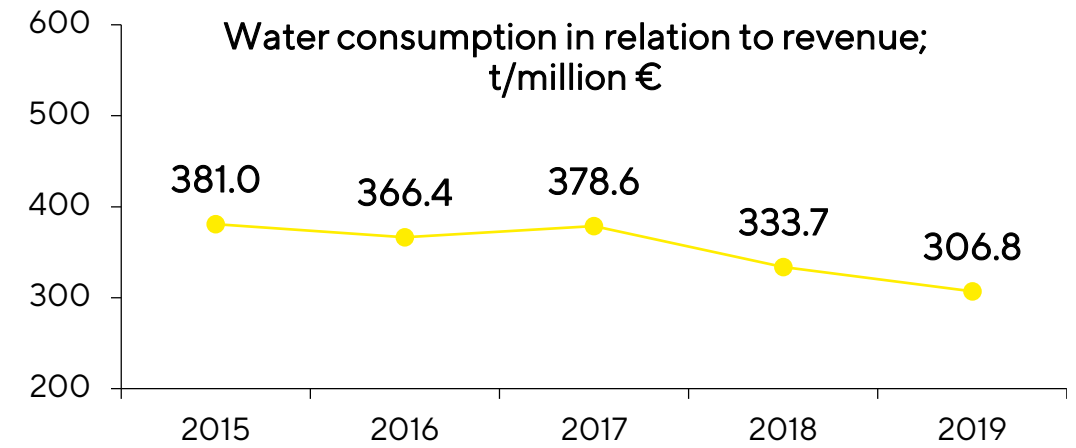
¹⁾ GHG = Greenhouse Gas Protocol

Water management

- Most water is used for rinsing in the manufacture of filter membranes acc. to the precipitation bath method in Göttingen
- Water purchased mainly from public supply
- Target: Reduce water consumption in relation to revenue
- Sartorius takes care to reduce water consumption and soil sealing, particularly at plants in baseline water risk areas according to the Aqueduct Water Risk Atlas (Bangalore, Beijing)
- Additional system for rainwater use in Yauco and Bangalore

Water consumption

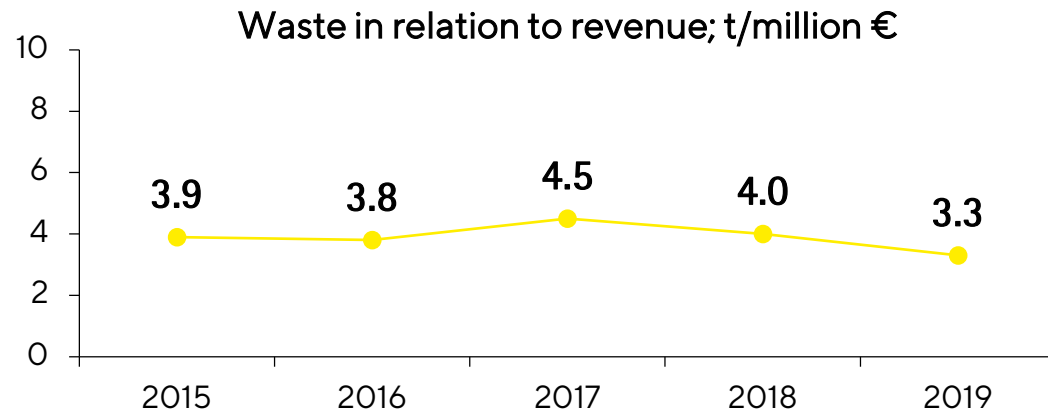
	2019	2018
Water consumption in megaliters	442.04	404.50
Water consumption from all areas with water stress	21.46	28.44



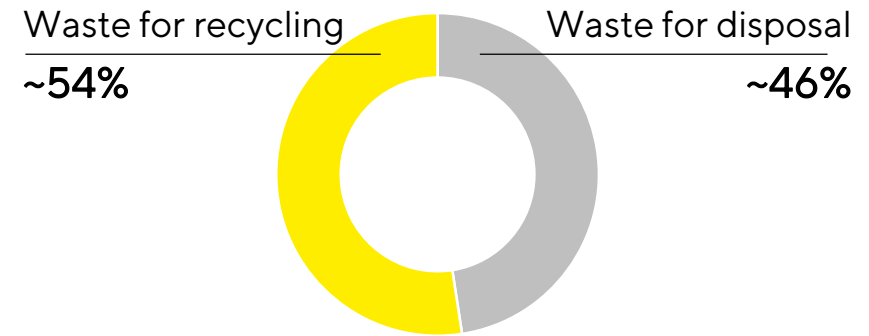
Waste management

- Target: Reduce waste in relation to revenue / increase recycling quota
- Hazardous waste mainly from membrane production (evaporation method)
- 3 of 4 evaporation machines in Göttingen
- Organic solvents are recovered and recycled

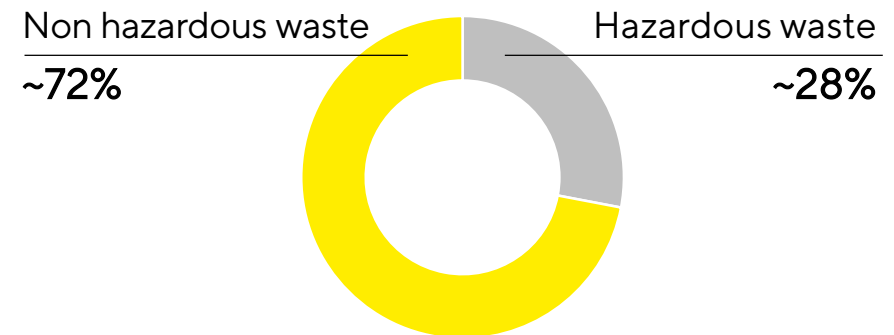
Waste development



Recycling



Hazardous waste



Single-use technology

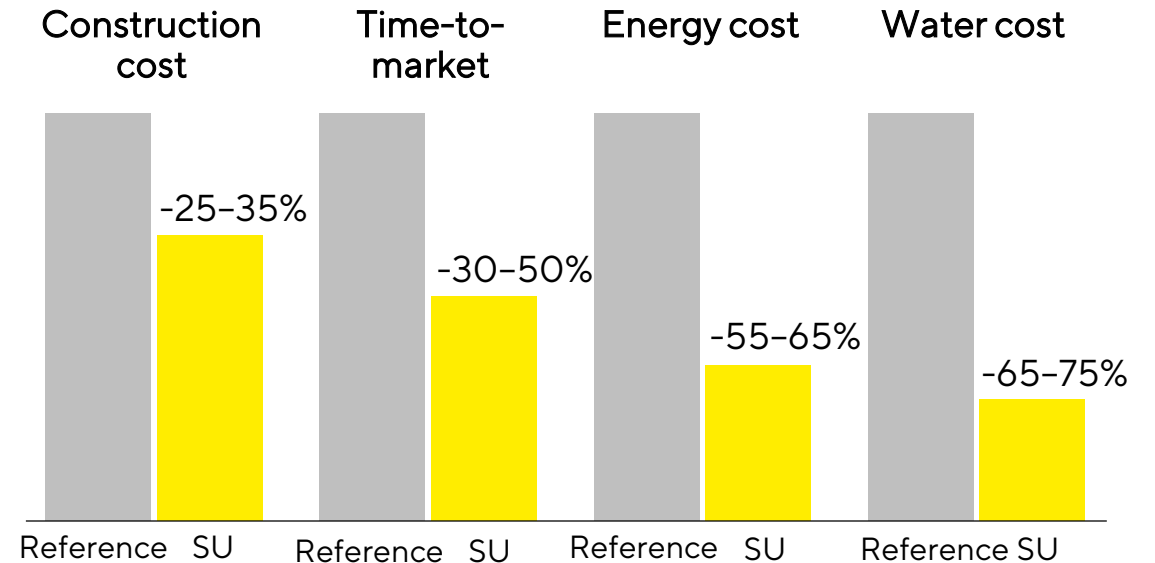
Single-use products offer advantages over conventional stainless steel devices

Social perspective

- SU products enable manufacturing processes that are safe as cross contamination is avoided
- Processes are scalable and thus flexible and economical

Environmental perspective

- Eco-friendly as no energy-intensive steam sterilization and chemical cleaning between batches required
- Ecological footprint considered over whole product lifecycle
- All materials can be safely incinerated and used as energy

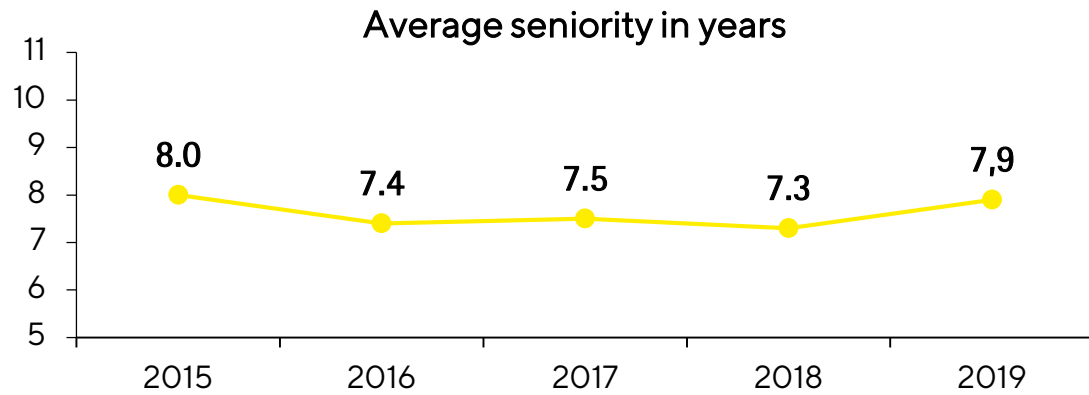


Employees

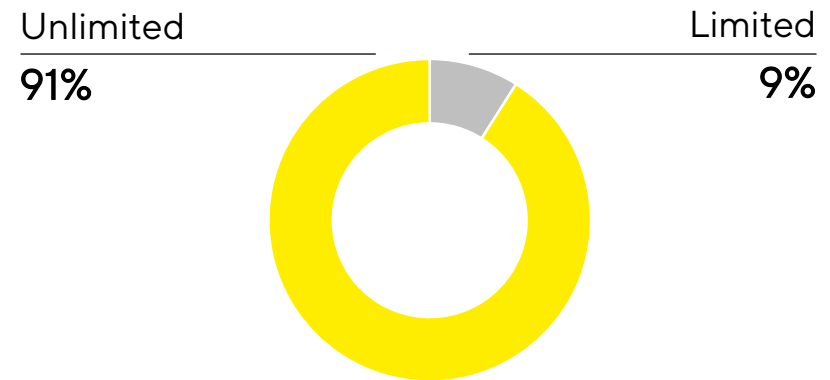
- More than 900 new hires in 2019
- 72.743 hours of education and training; ~13.7 hours per employee
- Annual performance reviews
- Flextime, part-time, home office

Fluctuation	2019	2018
Attrition rate excl. expired fixed-term contracts, in %	7.2	6.8
Attrition rate incl. expired fixed-term contracts, in %	8.8	9.6

Average seniority



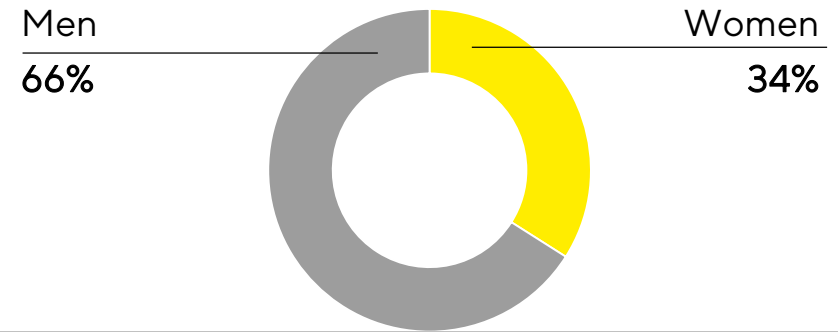
Type of contract



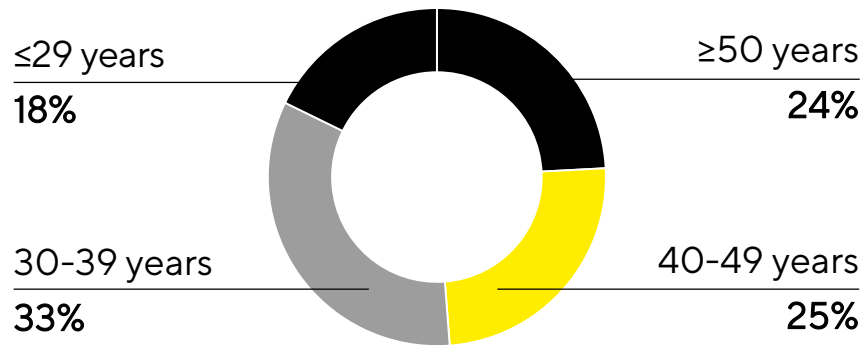
Diversity

- People from 73 nations
- 83% of 920 managers are non-French
- 86% of the SSB's staff are employed outside France
- Target 2022: women in the first and second management tiers >30%

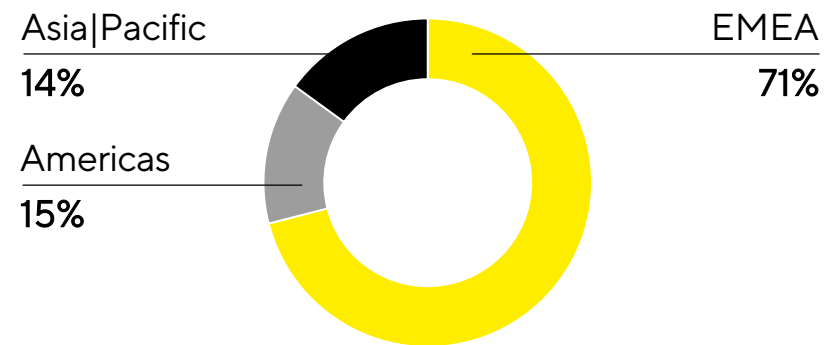
Women in overall management roles



Employees by age



Employees by region



Health & safety

- Risk assessments of workplaces and tailored training
- Work-related accidents up due to a wider definition of accidents to derive improvement measures from less serious incidents as well
- No accidents with serious outcomes or fatal accidents due to high quality of the safety management system
- Corporate health management policy addresses physical as well as psycho-social elements of health
- Mandatory in-house medical service
- External provider offers psychological help for work-related or personal matters

Accident statistics

	2019	2018
Work-related injuries	227	108
Frequency rate	20.2	11.7
Injuries with a serious outcome	0	0
Fatal accidents	0	0

Sartorius legal & operational structure

Sartorius Group Legal Setup

Sartorius AG

Stock market listed in Germany¹⁾

Ordinary shares

- >50% Administered by executor
- ~34% Bio-Rad Laboratories
- ~9% Treasury shares
- ~5% Family owned
- ~2% Free float

Preference shares

- ~91% Free float
- ~9% Treasury shares

~74%

Sartorius Stedim Biotech S.A.
Stock market listed in France

~74% Sartorius AG
~26% Free float

100%

Other Sartorius Subsidiaries

Bioprocess Solutions Division

Lab Products & Services Division

Sartorius Group Operational Setup

Legal & operational structure

Sartorius Stedim Biotech S.A.

Board of Directors



J. Kreuzburg
Chairman & CEO Independent



P. Boissel
Independent



S. Dexter
Independent



R. Fáber
Independent



A.-M. Graffin
Independent



L. Kappich
Independent



H. Riey
Independent



A. Buton
Independent

Sartorius AG

Supervisory Board

50% employee
representatives 50%
Sartorius AG shareholder
representatives

Executive Board



J. Kreuzburg
CEO



R. Lehmann
CFO



R. Fáber
Head of BPS



G. Mackay
Head of LPS

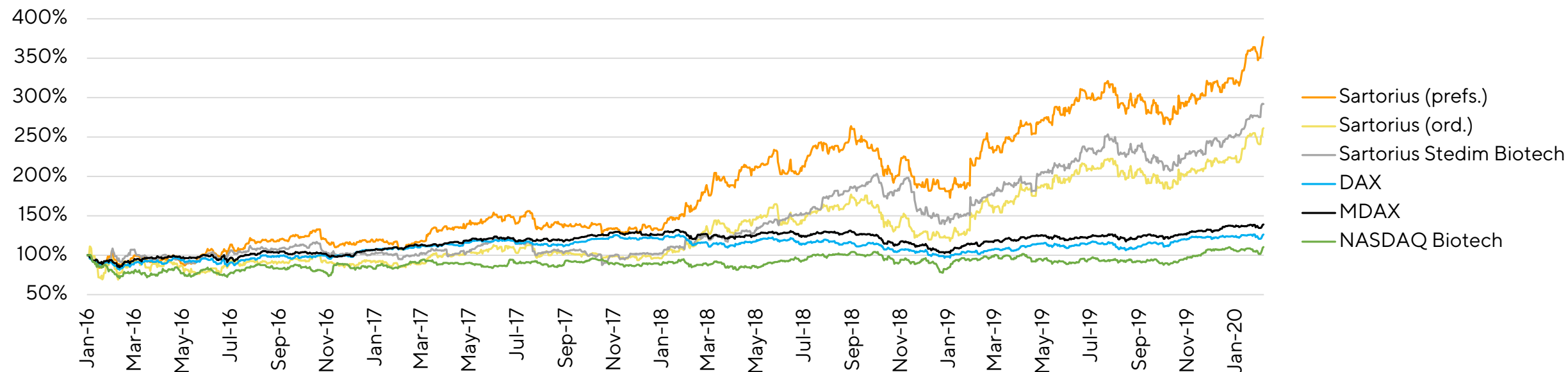
Interlinkage of Sartorius Stedim and Sartorius AG

- In 2007, Stedim Biotech SA merged with the Biotech Division of Sartorius AG, creating Sartorius Stedim Biotech SA with a stock listing in Paris
- Sartorius AG (SAG) owns approx. 74% of the shares and has control of approx. 85% of the voting rights of Sartorius Stedim Biotech (SSB)
- SSB is fully consolidated by SAG
- Debt financing for SSB is conducted through SAG; equity financing for SSB would be done with SSB capital
- Support functions and facilities and associated costs are shared proportionally by both entities
- SSB executive management receives fixed and variable remuneration from SAG, of which a portion is charged to SSB based on his proportional work for this entity

Appendix



Share price performance



Share key facts

ISIN	DE0007165631 (preference share) DE0007165607 (ordinary share)	Indices	MDAX TecDAX MSCI Germany Index CDAX Prime All Share Index Technology All Share Index STOXX Europe 600
Ticker	SRT3 (preference share) SRT (ordinary share)	Market cap.²⁾	€14.8bn
Number of shares¹⁾	68,388,292 - thereof preference shares: 34,176,068 ordinary shares: 34,212,224		

¹⁾ Excluding treasury shares held by Sartorius AG ²⁾ As of February 07, 2020

Extract of the Bioprocess Solutions' product portfolio



Filtration



Purification



Fermentation & Cell Culture Media



Fluid Management

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 innovations, 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

~€4bn

Sales revenue

~2/3
Organic

~1/3
Acquisitions

~28%
EBITDA margin

Contacts



Petra Kirchhoff

Head of Corporate Communications
& IR

Phone: +49.551.308.1686

E-mail:
petra.kirchhoff@sartorius.com



Ben Orzelek

Head of Investor Relations

Phone: +49.551.308.1668

E-mail: ben.orzelek@sartorius.com



Katharina Tillmanns-Pelzer

Corporate Responsibility

Phone: +49.551.308.2893

E-mail:
katharina.tillmanns@sartorius.com

Sartorius Corporate Administration GmbH
Otto-Brenner-Straße 20
37079 Goettingen, Germany
www.sartorius.com