

Report of the Executive Board

Dear Shareholders and Business Partners,

The progress and achievements in life sciences and the biopharmaceutical industry have probably never been more apparent to everyone than they have been over the past two years. Rapid development and production of reliable tests and highly effective vaccines against coronavirus are an impressive demonstration of the high impact that the innovative power of this industry has on people's health worldwide.

Key therapies, such as the treatment of various types of cancer, have been based on biotechnological manufacturing processes for quite some time now. While monoclonal antibodies have been playing the most significant role for some years, promising progress has recently been made in the development of new modalities. In this context, I would like to particularly highlight cell and gene therapeutic methods as well as mRNA-based approaches and other innovative technologies. Thanks to such new opportunities, we can expect further breakthroughs in the treatment of diseases that so far have been difficult to cure or even incurable, giving hope to millions of patients.

Sartorius is focused on providing its customers in the biopharmaceutical industry as well as at biotech startups and in science the tools and technologies to achieve such breakthroughs, enabling researchers, developers, and engineers to reach their goals faster and at lower costs. The pandemic has made the relevance of our portfolio in this regard very evident.

In fiscal 2021, we contributed to making the production of newly developed coronavirus vaccines and test kits at an unparalleled speed and in unprecedented quantities a reality. Still, pandemic-related business was a relevant, but not a dominant factor in the past year as our core business generated even higher contributions to growth. Sales revenue rose by around 49% to around €3.45 billion, and we also achieved a further increase in profitability with an operating EBITDA margin of 34.1%. This development was driven by strong growth in both divisions, new record highs in basically all product segments, and in all geographies.

Managing this strong growth was only possible due to the significant increase in headcount and our very extensive investment program to expand production capacities. I am happy that the Sartorius team has increased by around 3,200 people and closed 2021 with almost 14,000 employees. Investments totaled around €400million and were used to expand our capacities in several product segments and in all business regions.

Over the past months, we also closed a series of strategic acquisitions. With the takeover of Xell and the acquisition of a majority stake in CellGenix, we further expanded our product portfolio that is especially important for manufacturing cell and gene therapeutics as well as vaccines. In early 2022, we acquired a majority stake in Automated Lab Solutions and thus extended our bioanalytics portfolio, and completed the acquisition of the Novasep chromatography division that had already been agreed upon at the beginning of 2021.



A brief word on our stock market performance: In September, Sartorius preference shares were admitted to the leading German index, DAX, which was expanded to 40 companies. This move to the blue-chip index was based on Sartorius' business performance over the past years and its attractive further growth prospects.

In addition, the above-average valuation factors in the biotech and life science sectors had an amplifying effect. Sartorius preference shares closed 2021 with a gain of around 73%, and the company's ordinary shares rose by around 45%.

During the past years, we have already implemented various measures to reduce our ecological footprint. Now we have set an ambitious target to continuously reduce our CO₂ emission intensity by around 10% annually. By 2030, this is projected to lower our emission intensity by almost 70%. Over time, we will spend around 1% of Group sales revenue per year to reach this ambitious goal.

Let's now take a look at the future: The long-term trends and main drivers of our business remain strong, and the global biopharma sector is currently in a highly dynamic and innovative phase. At the same time, the pandemic is not over yet, and even short-term forecasts are subject to relatively high uncertainty. In this environment, we project that consolidated sales revenue will increase by about 15% to 19% this year and – following the jump in profitability in 2021 – expect our underlying EBITDA margin to reach about 34%. We are continuing to move ahead at full speed in investing in additional capacities and are planning with a CAPEX ratio of around 14%.

Regarding our mid-term targets, we are now aiming to achieve an underlying EBITDA margin of around 34% in 2025, a level around two percentage points higher than predicted before. Our sales revenue target continues to be projected at around €5 billion, and we plan to achieve it primarily through organic growth and additionally by acquisitions. These targets do not include any pandemic-related business as it is currently not possible to make a robust estimate of this.

We can reach these ambitious goals only as a team. In the past year, our employees went all the extra miles so that we could supply our customers reliably with urgently needed products. Our special thanks therefore go out to the entire international Sartorius team for their extraordinary performance yet again.

I would also like to sincerely thank you, our valued customers, business partners, and shareholders. Based on the trust you have placed in us – often throughout many years – you have contributed significantly to the positive development of Sartorius. We would be pleased if you would continue to accompany us in 2022 and beyond and share in the further success of our company.

Sincerely,



Dr. Joachim Kreuzburg
CEO and Executive Board Chairman