

# Report of the Executive Board

Dear Shareholders and Business Partners,

2025 is a special year for me personally. After 22 years at the helm of the company, I will be handing over the chairmanship of the Sartorius Executive Board at the end of June. This is therefore the last time I will be addressing you in this form.

**Simplifying Progress.** This is the promise Sartorius makes in particular to its customers in life sciences research and the biopharmaceutical industry. In 2024, we remained true to our word once more – with innovative products and partnerships that help accelerate drug development and make the production of biopharmaceuticals more efficient.

Sartorius once again maintained its strong market position and achieved its adjusted growth and profitability targets for the fiscal year – despite a challenging business situation in our industry, which lasted longer than expected and continued to be characterized by inventory reductions and muted investment activities on the part of customers as well as by a very weak Chinese market. Over the course of the year, business has increasingly normalized, and the trend continues to be positive. We observe that the temporary weakness in demand is coming to an end, and that the industry is gradually returning to its robust, structurally underlying growth trend. Therefore, we are looking ahead with confidence.

To put this into figures: in fiscal year 2024, our sales revenue was on a par with the previous year at around 3.4 billion euros, almost twice as high as in 2019, the last year before the pandemic and its effects. Our profit margin remained high at 28 percent, supported by a comprehensive efficiency program. With these results, Sartorius has once again performed better than the market. We would like you, our shareholders, to participate in this development and will propose an unchanged dividend of 0.74 euros per preference share and 0.73 euros per ordinary share at the Annual General Meeting on March 27, 2025.

In the Bioprocess Solutions Division, the order situation saw a significant upturn in the second half of the year. Business with consumables picked up notably and demand for products for advanced therapies also continued to develop at an above-average rate. Together, these factors overcompensated for customers' ongoing reluctance to invest in bioprocess equipment.

The Lab Products & Services Division remained impacted by weak end markets, particularly in China, where pronounced reluctance to invest on the customer side continued to dampen demand. Overall, however, orders developed positively in the second half of the year, and especially in the final quarter.

In 2024, we continued to strengthen our position as a leading provider of technologies for biopharmaceutical research and production through innovation and partnerships. Besides integrating broad technological advances such as artificial intelligence and automation, and further developing sustainable materials, both divisions expanded their product ranges to meet specific customer needs. For example, the Bioprocess Solutions Division developed novel solutions for cell and gene therapies in its new Advanced Therapy Solutions unit, which was formed from six acquisitions in recent years.



In addition, the division is working with a customer to advance a platform for the continuous manufacturing of biologics, which will set new standards for efficient and sustainable bioprocesses. Among other activities, the Lab Products & Services Division expanded its portfolio of tools for research on cells and cell models and continued to work with a partner on replacing animal-based research models with organoids with the goal of sustainably improving and accelerating drug research.

We also continued our long-term investment program last year, further gearing our research and production infrastructure to organic growth, partly with scope and timing adjusted to current demand, and simultaneously strengthening our resilience in the face of geopolitical uncertainties. In the USA, for example, we successfully completed an innovation center for bioprocesses in Marlborough, Massachusetts, and a center of excellence for bioanalytics in Ann Arbor, Michigan. In Songdo, one of South Korea's most important biopharma centers, we progressed with the construction of our new production site for consumables and cell culture media.

In addition to growth and innovation, running down the debt leverage was another priority. Along with a special focus on efficiency, working capital management and strong cash generation, we accelerated the deleveraging through a capital increase and substantially decreased the ratio of net debt to underlying EBITDA. The various measures will continue to make a positive contribution in the future.

On the capital market, the post-pandemic effects in our industry lasted longer than expected in the past year, leading to a cautious mood. Investor uncertainty about the biopharmaceutical industry's short-term growth prospects was reflected in lower stock market valuations for most life science tool providers. Given this challenging environment, the Sartorius preference share ended 2024 at a price of 215.20 euros and the ordinary share closed at 172.40 euros. Viewed over the long term, the development is exceptionally positive: in the past ten years, our company's market capitalization has increased around eightfold.

Looking ahead, we are confident about our company's future, as the fundamental growth drivers of the life science and biopharmaceutical industries remain very positive. By 2050, the world's population will expand to more than 9.5 billion people, around 1.6 billion of whom will be aged over 65 with an above-average need for medical care. Drug approval rates are at high levels and there are numerous promising drug candidates, that address severe diseases. In addition, the field of advanced therapies continues to develop dynamically. As a result, there is a growing demand for innovative and high performing technologies for the efficient and thus resource-saving manufacture of such biopharmaceuticals. Sartorius has one of the most comprehensive product portfolios on the market: from AI-supported bioanalytical tools for the development of pharmaceuticals to innovative technologies for the entire range of manufacturing processes for biologics and critical reagents for cell and gene therapies. With this product portfolio, the company is excellently positioned for further growth and also significantly contributes to making new therapies more affordable and available to patients.

And we want to continue generating value for customers, employees, shareholders and society. That also includes environmental goals. Above all, we are helping our customers achieve their sustainability goals with resource-saving product solutions. Furthermore, we want to minimize our own ecological footprint. For example, Sartorius aims to achieve net-zero CO<sub>2</sub> emissions by 2045 at the latest. By 2030, we plan to source all purchased electricity from renewable sources across all our locations worldwide and to continuously increase the proportion of sales revenue from recyclable products.

Over the past decade, we have succeeded in increasing our sales revenue more than fourfold, and we want to continue on this expansion course. For fiscal year 2025, we expect continuous demand recovery and growth in the life sciences industry, albeit at a rate still below the long-term average. In this environment, we intend to grow profitably above market level, and to achieve a moderate increase in sales revenue.

The past year has brought many challenges, which the Sartorius team has once more taken on with customer focus, technological expertise and fighting spirit. My thanks, and those of the entire Executive Board, go to each and every one of you for another year in which we successfully stayed on our course together.

Our thanks also go to you, our customers, business partners and shareholders, for the trust you have placed in us. The same goes for me personally. After 22 years as CEO of Sartorius, I am delighted that Michael Grosse, a very impressive individual with a remarkable track record in various industries and companies, has been chosen as my successor. Until my departure in the middle of the year, I will remain fully committed to the company and to ensuring a smooth transition when the time comes. Looking to the future, I am convinced that Sartorius will continue to play a leading role in our industry.

Sincerely

Dr. Joachim Kreuzburg

Chairman of the Executive Board