

# 1.1 Joint report of the Chairman and CEO

## Dear Shareholders and Business Partners,

In 2024, Sartorius Stedim Biotech successfully navigated the challenges that the entire life science industry continued to face: both inventory destocking and muted investment activities at customers lasted longer than anticipated. By achieving our adjusted growth and profitability targets, we once more proved our strong market position.

After a muted first half of the year, business gained momentum during the second half and particularly in the fourth quarter. With customers reaching their target inventory levels, our recurring business with consumables picked up notably. Demand for products for advanced therapies also developed above average. Together, these positive trends more than offset customers' continued reluctance to invest in equipment. In figures, Sartorius Stedim Biotech generated sales revenue of 2.8 billion euros, maintaining the prior-year level with a slight growth of 0.6 percent in constant currencies. Supported by a comprehensive efficiency program, the underlying EBITDA margin again reached a high level of 28 percent. Given the dynamic picture in the second half of the year, we believe that the industry is gradually returning to its robust, structural growth trend and look forward with confidence.

In 2024, we continued to strengthen our position as a leading provider of technologies for biopharma manufacturers through innovation and partnerships. In addition to integrating broad technological advances such as artificial intelligence and automation and further developing of sustainable materials, we expanded our product offerings with specific customer needs in mind – for example through the launch of new products for cell and gene therapies. Furthermore, we are working with a key customer to advance a platform for the continuous manufacturing of biologics, which will set new standards for efficient and sustainable bioprocesses.

When it comes to our long-term investment program, while partly adjusting scope and timing to current demand, Sartorius Stedim Biotech continued expanding its capacities: We further geared our research and production infrastructure to organic growth while also strengthening our resilience in the face of geopolitical uncertainties. In the United States, we successfully completed an innovation center for bioprocesses in Marlborough, Massachusetts. In Songdo, one of South Korea's the most important biopharmaceutical centers, we progressed with the construction of our new production site for consumables and cell culture media. In Freiburg, Germany, the expansion of our production facility for critical raw materials used in the manufacture of cell and gene therapies has also made significant progress over the past twelve months.

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 longer than expected post-pandemic effects impacted valuations of many life science tools companies, including Sartorius Stedim Biotech. The share closed the year at a price of 189 euros, a decline of 21 percent. To put this into perspective, the long-term development is exceptionally positive: since 2014 the market capitalization of Sartorius Stedim Biotech has increased more than sevenfold.

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 Stedim Biotech has one of the broadest solution offerings on the market: from innovative bioprocess equipment for the entire range of biopharmaceutical manufacturing processes to single-use technologies to essential 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 worldwide.

As a company, we want to continue creating value for customers, employees, shareholders and society. That also includes environment 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 Stedim Biotech 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 continuously increase the proportion of sales revenue from recyclable products.

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

2024 was a year of many challenges, which the Sartorius Stedim Biotech team has once more taken on with customer focus, technological expertise and fighting spirit. Our sincere thanks go to each and every one of you for another year in which we successfully stayed on our course together.

We would also like to thank you, our customers, business partners and shareholders, for the trust you have placed in us. We would be delighted to have you at our side in 2025 and beyond as we continue our joint, long-term success story.

Sincerely

Joachim Kreuzburg

Chairman

René Fáber

CEO