Sartorius Group

First-Half Financial Report January to June 2024

Simplifying Progress

SARTORIUS

Key Figures for the First Half of 2024

	Group				Bioprocess Solutions				Lab Products & Services			
in millions of € unless otherwise specified	**6 mo. 2024**	6 mo. 2023	Δ in %	Δ in % cc[1]	**6 mo. 2024**	6 mo. 2023	Δ in %	Δ in % cc[1]	**6 mo. 2024**	6 mo. 2023	Δ in %	Δ in % cc[1]
Sales Revenue and Order Intake												
Order intake[2]	1,558.3	1,449.6	7.5	8.5	1,219.9	1,101.7	10.7	11.7	338.4	347.9	–2.7	–1.5
Sales revenue	1,680.3	1,735.2	–3.2	–2.2	1,331.1	1,346.5	–1.1	–0.2	349.2	388.7	–10.2	–8.9
▪ EMEA[3]	690.8	668.9	3.3	3.6	550.1	526.3	4.5	4.8	140.7	142.6	–1.3	–0.6
▪ Americas[3]	602.7	645.7	–6.7	–6.5	491.4	520.5	–5.6	–5.4	111.3	125.2	–11.1	–11.0
▪ Asia | Pacific[3]	386.8	420.5	–8.0	–4.7	289.6	299.7	–3.4	0.2	97.2	120.8	–19.6	–16.7
Results												
Underlying EBITDA[4]	471.4	516.7	–8.8		389.0	414.5	–6.1		82.4	102.2	–19.4	
Underlying EBITDA-Margin[4] in %	28.1	29.8			29.2	30.8			23.6	26.3		
Underlying net profit[5]	148.4	202.5	–26.7									
Financial Data per Share												
Earnings per ordinary share[5] in €	2.15	2.95	–27.3									
Earnings per preference share[5] in €	2.16	2.96	–27.2									

Balance Sheet | Financials

	June 30, 2024	**Dec. 31, 2023[8]**
Balance sheet total	9,942.7	9,745.5
Equity	3,810.6	2,758.0
Equity ratio[6] in %	38.3	28.3
Net debt	4,032.6	4,932.1
Ratio of net debt to underlying EBITDA[7]	4.4	5.0

1 Figures given in constant currencies eliminate the impact of changes in exchange rates by applying the same exchange rate for the current and the previous period.
2 All customer orders contractually concluded and booked during the respective reporting period.
3 According to customers' location.
4 Earnings before interest, taxes, depreciation, and amortization and adjusted for extraordinary items.
5 Profit for the period after non-controlling interest, adjusted for extraordinary items and amortization, as well as based on the normalized financial result and the normalized tax rate.
6 Equity in relation to the balance sheet total.
7 Quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period.
8 The previous year's figures have been revised due to finalization of the purchase price allocation for the acquisition of Polyplus.

Key Figures for the Second Quarter of 2024[1]

in millions of € unless otherwise specified	Group				Bioprocess Solutions				Lab Products & Services			
	Q2 2024	Q2 2023	Δ in %	Δ in % cc[2]	**Q2 2024**	Q2 2023	Δ in %	Δ in % cc[2]	**Q2 2024**	Q2 2023	Δ in %	Δ in % cc[2]
Sales Revenue and Order Intake												
Order intake[3]	732.0	684.8	6.9	7.1	567.1	526.0	7.8	8.0	164.9	158.9	3.8	4.0
Sales revenue	860.7	832.0	3.5	3.6	684.0	651.5	5.0	5.1	176.7	180.5	–2.1	–1.7
▪ EMEA[4]	349.4	310.0	12.7		277.1	242.6	14.2		72.3	67.4	7.2	
▪ Americas[4]	314.3	323.5	–2.8		258.3	264.9	–2.5		56.1	58.6	–4.4	
▪ Asia | Pacific[4]	197.0	198.5	–0.7		148.7	144.0	3.2		48.3	54.5	–11.3	
Results												
Underlying EBITDA[5]	237.0	244.7	–3.2		195.9	197.3	–0.7		41.0	47.5	–13.5	
Underlying EBITDA-Margin[5] in %	27.5	29.4			28.6	30.3			23.2	26.3		
Underlying net profit[6]	78.5	86.3	–9.0									

Financial Data per Share			
Earnings per ordinary share[6] in €	1.14	1.26	–9.5
Earnings per preference share[6] in €	1.14	1.26	–9.5

1 Figures are not audited nor reviewed.
2 Figures given in constant currencies eliminate the impact of changes in exchange rates by applying the same exchange rate for the current and the previous period.
3 All customer orders contractually concluded and booked during the respective reporting period.
4 According to customers' location.
5 Earnings before interest, taxes, depreciation, and amortization and adjusted for extraordinary items.
6 Profit for the period after non-controlling interest, adjusted for extraordinary items and amortization, as well as based on the normalized financial result and the normalized tax rate.

Interim Management Report

Group Basis

The Annual Report 2023 provides a detailed overview of the business activities, objectives and strategy of the Sartorius Group. The statements made therein are still valid. There were no significant changes in the first half of 2024.

Economic and Sector Report

The Sartorius Group is active in sectors that differ in their dependence on the economy. The Bioprocess Solutions Division, for instance, operates in an environment that is largely independent of economic fluctuations. The Lab Products & Services Division, in contrast, is partly active in sectors whose development is more strongly affected by economic factors.

Muted growth momentum in the global economy continues

Despite numerous burdens and risk factors, global economic growth was robust at the start of the year. However, economic development remained subdued and varied from region to region. According to the latest available data from the OECD, gross domestic product (GDP) growth in the European Union slowed to 0.5% in the first quarter of 2024 compared to the same quarter of the previous year (prior-year period: +1.2%). Germany recorded a decline of 0.2% (prior-year period: +0.1%), France's economic output rose by 1.3% (prior-year period: +1.0%) and the UK, another core European market, grew by 0.2% (prior-year period: +0.3%).

In contrast, the pace of expansion in the USA increased by 2.9% in the first quarter of 2024 (prior-year period: +1.7%).

In the Asia-Pacific economic region, India recorded the strongest increase with growth of 8.4% (prior-year period: +6.3%). Growth in China amounted to 5.3% (prior-year period: +4.5%) and South Korean economic output increased by 3.1% (prior-year period: +1.2%). In contrast, economic activity in Japan fell by 0.3% (prior-year period: +2.4%).

Sources: OECD: Quarterly National Accounts, June 2024; IMF: World Economic Outlook, April 2024.

Subdued development of the biopharmaceutical market

After continuous – and in some cases significant – expansion in the global pharmaceutical market in prior years, growth stagnated in 2023 according to Evaluate Pharma. Even revenue generated with biopharmaceuticals, which commonly increases faster than that generated by the pharmaceutical market as a whole, remained constant at around $436 billion. This development was mainly due to lower sales of coronavirus vaccines and therapeutics, which more than halved in 2023 from around USD 100 billion previously. The biopharma share of the overall pharmaceutical market remained unchanged at around 39%.

The leading manufacturers of bioprocess technology recorded declining sales in 2023 and repeatedly lowered their growth forecast communicated at the start of the year. The influencing factors were of a temporary nature and included in particular the sharp decline in Covid-19-related business and the reduction of elevated inventory levels. In addition, production levels at some biopharma companies were relatively low, and investment activity was generally subdued after several years of intensive capacity expansion. These influencing factors continued to affect the business performance of bioprocess technology providers in the first quarter of 2024 and led to declining sales across the industry.

The growth of the biopharma market fundamentally depends more on medium- to long-term trends than on short-term economic developments. Significant impetus here is provided by the globally increasing demand for drugs and the approval and market launch of innovative biopharmaceuticals. Other growth factors are the extension of the range of indications for already approved medications and their further market penetration. The number of new biopharmaceutical approvals by the US Food and Drug Administration (FDA) remained at a high level both in 2023 with 42 (2022: 31) and in the first half of 2024 with 19 (first half of 2023: 20).

Temporary investment restraint in the laboratory market

The global laboratory market had a total value of around $84 billion in the reporting year and, according to estimates by various market observers, is growing at an average annual rate of around 5% over the long term. Market growth is related, among other things, to the levels of research and development spending in the individual end markets, which is partly linked to economic development.

However, this applies to a lesser extent to labs in the pharmaceutical and biopharma industries, the leading customer groups for laboratory instruments and consumables: In this industry, demand is more strongly influenced by fundamental growth drivers, such as continuous research to find new active pharmaceutical ingredients. In 2023, this customer segment saw weaker development against the backdrop of above-average growth in previous years and the majority of leading suppliers of laboratory instruments and consumables recorded declines in sales. This trend continued in the first quarter of 2024. The main reasons cited for this are cautious investment behavior in the current interest rate environment and pronounced market weakness in China.

Despite a continued muted macroeconomic environment, demand from industrial end markets was robust overall in 2023, according to various leading laboratory product manufacturers. The same applies to business with academic and public research institutions, which are benefiting from a positive trend in government budgets and funding programs. The first quarter of 2024 was more subdued in view of the high prior-year base and a persistently weak macroeconomic environment in both end markets.

Sources: Evaluate Pharma: World Preview 2023, August 2023; SDi: Global Assessment Report 2023, June 2023; own analysis of company data; www.fda.gov

Sartorius Shares

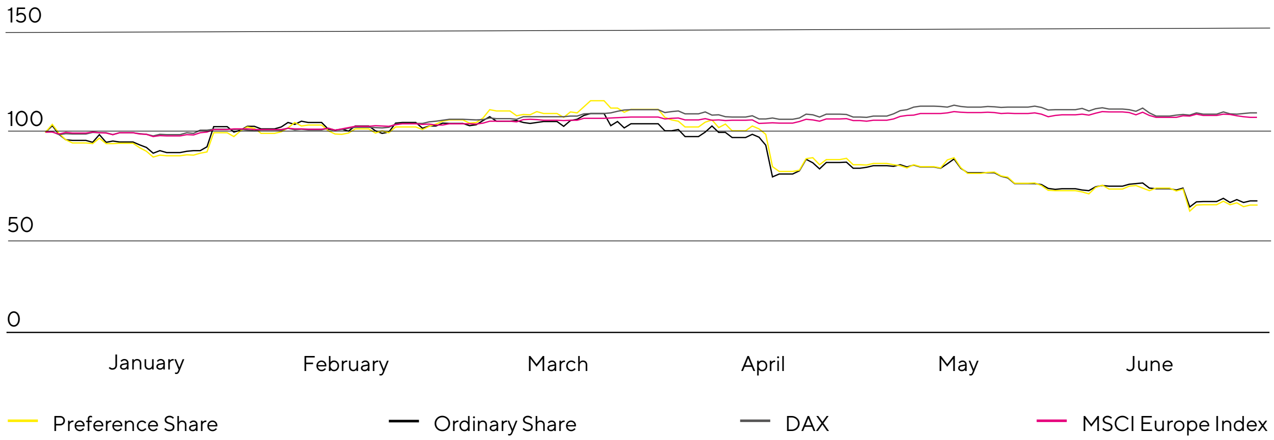
The global stock markets recorded price increases in the first half of 2024. The Dow Jones ended the reporting period at 39,118.9 points, an increase of 3.8%. The MSCI Europe closed around 7.0% higher at 2,052.1 points. Germany's benchmark index DAX which includes Sartorius preference shares, also posted gains of 8.9% to 18,235.5 points, while the technology index TecDAX slightly declined by 0.3% to 3,326.6 points.

In view of a persistently challenging market environment in the life science sector and subdued business development in the first quarter of 2024, the closing price of the Sartorius preference share was €219.00 on June 30, 2024, down by 34.3% compared to the closing price at the end of 2023. The ordinary share closed at €179.40, a decrease of 32.3%.

The market capitalization of Sartorius AG based on the outstanding ordinary and preference shares was around €13.8 billion at the end of the reporting period (December 31, 2023: €20.5 billion).

In February 2024, Sartorius successfully completed the placement of 613,497 preference shares held by the company. The total number of preference shares outstanding as of June 30, 2024 was 34,807,268 and the number of ordinary shares outstanding was 34,230,928.

Sartorius Shares in Comparison to DAX and MSCI Europe Index (indexed)
January 1, 2024 to June 30, 2024



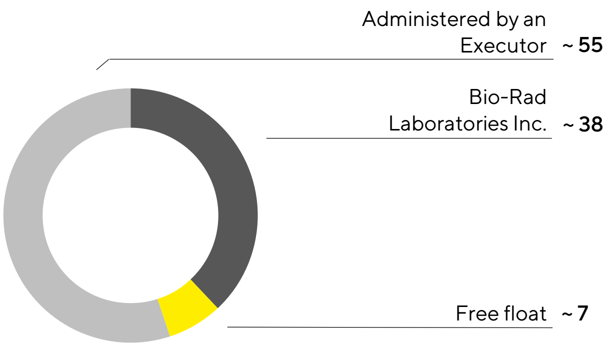
Source: NASDAQ

A total of 24 financial analysts analyze the Sartorius share. The average price target for the preference share is €305.00. Bank of America and Stifel both resumed coverage in the reporting period with a buy recommendation. Société Générale terminated its coverage due to the merger with Bernstein.

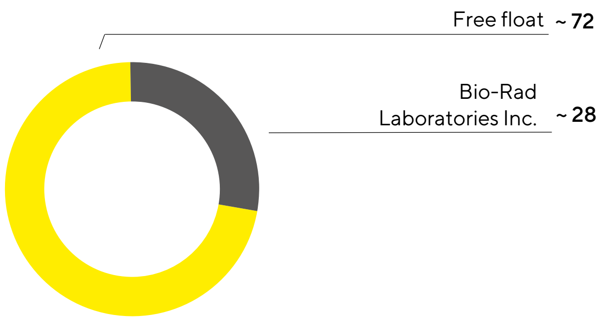
The Annual General Meeting of Sartorius AG was held on March 28, 2024, in virtual format without the physical presence of the shareholders or their proxies. Shareholder resolutions included the disbursement of a dividend of €0.74 per preference share and €0.73 per ordinary share.

According to the information available to us, the shareholder structure remained unchanged in the first half of 2024.

Shareholder Structure: Ordinary Shares
in %, related to ~34.2 million shares outstanding



Shareholder Structure: Preference Shares
in %, related to ~34.8 million shares outstanding



Information on shareholdings and shares in free float pursuant to the disclosure requirements of Sections 33 et seq. of the German Securities Trading Act (WpHG) and the shareholders' own disclosures. These reporting obligations and own disclosures refer only to voting shares and not to non-voting preference shares.

Current information on investor relations publications, voting right notifications and analysts' estimates is available on the website.

Group Business Development

- Sales revenue slightly down at -2.2% after six months; growth of 3.6% in the second quarter
- Underlying EBITDA margin at a robust level of 28.1%, increasingly positive impact of cost and efficiency measures expected over the course of the year
- Sales revenue in the Bioprocess Solutions Division at the previous year's level; market situation in China weighs on development in the Lab Products & Services Division
- Expectations for full-year 2024 adjusted: Deliberately more cautious forecast due to persistently high volatility and limited predictability
- Long-term trends in life sciences and biopharma remain positive

The Sartorius Group achieved its ambition in the first half of 2024 and recorded the targeted slight sales revenue growth and robust profitability in the second quarter. Business performance was characterized by a continuously very challenging and volatile market environment and presented an exceptionally mixed picture. Parts of the consumables portfolio and business with customers working on cell and gene therapies were clearly positive drivers. At the same time, other product groups experienced a longer-than-expected, pronounced reluctance from customers to place orders. Market dynamics in China remains subdued.

Against this backdrop, Group sales revenue between January and June recorded a moderate decline of -2.2% (reported: -3.2%) to €1,680.3 million on a constant currency basis[1]. This includes a growth contribution from the Polyplus acquisition of around 2 percentage points[2]. On a quarterly basis, sales revenue increased by 3.6% between April and June.

Order intake[3] rose by 8.5% in constant currencies (nominal: + 7.5%) to €1,558.3 million.

Sales Revenue and Order Intake

in millions of €	**6 months 2024**	6 months 2023	Δ in % reported	Δ in % cc[1]
Sales revenue	1,680.3	1,735.2	-3.2	-2.2
▪ EMEA[4]	690.8	668.9	3.3	3.6
▪ Americas[4]	602.7	645.7	-6.7	-6.5
▪ Asia | Pacific[4]	386.8	420.5	-8.0	-4.7
Order intake	1,558.3	1,449.6	7.5	8.5

1 Figures given in constant currencies eliminate the impact of changes in exchange rates by applying the same exchange rate for the current and the previous period.
2 Organic: Organic growth figures exclude the impact from changes in exchange rates and changes in the scope of consolidation.
3 Order intake: All customer orders contractually concluded and booked during the respective reporting period.
4 According to customers' location

Business performance in the regions showed a mixed picture: Sales in the EMEA region, which contributed the highest share of 41% of the total Group revenue, rose by 3.6% to €690.8 million. Business in the Americas region, which accounted for around 36% of Group sales, fell by 6.5% to €602.7 million in the reporting period. In the Asia | Pacific region, sales were 4.7% lower at €386.8 million, in particular due to the ongoing market weakness in China. This region accounted for around 23% of total Group revenue. (All growth rates for the regional development are in constant currencies unless otherwise stated.)

Decline in underlying earnings

The Sartorius Group uses underlying EBITDA (earnings before interest, taxes, depreciation and amortization and adjusted for extraordinary items) as its key profitability indicator.

In the first half of 2024, underlying EBITDA decreased to €471.4 million (-8.8% compared to the same period of the previous year), in particular due to volume and product mix effects. The corresponding margin remained at the robust level of 28.1% (H1 2023: 29.8%).

Reconciliation from EBIT to Underlying EBITDA

in millions of €	**6 months 2024**	6 months 2023
EBIT	229.0	303.9
Extraordinary items	47.0	60.8
Depreciation and amortization	195.5	152.1
Underlying EBITDA	**471.4**	**516.7**

Extraordinary items

in millions of €	**6 months 2024**	6 months 2023
M&A projects | integration costs	-3.2	-16.6
Structural measures	-40.4	-37.6
Other	-3.3	-6.6
Total	**-47.0**	**-60.8**

Consolidated earnings before interest and taxes (EBIT) decreased accordingly by 24.6% to €229.0 million (H1 2023: €303.9 million). In addition to depreciation and amortization, this figure includes extraordinary items of -€47.0 million (H1 2023: -€60.8 million). These extraordinary items consisted primarily of expenses in connection with the most recent acquisitions as well as of expenses for various corporate projects and structuring measures. The EBIT margin was 13.6% (H1 2023: 17.5%).

The financial result amounted to -€103.0 million for the first half of 2024 compared to €19.2 million in the prior-year period. This includes non-cash effective income of 1.0 million, mainly from the reporting date valuation of the share-based earn-out liability in connection with the acquisition of BIA Separations (previous year: €65.4 million). After adjustment for this effect, the increase in remaining net financing expenses resulted, among other things, from the increased debt in connection with the most recent acquisitions.

Net profit for the first six months of 2024 decreased by 63.6% to €92.2 million (H1 2023: €253.5 million). The Group´s net profit after non-controlling interest amounted to €60.9 million, compared to €188.1 million in the same period of the previous year, with non-controlling interests accounting for €31.3 million (H1 2023: €65.4 million). A tax rate of 27% expected for the full year was applied (H1 2023: 27%) for calculating tax expenses. In relation to the reported earnings before taxes, the tax rate was 26.8% (previous year: 21.5%).

Underlying net result

The underlying net result attributable to the shareholders of Sartorius AG declined by 26.7% from €202.5 million to €148.4 million. This figure is calculated by adjusting for extraordinary items and eliminating amortization and is based on the normalized financial result and the normalized tax rate. Underlying earnings totaled €2.15 per ordinary share (H1 2023: €2.95) and €2.16 per preference share (H1 2023: €2.96).

in millions of €	**6 months 2024**	6 months 2023
EBIT	229.0	303.9
Extraordinary items	47.0	60.8
Amortization	79.9	54.9
Normalized financial result[1]	-85.9	-53.6
Normalized income tax (27%)[2]	-72.9	-98.8
Underlying net result after tax	**197.1**	**267.1**
Non-controlling interest	-48.7	-64.7
Underlying earnings after taxes and non-controlling interest	**148.4**	**202.5**
Underlying earnings per share		
per ordinary share in €	2.15	2.95
per preference share in €	2.16	2.96

1 Financial result adjusted for valuation effects from the subsequent measurement of contingent purchase price liabilities as well as for effects of foreign currency translation and hedging.
2 Income tax considering the average expected Group tax rate, based on the underlying profit before tax.

Operating cash flow slightly below prior year

Cash flow from operating activities in the first six months of the current financial year fell slightly by 4.3% to €346.8 million, with cash inflows from the reduction in working capital not fully compensating for the decline in earnings and higher tax payments.

Based on fundamentally intact growth drivers in the end markets and its medium-term growth targets, Sartorius continued its investment program to expand and diversify its production capacities, although the pace of implementation of individual measures was slowed down in view of the temporarily weaker demand. Cash outflow from investing activities decreased by 24.1%, amounting to €227.9 million in the reporting period. The ratio of capital expenditures (CAPEX) to sales in the first half of 2024 was 13.6%, compared to 17.3% in the prior-year period. Cash flow from investing activities and acquisitions was -€238.9 million (H1 2023: -€326.6 million).

Key balance sheet and financial indicators remain robust

The balance sheet total of Sartorius Group as of June 30, 2024, stood at €9,942.7 million and was thus €197.2 million higher than the figure of €9,745.5 million as of December 31, 2023. This increase is largely due to the rise in current assets by €126.9 million to €2.083.7 million, predominantly driven by the increase in cash and cash equivalents as a result of the equity measures successfully implemented at the beginning of February 2024, which generated net proceeds of around €1 billion for the Group. Working capital amounted to €1,266.9 million as of June 30, 2024 (December 31, 2023: €1,387.3 million). Non-current assets increased by €70.3 million to €7,859.0 million, mainly due to the continuation of the extensive investment program.

As a result of the equity measures, equity increased to €3,810.6 million as of June 30, 2024 (December 31, 2023: €2,758.0 million) and the equity ratio rose to a solid level of 38.3% (December 31, 2023: 28.3%).

Gross debt, which comprises liabilities to banks, including bonds, promissory note loans (“Schuldscheindarlehen”) as well as lease liabilities, fell by €687.7 million to €4,623.7 million as of June 30, 2024 (December 31, 2023: €5,311.4 million) due to the repayment of financial liabilities. Net debt, defined as gross debt less cash and cash equivalents, decreased from €4,932.1 million as of December 31, 2023, to €4,032.6 million as of June 30, 2024.

The ratio of net debt to underlying EBITDA declined significantly to 4.4 as of June 30, 2024, compared with 5.0 at year-end 2023. This ratio is calculated as the quotient of net debt and underlying EBITDA over the past 12 months, including the pro forma amount contributed by acquisitions for this period.

Number of employees adjusted

Sartorius employed 14,143 people worldwide as of June 30, 2024, compared with 14,614 as of December 31, 2023. The reduction resulted primarily from the expiry of fixed-term employment contracts and regular attrition. The number of employees in EMEA fell by around 2.6% to 9,434 in the first half of 2024 compared with the end of December 2023. In the Americas, Sartorius employed 2,655 people at the end of June, which corresponds to a decrease of 5.2%, while the number of employees in the Asia|Pacific region fell by 3.3% to 2,054.

Business Development of the Divisions

Bioprocess Solutions with increase in order intake and sales at previous year's level

The Bioprocess Solutions Division, which offers a wide range of innovative technologies for the manufacture of biopharmaceuticals such as monoclonal antibodies, vaccines or cell and gene therapeutics, recorded sales revenue of €1,331.1 million in the first half of the year, on a par with the previous year (in constant currencies: -0.2%, reported: -1.1%). This includes a growth contribution from the Polyplus acquisition of slightly below 3 percentage points. In view of advanced inventory reductions on the customer side, order intake rose by 11.7% (reported: 10.7%) to €1,219.9 million, although the rising demand in the business with consumables was dampened by the continuing reluctance to invest across the industry.

Regionally, sales revenue in the EMEA region grew again in the first half of 2024 by 4.8%. The Asia | Pacific region also stabilized with a slight increase in sales of 0.2% despite continued weak business with customers in China. Sales revenue in the Americas region fell by 5.4%. (All growth rates for regional development are in constant currencies unless otherwise stated.)

Bioprocess Solutions

in millions of €	**6 months 2024**	6 months 2023	Δ in %	Δ in % cc[1]
Sales revenue	1,331.1	1,346.5	-1.1	-0.2
▪ EMEA[2]	550.1	526.3	4.5	4.8
▪ Americas[2]	491.4	520.5	-5.6	-5.4
▪ Asia | Pacific[2]	289.6	299.7	-3.4	0.2
Order intake	1,219.9	1,101.7	10.7	11.7

1 cc = in constant currencies

2 According to customers' location

Underlying EBITDA of the division declined by 6.1% to €389.0 million in the first six months of the year, primarily as a result of volume and product mix effects. The resulting reached 29.2% (H1 2023: 30.8%).

Underlying EBITDA and EBITDA Margin, Bioprocess Solutions

in millions of €	**6 months 2024**	6 months 2023	Δ in %
Underlying EBITDA	389.0	414.5	-6.1
Underlying EBITDA margin in %	29.2	30.8	

Lab Products & Services continues to be affected by subdued momentum in end markets; positive trend in order intake

At €349.2 million, sales revenue in the Lab Products & Services Division, which specializes in life science research and pharmaceutical laboratories, were below the relatively high level of the same period in the previous year (in constant currencies: -8.9%; reported: -10.2%). Business performance was impacted by the ongoing reluctance to invest on the part of customers and the weakness of the Chinese market.

Order intake stabilized and almost reached the previous year's level with a slight minus of 1.5% (reported: -2.7%) and €338.4 million.

Lab Products & Services

in millions of €	**6 months 2024**	6 months 2023	Δ in %	Δ in % cc[1]
Sales revenue	349.2	388.7	-10.2	-8.9
▪ EMEA[2]	140.7	142.6	-1.3	-0.6
▪ Americas[2]	111.3	125.2	-11.1	-11.0
▪ Asia | Pacific[2]	97.2	120.8	-19.6	-16.7
Order intake	338.4	347.9	-2.7	-1.5

1 cc = in constant currencies

2 According to customers' location

From a regional perspective, revenue in EMEA, which accounts for the largest share of the division`s sales, fell slightly by 0.6%. The Americas region recorded a decline of 11.0% and Asia | Pacific fell by 16.7% compared to a high prior-year base and in view of weaker business with customers in China. (All growth rates for regional development are in constant currencies unless otherwise stated.)

Underlying EBITDA of the Lab Products & Services Division declined by 19.4% to €82.4 million in the first half of 2024 primarily due to volume and product mix effects. The corresponding margin was 23.6% (H1 2023: 26.3%).

Underlying EBITDA and EBITDA Margin, Lab Products & Services

in millions of €	**6 months 2024**	6 months 2023	Δ in %
Underlying EBITDA	82.4	102.2	-19.4
Underlying EBITDA margin in %	23.6	26.3	

Opportunity and Risk Report

The opportunities and risk situation of the Sartorius Group has not materially changed since the publication of its 2023 Annual Report. For this reason, please refer to a detailed description of the opportunities and risks as well as the risk management system for the Sartorius Group on pages 73 et seq. of the 2023 Annual Report.

Forecast Report

Continued growth of the global economy at a low level

The International Monetary Fund (IMF) expects global growth for the current year to remain at the previous year's historically low level of 3.2%. Growth in industrialized countries is expected at 1.7% (2023: +1.6%), while the forecast for emerging and developing countries is at 4.2% (2023: +4.3%). The economic environment continues to be characterized by numerous risk factors. These include increasing geo-economic fragmentation and the possibility of inflation rates rising again, which could necessitate further tightening of monetary policy by the central banks. The limited options for economic stimulus measures in view of high government debt levels and the potential expansion of the real estate crisis in China are also cited as risks to global economic growth.

Growth remains unevenly distributed globally. For the European Union, the IMF expects growth of 1.1% in 2024 (2023: +0.6%). In Germany, Europe's largest economy, economic output is expected to increase by 0.2% (2023: -0.3%) and other economies that are important for Sartorius, such as France and the UK, are expected to grow by 0.7% (2023: +0.9%) and 0.5% (2023: +0.1%) respectively.

According to current estimates, growth in the USA is set to reach 2.7% in 2024 (2023: +2.5%).

Growth of 4.5% is forecast for the Asia-Pacific economic region (2023: +5.0%), with GDP in China expected to grow by 4.6% (2023: +5.2%) and India by 6.8% (2023: +7.8%). Other countries in this region that are important for Sartorius should also grow. South Korea is expected to grow by 2.3% (2023: +1.4%) and Japan by 0.9% (2023: +1.9%).

Sources: International Monetary Fund, World Economic Outlook Update, April 2024.

Moderate development of biopharma and laboratory markets expected

In general, the trends affecting the development of the Sartorius Group that are described on pages 87 to 89 of its 2023 Annual Report remain in place.

Strong, long-term trends drive growth in the pharmaceutical industry, which is almost entirely independent of business cycles. A number of different studies estimate that the global pharmaceutical market will grow by between 3% and 6% annually in the period up to 2027. Within the pharmaceutical market, the biopharma segment has been enjoying particularly strong performance for years and will continue to outperform the market according to various forecasts. Average annual growth is expected to be around 10% in the coming years. The market is anticipated to have a total value of around $695 billion in 2028, which means that the share of biological medications and vaccines as a percentage of total revenue in the global pharmaceutical market could rise from the current 39% to 44%.

The leading suppliers of bioprocess technology expect generally subdued, albeit gradually improving, development in the current year. In particular, the still incomplete destocking of some biopharmaceutical companies, the ongoing reluctance to invest and the pronounced general market weakness in China continue to have a dampening effect on demand. Due to the temporary nature of these influencing factors and in view of the fundamentally intact growth drivers in the end markets, significantly higher growth rates are expected again in the medium term.

Various market observers expect the market for laboratory instruments and consumables to grow by around 5% annually in the next few years and to reach a total value of around $103 billion in 2027. Regarding end markets, the greatest dynamics will probably continue to be generated by the pharmaceutical and biopharma industries, particularly, as a result of continuous research into and approval of new medications, and the high momentum of scientific and technological innovation. For instance, Evaluate Pharma expects sector-specific research spending to increase annually by 3.6% during the period from 2023 to 2028. According to market studies, the product area of bioanalytical instruments should particularly benefit from this and further grow at an above-average rate within the laboratory market. According to leading providers of laboratory instruments, demand for laboratory products in the pharmaceutical and biopharmaceutical industries is expected to expand moderately in 2024, despite the encouraging medium-term outlook. The reasons cited include restrained investment activity in the current interest rate environment, the persistently muted funding environment, and the pronounced market weakness in China.

Sources: BioPlan: 20th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2023; Evaluate Pharma: World Preview 2023, August 2023; SDi: Global Assessment Report 2023, June 2023

Outlook for 2024 de-risked

The life science industry continues to show a mixed picture with no stable positive momentum. While demand normalization for some products has progressed, customers are continuing to reduce inventories in other product groups or remain reluctant to invest. Despite having achieved the targets for the first half of 2024, company management is deliberately taking a conservative and cautious approach to the outlook of the remainder of the year and does not expect an increase in demand dynamics until the final quarter.

Group

Against the backdrop of continuing subdued demand, Sartorius now expects sales revenue for fiscal year 2024 to remain at prior-year level, with a bandwidth of low single-digit negative to low single-digit positive sales development (previously: sales growth in the mid to high single-digit percentage range). The Polyplus acquisition is anticipated to contribute around 1.5 percentage points to non-organic sales growth.

In terms of profitability, the company anticipates increasingly positive effects from its cost-cutting program in the amount of over 100 million euros as the year progresses, although these will not fully offset the impact of the lower volume expectations. In addition, the measures to reduce own inventories should lead to an additional dilution of EBITDA due to lower production capacity utilization.

Against this backdrop, Sartorius now projects an underlying EBITDA margin of 27 to 29% (previously: slightly above 30%) for the full year 2024.

Following adjustments to its capex plans in line with the current business development, the ratio of capital expenditure in relation to sales revenue is now forecast to be around 12% (previously: around 13%) in 2024 while the ratio of net debt to underlying EBITDA is expected to be around 4 (previously: slightly above 3).

Divisions

For its Bioprocess Solutions Division, Sartorius now expects sales at prior-year level, with a bandwidth of low single-digit negative to low single-digit positive sales development (previously: mid to high single-digit percentage range). The Polyplus acquisition is projected to contribute around 2 percentage points of non-organic sales revenue development. The underlying EBITDA margin should reach 28 to 30% (previously: over 31%) with a slightly positive effect from the above-average profitability of the Polyplus business.

For the Lab Products & Services Division, Sartorius also forecasts sales revenue at the previous year's level, with a bandwidth of low single-digit negative to low single-digit positive sales revenue development (previously:

sales revenue increase in the low single-digit percentage range). The underlying EBITDA margin is anticipated to be 22 to 24% (previously: on prior-year level of 25.1%).

The actual mixed and volatile business development following the pandemic and the resulting limited predictability of short-term business development have no impact on the fundamentally positive growth drivers of the life science and biopharmaceutical markets. This is also underlined by latest data on market approvals and clinical pipelines which are very positive, particularly in the field of modern therapies such as cell and gene therapeutics. Accordingly, the company is currently not changing its mid-term targets up to 2028.

Management points out that the dynamics and volatilities in the industry have increased significantly in recent years. In addition, uncertainties due to the changed geopolitical situation, such as the emerging decoupling tendencies of various countries, are playing a greater role. This results in higher uncertainty when forecasting business figures.

All forecast figures are based on constant currencies, as in past years. Management points out that dynamics and volatilities in the industry have increased significantly in recent years. In addition, uncertainties due to the changed geopolitical situation, such as the emerging decoupling tendencies of various countries, are playing a greater role. This results in higher uncertainty when forecasting business figures.

Outlook 2024

	Actual 2023	Guidance January 2024	Guidance April 2024	Guidance **July 2024**
Sartorius Group				
Sales growth[1]	-16.6%	Mid to high single-digit percentage range	Mid to high single-digit percentage range	Sales revenue to remain at prior-year level, with a bandwidth of low single-digit negative to low single-digit positive sales development
Underlying EBITDA margin	28.3%	Slightly more than 30%	Slightly more than 30%	27 to 29%
Ratio of net debt to underlying EBITDA	5.0	~4[2)]	Slightly above 3[2)]	~4[2)]
CAPEX ratio	16.5%	~13.0%	~13.0%	~12.0%
Sartorius Divisions				
Bioprocess Solutions				
Sales growth[1]	-17.6%	Mid to high single-digit percentage range	Mid to high single-digit percentage range	Sales revenue to remain at prior-year level, with a bandwidth of low single-digit negative to low single-digit positive sales developmen
Underlying EBITDA margin	29.2%	over 31%	over 31%	28 to 30%
Lab Products & Services				
Sales growth[1]	-12.7%	Low single-digit percentage range	Low single-digit percentage range	Sales revenue to remain at prior-year level, with a bandwidth of low single-digit negative to low single-digit positive sales developmen
Underlying EBITDA-Marge	25.1%	Around the prior-year's level	Around the prior-year's level	22 to 24%

1 cc = in constant currencies

2 Possible acquisitions are not considered

Condensed Interim Financial Statements

Statement of Profit or Loss

€ in millions	**2nd quarter 2024[1]**	2nd quarter 2023[1]	**6 months 2024**	6 months 2023
Sales revenue	860.7	832.0	1,680.3	1,735.2
Cost of sales	–472.4	–447.3	–895.5	–895.7
Gross profit on sales	**388.3**	**384.7**	**784.7**	**839.5**
Selling and distribution costs	–165.8	–153.6	–335.9	–314.4
Research and development expenses	–45.7	–39.2	–90.6	–85.1
General administrative expenses	–59.4	–50.5	–113.1	–102.3
Other operating income	8.5	13.9	18.1	26.7
Other operating expenses	–19.6	–29.9	–34.2	–60.5
Earnings before interest and taxes (EBIT)	**106.2**	**125.4**	**229.0**	**303.9**
Financial income	17.6	81.9	34.0	101.7
Financial expenses	–71.4	–50.6	–137.0	–82.4
Financial result	**–53.8**	**31.3**	**–103.0**	**19.2**
Profit before tax	**52.4**	**156.7**	**126.0**	**323.1**
Income taxes	–13.9	–26.2	–33.8	–69.6
Net profit for the period	**38.5**	**130.5**	**92.2**	**253.5**
Attributable to:				
Shareholders of Sartorius AG	23.9	95.0	60.9	188.1
Non-controlling interest	14.6	35.5	31.3	65.4
Earnings per ordinary share (€) (basic)	**0.34**	**1.39**	**0.88**	**2.74**
Earnings per preference share (€) (basic)	**0.34**	**1.39**	**0.89**	**2.75**
Earnings per ordinary share (€) (diluted)	**0.34**	**1.39**	**0.88**	**2.74**
Earnings per preference share (€) (diluted)	**0.34**	**1.39**	**0.89**	**2.75**

1 The 2nd quarter figures were not included in the auditors' review.

Extraordinary items have been reported within functional expenses since the consolidated financial statements for the year 2023. The figures for the comparative period were revised accordingly (see Note 3).

Statement of Other Comprehensive Income

€ in millions	**2nd quarter 2024[1]**	2nd quarter 2023[1]	**6 months 2024**	6 months 2023
Net profit for the period	**38.8**	**130.5**	**92.2**	**253.5**
Cash flow hedges	–0.2	–0.2	–10.4	4.9
- of which effective portion of the change in fair value	0.7	0.1	–8.3	–2.7
- of which reclassified to profit or loss	–0.9	–0.3	–2.1	7.6
Income tax on cash flow hedges	–0.1	0.1	2.3	–1.0
Net investment in a foreign operation (currency translation)	2.9	1.8	15.3	–7.8
Currency translation differences	17.3	3.9	48.0	–24.7
Items that may be reclassified to the profit or loss statement, net of tax	**19.9**	**5.6**	**55.2**	**–28.6**
Remeasurements of the net defined benefit liabilities	1.9	2.1	1.9	2.1
Income tax on remeasurements of the net defined benefits liabilities	–0.6	–0.6	–0.6	–0.6
Equity Instruments at FVOCI	–1.4	–10.7	–8.9	–44.4
Items that will not be reclassified to the profit or loss statement, net of tax	**0.0**	**–9.2**	**–7.5**	**–42.9**
Other comprehensive income after tax	**19.9**	**–3.6**	**47.7**	**–71.4**
Total comprehensive income	**58.7**	**126.9**	**139.9**	**182.1**
Attributable to:				
Shareholders of Sartorius AG	40.0	88.9	101.1	118.6
Non-controlling interest	18.6	38.0	38.7	63.4

1 The 2nd quarter figures were not included in the auditors' review.

Statement of Financial Position

€ in millions	June 30, 2024	Dec. 31, 2023
Non-current assets		
Goodwill	3,477.2	3,450.4
Other intangible assets	2,017.4	2,055.0
Property, plant and equipment	2,172.7	2,080.9
Financial assets	103.3	114.8
Other assets	3.6	3.7
Deferred tax assets	84.8	83.9
	7,859.0	**7,788.6**
Current assets		
Inventories	935.5	1,036.7
Trade receivables	331.4	350.6
Other financial assets	34.2	36.7
Current tax assets	88.5	60.5
Other assets	102.9	93.2
Cash and cash equivalents	591.2	379.2
	2,083.7	**1,956.9**
Total assets	**9,942.7**	**9,745.5**

€ in millions	June 30, 2024	Dec. 31, 2023
Equity		
Equity attributable to Sartorius AG shareholders	**2,707.1**	**2,067.8**
Issued capital	69.0	68.4
Capital reserves	243.2	45.2
Other reserves and retained earnings	2,394.8	1,954.1
Non-controlling interest	1,103.5	690.2
	3,810.6	**2,758.0**
Non-current liabilities		
Pension provisions	55.7	56.5
Other provisions	19.8	21.6
Loans and borrowings	4,319.4	4,909.3
Lease liabilities	102.1	114.0
Other financial liabilities	110.1	113.7
Deferred tax liabilities	431.6	442.3
	5,038.8	**5,657.5**
Current liabilities		
Provisions	38.2	46.9
Trade payables	240.7	306.5
Contract liabilities	237.2	278.2
Loans and borrowings	168.9	254.8
Lease liabilities	33.3	33.2
Employee benefits	111.3	92.3
Other financial liabilities	53.3	55.0
Current tax liabilities	145.4	198.3
Other liabilities	64.9	64.7
	1,093.3	1,330.0
Total equity and liabilities	**9,942.7**	**9,745.5**

The previous year's figures have been revised due to finalization of the purchase price allocation for the acquisition of Polyplus and the separate presentation of contract liabilities (see Note 3 and Note 8).

Statement of Cash Flows

€ in millions	**6 months 2024**	6 months 2023
Profit before tax	126.0	323.1
Financial result	103.0	–19.2
Depreciation | amortization of intangible and tangible assets	195.5	152.1
Change in provisions	–10.9	–5.3
Change in receivables and other assets	8.2	67.9
Change in inventories	106.0	–30.9
Change in liabilities (without loans and borrowings)	–71.7	–30.3
Interest received	15.0	3.0
Income taxes paid	–128.0	–99.2
Other non-cash transactions	4.0	1.4
Cash flow from operating activities	**346.8**	**362.6**
Investments in intangible and tangible assets	–227.9	–300.0
Investments in financial assets	–11.1	–3.9
Acquisitions of subsidiaries and other business operations	0.0	–22.7
Cash flow used in investing activities	**–238.9**	**–326.6**
Capital increase	197.7	0.0
Interest paid	–34.2	–39.5
Dividends paid to:		
- Shareholders of Sartorius AG	–50.7	–98.2
- Non-controlling interest	–20.0	–36.2
Changes in non-controlling interest	785.8	–89.5
Repayment of borrowings	–782.2	–358.0
Proceeds from borrowings	7.3	572.5
Cash flow from | used in financing activities	**103.7**	**–48.9**
Net increase | decrease in cash and cash equivalents	**211.6**	**–12.9**
Cash and cash equivalents at the beginning of the period	379.2	165.9
Net effect of currency translation on cash and cash equivalents	0.3	9.2
Cash and cash equivalents at the end of the period	**591.2**	**162.2**

Statement of Changes in Equity

€ in millions	Issued capital	Capital reserves	Hedging reserves
Balance at January 1, 2023	**68.4**	**44.6**	**10.7**
Net profit for the period	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	2.7
Remeasurements of the net defined benefit liabilities	0.0	0.0	0.0
Currency translation differences	0.0	0.0	0.0
Net investment in a foreign operation (currency translation)	0.0	0.0	0.0
Equity instruments at FVOCI	0.0	0.0	0.0
Tax effects	0.0	0.0	–0.8
Other comprehensive income after tax	**0.0**	**0.0**	**1.9**
Total comprehensive income	**0.0**	**0.0**	**1.9**
Share-based payment	0.0	0.3	0.0
Dividends	0.0	0.0	0.0
Purchase price liabilities (CellGenix/ALS)	0.0	0.0	0.0
Other changes in non-controlling interest	0.0	0.0	0.0
Other changes in equity	0.0	0.0	0.0
Balance at June 30, 203	**68.4**	**44.9**	**12.6**
Balance at January 1, 2024	**68.4**	**45.2**	**18.1**
Net profit for the period	0.0	0.0	0.0
Cash flow hedges	0.0	0.0	–8.2
Remeasurements of the net defined benefit liabilities	0.0	0.0	0.0
Currency translation differences	0.0	0.0	0.0
Net investment in a foreign operation (currency translation)	0.0	0.0	0.0
Equity instruments at FVOCI	0.0	0.0	0.0
Tax effects	0.0	0.0	2.5
Other comprehensive income after tax	**0.0**	**0.0**	**–5.7**
Total comprehensive income	**0.0**	**0.0**	**–5.7**
Share-based payment	0.0	0.9	0.0
Capital increase	0.6	197.1	0.0
Capital increase SSB S.A.	0.0	0.0	0.0
Dividends	0.0	0.0	0.0
Purchase price liabilities (CellGenix/ALS)	0.0	0.0	0.0
Other changes in non-controlling interest	0.0	0.0	0.0
Other changes in equity	0.0	0.0	0.0
Balance at June 30, 2024	**69.0**	**243.2**	**12.4**

Pension reserves	Earnings reserves and retained profits	Difference resulting from currency translation	**Equity attributable to Sartorius AG shareholders**	Non-controlling interest	**Total equity**
–14.8	**1,856.2**	**24.7**	**1,989.8**	**669.1**	**2,658.9**
0.0	188.1	0.0	188.1	65.4	253.5
0.0	0.0	0.0	2.7	2.2	4.9
1.8	0.0	0.0	1.8	0.3	2.1
0.0	0.0	–20.9	–20.9	–3.7	–24.7
0.0	0.0	–7.8	–7.8	0.0	–7.8
0.0	–44.4	0.0	–44.4	0.0	–44.4
–0.5	0.0	0.4	–0.9	–0.7	–1.6
1.3	**–44.4**	**–28.3**	**–69.5**	**–1.9**	**–71.4**
1.3	**143.8**	**–28.3**	**118.6**	**63.4**	**182.1**
0.0	0.0	0.0	0.3	0.0	0.3
0.0	–98.2	0.0	–98.2	–36.2	–134.4
0.0	70.2	0.0	70.2	19.2	89.4
0.0	–43.4	0.0	–43.4	–46.1	–89.5
0.0	–0.5	0.0	–0.5	0.4	0.0
–13.5	**1,928.1**	**–3.7**	**2,036.8**	**669.9**	**2,706.7**
–14.1	**1,972.5**	**–22.3**	**2,067.8**	**690.2**	**2,758.0**
0.0	60.9	0.0	60.9	31.3	92.2
0.0	0.0	0.0	–8.2	–2.2	–10.4
1.6	0.0	0.0	1.6	0.3	1.9
0.0	0.0	39.2	39.2	8.7	48.0
0.0	0.0	15.3	15.3	0.0	15.3
0.0	–8.9	0.0	–8.9	0.0	–8.9
–0.5	0.0	–0.8	1.2	0.6	1.8
1.1	**–8.9**	**53.7**	**40.2**	**7.4**	**47.7**
1.1	**52.0**	**53.7**	**101.1**	**38.7**	**139.9**
0.0	0.0	0.0	0.9	0.0	0.9
0.0	0.0	0.0	197.7	0.0	197.7
0.0	395.1	0.0	395.1	396.3	791.4
0.0	–50.7	0.0	–50.7	–20.0	–70.8
0.0	–0.5	0.0	–0.5	–0.2	–0.7
0.0	–4.0	0.0	–4.0	–1.6	–5.6
0.0	–0.2	0.0	–0.2	0.0	–0.2
–13.0	**2,364.1**	**31.4**	**2,707.1**	**1,103.5**	**3,810.6**

Notes to the Condensed Interim Financial Statements

1. General Information

Sartorius AG is a listed joint stock corporation established according to German law and is the highest level parent company of the Sartorius Group. The corporation is recorded in the German Commercial Register of the District Court of Göttingen (HRB 1970) and is headquartered at Otto-Brenner-Str. 20 in Göttingen, Federal Republic of Germany.

The Sartorius Group is a leading international partner of biopharmaceutical research and the biopharmaceutical industry. With innovative laboratory instruments and consumables, the Group's Lab Products & Services Division (LPS) 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 (BPS), with its broad product portfolio focusing on single-use solutions, helps customers manufacture biotech medications, vaccines, and cell and gene therapeutics safely, fast, and efficiently.

2. Significant Accounting Policies

The consolidated annual financial statements of Sartorius AG for the period ended December 31, 2023, were prepared in accordance with the accounting standards of the International Accounting Standards Board (IASB) – the International Financial Reporting Standards (IFRS) – as they are to be applied in the EU. In the present interim financial statements that were prepared in conformance with the requirements of IAS 34 "Interim Financial Reporting," basically the same accounting and measurement principles were applied on which the past consolidated financial statements of fiscal 2023 were based with the exception of those principles that were effective in the current reporting period for the first time.

Furthermore, all interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) to be applied effective June 30, 2024, were observed. An explanation of the individual accounting and measurement principles applied is provided in the Notes to the Financial Statements of the Group for the year ended December 31, 2023. The Standards applied for the first time and the amended significant accounting policies are explained in Section 3 below.

For calculation of income tax expenses, the provisions of IAS 34.30(c) were applied in the interim consolidated financial statements; i.e., the best estimate of the weighted average annual income tax rate expected for the full financial year was generally applied (27%; H1 2023: 27%). Consideration of the effects in connection with the valuation of the earn-out liabilities mainly in connection with the acquisition of BIA Separations that are not relevant for tax purposes led to an effective tax rate of approximately 21.5% in the first half of 2023.

3. Accounting Rules Applied for the First Time in the Current Fiscal Year

Standards to Be Applied for the First Time in 2024
The Group applied the following new accounting rules for the first time in the reporting period:

- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements

The amendments introduced disclosure requirements and guidance within existing disclosure requirements that require entities to disclose qualitative and quantitative information about supplier finance programs.

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments provide clarifications on how a seller-lessee shall subsequently measure a sale and leaseback transaction that satisfies the requirements in IFRS 15 to be accounted for as a sale.

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-current – Deferral of Effective Date, Non-current Liabilities with Covenants

The amendments regarding the classification of liabilities as current or non-current require this distinction to be made on the basis of existing rights on the reporting date. If the entity has existing rights to defer settlement by at least twelve months, the liability shall be classified as non-current. With "Classification of Liabilities as Current or Non-current – Deferral of Effective Date", the effective date was deferred to January 1, 2023. The amendments "Non-current Liabilities with Covenants" provide explicit guidance on how covenants affect the classification of liabilities and introduce disclosure requirements about the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting date. Furthermore, the effective date was delayed to January 1, 2024.

The application of the new rules did not have an impact on the consolidated interim financial statements.

Disclosure of contract liabilities according to IFRS 15
In order to increase transparency and comparability, the Group has presented contract liabilities according to IFRS 15 separately in the statement of financial position since 2024. To adjust the previous year's figures as of December 31, 2023, payments received on account of orders in the amount of €193.0 million (as of December 31, 2022: €247.1 million) and deferred revenue in the amount of €85.2 million (as of December 31, 2022: €76.5 million) were reclassified from trade payables and other liabilities, respectively, to the new line item contract liabilities.

Presentation of extraordinary items in the statement of profit or loss
Since the consolidated financial statements for the year 2023, extraordinary income and expenses have generally been allocated to the respective functions. The prior year's figures have been adjusted accordingly. For this purpose, the following reclassifications were made from other operating income and expenses to the functional costs:

€ in millions	6 months 2023 as reported	adjustments	6 months 2023 revised
Sales revenue	1,735.2	0.0	1,735.2
Cost of sales	–859.0	–36.7	–895.7
Gross profit on sales	**876.2**	**–36.7**	**839.5**
Selling and distribution costs	–311.0	–3.4	–314.4
Research and development expenses	–83.8	–1.2	–85.1
General administrative expenses	–94.5	–7.8	–102.3
Other operating income and expenses	–83.0	49.1	–33.8
Earnings before interest and taxes (EBIT)	**303.9**	**0.0**	**303.9**

4. Use of Judgments and Estimates

In preparing these interim financial statements, management has made judgments, estimates and assumptions based on the conditions and expectations as of the reporting date. Actual results may differ from these estimates, however. The significant judgments and estimates have remained the same as those applied to the consolidated financial statements for the year ended December 31, 2023. Management has observed, however, that the general uncertainty inherent in accounting estimates and assumptions remains higher than in pre-Covid-19 times, not least due to geopolitical developments such as ongoing conflicts between Russia and Ukraine or in the Middle East.

Following the exceptionally high growth rates resulting from the Covid-19 pandemic and a decline in sales and earnings in the previous year, the Group continues to be in a phase of normalization. In the first half of 2024, this again led to a slight decline in revenue and a decline of the net result compared with the prior year comparative period. In the Bioprocess Solutions Division (BPS), in addition to the ongoing reduction in biopharma customer inventories and the adjustment to sustainably lower inventories than during the pandemic, the customers' reluctance to invest had a negative impact on sales development in the current interim reporting period. The Lab Products & Services Division (LPS) also recorded a decline in sales revenue in the first half of the year. The Division's business development is currently characterized by a general reluctance to invest and generally weak demand in China. The Group continues to assume that the current demand situation after the pandemic is a phase that will only temporarily overshadow the fundamental growth drivers of the life science and biopharma markets. Accordingly, the medium-term expectations communicated in the beginning of the year remain unchanged at this point in time. No material impairments on non-current assets were recognized as of June 30, 2024 (see Note 12).

Following the exceptionally high growth rates in the recent past resulting from the Covid-19 pandemic, the Group is currently in a normalization phase. In the first half of 2023, this led to a decrease in sales revenue and net result in comparison to the prior year period. In the reporting period, the Bioprocess Solutions Division's sales revenue was especially affected by the almost complete decline in demand in connection with the Covid-19 pandemic as well as the ongoing reduction in inventories among biopharma customers. The Lab Product & Services Division also recorded a decrease in sales revenue in the first half of 2023. The Group views the current demand normalization after the pandemic as a phase that only temporarily overshadows the highly positive growth drivers of the life science and biopharma markets. Accordingly, the medium-term expectations remain unchanged at this point in time. No material impairments of non-current assets were recognized as of June 30, 2023 (see Note 12).

Conflict between Russia and Ukraine

Since the beginning of the war, Sartorius has suspended all business activities in Russia that are not related to humanitarian medical products. This has been done under consideration of the sanctions in force and in line with the practice of other companies in the pharmaceutical and health sector. In comparison to the 2023 consolidated financial statements, no material changes are observed for the Group.

Middle East Conflict

Since the attack on Israel by the terrorist group Hamas in October 2023, battles have continued, mainly affecting the Gaza Strip. The Group's Israeli site for the production of cell culture media is located in Beit Haemek in the north of the country. On-site production as well as transport and logistics have been maintained so far. To date, there is still no material impact on the consolidated financial statements.

International Tax Reform – Pillar Two

The aim of minimum taxation (Pillar Two) of large groups is that the companies concerned pay an effective corporate tax rate of at least 15%. The Federal Republic of Germany adopted a law on implementing the minimum taxation in December 2023. The relevant rules oblige the Group to determine the effective tax rate for each relevant country from the current financial year onwards and – if this is less than 15% – to pay a supplementary top-up tax in the amount of the difference. Ireland is a relevant jurisdiction for the Group with a nominal tax rate of less than 15%. At present, minor impacts from these business activities cannot be ruled out. However, considering the "Safe Harbor" regulations applicable for at least 2024 and the following two years, the Group does not expect the new regulation to have a significant impact in the foreseeable future.

5. Segment Report

According to IFRS 8, Operating Segments, the identification of reportable operating segments is based on the "management approach"; i.e., the segments are defined analogously to the internal control and reporting structure of an entity. Accordingly, the divisions Bioprocess Solutions and Lab Products & Services are to be considered operating segments.

"Underlying EBITDA" is the key performance indicator of the operating segments of the Sartorius Group. EBITDA corresponds to earnings before interest (financial result), taxes, depreciation and amortization. "Underlying EBITDA" means EBITDA adjusted for extraordinary items. Extraordinary items are expenses and income in connection with acquisitions, structural measures (e.g., restructuring activities, large Group projects) and other gains or losses that distort the sustainable profitability of a segment, such as those from the disposal of fixed assets and investments.

Apart from that, the recognition and measurement methods for the reportable segments conform to the general Group accounting principles.

	Sales revenue		Underlying EBITDA	
€ in millions	**6 months 2024**	6 months 2023	**6 months 2024**	6 months 2023
Bioprocess Solutions	1,331.1	1,346.5	389.0	414.5
Lab Products & Services	349.2	388.7	82.4	102.2
Total	**1,680.3**	**1,735.2**	**471.4**	**516.7**
Reconciliation to profit before tax				
Depreciation and amortization			–195.5	–152.1
Extraordinary items			–47.0	–60.8
Earnings before interest and taxes (EBIT)			**229.0**	**303.9**
Financial result			–103.0	19.2
Profit before tax			**126.0**	**323.1**

The extraordinary items are as follows:

€ in millions	**6 months 2024**	6 months 2023
M&A projects | integration costs	–3.2	–16.6
Structural measures	–40.4	–37.6
Other	–3.3	–6.6
Total	**–47.0**	**–60.8**

6. Disaggregation of Revenue

Revenue is recognized according to IFRS 15, Revenue from Contracts with Customers. Revenue is disaggregated into the categories of "nature of products" and "geographical regions" as well as according to "type of revenue" (recurring/non-recurring) as shown in the following table. Categorization by "nature of products" corresponds to the reportable segments, as the identification of the reportable segments is based in particular on the different products sold. Regional disaggregation of revenue is based on the customers' location. The Group defines recurring revenue as revenue from consumables and services, while non-recurring revenue is primarily defined as instrument revenue.

			6 months 2024			6 months 2023
€ in millions	**Group**	Bioprocess Solutions	Lab Products & Services	**Group**	Bioprocess Solutions	Lab Products & Services
Sales revenue	**1,680.3**	**1,331.1**	**349.2**	**1,735.2**	**1,346.5**	**388.7**
EMEA	690.8	550.1	140.7	668.9	526.3	142.6
Americas	602.7	491.4	111.3	645.7	520.5	125.2
Asia | Pacific	386.8	289.6	97.2	420.5	299.7	120.8

			6 months 2024			6 months 2023
€ in millions	**Group**	Bioprocess Solutions	Lab Products & Services	**Group**	Bioprocess Solutions	Lab Products & Services
Sales revenue	**1,680.3**	**1,331.1**	**349.2**	**1,735.2**	**1,346.5**	**388.7**
Recurring sales revenue	1,214.6	1,043.9	170.7	1,233.5	1,056.5	177.0
Non-recurring sales revenue	465.7	287.2	178.5	501.7	290.0	211.7

7. Scope of Consolidation

A list of the companies included in the scope of consolidation for the consolidated financial statements is provided in our 2023 Annual Report.

In the current fiscal year, PolygenX D S.A.S., Paris, France, was merged into PolygenX A S.A.S., Illkirch-Graffenstaden, France.

8. Business Combinations

Acquisition of Polyplus
On July 18, 2023, the Group acquired 100% of the shares and voting rights of PolygenX A, the parent company of the Polyplus Group, via its sub-group Sartorius Stedim Biotech stock-listed in France. Headquartered in Strasbourg, France, Polyplus was founded in 2001 and has locations in France, Belgium, the USA, and China. The company employed a total of approximately 270 employees as of the acquisition date. Polyplus develops and produces transfection as well as other DNA/RNA delivery reagents and plasmid DNA in high, GMP-grade quality. These are key components in the production of viral vectors used in cell and gene therapies and other advanced medicinal therapeutic products.

The determination of the fair values of the assets acquired and liabilities assumed was completed in July 2024. The preliminary (December 31, 2023) and final valuations are as follows:

€ in millions	Preliminary purchase price allocation	**Final purchase price allocation**
Other intangible assets	888.8	845.1
Property, plant and equipment	35.5	35.5
Inventories	6.9	6.9
Trade receivables	17.3	17.3
Other assets	7.5	7.5
Cash and cash equivalents	8.2	8.2
Deferred taxes - net	–217.4	–206.8
Trade payables	–5.4	–5.4
Loans and borrowings	–194.1	–194.1
Lease liabilities	–9.3	–9.3
Other liabilities	–14.8	–14.8
Net assets acquired	**523.2**	**490.1**
Purchase price	2,226.4	2,226.4
Goodwill	**1,703.2**	**1,736.3**

For the acquisition of the Polyplus Group, a purchase price amounting to approximately €2,226.4 million was paid in cash. Acquisition-related costs totaled €11.8 million and were recognized in other expenses in the 2023 fiscal year. The intangible assets recognized separately consist of technologies (approximately €788 million) with useful lives of 5 to 18 years, as well as customer relationships (€48 million) and brands (€9 million) with limited useful lives. As of December 31, 2023, the carrying amounts of the technologies and brands were lower by €15.6 million and €27.3 million, respectively, and deferred tax liabilities were reduced by €10.6 million in comparison to the values based on the preliminary purchase price allocation. The resulting goodwill expectedly reflects the expansion of the Bioprocess Solutions Division’s product offering and synergies, especially from the combination of the acquired business with the existing product portfolio with a focus on cell and gene therapies. In particular, the products of Polyplus are key components in the manufacture of cell and gene therapies and provide access to a significant share of this growing, early-stage market. In addition, goodwill reflects other non-separable intangible assets, such as the know-how of the acquired workforce. Goodwill is not deductible for tax purposes.

9. Equity Measures

Placement of preference shares of Sartorius AG

On February 7, 2024, Sartorius AG completed the placement of 613,497 preference shares held by the company, excluding the subscription rights of existing shareholders. The preference shares were placed at a price of €326.00 per share. Gross proceeds amounted to €200.0 million. Taking into account transaction costs, this led to an increase in equity of €197.7 million (see statement of changes in equity). The placement preference shares were offered and sold exclusively to institutional investors in a private placement through an accelerated bookbuilding process and are fully entitled to dividends from January 1, 2023. The weighted average number of preference shares outstanding during the interim reporting period increased accordingly from 34,189,853 to 34,677,939.

Capital increase of Sartorius Stedim Biotech S.A.

Sartorius' French listed subgroup Sartorius Stedim Biotech S.A. also carried out a capital increase on February 7, 2024, in which 5,150,215 new shares with a volume of €1.2 billion were placed by means of an accelerated bookbuild. Sartorius AG participated in this capital increase by acquiring 1,716,739 new SSB shares with a total volume of €400.0 million at a placement price of €233.00. Taking into account transaction costs, this led to an overall increase in equity capital of €791.4 million. The allocation to the non-controlling interests and retained earnings reflects the increase in equity as well as the dilution of Sartorius AG's stake in Sartorius Stedim Biotech S.A. (see statement of changes in equity). Following the completion of the capital increase, Sartorius AG's stake in Sartorius Stedim Biotech S.A. amounts to approximately 71.5% of the share capital (December 31, 2023: 73.6%).

The net proceeds from the placement of treasury shares and the capital increase are intended to accelerate the Sartorius Group's deleveraging beyond a strong operating cash flow and to strengthen the strategic flexibility of the company as a whole. As a result of the above-mentioned measures, the Group's net debt is around €1 billion lower than if the measures had not been implemented.

10. Financial Instruments

The following table presents the carrying amounts and fair values of the Group's financial instruments as of June 30, 2024, and December 31, 2023, according to IFRS 9.

€ in millions	Category acc. to IFRS 9	**Carrying amount June 30, 2024**	**Fair value June 30, 2024**	Carrying amount Dec. 31, 2023	Fair value Dec. 31, 2023
Investments in non-consolidated subsidiaries	n/a	29.2	29.2	30.5	30.5
Financial assets	Equity instruments at fair value through profit or loss	8.1	8.1	8.1	8.1
Financial assets	Equity investments at FVOCI	27.8	27.8	36.6	36.6
Financial assets	Debt instruments at fair value through profit or loss	30.1	30.1	27.5	27.5
Financial assets	Measured at amortized cost	8.2	8.2	12.0	12.0
Financial assets (non-current)		**103.3**	**103.3**	**114.8**	**114.8**
Contract assets	n/a	14.5	14.5	16.7	16.7
Trade receivables	Debt instruments at FVOCI	110.6	110.6	81.5	81.5
Trade receivables	Measured at amortized cost	206.3	206.3	252.3	252.3
Trade receivables		**331.4**	**331.4**	**350.6**	**350.6**
Receivables and other assets	Measured at amortized cost	29.3	29.3	29.6	29.6
Derivative financial instruments in hedge relationships[1]	n/a	4.9	4.9	7.1	7.1
Other financial assets (current)		**34.2**	**34.2**	**36.7**	**36.7**
Cash and cash equivalents	**Measured at amortized cost**	**591.2**	**591.2**	**379.2**	**379.2**

€ in millions	Category acc. to IFRS 9	**Carrying amount June 30, 2024**	**Fair value June 30, 2024**	Carrying amount Dec. 31, 2023	Fair value Dec. 31, 2023
Loans and borrowings	**Financial liabilities at cost**	**4,488.3**	**4,513.0**	**5,164.2**	**5,252.3**
Trade payables	**Financial liabilities at cost**	**240.7**	**240.7**	**306.5**	**306.5**
Derivative financial instruments in hedge relationships[1]	n/a	6.3	6.3	2.2	2.2
Other financial liabilities	Financial liabilities at fair value through profit or loss	0.8	0.8	1.7	1.7
Other financial liabilities	Financial liabilities at cost	156.4	150.1	164.7	157.9
Other financial liabilities		**163.5**	**157.2**	**168.7**	**161.9**

1 The amounts include the non-designated part of the contracts, which totals -€0.5 million (December 31, 2023: -€4.0 million).

The fair values of the financial instruments were determined on the basis of the market information available on the reporting date and are to be allocated to one of the three levels of the fair value hierarchy in accordance with IFRS 13.

Level 1 financial instruments are measured on the basis of prices quoted on active markets for identical assets and liabilities. In Level 2, financial instruments are measured on the basis of input factors, which are derivable from observable market data or on the basis of market prices for similar instruments. Level 3 financial instruments are measured on the basis of input factors that cannot be derived from observable market data.

The financial instruments measured at fair value as of June 30, 2024, include especially trade receivables that are part of a portfolio that is "held-to-collect-and-sell" because of the factoring program. These trade receivables are valued in the same way as trade receivables measured at amortized cost due to their short contractual maturities and immaterial credit risks. In addition, as of June 30, 2024, there are derivatives in the form of forward contracts. The derivatives were measured on the basis of their quoted exchange rates and market yield curves (Level 2).

The valuation of the investment in BICO Group AB, which is measured at fair value through other comprehensive income, is based on the current share price on the reporting date (Level 1). The fair value of the investment amounted to €27.8 million as of the reporting date. The change in value since December 31, 2023, recognised in other comprehensive income amounts to -€8.9 million.

The remaining financial investments measured at fair value are measured on the basis of the most recent reliable indicators available as of the reporting date, e.g., on the basis of the most recent financing round, updated investor's information or the historical cost of acquisition (Level 3). No material changes to the fair values were recognized as of the reporting date.

Furthermore, the financial instruments recognized at fair value relate to contingent considerations in connection with the acquisitions of BIA Separations and Xell, which are classified as financial liabilities. Since the valuations depend, among other factors, on the expected sales performance, the valuations are regarded as Level 3 inputs. The valuations are performed under consideration of updated valuation parameters as of the reporting date.

As of the reporting date June 30, 2024, the fair value of the remaining contingent consideration liability in connection with the acquisition of BIA Separations was measured at €0.8 million. The change since December 31, 2023 (value: €1.7 million) mainly reflects adjusted expectations regarding future sales as well as the decline of the share price of Sartorius Stedim Biotech S.A. and was recognized within the financial result. The key input parameters for the valuation of the financial liability are the sales revenue expectations for the years of the plan period and the share price of Sartorius Stedim Biotech S.A. at the respective valuation date. Assuming 20% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date by approximately €0.8 million (decrease by approximately €0.5 million). If the share price of Sartorius Stedim Biotech S.A. were 20% higher (lower) at the reporting date, the liability would have been €0.2 million higher (€0.2 million lower). The actual future outcomes may differ from these sensitivities, which are determined by changing only the respective key input parameter in isolation. No material value is attributed to the remaining contingent consideration in relation to the acquisition of Xell as of June 30, 2024.

For the bonds issued in 2023, the respective market prices on the reporting date are used as an indicator of fair value (Level 1). The fair values disclosed for the remaining financial liabilities recognized at amortized cost, especially liabilities to banks and those related to note loans ("Schuldscheindarlehen"), were measured on the basis of the yield curve, taking the current (indicative) credit spreads into account (Level 2).

The liabilities for the acquisition of non-controlling interests in Automated Lab Solutions GmbH and Sartorius CellGenix GmbH, which are reported under "Other financial liabilities at cost", are measured using the effective interest rate method, with any changes recognized directly in equity. The liability for the acquisition of the remaining 24% of the shares in Sartorius CellGenix GmbH amounts to €79.6 million as of the reporting date (December 31, 2023: €79.0 million). Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €4.3 million (decrease of approximately €3.9 million). The liability for the acquisition of approximately 37.5% of the shares in Automated Lab Solutions GmbH was measured at €17.1 million as of the reporting date (December 31, 2023: €17.1 million). Assuming 10% higher (lower) sales revenues in each of the remaining relevant years of the plan period would result in an increase in the liability to be reported at the reporting date of approximately €1.5 million (decrease of approximately €1.1 million).

The fair values of the remaining financial assets and liabilities to be disclosed approximate the carrying amounts on account of their predominantly short-term maturity or unchanged cost of acquisition. The maximum credit loss risk is reflected by the carrying amounts of the financial assets recognized in the statement of financial position.

The Group recognizes transfers between the levels of the fair value hierarchies at the end of the reporting period during which a change occurs. In the current reporting period, there were no transfers between the levels.

11. Related Companies and Persons

The Group companies included in the consolidated financial statements carry out business activities and transactions in related party relationships as defined by IAS 24. In particular, this concerns transactions with non-consolidated subsidiaries; these transactions are generally concluded at customary market terms.

As in the prior-year comparative period, no material sales revenues were generated by sales to these companies in the current reporting period; there were receivables from loans totaling €15.4 million (December 31, 2023: €23.0 million). A long-term service contract exists with a related entity for which expenses of €6.7 million (H1 2023: €7.7 million) were incurred in the reporting period.

For further details, also on related persons, see page 249 in the 2023 Annual Report.

12. Other Disclosures

Asset impairment tests need to be performed annually for goodwill and other assets with indefinite useful lives. In addition, impairment tests need to be conducted on the reporting date when indicators are observed that non-current assets may be impaired. Based on the analyses of the Group, no material impairments of assets were to be recognized as of June 30, 2024.

In the reporting period, the Annual Shareholders' Meeting of Sartorius AG approved dividends totaling €50.7 million, of which €25.0 million are for ordinary shares and €25.8 million for preference shares. The dividend was paid in the first half of 2024.

The condensed consolidated financial statements of the Group were authorized for issue by the Executive Board on July 18, 2024. Independent certified auditors performed an audit review of this consolidated six-month report. The figures from the individual second quarter in the statement of profit or loss were not part of this review, nor was the statement of comprehensive income.

13. Material Events After the Reporting Date

No material events occurred between the reporting date and the authorization of these interim consolidated financial statements.

Independent Auditors' Review Report

To Sartorius Aktiengesellschaft, Göttingen

We have reviewed the condensed consolidated interim financial statements – comprising the statement of profit or loss, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity as well as selected explanatory notes – and the interim group management report of Sartorius Aktiengesellschaft, Göttingen, for the pe-riod from January 1 to June 30, 2024, which are part of the half-year financial report pursuant to § [Article] 115 WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hanover, July 18, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Thomas Ull	Guido Tamm
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Responsibility Statement of the Legal Representatives

Declaration of the Executive Board

We declare to the best of our knowledge that the condensed interim consolidated financial statements for the first half ended June 30, 2024, present a true and fair view of the actual net worth, financial situation and profitability of the Group in accordance with the accounting standards to be applied in preparing these statements. We also certify that the progress of the Group's business, including its business performance and its situation, are represented accurately in the Group interim report in all material respects and describe the most important opportunities and risks of the Group's projected development for the remaining six months of the financial year.

Göttingen, July 18, 2024

Sartorius AG

The Executive Board

Dr. Joachim Kreuzburg Dr. Florian Funck Dr. René Fáber Dr. Alexandra Gatzemeyer

Financial Schedule

Publication of nine-month figures for 2024	October 17, 2024
Publication of preliminary results for fiscal 2024	January 2025
Annual press conference	January 2025
Publication of Annual Report 2024	February 2025
Annual General Shareholders' Meeting	March 2025
Publication of first-quarter figures for 2025	April 2025

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Forward-looking Statements Contain Risks

This Sartorius Group Interim Report for the period from the beginning of January to the end of June 2024 contains various statements concerning the Sartorius Group's future performance. 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 apply. 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 the entire report, differences may be apparent as a result of rounding during addition.