

Göttingen, March 4, 2022

## Update on Sartorius' delivery ability during the COVID-19 pandemic

Dear valued customer,

We would like to update you on Sartorius' supply situation during the ongoing Covid-19 pandemic.

### **Did Sartorius experience any clusters of infections at its manufacturing sites?**

To date, no cluster of infections occurred in any manufacturing site in our global network and all previously established safety measures remain valid. Global voluntary COVID-19 antigen testing at manufacturing sites is kept in place to mitigate risks and support a rapid on-site response to prevent infection clusters.

### **Does Sartorius have enough capacity to cope with the demand?**

In general Sartorius' ambitious capacity expansion plan continues to be deployed according to schedule. Consequently, for our Fluid Management consumables, no capacity bottlenecks are expected when running at maximum output for most products. Instead, we expect to achieve an overcapacity in 2022 for various products such as Flexsafe® 2D, Flexsafe® 3D and Flexsafe® RM.

For our Separations Technologies, capacity expansion initiatives enable Sartorius to substantially grow our business. As demand continues to grow strong, influenced by various conversion requests from competitor products, we do expect to run at maximum capacities throughout 2022 for most products with spare capacities to come available in 2023. At the same time key technologies such as hollow fiber virus filtration and Sartobind technology are expected to face an overcapacity situation already by end Q3 2022.

### **Does Sartorius maintain access to raw material?**

Already early in the Covid-19 pandemic, Sartorius increased safety stock targets for critical components to mitigate risks of shortages. This enabled us to avoid to a large extend component constraints in 2021. Due to a further increase in supply challenges from certain component vendors, particularly commodity products such clamps, tubing and others, we do expect however component supply to be the main challenge especially during the first half of 2022.

With capacity expansions to come live in Q2 2022 for various critical components, these constraints should improve in the 2<sup>nd</sup> half of 2022. Component availability is continuously monitored, and we remain in close contact with our suppliers for raw materials identified to be on a critical path.

To further reduce possible risks, Sartorius continues accelerating its multi-sourcing strategy on components where possible and offers in an agile, proactive way alternative solutions when available. First successes are already achieved with the implementation of dual sourcing of silicone tubing as the most recent example. Here circa 25% of relevant customers already approved on a fast-track our proposed dual sourcing approach, thereby securing the supply of their products. We encourage all our customers to contribute in rapidly qualifying further dual sourcing solutions where available. If this is done, then we can

continue to secure the supply of our final assemblies and accelerate the positive effect coming from the implemented capacity expansions.

**How does Sartorius expect lead times to develop?**

Sartorius' capacity expansions gradually resolve the capacity bottleneck, which drove lead times in 2021. For Fluid Management products, current capacities would allow reduction of lead times back to normal already within Q2 2022. Unfortunately, as component supply affects production output, substantial lead time reductions are not yet possible. At the same time, we are able to maintain current lead times and, despite the current component challenges, we achieved during the past 3 months first modest lead time reductions for selected products such as Flexsafe® RM, Flexsafe® Mixing and small scale (<1000L) Flexsafe® 3D products.

For Separations Technologies, current lead times are expected to remain largely unchanged during 2022 due to the high capacity utilization. For some products however such as the above-mentioned Sartobind technologies and hollow fiber virus filters we expect to move back to normal lead times within Q3 2022 the latest already.

**Does Sartorius experience any issues with logistics?**

Sartorius' logistics network remains strong. At this stage, deliveries are on track for air and ocean freight.

**Is Sartorius' security of supply affected by the current situation in Ukraine?**

While supply of finished goods to the affected regions is indeed affected, Sartorius has no manufacturing facilities in this area. Furthermore, no critical intermediate products or raw materials are sourced from the affected countries. Therefore, at this stage our global supply chain is not affected. Sartorius is closely monitoring the situation and will inform customers if the situation changes, however at this stage no immediate risks were identified related to the ongoing conflict.

**Is Sartorius' delivery reliability impacted by the Covid-19 pandemic?**

Delivery reliability is expected to remain comparable to 2021 during most of the first half of 2022 as the gains from capacity expansion are partially compensated by the challenges related to the global component situation our industry is facing. First improvements are expected by end Q2 2022, early Q3 2022.

We would like to re-emphasize the full engagement of all our staff to further improve and serve you with best performance possible during this uncertain period. We do look forward for actively and successfully working together with you and do thank you for your contribution.

Sincerely,  
Sartorius



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