Search in all areas

SARSTEDT AG & Co. KG, Nümbrecht-Rommelsdorf

Accounting / Financial Reports

company

information

designation

SARSTEDT AG & Co. KG

Nümbrecht-Rommelsdorf

Consolidated financial statements for the financial year from January 1, 2019 to December 31, 2019

CONSOLIDATED BALANCE SHEET as of December 31, 2019

SARSTEDT AG & Co. KG, Nuembrecht

District Court of Siegburg, HRA 4094

ASSETS

	12/31/2019 Euro	12/31/2018 Euro
A. Fixed assets		
I. Intangible assets		
1. Purchased concessions, industrial property rights and similar rights and values as well as licenses to such rights and values	4,805,337.76	2,995,643.71
2. Goodwill	1,886,593.72	2,748,299.22
3. Advance payments made	0.00	135,674.47
	6,691,931.48	5,879,617.40

	12/31/2019	12/31/2018
	Euro	Euro
II. Tangible assets		
1. Land, land rights and buildings, including buildings on third-party land	62,409,398.19	56,225,346.70
2. Technical installations and machines	54,202,526.79	48,592,396.15
3. Other equipment, fixtures and fittings	9,785,472.09	10,166,799.73
4. Payments on account and assets under construction	41,691,569.13	18,189,528.37
	168,088,966.20	133,174,070.95
III. financial assets		
1. Investment securities	33,808,834.47	54.145.152.17
2. Other Loans	272,590.00	312,105.00
	34,081,424.47	54,457,257.17
B. Current Assets		
I. Inventories		
1. Raw, auxiliary and operating materials	20,675,795.75	19,055,809.53
2. Work in progress, work in progress	13,884,295.70	13,485,380.33
3. Finished Goods and Merchandise	40,131,106.70	37,687,834.97
4. Advance payments made	26,545.35	43,311.64
	74,717,743.50	70,272,336.47
II. Receivables and other assets		
1. Trade accounts receivable	51,802,169.54	50,177,336.12
2. Other assets	7,739,637.05	4,615,174.09
	59,541,806.59	54,792,510.21
- Of which with a remaining term of more than one year EUR 473,853.02 (EUR 665,401.17)		
III. Cash on hand, Bundesbank balances, bank balances and checks	209,728,485.30	181,973,674.46
C. Prepaid expenses	2,817,374.79	2,316,296.62
D. Deferred tax assets	1,365,352.44	1,224,133.82
	557,033,084.77	504,089,897.10

LIABILITIES

	12/31/2019	12/31/2018
	Euro	Euro
A. Equity		
I. Capital shares of the limited partners	50,000,000.00	50,000,000.00
II. Reserves	117,571,119.00	92,092,528.00
III. profit carried forward	213,249,257.14	204,463,840.57
IV. Differences from currency conversion	-7,749,132.67	-10,375,524.89
V. Consolidated retained earnings	9,902,131.67	8,785,416.57
	382,973,375.14	344,966,260.25
B. Provisions		
1. Provisions for pensions and similar obligations	8,118,952.55	6,974,728.79
2. Tax Provisions	323,807.65	607,155.08
3. Other Provisions	13,475,096.47	13,353,432.23
	21,917,856.67	20,935,316.10
C. Liabilities		
1. Liabilities to banks	16,803.12	249,809.82
- Of which with a remaining term of up to one year EUR 16,803.12 (EUR 249,809.82)		
2. Deposits Received on Orders	762,962.97	681,116.55
- Of which with a remaining term of up to one year EUR 762,962.97 (EUR 681,116.55)		
3. Trade Accounts Payable	20,848,444.65	13,153,320.16
- Of which with a remaining term of up to one year EUR 20,848,444.65 (EUR 13,153,320.16)		
4. Liabilities to limited partners	117,176,633.06	110,224,756.95
- Of which with a remaining term of up to one year EUR 117,176,633.06 (EUR 110,224,756.95)		
5. Liabilities to general partners	516,536.41	264,074.90

	12/31/2019	12/31/2018
	Euro	Euro
- Of which with a remaining term of up to one year EUR 516,536.41 (EUR 264,074.90)		
6. Other Liabilities	11,478,641.81	12,835,895.91
	150,800,022.02	137,408,974.29
- Of which from taxes EUR 4,713,217.14 (EUR 6,476,509.74)		
- Of which within the framework of social security Euro 741,557.25 (Euro 755,827.17)		
- Of which with a remaining term of up to one year EUR 11,478,641.81 (EUR 12,461,786.21)		
- Of which with a remaining term of more than one year EUR 0.00 (EUR 374,109.70)		
D. Accruals and Accruals	1,341,830.94	779,346.46
	557,033,084.77	504,089,897.10

CONSOLIDATED INCOME STATEMENT for the period from January 1, 2019 to December 31, 2019

SARSTEDT AG & Co. KG, Nuembrecht

	2019	2018
	Euro	Euro
1. Revenue	400,972,021.06	388,438,917.56
2. Increase in inventories of finished goods and work in progress	2,842,187.10	577,118.29
3. Other own work capitalized	6,863,912.65	3,412,647.66
4. Overall Performance	410,678,120.81	392,428,683.51
5. Other operating income	10,662,222.94	5,353,144.91
- Of which income from currency conversion EUR 5,491,025.71 (EUR 3,022,221.77)		
6. Cost of Materials		
a) Expenses for raw materials, auxiliary materials and supplies and for purchased goods	-110,299,192.86	-102,004,206.89
b) Expenses for purchased services	-10,857,258.18	-9,603,320.65
	-121,156,451.04	-111,607,527.54
7. Personnel expenses		
a) Wages and salaries	-114,681,368.19	-108,736,506.27
b) Social security contributions and expenses for pensions and for assistance	-25,374,353.10	-23005510.13
	-140,055,721.29	-131,742,016.40
- Of which for pensions EUR -3,633,023.94 (EUR -2,966,953.72)		
8. Depreciation		
On intangible fixed assets and property, plant and equipment	-18,772,834.05	-17,583,378.29
9. Other Operating Expenses	-65,028,220.91	-59,542,258.94
- Of which expenses from currency conversion Euro -4,486,941.63 (Euro -3,494,127.13)		
10. Income from participations	0.00	1,300.00
11. Income from other securities and loans classified as financial assets	324,512.32	317,019.86
12. Other Interest and Similar Income	1,395,758.72	971,086.83
13. Interest and Similar Expenses	-370,531.06	-413,183.20
- Of which interest expenses from the compounding of provisions Euro -255,511.00 (Euro -260,143.00)		
	77,676,856.44	78,182,870.74
14. Income Taxes	-14,358,667.21	-11,966,148.69
- Of which income from the reversal of deferred taxes EUR 141,218.62 (EUR 1,847,317.88)		
15. Earnings after taxes	63,318,189.23	66,216,722.05
16. Other Taxes	-1,029,247.12	-972,937.70
17. Consolidated net income	62,288,942.11	65,243,784.35
18. Credit to Reserve Accounts	-25,478,591.00	-27,898,018.00
19. Credit to Liability Accounts	-26,908,219.44	-28,560,349.78
20. Consolidated Balance Sheet Profit	9,902,131.67	8,785,416.57

Notes to the consolidated financial statements for the 2019 financial year

I. General information

The company SARSTEDT AG & Co. KG based in Nümbrecht, Germany, is listed at the district court in Siegburg under the registration number HRA 4094, is a limited partnership under German law and is the parent company of the SARSTEDT Group.
The consolidated financial statements and the group management report as of December 31, 2019 were prepared in accordance with German commercial law (Sections 290 et seq. in conjunction with Sections 264a and 264c HGB). The accounting regulations applicable to large corporations are decisive. The structure of the consolidated balance sheet and the consolidated income statement corresponds to §§ 266 and 275 HGB, unless there is a deviation for the consolidated financial statements or §§ 300 et seq. HGB provides otherwise. Deviations from the statutory classification schemes relate to special features specific to the legal form.
The consolidated financial statements consist of the consolidated balance sheet, the consolidated income statement, the consolidated notes, the consolidated cash flow statement and the consolidated statement of changes in equity in accordance with Section 297 (1) HGB. The consolidated financial statements under commercial law have been supplemented by a group management report in accordance with Section 315 HGB.
The nature of expense method was chosen for the consolidated income statement. Fiscal year is the calendar year.
Due to rounding, it is possible that individual figures in the consolidated financial statements do not add up exactly to the total stated and that the percentages presented do not reflect exactly the absolute values to which they relate.
In principle, the accounting and valuation methods applied in the previous year were retained (§ 284 Para. 2 No. 3 HGB). Within the intangible assets, the parent company revalued the asset "ERP software" in the financial year due to the accounting assessment of new ERP modules. In contrast to previous years, all modules of the ERP software are now accounted for as a single asset, which is consequently depreciated from the time the first module is ready for operation. Due to the staggered implementation periods of the ERP modules, the normal total useful life of the asset was reassessed from the previous 60 months to a total of 83 months. In addition, own work was subsequently capitalized as ancillary acquisition costs with their individual costs. The resulting out-of-period effect totals EUR 18.4 thousand, divided into out-of-period income of EUR 291.3 thousand and out-of-period expense from depreciation of EUR 272.9 thousand.

II. Scope of Consolidation

In accordance with Section 294 (1) HGB, the consolidated financial statements include SARSTEDT AG & Co. KG (parent company) based in Nümbrecht, as well as all significant subordinate domestic and foreign companies over which the parent company can directly or indirectly exercise a controlling influence (Section 290 Para. 1 HGB).
The group of exclusively fully consolidated companies consists of the following subsidiaries:

Domestic Companies	Seat	Shareholding
DESAGA GmbH **	Wiesloch	100%
ELTEST - Society for Electrophoresis and Transfusion Systems mbH **	Nuembrecht	100%
Hirschmann & Beilner GmbH	Nuembrecht	100%
INJECTA GmbH **	Klingenthal	100%
Medical Products Lichtenberg GmbH **	Brand-Erbisdorf	100%
SARSTEDT Beteiligungs GmbH **	Nuembrecht	100%
SARSTEDT Holding GmbH **	Nuembrecht	100%
SARSTEDT International GmbH **	Nuembrecht	100%
TRANSMED Medizintechnik GmbH & Co. KG **	Bad Wunnenberg	100%
biostep GmbH **	Burkhardtsdorf	100%
Foreign companies		
DISPOSABLE PRODUCTS AUSTRALIA Pty. ltd	Adelaide, Australia	100%
SARSTEDT AUSTRALIA Pty. ltd	Adelaide, Australia	100%
SARSTEDT FROM *	Helsingborg, Sweden	100%
SARSTEDT AG *	Sevelen, Switzerland	100%
SARSTEDT AS	Oslo, Norway	100%
SARSTEDT BV *	Etten-Leur, Netherlands	100%
SARSTEDT BVBA *	Berchem, Belgium	100%
SARSTEDT MEPE	Spata, Greece	100%
SARSTEDT Ges.mbH *	Biedermannsdorf, Austria	100%
SARSTEDT INC.	Montreal, Canada	100%
SARSTEDT INC.	Newton, USA	100%
SARSTEDT Ltd *	Budapest, Hungary	100%
SARSTEDT KK *	Tokyo, Japan	100%
SARSTEDT Ltd.	Leicester, UK	100%
SARSTEDT Ltd. *	Wexford, Ireland	100%
SARSTEDT LTDA.	Porto Feliz - SP, Brazil	100%
SARSTEDT Mexico S. de RL de CV	Tlalnepantla, Mexico	100%
000 SARSTEDT	St. Petersburg, Russia	100%
SARSTEDT OY *	Vantaa, Finland	100%
SARSTEDT SA	Rio de Mouro, Portugal	100%
SARSTEDT FRANCE SARL	Marnay, France	100%

Domestic Companies	Seat	Shareholding
SARSTEDT SAS	Marnay, France	100%
SARSTEDT SA	La Roca del Valles, Spain	100%
SARSTEDT Sia.	Riga, Latvia	100%
SARSTEDT spol. sro	Bratislava, Slovakia	100%
SARSTEDT spol. sro	Prague, Czech Republic	100%
SARSTEDT SP. z oo	Stare Babice, Poland	100%
SARSTEDT SRL	Milan, Italy	100%
SARSTEDT (Shanghai) Trading Co.Ltd. *	Shanghai, China	100%

* Entry in the commercial register or comparable foreign institution with "Sarstedt" instead of "SARSTEDT"

** The company has made use of the exemption provision in Sections 264 (3) and 264b HGB

Pre-consolidation was carried out for the Australia subgroup.

In the case of the fully consolidated subsidiaries, the shares belonging to the parent company were offset against the equity items of the subsidiaries subject to mandatory consolidation on the basis of the valuations at the time of acquisition or establishment, for investments that existed before 1997, at the time of initial inclusion.

Control and profit and loss transfer agreements exist with the subsidiaries biostep GmbH, DESAGA GmbH, INJECTA GmbH, Medical-Products Lichtenberg GmbH and SARSTEDT International GmbH to the parent company. The income and expenses from profit transfers and loss absorption are explained in the individual financial statements in accordance with Section 277 (3) sentence 2 HGB.

The parent company SARSTEDT AG & Co. KG, Nümbrecht, as well as the subsidiaries identified above, have made use of the exemption provisions of Section 264, Paragraph 3 and Section 264b of the German Commercial Code with regard to the disclosure of the annual financial statements and the management report. The notifications about the use of the exemption option were published in the electronic Federal Gazette.

III. Consolidation Principles

1. Closing date; uniform accounting

The consolidated financial statements were prepared in accordance with Section 299 (1) HGB as of the parent company’s balance sheet date of December 31, 2019. The balance sheet date of all companies included in the consolidated financial statements is December 31, 2019.

The financial statements of the domestic and foreign subsidiaries included in the consolidation were drawn up in accordance with the statutory provisions pursuant to Section 300 (1) in conjunction with Section 308 (1) sentence 1 HGB using uniformly applicable accounting and valuation methods. Where necessary, financial statements of foreign subsidiaries were prepared in accordance with Section 300 (2) HGB i. Adapted to German law in conjunction with section 308 (1) sentence 2 HGB. Permissible accounting options were exercised in the consolidated financial statements in accordance with Section 300 (2) sentence 2 HGB, regardless of whether they were exercised in the annual financial statements of the companies included in the consolidated financial statements.

2. Currency Conversion

The consolidated financial statements are in accordance with Section 244 i. 1 HGB in euros. The currency conversions of the consolidated foreign group companies based in a country outside the euro area were carried out in accordance with Section 308a HGB for the balance sheet using the modified closing rate method with the respective mean spot exchange rate, with the equity of the foreign companies being converted in each case using the historical rates. The items in the income statement were converted using the average spot exchange rate for the financial year. Any resulting conversion difference is to be reported within the group equity after the reserves under the item "

3. Date of first consolidation

Time of offsetting the capital subject to consolidation i. s.d. Section 301 (2) of the German Commercial Code (HGB) is generally the point in time at which the subsidiary was included in the scope of consolidation for the first time. The first consolidation took place on December 31, 1997 or at the time when the companies became subsidiaries.

4. Capital consolidation and differences

Capital consolidation for the fully consolidated companies is based on the revaluation method in accordance with Section 301 (1) sentence 2 HGB. Here, the hidden reserves and hidden burdens of the assets and liabilities of the subsidiary are revealed before offsetting the book value of the investment and the subsidiary's equity.

The active differences arising from the initial consolidation are reported as goodwill and amortized as scheduled.

The negative differences resulting from the initial consolidation remain part of the revenue reserves, as they are due to retained earnings between the time of acquisition or founding and the initial consolidation and are therefore due to technical reasons.

5. Debt Consolidation

When consolidating debts, reciprocal receivables and liabilities or provisions of the companies included are offset against each other and eliminated in accordance with Section 303 (1) HGB.

The netting differences are treated as income, taking into account the necessary tax deferrals.

The items to consolidated companies have been eliminated from the mandatory disclosures on contingent liabilities and other financial obligations.

6. Consolidation of expenses and income

Intercompany sales are offset against the corresponding expenses in accordance with Section 305 (1) HGB, unless they are shown as an increase in inventories of finished goods and work in progress or as other capitalized own work.

Other intra-group income is offset against the expenses attributable to it, and income from profit transfers is offset against expenses from profit transfers.

7. Interim Result Elimination

Intercompany profits from deliveries and services within the group were eliminated in accordance with Section 304 (1) HGB.

IV. Accounting and valuation principles

1. General

The valuation was based on going concern (§ 252 Para. 1 No. 2 HGB).

The assets and liabilities shown are accounted for in accordance with the provisions of commercial law.
The provisions of Section 298 HGB applicable to the consolidated financial statements were observed.
The financial statements of the individual subsidiaries are included in the consolidated financial statements using uniform accounting and valuation methods.
The company has the German accounting standard no. 18 (DRS 18) "Deferred taxes" with regard to para. 64 (disclosure of deferred taxes not capitalized due to options) and para. 67 (reconciliation statement) not applied because it is not obliged to do so under the statutory provisions.

2. Fixed Assets

intangible assets

The acquired intangible assets are capitalized at acquisition cost and, if subject to wear and tear, are amortized on a straight-line basis over three to eight years in accordance with their economic or legal useful life.
Where necessary, unscheduled depreciation is carried out. If the reasons for unscheduled depreciation no longer apply, the necessary write-ups are made.
All capitalized intangible fixed assets have a limited useful life.
Derivative goodwill capitalized in accordance with Section 246 (1) HGB is amortized on a straight-line basis over a scheduled useful life of ten years. Our estimates of the expected returns are based on the identification of the value drivers represented by goodwill. Essentially, these are the know-how acquired, the customer base acquired in each case and the hoped-for synergy effects. The useful life is estimated taking into account technical progress, the life cycles of the products and the prevailing competitive situation of the acquired company.
Goodwill from capital consolidation is amortized over five years.

Property, plant and equipment

Additions to property, plant and equipment are capitalized at acquisition or production cost and, where depreciable, less scheduled depreciation. Depreciation is linear over the economic useful life, whereby the economic useful life is determined in accordance with the official depreciation tables. Deviating from this, injection molding machines are depreciated over 10 years.
The manufacturing costs of self-constructed assets include the material costs, manufacturing costs and special manufacturing costs as well as reasonable parts of the material overheads, manufacturing overheads and the depreciation of the fixed assets, insofar as this is caused by the manufacturing. Interest on borrowed capital is not included in the production costs.
Where necessary, unscheduled depreciation is carried out. If the reasons for unscheduled depreciation no longer apply, the necessary write-ups are made up to a maximum of the acquisition costs.
Low-value assets with individual acquisition costs of up to EUR 800.00 are immediately expensed in the German group companies. Some of the foreign group companies have also made use of simplification regulations under national law.

financial assets

Financial assets are measured at amortized cost or nominal value or at the lower applicable value. If necessary, write-ups are made up to a maximum of the acquisition costs. There were no interest-free or low-interest loans.

3. Inventories

Inventories are generally valued at group acquisition or group production cost. When determining the group production costs, the direct material and material overhead costs, the direct and production overhead costs as well as the special costs of production are included. Risks inherent in the inventories are taken into account through appropriate deductions. The valuation of work in progress, finished goods and goods takes into account the principle of loss-free valuation. Goods in transit are accounted for at the time of the transfer of risk.
Inventory risks are taken into account by means of appropriate write-downs based on the respective operational circumstances.

4. Receivables, other assets and liquid funds

Receivables, other assets and cash and cash equivalents are reported at their nominal value less any value adjustments. Risky items are taken into account through the formation of adequately allocated individual and general value adjustments.

5. Provisions for pensions

The pension provisions relate mainly to the German companies included in the SARSTEDT Group. Pension provisions of foreign subsidiaries that are insignificant in terms of amount are usually taken over unchanged in accordance with local law. The valuation is essentially based on actuarial principles.
The provisions of the German companies are calculated on the basis of actuarial calculations using the projected unit credit method, taking into account the 2018 G mortality tables by Prof. Dr. Heubeck reviewed.
As of the reporting date, there were pension provisions from the German companies in the amount of EUR 7,736 thousand. These are EUR 1,294 thousand (difference) below the valuation that would have resulted on the reporting date if the seven-year average interest rate had been applied.
The provisions for pensions and similar obligations were discounted at a flat rate using the average market interest rate for the past ten years published by the Deutsche Bundesbank for December 31, 2019, which results from an assumed remaining term of 15 years (section 253 (2) sentence 2 HGB) . This interest rate is 2.71% (previous year: 3.21%). When determining the provisions for pensions and similar obligations, annual salary increases of 0.0% (previous year: 0.0%) and, in the case of entitlements, annual pension increases of 1.75% (previous year 1.75%) were used.

6. Provisions for taxes and other provisions

The tax accruals and other accruals take account of the identifiable risks and uncertain obligations and are valued at the settlement amount based on prudent business judgement. Expected cost and price increases are taken into account.
Provisions with a term of more than one year are discounted at the average market interest rate for the past seven years that corresponds to their remaining term and is published by the Deutsche Bundesbank.

7. Liabilities

Liabilities are recognized at their settlement amount (section 253 (1) sentence 2 HGB).
Foreign currency liabilities are valued taking into account the average spot exchange rate on the balance sheet date. In the case of liabilities with a remaining term of up to one year, the acquisition cost principle of Section 253 (1) sentence 1 HGB and the realization principle of Section 252 (1) no. 4 HGB are not applied (Section 256a sentence 2 HGB).

8. Deferred Taxes

For the determination of deferred taxes due to temporary or quasi-permanent differences between the commercial law valuations of assets, liabilities and prepaid expenses and their tax valuations or due to tax loss carryforwards, the amounts of the resulting tax burden and relief are calculated using the company-specific tax rates at the time of the reduction of the differences valued and not discounted. Differences based on consolidation measures in accordance with Sections 300 to 307 HGB are also taken into account, but not differences from the initial recognition of goodwill or

Deferred tax assets and liabilities resulting from differences in the annual financial statements of the consolidated companies are offset.

Deferred taxes resulting from differences in the annual financial statements are not capitalized when this option is exercised.

Deferred taxes from the consolidation and deferred taxes in accordance with Section 274 HGB from the individual financial statements are shown together in the consolidated financial statements. The option to capitalize the surplus of assets resulting from the offsetting of deferred taxes (section 274 (1) sentence 2 HGB) is not exercised.

V. Notes to the consolidated balance sheet

1. Fixed assets

The composition and development of the individual items in the consolidated balance sheet, broken down by acquisition and production costs as well as depreciation (gross presentation), can be seen from the consolidated fixed asset movement schedule.

Consolidated statement of fixed assets as of December 31, 2019

SARSTEDT AG & Co. KG, Nuembrecht

	Status 01.01.2019	currency differences	additions
I. Intangible assets			
1) Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	18,723,935.20	12,864.10	2,046,282.41
2) Goodwill	14,543,499.36	12,886.15	0.00
3) Advance payments made	135,674.47	8,132.07	0.00
Total intangible assets	33.403.109.03	33,882.32	2,046,282.41
II. Tangible assets			
1) Land and buildings including buildings on third-party land	101,385,511.85	478,473.26	8,621,815.79
2) Technical equipment and machines	259,395,528.03	640,925.06	8,739,656.57
3) Other equipment, fixtures and fittings	36,075,471.10	124,282.50	2,854,830.37
4) Payments on account and assets under construction	18,196,580.41	45,509.43	34,749,193.51
Total property, plant and equipment	415,053,091.39	1,289,190.25	54,965,496.24
III. financial assets			
1) Investment securities	54.145.152.17	0.00	889.95
2) other loans	316,871.69	0.00	0.00
Total financial assets	54,462,023.86	0.00	889.95
	502,918,224.28	1,323,072.57	57,012,668.60

	departures	transfers	As of 12/31/2019
I. Intangible assets			
1) Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	23,906.47	1,758,735.11	22,517,910.35
2) Goodwill	0.00	0.00	14,556,385.51
3) Advance payments made	0.00	-143,806.54	0.00
Total intangible assets	23,906.47	1,614,928.57	37,074,295.86
II. Tangible assets			
1) Land and buildings including buildings on third-party land	17,048.52	455,574.51	110,924,326.89
2) Technical equipment and machines	5,998,839.26	8,443,237.57	271,220,507.97
3) Other equipment, fixtures and fittings	3,603,838.06	741,675.93	36,192,421.84
4) Payments on account and assets under construction	37,245.60	-11,255,416.58	41,698,621.17
Total property, plant and equipment	9,656,971.44	-1,614,928.57	460,035,877.87
III. financial assets			
1) Investment securities	20,337,207.65	0.00	33,808,834.47
2) other loans	39,515.00	0.00	277,356.69
Total financial assets	20,376,722.65	0.00	34.086.191.16
	30,057,600.56	0.00	531,196,364.89

	Accumulated depreciation 01/01/2019	currency differences	Depreciation 2019	Currency differences current depreciation

	Accumulated depreciation 01/01/2019	currency differences	Depreciation 2019	Currency differences current depreciation
I. Intangible assets				
1) Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	15,728,291.49	13,214.73	1,979,630.50	282.02
2) Goodwill	11,795,200.14	7,008.80	867,737.91	-155.06
3) Advance payments made	0.00	0.00	0.00	0.00
Total intangible assets	25,523,491.63	20,223.53	2,847,368.41	126.96
II. Tangible assets				
1) Land and buildings including buildings on third-party land	45.160.165.15	149,518.37	3,212,764.16	-4,005.45
2) Technical equipment and machines	210,803,131.88	653,598.89	9,872,084.89	-10,672.10
3) Other equipment, fixtures and fittings	25,908,671.37	112,302.39	2,840,616.59	54.03
4) Payments on account and assets under construction	7,052.04	0.00	0.00	0.00
Total property, plant and equipment	281,879,020.44	915,419.65	15,925,465.64	-14,623.52
III. financial assets				
1) Investment securities	0.00	0.00	0.00	0.00
2) other loans	4,766.69	0.00	0.00	0.00
Total financial assets	4,766.69	0.00	0.00	0.00
	309,407,278.76	935,643.18	18,772,834.05	-14,496.56

	Depreciation on disposals	transfers	Accumulated depreciation 12/31/2019
I. Intangible assets			
1) Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	8,846.15	0.00	17,712,572.59
2) Goodwill	0.00	0.00	12,669,791.79
3) Advance payments made	0.00	0.00	0.00
Total intangible assets	8,846.15	0.00	30,382,364.38
II. Tangible assets			
1) Land and buildings including buildings on third-party land	3,513.53	0.00	48,514,928.70
2) Technical equipment and machines	4,299,379.21	-783.17	217017981.18
3) Other equipment, fixtures and fittings	2,455,477.80	783.17	26,406,949.75
4) Payments on account and assets under construction	0.00	0.00	7,052.04
Total property, plant and equipment	6,758,370.54	0.00	291,946,911.67
III. financial assets			
1) Investment securities	0.00	0.00	0.00
2) other loans	0.00	0.00	4,766.69
Total financial assets	0.00	0.00	4,766.69
	6,767,216.69	0.00	322,334,042.74

	Book value 12/31/2019	Book value 12/31/2018
I. Intangible assets		
1) Purchased concessions, industrial property rights and similar rights and assets, as well as licenses to such rights and assets	4,805,337.76	2,995,643.71
2) Goodwill	1,886,593.72	2,748,299.22
3) Advance payments made	0.00	135,674.47
Total intangible assets	6,691,931.48	5,879,617.40
II. Tangible assets		
1) Land and buildings including buildings on third-party land	62,409,398.19	56,225,346.70
2) Technical equipment and machines	54,202,526.79	48,592,396.15
3) Other equipment, fixtures and fittings	9,785,472.09	10,166,799.73
4) Payments on account and assets under construction	41,691,569.13	18,189,528.37

	Book value 12/31/2019	Book value 12/31/2018
Total property, plant and equipment	168,088,966.20	133,174,070.95
III. financial assets		
1) Investment securities	33,808,834.47	54.145.152.17
2) other loans	272,590.00	312,105.00
Total financial assets	34,081,424.47	54,457,257.17
	208,862,322.15	193,510,945.52

The positive differences of EUR 8,018 thousand that arose during the initial consolidation are reported under goodwill and amortized as scheduled. As of December 31, 2019, the book values totaled EUR 325 thousand (previous year: EUR 437 thousand).
Securities held as fixed assets with a book value of EUR 33,809 thousand are reported under financial assets. Of this, EUR 33,785 thousand is held by the German companies, the fair value of which is EUR 34,130 thousand.

2. Receivables and other assets

The other assets include other receivables in the amount of EUR 474 thousand (previous year: EUR 665 thousand) that have a remaining term of more than one year.

3. Equity

The consolidated financial statements have been prepared, taking into account the provisions of the articles of incorporation, after appropriation of the annual result of the parent company. Taking into account deposits and withdrawals in the reporting period, equity breaks down as follows:

	12/31/2019 in kEUR	12/31/2018 in kEUR
limited partnership contributions	50,000	50,000
reserves	117,571	92,093
profit carried forward	213,249	204,464
Currency translation differences	-7,749	-10,376
Consolidated balance sheet profit	9,902	8,785
group equity	382,973	344,966

Variable capital accounts of the limited partners of the parent company and the general partner, SARSTEDT Verwaltungs AG, are shown as outside capital.

4. Provisions

As of December 31, 2019, there were provisions for pensions and similar obligations of EUR 8,119 thousand (previous year: EUR 6,975 thousand).
The other provisions i. hv EUR 13,475 thousand (previous year: EUR 13,353 thousand) are broken down as follows:

Other provisions	12/31/2019 in kEUR	12/31/2018 in kEUR
Provisions for personnel expenses	8,254	7,782
Warranties	1,076	940
Closing and examination costs as well as legal and consulting costs	1,044	1,335
Pending invoice	630	601
Rest	2,471	2,695
total	13,475	13,353

The provisions in connection with personnel expenses include vacation and anniversary expenses as well as other personnel costs, such as e.g. B. professional association contributions, performance-related remuneration and the compensatory levy under the Severely Disabled Persons Act.

5. Liabilities

12/31/2019	In total	of which with a remaining term			fuse
in kEUR		up to 1 y. >	1 - 5 y.	>5. J	(retention of title)
type of liability					
Liabilities to credit institutions	17	17	0	0	0
Received deposit on orders	763	763	0	0	0
liabilities from goods and services	20,848	20,848	0	0	20,848
Liabilities to limited partners	117.177	117.177	0	0	0
Liabilities to personally liable partners	516	516	0	0	0
Other liabilities	11,479	11,479	0	0	0
In total	150,800	150,800	0	0	20,848

12/31/2018	In total	of which with a remaining term			security
in kEUR		up to 1 y.	> 1 - 5 y.	>5. J	(retention of title)
type of liability					

12/31/2018 in kEUR	In total	of which with a remaining term up to 1 y.	> 1 - 5 y.	>5. J	security (retention of title)
Liabilities to credit institutions	250	250	0	0	0
Received deposit on orders	681	681	0	0	0
liabilities from goods and services	13,153	13,153	0	0	13,153
Liabilities to limited partners	110,225	110,225	0	0	0
Liabilities to personally liable partners	264	264	0	0	0
Other liabilities	12,836	12,462	287	87	0
In total	137,409	137,035	287	87	13,153

6. Deferred taxes

The deferred taxes determined in accordance with § 274 HGB from temporarily different valuations between the commercial and tax accounts as well as tax loss carryforwards result from the following facts:

	differences	Active (+) / passive (-) deferred taxes	differences	Active (+) / passive (-) deferred taxes
	kEUR	kEUR	kEUR	kEUR
	12/31/2019	12/31/2019	12/31/2018	12/31/2018
balance sheet item				
Intangible and tangible assets	-3,142	-885	-4,789	-1,240
Stocks	333	83	260	65
Receivables and other assets	-197	-34	-8th	-2
Provisions, accounts payable and other liabilities	57	14	446	111
Balance of active / passive deferred taxes		-822		-1,066

As of the balance sheet date, after offsetting the deferred tax assets and liabilities (total difference analysis), there was a surplus of deferred tax liabilities of EUR 822 thousand at the level of the total balance sheet. Deferred tax assets of EUR 138 thousand were offset against deferred tax liabilities of EUR 960 thousand charged.

According to § 306 HGB, deferred taxes to be reported result from the following differences from consolidation measures:

	differences	Active (+)/ passive (-) deferred taxes	differences	Active (+)/ passive (-) deferred taxes
	kEUR	kEUR	kEUR	kEUR
	12/31/2019	12/31/2019	12/31/2018	12/31/2018
Intercompany profit elimination on property, plant and equipment sales	455	105	445	77
Elimination of intercompany profits on inventories	8.144	2,082	8,021	2,368
debt consolidation	0	0	-1,571	-155
Balance of active / passive deferred taxes		2.187		2,290

The deferred tax assets resulting from the summary balance sheet in accordance with Section 306 HGB are combined with the deferred taxes in accordance with Section 274 HGB, so that a total amount of deferred tax assets of EUR 1,365 thousand is reported in the consolidated balance sheet as of the balance sheet date.

The tax rates of the respective countries for calculating the deferred taxes are listed below:

country	Tax rate % 12/31/2019	Tax rate % 12/31/2018
Germany	15.4	15.4
Australia	30.0	30.0
Sweden	22.0	22.0
Switzerland	17.4	17.4
Netherlands	25.0	25.0
Austria	25.0	25.0
Canada	26.9	26.9
United States	24.9	24.9
Hungary	11.0	10.0
Japan	32.0	35.0
Great Britain	21.0	21.0
Ireland	12.5	12.5
Brazil	34.0	34.0
Mexico	30.0	30.0

country	Tax rate % 12/31/2019	Tax rate % 12/31/2018
Finland	20.0	20.0
Portugal	21.0	21.0
France	33.3	33.3
Spain	25.0	28.0
Latvia	20.0	15.0
Slovakia	21.0	22.0
Czech Republic	19.0	19.0
Poland	19.0	19.0
Italy	24.0	27.5
China	25.0	25.0
Greece	24.0	29.0
Norway	22.0	22.0
Russia	20.0	20.0
Belgium	30.0	30.0

VI. Notes to the consolidated income statement

1. Revenue

In the 2019 financial year, the Group generated sales of EUR 400,972 thousand (previous year: EUR 388,439 thousand).

Distribution according to sales regions	12/31/2019	12/31/2018
	in kEUR	in kEUR
Europe	305,059	297,229
North and South America	74,838	71,250
Asia/Pacific/Africa	21,075	19,960
total sales	400,972	388,439

2. Other operating income

Other operating income of EUR 10,662 thousand (previous year: EUR 5,353 thousand) mainly consists of income from currency translation of EUR 5,491 thousand (previous year: EUR 3,022 thousand) and EUR 833 thousand (previous year: EUR 311 thousand) from income from the disposal of Capital assets.

3. Other operating expenses

Other operating expenses of EUR 65,028 thousand (previous year: EUR 59,542 thousand) include in particular expenses for outbound freight of EUR 18,295 thousand (previous year: EUR 16,790 thousand). The item also includes expenses for maintenance, license costs and other IT expenses as well as expenses for marketing and product registrations in the amount of EUR 10,100 thousand (previous year: EUR 11,606 thousand). The item also includes expenses from currency translation of EUR 4,487 thousand (previous year: EUR 3,494 thousand).

Income and expenses of exceptional magnitude or exceptional importance

In the year under review, there were neither income nor expenses of an exceptional magnitude or exceptional importance.

VII. Other information

1. Cash flow statement

Cash and cash equivalents in the cash flow statement include the liquid funds shown in the balance sheet (ie cash on hand, checks and bank balances), provided they are available within three months.

Fixed-term deposits i. hv EUR 8,553 thousand (previous year: EUR 8,295 thousand) with a remaining term of more than three months. These were not included in the cash funds. In addition, liabilities to banks due at any time in the amount of EUR 16.8 thousand (previous year: EUR 249.8 thousand) were included.

2 co-workers

The average number of employees in the financial year was:

	2019	2018
employee	1.202	1.166
Wage earners	1,526	1,556
In total	2,728	2,722

3. Contingent Liabilities and Other Financial Obligations

In addition to the liability items contained in the balance sheet, there are financial obligations mostly from construction projects, rent and leasing as well as license payments totaling EUR 27,368 thousand (previous year: EUR 7,454 thousand).

4. Total auditor's fee

In the year under review, the Group incurred the following fee expenses for the services of the auditor:

Fees of the group auditor	2019	2018
	in kEUR	in kEUR
Final Examination Services	306	325
Tax Advisory Services	17	38
Other services	25	65
In total	348	428

5. Transactions with related companies and persons

In the year under review, there were no transactions with related companies and persons that were not agreed on terms customary in the market.

6. Organs

The management of the parent company was carried out in 2019 by the general partner, SARSTEDT Verwaltungs AG, acting through its board of directors.

When stating the total remuneration of the active and former members of the executive bodies in the parent company and in the subsidiaries (§ 314 Para. 1 No. 6 HGB), use is made of the exemption provision analogous to § 286 Para. 4 HGB.

7. Personally Liable Partners

SARSTEDT Verwaltungs AG, Nümbrecht (share capital: EUR 100 thousand)

8. Management Board of SARSTEDT Verwaltungs AG

Hans-Günter Klein, Head of Production and Technology
Rainer Schuster, Head of Sales, Research and Development
Timo Schretzmair, Chief Financial Officer

9. Supplementary report

The SAP Fi/Co module was introduced in the second quarter of 2016. In December 2017, the implementation contract for the introduction of the SAP modules MM, PP, SD was concluded. The aim is to put the SAP modules into operation at the German companies in the group in the first quarter of 2021. The investment volume is expected to be EUR 4.4 million.

In September 2018, a purchase agreement was signed in Russia for the purchase of a piece of land in St. Petersburg for the construction of a production facility. The Russian production plant is scheduled to go into operation in the first quarter of 2021. A total of around EUR 21.0 million is to be spent on setting up the Russian production facility.

The construction of a new administration at the Rommelsdorf site, with planned construction costs of EUR 25.0 million, was commissioned in December 2018, together with the expansion of the production areas at INJECTA GmbH. Expenses of EUR 9.1 million were paid for the realization of the construction project at INJECTA GmbH. The production areas at INJECTA GmbH were completed in November 2020, and the new administration should be ready for occupancy in the first half of 2021.

Furthermore, in February 2019, an agreement was reached with a real estate development company on the construction of a new administration and warehouse building for the British subsidiary in Leicester. The construction project was completed in May 2020 and required investments of EUR 10.5 million.

On January 30, 2020, the World Health Organization (WHO) declared an international health emergency due to the outbreak of the coronavirus. Since March 11, 2020, the WHO has classified the spread of the coronavirus as a pandemic. The further course of the spread of the corona virus and the consequences for the company's business are continuously monitored. The products manufactured and sold worldwide by the SARSTEDT Group are of essential importance for maintaining the health system and medical diagnostics. In the 2020 financial year, no negative influences on the course of business could be identified.

No other events of particular importance for the company's net assets, financial position and results of operations occurred after the end of the reporting period.

Nuembrecht, December 18, 2020

Hans-Günter Klein, Head of Production and Technology
Rainer Schuster, Head of Sales, Research and Development
Timo Schretzmair, Chief Financial Officer

Consolidated statement of cash flows for the 2019 financial year

	2019
	kEUR
period result	62,288.9
+ Depreciation of fixed assets	18,772.8
+/- Increase / decrease in provisions	899.7
+/- Other non-cash expenses/income	2,584.1
-/+ Increase/decrease in inventories, trade accounts receivable and other assets not attributable to investing or financing activities	-8,624.7
+/- Increase/decrease in trade payables and other liabilities not attributable to investing or financing activities	6,892.6
-/+ Gain/loss from the disposal of fixed assets	-470.5
+/- Interest expenses/Interest income	-901.7
- Other investment income	-324.5
+/- Income tax expense/income	14,297.5
-/+ Income tax payments	-13,007.4
= cash flow from operating activities	82,406.8
- Payments for investments in intangible assets	-2,046.2
- Payments for investments in property, plant and equipment	-54,965.4
+ Proceeds from disposals of financial assets	20,337.2
- Payments for investments in financial assets	-0.8
- Payout due to financial investments within the framework of short-term financial management	-258.1
+ Interest received	1,454.4

	2019
	kEUR
+ Dividends received	324.5
= Cash flow from investing activities	-35,154.4
- Payments to shareholders of the parent company	-19,956.3
- interest paid	-115.2
= Cash flow from financing activities	-20,071.5
Cash changes in cash and cash equivalents (total of cash flows)	27,180.9
+/- Exchange rate and valuation-related changes in cash funds	548.8
+ Cash funds at the beginning of the period	173,428.7
= cash funds at the end of the period	201,158.4

As of December 31, 2019, cash and cash equivalents amounted to EUR 201,158.4k. The composition of the cash funds is explained in more detail in the appendix in accordance with DRS 21.52. The structure of the cash flow statement corresponds to the principles of German Accounting Standard No. 21 (DRS 21), with the inflow and outflow of funds from current business activities being determined using the indirect method.

Consolidated statement of changes in equity for the 2019 financial year in EUR

	capital shares of the limited partners	reserves	Earned group equity	Equity difference from currency translation	group equity
Status 01.01.2018	50,000,000.00	64,194,510.00	204,509,190.50	-11,029,507.51	307,674,192.99
Credit to shareholder accounts in borrowed capital	0.00	0.00	-28,560,349.78	0.00	-28,560,349.78
Placement in reserves	0.00	27,898,018.00	-27,898,018.00	0.00	0.00
currency conversions	0.00	0.00	0.00	653,982.62	653,982.62
Other changes	0.00	0.00	-45,349.93	0.00	-45,349.93
Consolidated net income	0.00	0.00	65,243,784.35	0.00	65,243,784.35
As of 12/31/2018	50,000,000.00	92,092,528.00	213,249,257.14	-10,375,524.89	344,966,260.25
As of December 31, 2018/January 1, 2019	50,000,000.00	92,092,528.00	213,249,257.14	-10,375,524.89	344,966,260.25
Credit to shareholder accounts in borrowed capital	0.00	0.00	-26,908,219.44	0.00	-26,908,219.44
Placement in reserves	0.00	25,478,591.00	-25,478,591.00	0.00	0.00
currency conversions	0.00	0.00	0.00	2,626,392.22	2,626,392.22
Other changes	0.00	0.00	0.00	0.00	0.00
Consolidated net income	0.00	0.00	62,288,942.11	0.00	62,288,942.11
As of 12/31/2019	50,000,000.00	117,571,119.00	223,151,388.81	-7,749,132.67	382,973,375.14

Group management report for the 2019 financial year

A. Group Fundamentals

business model

The SARSTEDT Group develops, produces and sells devices and consumables for medicine and science. We operate in 33 countries through our subsidiaries and branches with the aim of offering our customers high-quality and comprehensive local support. Our production facilities are located in Europe, North/South America and Australia. Since it was founded in 1961, the group's headquarters have been in Nümbrecht, North Rhine-Westphalia.

The product range includes solutions for medical diagnostics, life science and laboratory automation.

The focus in the field of diagnostics is on the development of solutions for all aspects of blood collection and corresponding collection systems for the transport and storage of diagnostic samples. In addition to blood, other collection systems for various sample materials such as saliva, urine or stool are available. SARSTEDT products lay the foundation for precise diagnosis of diseases in both the human and veterinary sectors. Customers and users include hospitals, diagnostic laboratories and blood banks.

The life science area includes products for sample handling, molecular biology and the analysis of cell cultures. We offer tailor-made product solutions for a wide range of applications, each with a product quality that is tailored to the application. Customers are primarily universities, research institutes and industry.

In the mid-1990s, SARSTEDT began to develop laboratory automation systems in order to further expand its competence as a system solution provider and to support our customers and partners in the design of optimal and efficient processes in the laboratory in the pre- and post-analytical area. The focus was and is on making the processes safer, more precise and more economical. Modular automation solutions are offered for intelligent sorting, distribution, aliquoting, etc. for pre- and post-analytical processes in clinical and microbiological areas.

strategy and goals

The consolidation and further expansion of our global market position through targeted investments in development, production and sales are among the cornerstones of our business strategy. As a system provider, the SARSTEDT Group would like to offer solutions through its

products and services for its customers and thereby make a contribution to improving health and quality of life in the world.
The key strategic corporate goal of the SARSTEDT Group is sustainable, profitable growth across all product segments, along with further internationalization.

Internal company control system and key figures

As the parent company, SARSTEDT AG & Co. KG, based in Nümbrecht, is responsible for controlling the global activities of the group of companies.
The SARSTEDT Group's internal control system essentially consists of the operational annual plan, control and management during the year with the help of monthly reporting, regular meetings of the Management Board and the Supervisory Board, and a centrally coordinated investment process.
In the case of the financial control indicators, the focus is on the continuous monitoring and optimization of sales and the operating result (EBIT). The course of the key figures is shown in the economic report and the expected development is described in the forecast report.
The operating result (EBIT) is the central variable for operational control and the analysis of the earnings situation. It corresponds to the consolidated annual surplus before taxes and financial result, less other taxes.

research and development activities

The global sales network of the SARSTEDT Group helps us to identify future trends at an early stage and to determine the needs of our customers. As a result, the sales and marketing staff of the SARSTEDT Group are in constant dialogue with the users of the products. After feedback from the internal research and development center, product innovations are actively promoted. The development activities also extend to the further development of our own production machines and the optimization of the production processes.
We are also committed to new ideas beyond our own development work. Among other things, we support groundbreaking methodical-analytical procedures that produce new findings in life sciences and medicine. This funding is based on a long tradition at SARSTEDT, for which the foundation stone was laid in 1986 with the first award ceremony of the SARSTEDT Research Prize.

B. Economic report

Overall economic development

Global economic momentum weakened in 2019. With growth of just 2.8%, the decline in world trade was becoming increasingly noticeable. The development that was already becoming apparent at the end of 2018 was due in particular to increasing economic policy turmoil between the USA and China. Geopolitical tensions increased uncertainty on the world market and weakened the multilateral world trade order. Despite an expansive financial policy, the economy has deteriorated mainly in the advanced economies. The weak industry continued to have an impact. However, many emerging countries were able to stabilize their economic situation.
[1] International Monetary Fund: World Economic Outlook, October 2019 & 2020; IfW Kiel: Kiel Economic Reports No. 61, December 2019
A lack of foreign trade stimuli weakened the economy in the euro zone significantly. The economic momentum in the euro area has been steadily losing momentum since 2018, and in 2019 the growth level of the previous year was maintained at 1.3%. The growth was supported by persistently good labor market conditions. The economic development of the euro zone and Great Britain has been dampened for some time by the uncertain outcome of the Brexit negotiations. Economic growth in the UK remained stable at a low level compared to the previous year. The Central and Eastern European countries proved to be robust.
The German economy stagnated, industry in particular has been in recession since 2018 and is suffering from the economic risks of foreign sales markets. A strong export orientation makes the German economy vulnerable to changes in the global trade policy framework. Despite stable domestic demand and good financing conditions, economic growth in 2019 was only 0.6%. The reason for this was the fall in demand for capital goods. At the end of the year, the negative foreign trade impulses initially abated. The German economy was able to avoid a real recession.
In the USA, too, economic momentum slowed down in 2019. Strong growth was recorded in the previous year. The slowdown in expansion can be attributed to the expiring fiscal stimulus from the US tax reform, the move away from multilateral trade agreements and increasingly protectionist rhetoric. Economic growth fell by 0.8% to 2.2% compared to the previous year.
Economic growth in Russia increased by 0.7% to 2.3% in 2018, supported by stable private consumption. However, the economic recovery is heavily dependent on the foreign policy situation. The existing sanctions and structural problems in the country continue to affect growth. Driven by the falling oil price, the Russian economy only grew at a rate of 1.3% in 2019.
Latin America experienced a dramatic slump in growth in 2019. After an increasingly positive trend could be seen in previous years, Latin America did not achieve any economic growth in 2019. The decline in Mexico was particularly drastic. Brazil, on the other hand, recorded economic growth of 1.1%.
Economic growth in the Asia-Pacific region remained basically stable. The rapid expansion of the Chinese economy slowed slightly in 2019, with growth of 6.1%. Coupled with a decline in aggregate demand, the effects of the trade dispute with the US are becoming increasingly visible. Japan recorded a marginal increase in economic output of 0.4% to 0.7%. Demographic challenges continue to weigh heavily on the Japanese economy.

Overall economic development of the healthcare market [2]

As in previous years, the healthcare market developed positively in 2019. Global healthcare spending is expected to increase by 5.4% between 2018 and 2022. The challenge to cope with the increasing costs of the health care system worldwide remains unchanged, which leads to increasing price and competitive pressure in the market for medical devices. This is due in particular to the greater need for medical treatment and demographic developments. Medical device manufacturers are looking for ways to stabilize and expand the achievable margins despite the prevailing pressure.
In 2019, growth in the healthcare industry in line with previous years was again recorded within the EU. In the southern European countries affected by the sovereign debt crisis, continued low health care budgets delayed the recovery of the health care market. However, the influence of structural problems decreased. Bilateral relationships in the healthcare market between Germany and Great Britain were expanded in 2019. With goods exports worth more than EUR 1.1 billion, the United Kingdom was a key sales market for German medical technology in 2019.
In Germany, the industrial healthcare industry generated industry sales of EUR 84.2 billion in 2019. Exports have grown by around 6% on average in recent years. The export of medical products in particular is driving the industry's foreign trade. The export rate in the field of medical products is 65%. Germany itself is the largest domestic market for medical devices within the EU, but the strong economization of the healthcare sector is having an increasingly disadvantageous effect. Apart from the years of the financial crisis, the global demand for German medical products is constantly increasing. Industrial research and development in Germany as a location for innovation can be identified as a growth driver,

The American healthcare market achieved moderate growth. The market volume increased, but necessary cost-cutting measures in the healthcare system slowed down the growth momentum. The American healthcare system is struggling with budget cuts in healthcare.
The Russian healthcare market often remains closed to foreign companies, since a large part of the market is awarded through state tenders. In the healthcare sector, the Russian government is pursuing the clear goal of becoming less dependent on western suppliers and is therefore promoting the local economy. This is due to the continuing sanctions imposed by Western countries. This led to an increase in foreign investment in production capacity on the Russian market.
In Latin America, the expansion of the state health systems is progressing. Despite budget cuts, the healthcare market developed positively for the most part. After the Brazilian economy was able to overcome the recession, the situation for companies in the medical technology sector also recovered.
[2] Federal Ministry for Economic Affairs and Energy: Results of the Health Economic Accounting, 2019 edition & Federal Medical Technology Association: Industry report on medical technologies 2020, February 2020
China is further opening up its healthcare market to foreign investors who are expected to participate in the construction and operation of hospitals. As in previous years, stable growth was recorded on the healthcare market thanks to the restructuring and expansion of the healthcare system. Increasing health awareness among the wealthy population is leading to a sustained expansion of private health care. For manufacturers of medical devices, however, the market entry barriers are still high.
Demographic change increases the cost pressure on the Japanese healthcare system. Japanese government reforms aim to increase cost control. Public health expenditure increased as the population decreased.
The SARSTEDT Group is directly affected by developments in the healthcare markets. Compared to the previous year, no significant changes in the development of the healthcare market could be identified.

business development

A forecast increase in sales of EUR 12.5 million compared to the previous year was achieved in the financial year. Stable sales growth was achieved in most sales markets. The positive development was once again supported by the European markets. The consolidated turnover of the SARSTEDT Group is EUR 401.0 million. Consolidated earnings (EBIT) could not be increased in line with the previous year's forecast. The development of national and international personnel capacities combined with rising material costs and increasing price pressure did not lead to an increase in profitability despite healthy sales growth. Consolidated earnings (EBIT) are around the same as the previous year at EUR 75.3 million.
Savings in public health systems, increasing consolidation in the laboratory and hospital market and the merger of many hospitals into purchasing companies mean that the pressure on sales prices for consumables for medical diagnostics and life science products is unabated worldwide.
The year under review was essentially characterized by the changing trade policy environment. The ongoing negotiations surrounding the United Kingdom's exit from the EU and the trade barriers that may result from this increased planning uncertainty. With the expansion of international production and trading activities, the dependency on the exchange rate development of certain currencies increased.

production

The production facilities of the SARSTEDT Group operated in three shifts throughout the financial year. A large number of investments were made in the production area.

procurement

The average raw material prices for plastic granules are generally very volatile. Compared to the previous year, the prices have increased slightly.

investments

Advance payments made and investments made for property, plant and equipment under construction in the year under review totaled EUR 34.7 million. These include in particular the construction of the new administration at the Rommelsdorf site, the expansion of the production areas at INJECTA GmbH and the new buildings at the sites in Great Britain and Russia.
The total of the balance sheet additions to property, plant and equipment, intangible assets and financial assets is EUR 57.0 million. This is offset by depreciation with a volume of EUR 18.8 million.
The sum of the investment commitments existing on the balance sheet date for the construction of the new administration and for the expansion of the production areas at INJECTA GmbH amounts to a total of EUR 19.5 million.
All investments are always financed from our own funds.

staff

On average over the year, the SARSTEDT Group employed 2,728 people worldwide, 1,918 of them in Germany. Employee development at the headquarters in Germany, but also at the international locations, is an important factor in securing junior staff, specialists and managers for the long-term success of the company. Significant restructuring and rationalization measures were not carried out.

quality management

Since our products are used directly on patients and in research and development laboratories, they have to meet the highest requirements in terms of safety, precision and hygiene. With our demanding manufacturing and quality assurance processes, we ensure that our products comply with the legal and official regulations of the various countries and markets. Against this background, SARSTEDT introduced an integrated system for quality management (QM). Our QM system is based on the international standard EN ISO 13485. Independent bodies such as DEKRA regularly check and certify compliance with the relevant standards.

environment

Limited access to fossil fuels and the associated rising energy costs are factors that demand maximum efficiency and responsible action. The SARSTEDT Group tries to make its contribution through the consistent use of heat recovery options in all production sites and the use of energy-saving machines. The energy management system introduced in 2015 according to EN ISO 50001 is an effective tool to increase energy efficiency and thus reduce energy consumption and CO2 emissions.
A consistent conversion to green electricity was started in 2017, which has already reduced the CO2 emissions released by the SARSTEDT Group. At the parent company, CO2 emissions were reduced by 36.3% in the period from 2017 to 2019.

earnings situation

In the 2019 reporting year, the SARSTEDT Group achieved sales of EUR 401.0 million, which corresponds to an increase of 3.2% compared to the previous year. The largest increases were achieved in Europe and Asia. Unlike in 2018, any exchange rate fluctuations had a positive effect on sales development. The order situation remained high.

Sales by region

in EUR million	2019	2018
Europe	305.1	297.2
North and South America	74.8	71.2
Asia/Pacific/Africa	21:1	20.0
In total	401.0	388.4

The cost of materials is EUR 121.2 million (previous year: EUR 111.6 million), personnel expenses are EUR 140.1 million (previous year: EUR 131.7 million), other operating expenses are EUR 65.0 million. EUR increased by EUR 5.5 million compared to the previous year (previous year: EUR 59.5 million). This increase is mainly due to the increase in expenses for maintenance, license costs and other IT expenses as well as expenses for marketing and product registrations. The domestic companies as well as the expansion of our international sales activities and general wage and salary increases mainly contributed to the increase in personnel expenses.

financial position

capital structure

The group is financially controlled centrally by SARSTEDT AG & Co. KG. Financing is provided by own funds, which are distributed within the group. We are pursuing a conservative investment and financing strategy with the aim of securing the Group's liquidity and creditworthiness over the long term. Economic equity including liabilities to shareholders amounts to EUR 500.7 million (previous year: EUR 455.5 million). Accordingly, an equity ratio of 89.9% (previous year: 90.4%) is achieved.

liquidity position

The cash flow from operating activities is around EUR 82.4 million (previous year: EUR 74.4 million). At the end of the financial year, cash and cash equivalents amounted to EUR 209.7 million (previous year: EUR 182.0 million). The solvency of the SARSTEDT Group was guaranteed at all times during the year under review.

financial position

With an unchanged solid asset structure, the balance sheet total of the SARSTEDT Group as of December 31, 2019 was EUR 557.0 million (previous year: EUR 504.1 million). The increase in the balance sheet total by EUR 52.9 million is due in particular to the additions to property, plant and equipment. The long-term assets total EUR 208.9 million (previous year: EUR 193.5 million). The value of inventories is EUR 74.7 million (previous year: EUR 70.2 million), that of trade accounts receivable EUR 51.8 million (previous year: EUR 50.1 million). This results in an average payment period of approx. 47 days (previous year: 47 days).

C. Risk and Opportunity Report

The SARSTEDT Group makes all strategic and operational decisions of essential importance, taking into account the associated opportunities and risks. We understand risks as events that have a direct or indirect impact on the business situation and lead to a negative deviation from our strategic planning and forecast. As a matter of principle, we pursue a cautious, sustainable corporate strategy and avoid uncontrollable hazards. Risk management and controlling are a central management task and an integral part of group management. Risk management helps to ensure that risks can be identified, recorded, evaluated, monitored and controlled. risks,

In order to monitor and minimize the risks from the bookkeeping, there is a group-wide accounting guideline that has to be observed in the entire SARSTEDT Group.

In addition, we recognize and control risks that do not arise directly from the operational business. The risks listed below, which can have an impact on the SARSTEDT Group, do not always describe all risks to which the group of companies is or may be exposed. However, risks that were not known at the time the consolidated financial statements were prepared or that are considered to be immaterial can have an additional impact on the company's earnings and financial position.

Macroeconomic risks [3]

A major risk for the global economy comes from geopolitical tensions and the radically changed political landscape. This can further increase uncertainty among consumers, producers and investors, with the result that investments are not made. In addition, protectionist measures taken by individual countries are putting a strain on the global economy. The influence of nationalist and strongly populist parties can lead to a lasting weakening of free world trade. Brexit unsettles the commitment to the European single market. Possible restrictions on the trade in goods and the movement of capital are currently not yet foreseeable. Despite a final agreement on the United Kingdom's withdrawal from the European Union, it is not yet clear how the future contractual relationship will be structured afterwards. A persistently low oil price will continue to have a destabilizing effect on the oil-exporting economies. On the other hand, another significant increase would slow down economic development overall. The slowdown in growth in the emerging markets (particularly in China) continues to pose a risk to global economic development. The massive increase in debt in the Chinese corporate sector and the associated increase in financial stability risk are creating further uncertainty. The high national debt continues to weigh on Brazil and restricts the government's room for manoeuvre.

[3] International Monetary Fund: World Economic Outlook, October 2020; ifw-Kiel : joint diagnosis, autumn 2020; German Economic Institute, IW Policy Paper 4/2020, March 2020

On March 11, 2020, the WHO declared the spread of the coronavirus a pandemic. This is accompanied by far-reaching measures worldwide to restrict everyday life and hitherto unforeseeable consequences for global supply chains and world trade. It remains to be seen to what extent demand and production capacities will change in the short term. Long-term disruptions from the coronavirus pandemic would pose an enormous global economic challenge.

The consequences of the pandemic that have already occurred could affect the stability of the financial markets in the long term. The effects of increasing national debt due to a lack of income and economic stimulus measures are only now becoming apparent and are closely linked to the further course of the pandemic.

Industry Risks

Basically, the healthcare market is subject to economic fluctuations to a lesser extent. Where patients have to pay for healthcare themselves, there is usually also a dependency on economic developments. Due to severe austerity measures in some countries, there are increasing budget cuts within the state health care systems. These cuts typically have a negative impact on demand for our overall product and service offering. Added to this is the significant extension of payment terms in individual countries and the introduction or increase of mandatory discounts and other taxes. In some markets it can be seen that foreign manufacturers will have no or only limited access to tenders as soon as domestic manufacturers can offer comparable products. We expect that these risks will increase and may affect the earnings development of the SARSTEDT Group. An increased formalization of the international product approval process can be observed, which is accompanied by increased effort for the SARSTEDT Group. Longer processing times and further requirements for documentation and study documents can delay product launches. The bundling of purchasing volumes through purchasing groups and consolidation on the private laboratory market strengthens the market power of the demand side. This increases the risk of further price pressure and dependence on individual customers. In addition, aggressive price competition can be observed in some markets. Furthermore, in some countries it can be observed that in the context of tenders, the winner receives the entire country-wide volume and all other providers remain unconsidered.

procurement risks

Risks basically result from the development of raw material prices and supply bottlenecks on the procurement markets. The occurrence of these possible risks would have an impact on our production and our ability to deliver and thus ultimately on the development of sales and earnings. In order to minimize the risk of supplier defaults, we carry out risk assessments of our suppliers. Accordingly, secondary suppliers are selected to ensure a continuous supply. These include, among other things, disaster recovery plans, a safety stock build-up at SARSTEDT or at the respective supplier.

product risks

Product risks are countered by a sophisticated quality management system in our production facilities. This is based on international standards and ensures compliance with legal regulations. A regular review of the quality management system with the help of internal and external audits and continuous employee training complete our quality management system.

personnel risks

In the area of human resources, the main risks lie in demographic change and in the lack of regional availability of sufficiently qualified specialists and managers. There are also risks from fluctuation and the resulting loss of knowledge. The SARSTEDT Group counters these developments with measures to increase employer attractiveness. Flexible working time models to create a balance between family and career and a high level of commitment to training and further education are exemplary elements of the human resources strategy in order to bind employees to the company at an early stage and to increase identification.

IT risks

Our business processes are increasingly based on IT systems. A failure of key IT systems could lead to serious disruptions to business operations, including in production and shipping. These risks are countered by continuous investments in the IT infrastructure and a redundant system architecture. Regular data backups and employee training are further measures to reduce risks. Protection against data misuse is guaranteed by a coordinated user rights concept, compliance with which is checked by independent bodies and data protection officers.

Financial Risks

Due to its international orientation, the SARSTEDT Group is exposed to currency risks. These are largely reduced in part by manufacturing in the currency area. Thus, the group is very affected by the volatility on the currency markets. Another risk is a possible deterioration in the payment behavior of our customers. Restricted financing options can have a negative impact on the liquidity and solvency of individual customers. Risks can also exist with our suppliers in the form that their liquidity situation is heavily burdened and, in the worst case, the continued existence of the supplier could be jeopardized.

Overall picture of the risk situation

From today's perspective, no risks can be identified that could endanger the continued existence of the SARSTEDT Group for the foreseeable future. However, we are observing increasing volatility in the overall economic environment, which is also reflected in the volatile stock and currency markets. A cooling of the political relations between the EU and Russia as well as between the USA and the EU and China can clearly be observed. Protectionist measures by individual countries are a burden on free world trade. The long-term effects of the Corona crisis remain to be seen.

opportunities

In addition to risks, the SARSTEDT Group regularly identifies and evaluates the company's opportunities. In principle, opportunities can arise from the further development of medical standards or the market launch of new products. The development of new markets also offers further opportunities for the group of companies:

Opportunities through positive economic development

The general economic conditions have an impact on the business development of the SARSTEDT Group. The statements on the further development of the SARSTEDT Group are based on the overall economic environment described in the forecast report. If the global economy develops more dynamically than currently assumed, the forecasts for sales and earnings may be exceeded.

Opportunities through growth strategy

Capacity expansions enable us to participate in the increasing demand for medical technology products. New, increasingly automated production processes improve our competitiveness in the long term. In addition, due to our complementary product range and many years of experience, we can offer our customers efficient overall solutions. Should the international markets develop faster than currently expected, this could have a positive effect on our sales and earnings situation.

Opportunities through research and development

Innovations at product and process level are the basis of our growth strategy. In close cooperation with our customers and users, we are working on bringing new and improved products onto the market. Earlier market maturity compared to the competition could improve our earnings situation.

Opportunities through international presence

The opening of further healthcare markets (e.g. in Asia or the Middle East) for international medical technology companies in connection with privatization tendencies could offer further opportunities for the SARSTEDT Group. Due to our international presence, we have the opportunity to participate in this development.

Employee Opportunities

For us, our employees are the basis for progress and growth. They represent added value for the SARSTEDT Group, particularly in the close exchange with customers, users and patients and the resulting innovations. This could further strengthen our competitive position.

D. Forecast Report

Expected development of the world economy [4]

The outbreak of the coronavirus pandemic led to the sharpest slump in global economic output in recent decades. Under the current conditions, economic forecasts can only be made with considerable uncertainty. With the increasing number of infections, economic output fell drastically both in the developed economies and in the large emerging countries. A decline in global economic growth of 4.4% is expected for 2020. Even if slight recovery effects were noticeable in the second half of the year, the economic upswing is in the area of tension between the upswing and the need to react to the course of the pandemic with infection control measures. Provided that the coronavirus pandemic can be contained more effectively in 2021, the global economy can be expected to recover. The IMF is currently anticipating growth of 5.2% for 2021. A sustained recession would thus be averted. These forecasts were made on the assumption that the economic and political climate will not worsen if trade barriers are removed in the long term and global economic cooperation is strengthened in the long term. Despite a normalization of growth rates, economic activity remains below the values that would have been expected without the pandemic. The IMF is currently anticipating growth of 5.2% for 2021. A sustained recession would thus be averted. These forecasts were made on the assumption that the economic and political climate will not worsen if trade barriers are removed in the long term and global economic cooperation is strengthened in the long term. Despite a normalization of growth rates, economic activity remains below the values that would have been expected without the pandemic. The IMF is currently anticipating growth of 5.2% for 2021. A sustained recession would thus be averted. These forecasts were made on the assumption that the economic and political climate will not worsen if trade barriers are removed in the long term and global economic cooperation is strengthened in the long term. Despite a normalization of growth rates, economic activity remains below the values that would have been expected without the pandemic. when trade barriers are dismantled in the long term and global economic cooperation is sustainably strengthened. Despite a normalization of growth rates, economic activity remains below the values that would have been expected without the pandemic. when trade barriers are dismantled in the long term and global economic cooperation is sustainably strengthened. Despite a normalization of growth rates, economic activity remains below the values that would have been expected without the pandemic.

In 2020, the euro zone will see a dramatic drop in economic output of 8.3%. Depending on the infection rate, the European economy could pick up speed again as early as 2021 and grow at a rate of 5.2%. Great Britain recorded quite high numbers of infections and victims, which was followed by a later but severe shutdown of the economy: This resulted in a 9.8% decline in overall economic output in 2020. A higher inflation rate and falling real incomes are expected as a result of Brexit. No agreement has yet been reached on the exit modalities, so the ultimate impact remains unclear. The risk of a hard Brexit has increased again in view of the transitional regulations expiring in 2020, but growth of 5.9% is forecast for 2021. Italy and Spain were among the hardest hit countries at the start of the pandemic.

[4] International Monetary Fund: World Economic Outlook, October 2020; ifw-Kiel: joint diagnosis, autumn 2020; OECD: Interim Economic Assessment, Coronavirus: The world economy at risk, March 2020; Hamburg Institute of International Economics: HWWI economic forecast, virus also infects German economy, March 2020

The economic cuts caused by the Corona Pandemic were smaller in Germany compared to the rest of Europe. Nevertheless, the Federal Republic is experiencing a historic slump in economic output in 2020, with a forecast decline of 6%. To contain the spread of the coronavirus, the federal and state governments have decided on far-reaching restrictions on everyday life. In the first half of 2020, there was therefore a recessionary trend. In order to mitigate the economic consequences, politicians have taken measures to secure corporate liquidity and stabilize the labor market. Strong catch-up effects have been recorded since the beginning of the second half of 2020. Both retail and the industrial sector were able to recover part of the slump. With the end of the catch-up effects, the strong recovery will clearly lose momentum. Persistent restrictions in certain industries prevent a full recovery. Exports in particular had collapsed significantly as a result of the crisis. The strong export orientation makes the German economy vulnerable to global trade policy changes, but will make the largest contribution to expansion in 2021. Positive impetus could bring solutions to the ongoing global trade conflicts. Even if the current estimates are still subject to uncertainty, a further recovery in the economic environment and growth of 4.2% can be expected in 2021. A more severe pandemic in the winter months of 2020, on the other hand, could cloud economic development again.

In the USA, economic output will probably shrink by 4.3% in 2020. Due to the pandemic, the prospects on the job market are poor. Even if the unemployment rate normalized over the course of the year, it is still at an above-average level. The tax reform passed in 2017 probably only stimulated the US economy until 2019, but in the long term a sharp increase in national debt in the US is to be expected. A move away from multilateral trade agreements coupled with protectionist rhetoric could put further dampeners on world trade and the US economy in the coming years. With an increasingly protectionist orientation of US trade policy, corresponding countermeasures must be expected. There is uncertainty regarding the further course of the pandemic and the future economic policy orientation of the USA after the presidential and congressional elections. If things go well, growth of 3.1% can be recorded again as early as 2021.

The Russian economy has been in recession since the second half of 2019. In particular, the sharp fall in energy prices and a drastic drop in oil exports weighed on the growth momentum. After the increasing spread of the pandemic and strict infection control measures from May, the economy recovered slightly over the summer. A forecast decline in economic output of 4.1% in 2020 is relatively mild. In comparison, growth of 2.8% should be achieved again in 2021.

Latin America experienced a significant decline in economic output of 8.1% in 2020. The decline in economic output was particularly pronounced in Mexico at 9.0%, and the Mexican economy will only recover slightly in 2021 with growth of 3.5%. The largest Latin American economy, Brazil, shrank relatively less at 5.8% due to increasing crude oil sales. With low growth rates for 2021, a sustainable recovery from the consequences of the coronavirus pandemic in the region will only occur slowly.

Economic output in the Asia-Pacific region fell significantly in 2020. China was the first country to be affected by the Corona crisis and will lose significant momentum in 2020 compared to previous forecasts. After the start of the shutdown phase in January, the economy continued to recover as the containment measures were gradually eased. Economic growth is expected to be 1.9% in 2020. A significant recovery can be expected in 2021, supported by the nevertheless good prospects for Chinese companies. Economic growth is expected to be 8.2%. Japan's economy is in a continuous downward trend. Despite the moderate course of the pandemic and only minor restrictions due to infection control measures, a decline in economic output of 5.3% is expected in 2020. In addition to exports, private consumption also collapsed. Even after the replacement of the prime minister, no change in economic policy is to be expected. After a sluggish recovery, the IMF forecasts moderate growth of 2.3% for 2021.

Expected development of the healthcare market [5]

The increase in chronic diseases (such as diabetes), demographic change and the increase in life expectancy in industrialized nations, driven by increasing research activities, and the associated increase in morbidity mean that the demand for healthcare services in industrialized countries will continue to increase. Emerging and developing countries contribute to the global positive development through the high population growth, the increasing prosperity there and the expansion of the health systems. With rising incomes, the demand for higher quality health care in the countries is also increasing.

Sales increases are therefore possible both for the existing product portfolio and through product innovations and product differentiation. In the future, competitive advantages will primarily be achieved by those companies that use their products to increase process efficiency for customers and thus enable cost savings. Application safety, ease of use and targeted product improvements are becoming more important. New technologies and further digitization are increasingly helping to make diagnoses more quickly and initiate patient-specific treatments in a more targeted manner, making processes more efficient and reducing costs. In the context of progressive globalization, a further increase in price transparency is expected, which, also due to the increasing professionalization of purchasing behavior,

[5] Federal Ministry for Economic Affairs and Energy: Results of the Health Economic Accounting, 2018 edition, BVMed: Industry report on medical technologies 2020, February 2020

The growth rates of the healthcare markets in Europe can be classified as moderate. In Germany, positive growth in the healthcare markets is expected to continue, while weak growth is expected in Great Britain and Italy due to budget cuts and cost-cutting programs. The German healthcare industry is growing faster than the entire economy. Despite above-average growth, the proportion of added value has decreased slightly over the years. It can also be seen that the export share is steadily increasing. The exit of Great Britain from the European Union in connection with possible trade restrictions could have an additional negative impact. An assessment, It is currently difficult to say what effects Brexit will have. In 2018, exports were already 7% below the previous year's level. The European Medical Devices Regulation that came into force on May 25, 2017 could have a lasting impact on market development. In order to meet the challenges of the Corona Pandemic, the EU Commission is planning to postpone the implementation, which was originally planned for May 26, 2020, by one year.

The US healthcare market will continue to expand. Growth drivers are the aging of the wealthy generation and the increase in lifestyle diseases. However, cost pressure will continue to increase. Previous efforts to abolish the health care reform established by the previous government have failed. The "Medical Device Tax" on certain medical devices is still suspended. If the tax is not finally abolished again, this would result in an additional burden for the industry. In the medium term, from 2020, the prospects for the US medical technology industry will become cloudy.

Due to the tense political situation and as a reaction to the EU sanctions, import restrictions for medical technology products from Western countries are being imposed in Russia. The Russian government plans to replace imports with domestic production. Products from domestic manufacturers continue to be given preference in government tendering processes, and foreign products are completely excluded. Russia plans to invest around EUR 24 billion in its healthcare system by 2024. The market volume in the field of medical products will increase to around EUR 4 billion as a result. In order to use the money to equip the remaining hospitals, more and more hospitals, especially in Moscow and other big cities and reduced staff. The price pressure in the Russian healthcare system remains unchanged. Russia's growing private healthcare sector continues to provide incentives for foreign medical device manufacturers.

Significant growth in the healthcare market is expected in the Asia-Pacific region. The increasing prosperity of the population and the expansion of government health programs are contributing to the positive development. The highest growth rates are expected in India and China. The Japanese healthcare market is burdened by the tense situation in public budgets. Increasing treatment costs due to demographic change, the increase in chronically ill patients and cost-intensive and innovative treatment methods make the planned reform of the Japanese health system necessary. This offers growth opportunities for foreign medical technology manufacturers.

In Latin America, a slightly positive development is expected for the healthcare market. Despite limited budgets, many Latin American governments are striving to further improve healthcare systems. Due to the recession in recent years, public health budgets have been cut in Brazil. From 2018, the budget for health spending was increased again. Positive growth rates can also be expected in the private sector of the Brazilian healthcare market. In Mexico, the high demand for medical products will continue in the future.

The statements made here about the development of the overall economy, the healthcare market and the company are forward-looking assessments. A differentiated picture emerges with regard to the effects of the coronavirus pandemic. On the one hand, health expenditure to combat the virus is increasing, on the other hand, examinations and operations that are not absolutely necessary are being postponed. For the most important sales markets, the challenge will be to master the balancing act between readiness and regular care. The long-term effects on the development of the healthcare market cannot be fully foreseen at this time. In the long term, however, it can be assumed

forecast

Based on the economic and industry-related development described, we expect sales growth for the SARSTEDT Group in the 2020 financial year. Despite the uncertainties caused by the corona virus, an increase in the operating result (EBIT) compared to 2019 is expected in 2020. We expect positive effects from new products and the strengthening of our global sales channels as well as the continuous expansion accompanied by permanent optimization of our production capacities. The extent to which the spread of the coronavirus will have a negative impact on the development of consolidated sales and consolidated earnings (EBIT) cannot be conclusively estimated at this time.

Nuembrecht, December 18, 2020

Hans-Günter Klein, Head of Production and Technology
Rainer Schuster, Head of Sales, Research and Development
Timo Schretzmair, Chief Financial Officer

Independent Auditor's Report

To SARSTEDT AG & Co. KG

audit opinions

We have prepared the consolidated financial statements of SARSTEDT AG & Co. KG, Nümbrecht, and its subsidiaries (the Group) - consisting of the consolidated balance sheet as of December 31, 2019, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year from December 1, 2019 January 2019 to December 31, 2019 and the notes to the consolidated financial statements, including the presentation of the accounting and valuation methods. In addition, we have audited the group management report of SARSTEDT AG & Co. KG for the fiscal year from January 1, 2019 to December 31, 2019.

According to our assessment based on the knowledge gained during the audit

- The attached consolidated financial statements comply in all material respects with German commercial law and, in compliance with German generally accepted accounting principles, provide a true and fair view of the Group's net assets and financial position as of December 31, 2019 and its earnings position for the fiscal year from January 1, 2019 until December 31, 2019 and
- the attached group management report as a whole provides an accurate picture of the group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

In accordance with Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections to the correctness of the consolidated financial statements and the group management report.

Basis for the test results

We conducted our audit of the consolidated financial statements and the group management report in accordance with Section 317 HGB, taking into account the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under these regulations and principles are further described in the "Auditor's responsibility for the audit of the consolidated financial statements and group management report" section of our auditor's report. We are independent of the group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Responsibility of the legal representatives for the consolidated financial statements and the group management report

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply with the German commercial law provisions in all material respects, and for the fact that the consolidated financial statements, in compliance with the German principles of proper accounting, give a true and fair view of the asset, financial and earnings situation of the company mediated by the group. Furthermore, the legal representatives are responsible for the internal controls which they have determined to be necessary in accordance with the German principles of proper accounting in order to enable the preparation of consolidated financial statements,

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

In addition, the executive directors are responsible for preparing the group management report, which as a whole provides a suitable view of the group's position and is consistent with the consolidated financial statements in all material respects, complies with German legal requirements and suitably presents the opportunities and risks of future development . Furthermore, the legal representatives are responsible for the precautions and measures (systems) they have deemed necessary to enable the preparation of a group management report in accordance with the applicable German legal provisions,

Auditor's responsibility for the audit of the consolidated financial statements and the group management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material - intentional or unintentional - misstatements and whether the group management report as a whole provides a suitable view of the Group's position and, in all material respects, with the consolidated financial statements and is consistent with the findings obtained in the audit, complies with German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report which contains our audit opinions on the consolidated financial statements and on the group management report.

Adequate assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with Section 317 of the German Commercial Code, taking into account the German principles of proper auditing established by the Institut der Wirtschaftsprüfer (IDW) will always uncover a material misstatement. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements and group management report.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher - beabsichtigter oder unbeabsichtigter - falscher Darstellungen im Konzernabschluss und im Konzernlagebericht, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass wesentliche falsche Darstellungen nicht aufgedeckt werden, ist bei Verstößen höher als bei Unrichtigkeiten, da Verstöße betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Konzernabschlusses relevanten internen Kontrollsystem und den für die Prüfung des Konzernlageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss und im Konzernlagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass der Konzern seine Unternehmenstätigkeit nicht mehr fortführen kann.
- beurteilen wir die Gesamtdarstellung, den Aufbau und den Inhalt des Konzernabschlusses einschließlich der Angaben sowie ob der Konzernabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Konzernabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt.
- holen wir ausreichende geeignete Prüfungsnachweise für die Rechnungslegungsinformationen der Unternehmen oder Geschäftstätigkeiten innerhalb des Konzerns ein, um Prüfungsurteile zum Konzernabschluss und zum Konzernlagebericht abzugeben. Wir sind verantwortlich für die Anleitung, Überwachung und Durchführung der Konzernabschlussprüfung. Wir tragen die alleinige Verantwortung für unsere Prüfungsurteile.
- beurteilen wir den Einklang des Konzernlageberichts mit dem Konzernabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Konzerns.
- führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im Konzernlagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den

zugrunde liegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

Gummersbach, den 18. Dezember 2020

Advisio
TREUHAND & REVISION GUMMERSBACH GMBH & CO. KG
Wirtschaftsprüfungsgesellschaft
Dieter Wagener, Wirtschaftsprüfer
Lorenz Neu, Wirtschaftsprüfer

Die Billigung des Konzernabschlusses erfolgte am 18. Dezember 2020.