

# Business Development of Lab Products & Services

Significant increase in sales revenue and earnings compared to prior-year development dampened by the pandemic

Strong organic growth; bioanalytics business especially dynamic

Excellent performance of the previous year's acquisition

Division sales  
**€722.2m**  
In constant FX: +32.0%

Order intake  
**€784.4m**  
In constant FX: +32.6%

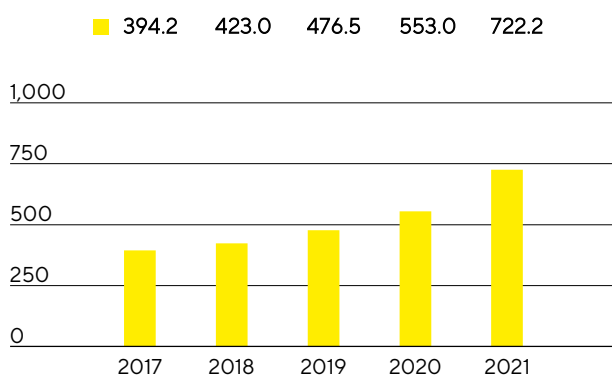
Underlying EBITDA margin  
**26.1%**  
+5.1 percentage points



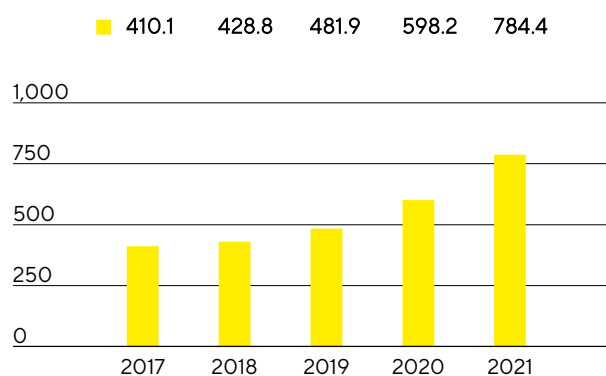
## Sales Revenue and Order Intake

The Lab Products & Services Division saw strong sales revenue growth, recording an increase of 32.0% in constant currencies to €722.2 million (reported: +30.6%), compared to the prior-year period dampened by the pandemic. The division thus exceeded its forecast, which projected a sales increase of 10% to 16% at the beginning of the year and was last raised in July 2021 to 30%. The major part of this growth was organic, with components used in coronavirus test kits accounting for around 6 percentage points. Acquisitions contributed about 6 percentage points to the division's sales revenue growth. Performance was especially dynamic for business with bioanalytical instruments, which life science customers use to develop medications and cell lines.

**Sales Revenue 2017 to 2021**  
€ in millions



**Order Intake 2017 to 2021**  
€ in millions



### Sales Revenue and Order Intake

€ in millions	2021	2020	in % reported	in % cc
Sales revenue	722.2	553.0	30.6	32.0
Order intake	784.4	598.2	31.1	32.6

In EMEA, the region contributing the highest share of revenue of around 39%, the division achieved sales revenue of €280.5 million, which equates to a significant increase of 18.3% compared with the previous year. Sales grew very strongly in the Americas region, whose share of division revenue was around 32%, by 47.2% to €228.2 million. This expansion was substantially influenced by acquisitions and the fast-growing bioanalytics business. The Asia|Pacific region, which accounted for around 29% of the Lab Products & Services Division's business, expanded by 37.3% to €213.5 million, compared to a prior-year revenue base that was relatively moderate due to the pandemic.

Order intake also developed very dynamically, rising 32.6% in constant currencies (reported: +31.1%) to €784.4 million.

## Sales by Region

€ in millions	2021	2020	in % reported	in % cc
EMEA	280.5	236.6	18.6	18.3
Americas	228.2	160.9	41.8	47.2
Asia   Pacific	213.5	155.5	37.3	37.3

## Earnings

In the reporting year, the Lab Products & Services Division significantly increased its underlying EBITDA by 62.3% to €188.8 million. The corresponding margin reached 26.1% (previous year: 21.0%) and was thus markedly above the margin of around 23% projected at the beginning of the reporting year and in line with the forecast last raised in July 2021 to around 26.0%. This strong increase in profitability was due, in particular, to economies of scale as well as a favorable product mix based on the strong growth of the bioanalytics business. In addition, the margin was positively influenced by partially deferred cost development in some areas due to the pandemic. This trend subsided due to the intensified buildup in the workforce in the second half of the reporting year, as well as to rising costs in logistics and purchasing. A positive effect resulted from the acquisition of the Octet business in the area of bioanalytics, which was made in fiscal 2020, while exchange rates did not have any material impact on the division's earnings margin.

## Underlying EBITDA and EBITDA Margin

	2021	2020
Underlying EBITDA in millions of €	188.8	116.3
Underlying EBITDA margin in %	26.1	21.0

The Lab Products & Services Division recorded extraordinary items of –€8.7 million in the reporting year relative to –€21.5 million a year ago. These were predominantly related to the most recent acquisitions as well as to expenses for various cross-divisional projects and rebranding.

## Products and Sales

The Lab Products & Services Division focuses with its products on research laboratories in the pharmaceutical and biopharmaceutical industries as well as on academic research institutes.

In the area of bioanalytics, the division offers life science customers innovative systems for cell analysis. These greatly accelerate the otherwise time-intensive discovery of medical drug candidates by automating and digitalizing core steps in analysis. Sartorius expanded its bioanalytics portfolio by acquiring a majority stake in ALS Automated Lab Solutions on January 3, 2022. This laboratory technology company develops, manufactures, and markets solutions for automated analysis, selection, and isolation of cells. Moreover, in the reporting year, Sartorius introduced smaller versions of its market-leading systems for label-free real-time analysis of biomolecular interactions and thus expanded its product range in this area. Based on a patented technology, these systems help customers in the biopharmaceutical industry to increase the efficiency of essential steps in the development of molecules, cell lines, and processes. With the new versions of these analytical systems, the division now also addresses the needs of academic research institutes and biotech startups that tend to examine relatively small volumes yet, at the same time, do not wish to compromise on functionality or performance capability.

Beyond this, the product range of the Lab Products & Services Division includes a broad array of premium laboratory instruments for sample preparation, such as laboratory balances, pipettes and lab water systems, as well as lab consumables, such as filters and microbiological test kits. This Sartorius portfolio is tailored to the biopharmaceutical industry and additionally focuses on research and quality control labs in the chemical and food industries. The division expanded its product array by launching new vacuum filtration systems and dosing stations for lab water.



The services offered by the Lab Products & Services Division cover the entire life cycle of laboratory instruments, from device installation and commissioning to validation, calibration, verification and regular maintenance to repair. These services are not limited to Sartorius instruments alone; they are offered to a partial extent for devices from other manufacturers as well. This extensive range enables our customers to minimize the number of service providers they use and to reduce complexity and costs.

Beyond this, Sartorius application laboratories in all regions offer customers the opportunity to test Sartorius products, even using their own samples, and to take training courses.

## Sales Activities

The division sells its products directly and through laboratory distributors, focusing on direct sales that is continuously being expanded along with the company's increasing alignment with the needs of life science customers. In aligning its activities, the division is increasing using digital channels. Expansion of its e-commerce activities in the reporting year enhanced the availability and ordering process of products for our customers, among other features offering greater convenience

Besides extending sales structures, the company also concentrates on the ongoing enhancement of sales efficiency, in part through the creation of synergies between the two divisions. The Lab Products & Service Division therefore gains access to customers of the Bioprocess Solutions Division, and the latter can likewise tap into new sales opportunities in return. In the reporting year, the sales teams of both divisions received cross-divisional training to better identify the needs of customers for the products of the respective other division.

## Product Development

The division has extensive technological expertise in the areas of bioanalytics, laboratory instruments and laboratory consumables. Software and hardware advancements in our cell analysis products create many new evaluation opportunities for our customers. They are the foundation for the development of new tools capable of processing and visualizing vast quantities of data appropriately based on specific applications. We expect that such software solutions will become increasingly important.

Compliance with regulatory requirements is critical for our customers. Product development priorities for Sartorius therefore include data management, connectivity and process automation.

Most of the research and development for the Lab Products & Services Division is conducted at Group headquarters in Göttingen, Germany, but Sartorius also carries out R&D activities at its sites in Finland and the U.K. as well as in the USA.

## Production and Supply Chain Management

The Lab Products & Services Division operates plants in Germany, China, Finland, the U.K. and the USA. These plants serve as centers of competence and tend to focus on one product group or a small set of product groups. In the reporting year, for example, laboratory balances were manufactured in Germany and China, pipettes in Finland, and bioanalytical systems in the USA and China. Microbiological test kits are produced in the U.K. and most membrane-based products in Germany.

Despite the restrictions in global logistics as a result of the coronavirus pandemic, supply chains proved to be strained, but largely stable. Due to high demand, also generated by the coronavirus pandemic, manufacturing operations were expanded at some of the division's plants.