

# Business Development of Lab Products & Services

Significant sales growth following strong prior-year performance

The bioanalytical instruments business showed a particularly strong expansion

Profit margin rises slightly above the already high prior-year level

Division sales  
**€848.2m**  
In constant FX: +11.5%

Order intake  
**€884.6m**  
In constant FX: +7.4%

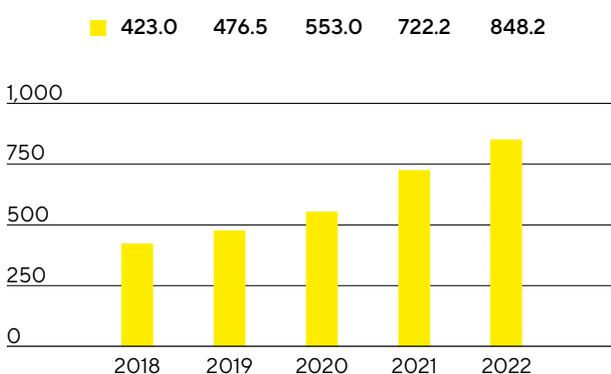
Underlying EBITDA margin  
**26.2%**  
+0.1 percentage points



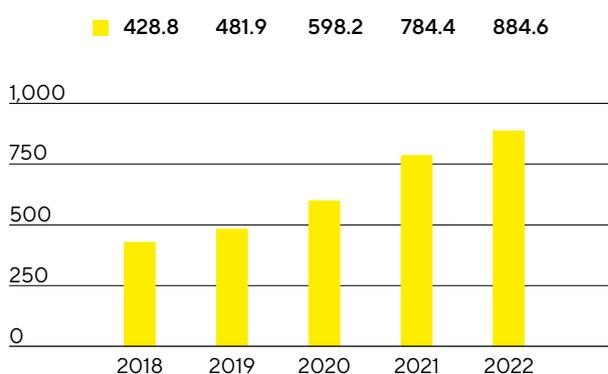
## Sales Revenue and Order Intake

The Lab Products&Services Division recorded a very dynamic development against a high prior year base, growing by 11.5% in constant currencies to €848.2million (reported: +17.4%). The major part of this growth was organic, and recent acquisitions contributed around 1 percentage points to the increase in sales. Business with bioanalytical instruments, which life science customers use to develop medications and cell lines, continued to develop particularly positively across all regions. In contrast, the decline in Covid-19-related business had a somewhat dampening effect on growth.

**Sales Revenue 2018 to 2022**  
€ in millions



**Order Intake 2018 to 2022**  
€ in millions



### Sales Revenue and Order Intake

€ in millions	2022	2021	in % reported	in % cc <sup>1</sup>
Sales revenue	848.2	722.2	17.4	11.5
Order intake	884.6	784.4	12.8	7.4

<sup>1</sup> In constant currencies

Following the strong development in the previous year, sales in the Americas region again grew significantly by 19.0% to €303.0million in 2022, so that this region accounted for the largest share of the division's sales for the first time at 36%. Sales in the EMEA region, which accounted for around 34% of the division's sales, grew moderately by 2.5% to €290.1million. The Asia|Pacific region, which contributed 30% to the Lab Products&Services Division's business, expanded by 15.5% to €255.1million. (All growth rates for the regional development are in constant currencies unless otherwise stated.)

Order intake rose 7.4% in constant currencies to €884.6million (reported: +12.8%).

### Sales by Region

€ in millions	2022	2021	in % reported	in % cc
EMEA	290.1	280.5	3.4	2.5
Americas	303.0	228.2	32.8	19.0
Asia Pacific	255.1	213.5	19.5	15.5

## Earnings

The underlying EBITDA of the Lab Products&Services Division increased by 17.6% to €222.0million in the reporting year. The corresponding margin slightly increased to 26.2% (previous year: 26.1%). The above-average growth contribution of the bioanalytics business and economies of scale more than compensated for negative currency effects and planned higher costs.

### Underlying EBITDA and EBITDA Margin

	2022	2021
Underlying EBITDA in millions of €	222.0	188.8
Underlying EBITDA margin in %	26.2	26.1

The Lab Products&Services Division recorded extraordinary items of -€13.9million in the reporting year relative to -€8.7million a year ago. These were predominantly related to the most recent acquisitions as well as to expenses for various cross-divisional projects.

## 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. ALS develops, manufactures, and markets solutions for automated analysis, selection, and isolation of cells. With these solutions, the company enables life science customers to significantly reduce time to result as well as cost in cell line development and antibody discovery. Furthermore, the division introduced a new version of its system for label-free, real-time analysis of biomolecular interactions.

Since the end of the year, Sartorius has been holding around 10% of the shares and 8.5% of the voting rights in the Swedish BICO Group, a provider of instruments and consumables for bioprinting, biosciences, and bioautomation applications. In addition, the partners have agreed on a comprehensive technology, as well as sales and marketing cooperation.

In addition, 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 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. New laboratories were opened in China and India, among other places, during the reporting year.

## Sales Activities

The division sells its products directly and through laboratory distributors, focusing on direct sales that are continuously being expanded along with the company's alignment with the needs of life science customers. In aligning its activities, the division is increasing using digital channels.

Aside from 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. This gives the Lab Products & Services Division access to customers of the Bioprocess Solutions Division, which in turn can also open up new sales opportunities.

## Product Development

The division has extensive technological expertise in the areas of bioanalytics, laboratory instruments, and laboratory consumables. Software and hardware advancements in the company's 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. Sartorius expects that such software solutions will become increasingly important.

Compliance with regulatory requirements is critical for the company's 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, where a new product development building is scheduled to open in the first quarter of 2023. Sartorius also carries out R&D activities at its sites in Finland and the UK, as well as in the USA.

## Production and Supply Chain Management

The Lab Products & Services Division operates plants in Germany, China, Finland, the UK, 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 2022, 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 UK, and most membrane-based products in Germany.

The overall supply chain situation has eased somewhat in 2022 compared with the previous year. The availability of electronic components continued to pose a challenge, but improved over the course of the year. The prices of many of Sartorius' preliminary products did increase, however, in some cases significantly. In response to high demand, the company significantly ramped up the production of individual bioanalytical systems by making changes to the production process.