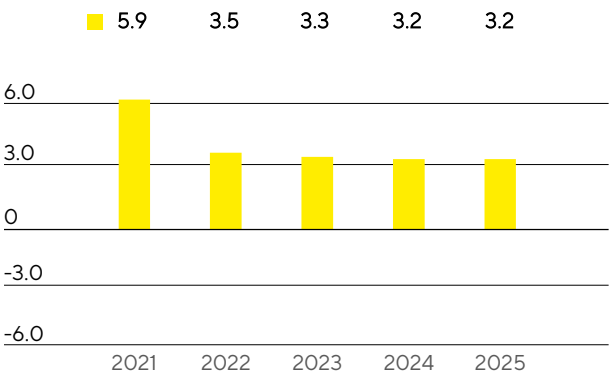
Forecast Report

Future Macroeconomic Environment

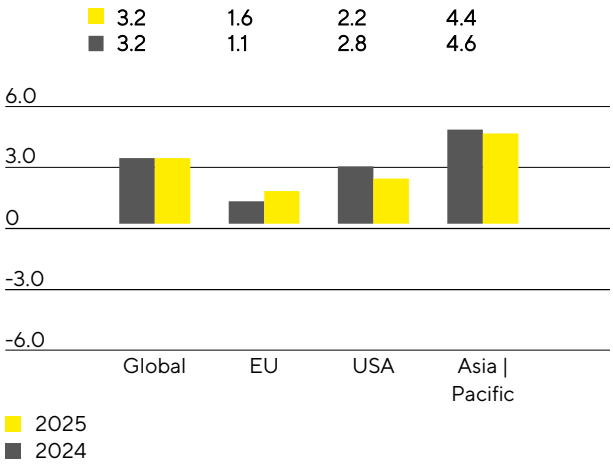
According to the International Monetary Fund (IMF), global economic growth in 2025 will remain stable at 3.2% (2024: +3.2%), and will thus continue to be at a rather below-average level in a long-term comparison. The gross domestic product (GDP) of industrialized countries is forecast to increase by 1.8% (2024: +1.8%), while the emerging and developing countries are also expected to grow at the same rate as in the previous year (2025: +4.2%; 2024: +4.2%). Positive stimuli could come from the worldwide decline in interest rates and the resulting stimulation of corporate investments and global trade. However, the IMF also points out risks: these include an escalation of regional conflicts, a sustained tight monetary policy, a possible return of financial market volatility, a lack of growth stimuli from China, and increased protectionist measures and geopolitical tensions.

For the EU, the IMF expects growth of 1.6% in 2025, up from 1.1% in the reporting year. In Germany, Europe's largest economy, economic output is anticipated to grow by 0.8% (2024: 0.0%), and other European economies important to Sartorius, such as France and the United Kingdom, are also forecast to expand, by 1.1% (2024: +1.1%) and 1.5% (2024: +1.1%) respectively.

Global Economic Growth
in %



Economic Growth by Region
in %



Source: International Monetary Fund

Based on current estimates, the U.S. economy is expected to increase by 2.2% (2024: +2.8%).

For the Asia-Pacific economic region, growth of around 4.4% is forecast (2024: +4.6%), with GDP in China expected to expand by 4.5% (2024: +4.8%) and in India by 6.5% (2024: +7.0%). Other countries in this region that are important for Sartorius should also see growth. An increase of 2.2% is projected for South Korea (2024: +2.5%) and 1.1% for Japan (2024: +0.3%).

Exchange and Interest Rate Trends

The sharp rise in inflation has led to a more restrictive monetary policy and an increase in key interest rates by central banks almost everywhere in the world since 2022. As a result of these measures, inflation rates have fallen worldwide, leading the relevant central banks to initiate a renewed interest rate turnaround beginning in June 2024. Experts estimate that key interest rates in both the European Monetary Union and the United States will continue to decline in 2025. Key interest rates in the European Monetary Union are expected to decrease from 3.00% at the end of 2024 to as low as 2.0% in the current year, while in the United States, a key interest rate of between 3.50% and 3.75% is anticipated by the end of 2025.

Inflation expectations for 2025 are projected at 2.0% for the Eurozone, whereas the inflation rate in the United States is expected to be 2.5%.

The market consensus for the exchange rate between the euro and the U.S. dollar throughout 2025 ranges between 0.96 and 1.14.

Sources: International Monetary Fund, World Economic Outlook, October 2024; Bloomberg, 2024.

Outlook for the Industry-Specific Environment

Biopharmaceutical Industry Expected to Grow Further

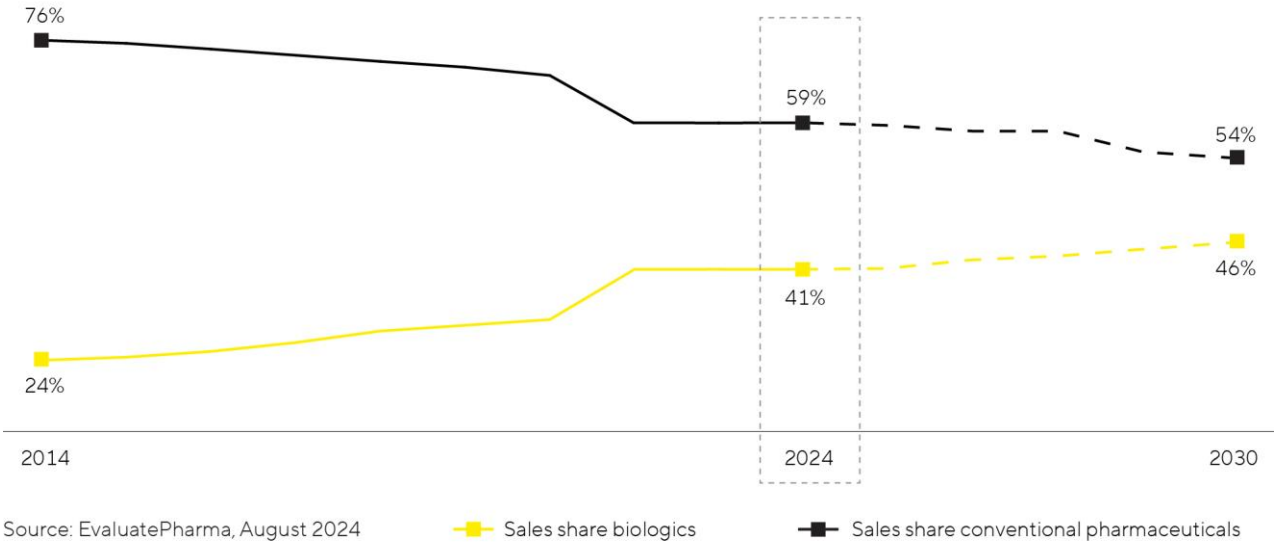
Strong long-term trends drive growth in the pharmaceutical industry, which is almost entirely independent of business cycles. IQVIA estimates that the global pharmaceutical market will grow by between 5% and 8% annually in the period up to 2028. Within the pharmaceutical market, the biopharma segment has been enjoying particularly strong performance for years and, according to various forecasts, will continue to outperform the market. Average annual growth is expected to be around 10% in the coming years. The market is anticipated to have a total value of around $680 billion in 2028, which means that the share of biological medications and vaccines as a percentage of total revenue in the global pharmaceutical market could rise from the current 41% to 45%.

Growth is driven in particular by the increasing demand for medications from the growing and aging global population as well as the significant catch-up potential and improved access to biopharmaceuticals in emerging markets. In addition, the number of approved biopharmaceutical medications is steadily increasing. Of the estimated more than 22,000 medications in R&D pipelines, around 44% are based on biological manufacturing processes. For example, biopharmaceuticals are increasingly being used in yet-to-be fully explored therapeutic areas and in the treatment of rare diseases that have so far been incurable. The pharma industry is increasingly concentrating on advanced therapies such as cell and gene therapeutics or biotechnologically processed tissue products. In 2024, more than 1,800 clinical trials involving such treatment approaches were conducted, meaning that this area offers significant growth potential over the medium to long term. Innovative types of therapy for regenerative medicine and new substance classes, such as antibody-drug conjugates (ADCs) and mRNA-based drugs, are increasing the number and range of approved biopharmaceuticals in the long term and necessitating investments in innovative production technologies. As a result, they are key growth drivers.

Biosimilars, i.e. generic versions of reference biologics with comparable or better efficacy or fewer side effects than the original compounds, are also playing an increasingly important role in the growth of the biotechnology market. Current estimates indicate that by 2028, the market could grow by an annual average of around 15% and reach a total value of approximately $67 billion. The significantly lower prices of biosimilars,

particularly in emerging and developing countries, are creating new, affordable therapy options and are projected to result in increased demand and rising production volume. The development of national production capacities to meet the growing demand for medications is receiving political support in these countries and is fueling the establishment of local biotech companies. The biosimilars market in industrialized countries is also likely to expand considerably in the coming years due to the expiration of patents for high-selling biopharmaceuticals and an increasing number of approved biosimilars. While such generic medications have been widely used in Europe for many years and have been able to gain significant market share in some areas, progress in the USA has been delayed and at a slightly slower pace until now, due to regulatory, patent and marketing issues. Due to the increasing number of approved biosimilars and their steadily growing market penetration, this development has recently gained momentum, and market observers expect this to continue.

Biopharmaceuticals Are Gaining Importance – Growing Share of Sales in the Global Pharmaceutical Market



The biopharmaceutical industry must meet growing demand for medications while producing an increasing number of approved medications and ensuring new types of therapy. Therefore, industry observers expect that worldwide bioreactor capacities will continue to expand in the years to come. At the same time, the industry faces rising cost pressure. This increases the significance of innovations for boosting flexibility and efficiency in biopharmaceutical research and production. In the future, the biopharmaceutical market will shift away from a low number of especially high-selling medications that account for a majority of total production volume towards an expanding range of products for smaller groups of patients. Technological progress leads to ongoing improvements in the productivity of biopharmaceutical production processes. Therefore, according to the research and consulting institute BioPlan, many manufacturers will likely rely increasingly on flexibly usable single-use technologies for the commercial production of many new medications. Particularly in the case of relatively small batches, single-use technologies already ensure more cost-effective production than conventional stainless steel units and have a better environmental footprint. To master these challenges, more and more pharmaceutical companies are relying on digitalization and automation as well as innovative software solutions for controlling and optimizing their processes. A further trend is process intensification, in which several process steps, called unit operations, are interconnected. This, among other things, enables greater product quantities to be manufactured faster while achieving higher quality.

Further Growth Expected in the Laboratory Market

Various market observers expect the market for laboratory instruments and consumables to grow by around 5% annually in the next few years and to reach a total value of around $104 billion in 2028.

In terms of end markets, the pharmaceutical and biopharmaceutical industries in particular are likely to remain the main drivers of demand, given the continuous research and approval of new drugs and the high pace of scientific and technological innovation. EvaluatePharma expects sector-specific research spending to increase by 3.3% annually to $348 billion between 2024 and 2028. According to market studies, the product area of bioanalytical instruments should particularly benefit from this development and continue to grow at an above-average rate within the laboratory market.

Budget increases for academic and public research institutions should continue to stimulate growth in some countries, whereas the ongoing weakness of the global economy poses risks for demand from industrial end markets. Market observers continue to expect China and India to generate the highest growth rates in the medium term. Stricter regulatory requirements in a range of industries are also fueling demand for instruments used in sample analysis and quality control. In addition, investments in laboratory infrastructure are becoming more attractive, especially in China, as a result of government-supported efforts to promote innovation in several key industries. In previous years, this had entailed a rise in the share of global R&D spending attributable to China. In 2025, suppliers of laboratory products and consumables expect a positive demand effect from a Chinese government funding program initiated in 2024.

Sources: BioPlan: 21st Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production, April 2024; Evaluate Pharma: World Preview 2024, August 2024; Alliance for Regenerative Medicine: Sector Snapshot, August 2024; citeline: Pharma R&D Annual Review 2024, May 2024; Research and Markets: Biosimilars Market, 2024; SDi: Global Assessment Report 2024, April 2024; www.fda.gov

Outlook for 2025

Deliberately cautious outlook for fiscal 2025: profitable growth in both divisions

Due to the coronavirus pandemic and its many repercussions in the following years, the dynamics and volatilities in the entire life science industry and thus also for Sartorius have increased significantly. This results in greater uncertainty when forecasting business figures. In this report, Group management therefore makes qualitative statements about expectations for fiscal 2025. The company will provide a quantitative forecast after the first quarter of 2025.

For fiscal 2025, the Group's management expects a continuous demand recovery and growth in the life science market, albeit at a rate that is still below its long-term average. In this environment, the company intends to grow profitably above market level and to achieve a moderate increase in sales revenue, which is likely to be driven primarily by recurring business with consumables. Due to the varying dynamics in their respective submarkets, the Bioprocess Solutions Division is expected to contribute more strongly to growth than the Lab Products & Services Division. Based on the expected volume development positive product mix effects and supported by the effects of the previous year's efficiency program, the company forecasts that underlying EBITDA, should increase over-proportionately compared to sales revenue. In 2025, Sartorius will continue its organic debt reduction course with a focus on working capital and managing investments, and expects the leverage ratio to decrease noticeably. The ratio of capital expenditures (capex) to sales revenue should be roughly the same as in the previous year.