

Business Development of Lab Products & Services

Challenging market environment affects business development

Slight decline in sales and earnings performance

Demand picks up towards the end of the year

Division sales

€690.5m

In constant FX: -3.0%

Order intake

€684.4m

In constant FX: +4.1%

Underlying EBITDA margin

22.9%

-2.2 percentage points

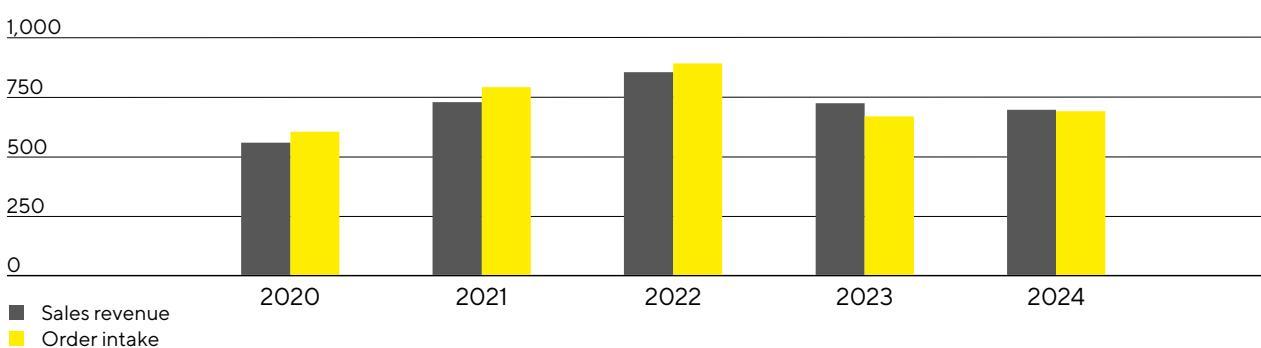


Sales Revenue and Order Intake

The Lab Products & Services Division, which specializes in life science research and pharmaceutical laboratories, continued to be impacted by soft end markets, particularly in China, and a pronounced reluctance to invest on the customer side. The latter had a pronounced effect on the instrument business and especially on the bioanalytics product area. During the pandemic, this segment had experienced significant growth, especially in the United States, driven by a very favorable funding environment for biotech companies, which subsequently weakened considerably and remained at a comparatively moderate level in 2024. By contrast, business with laboratory consumables picked up again. In the reporting year, sales revenue therefore amounted to €690.5 million, which corresponds to a decline of 3.0% in constant currencies (reported: -3.8%).

Sales Revenue and Order Intake 2020 to 2024

€ in millions



Sales Revenue and Order Intake

€ in millions	2024	2023	in % reported	in % cc ¹
Sales revenue	690.5	717.5	-3.8	-3.0
Order intake	684.4	662.8	3.3	4.1

1 cc = in constant currencies.

Sales in the EMEA region, which accounted for around 40% of the division's revenues, rose moderately by 1.7% to €277.9 million. In the Americas region, revenue in 2024 declined by 2.7% year on year to €225.5 million, accounting for 33% of the division's sales. In particular, demand for bioanalytical instruments was weaker after the high growth rates in previous years. The Asia|Pacific region, which accounted for 27% of business in the reporting year, recorded a decline of 9.4% to €187.1 million, primarily due to the ongoing weakness in China. (All growth rates for regional development are in constant currencies unless otherwise stated.)

Order intake showed a positive trend, increasing to €684.4 million during the reporting year (in constant currencies: +4.1%; reported: +3.3%).

Sales by Region

€ in millions	2024	2023	in % reported	in % cc
EMEA	277.9	273.7	1.5	1.7
Americas	225.5	232.6	-3.1	-2.7
Asia Pacific	187.1	211.2	-11.4	-9.4

Earnings

The underlying EBITDA of the Lab Products & Services Division recorded a decline of 12.3% to €158.1 million due to volume and product mix effects; the corresponding margin was 22.9% (previous year: 25.1%).

Underlying EBITDA and EBITDA Margin

	2024	2023
Underlying EBITDA in millions of €	158.1	180.3
Underlying EBITDA margin in %	22.9	25.1

The Lab Products & Services Division recorded extraordinary items of -€26.2 million in the reporting year relative to -€13.0 million a year ago. These items resulted primarily from expenses for efficiency measures and various corporate projects.

Products and Sales

Products

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.

The field of bioanalytics includes instruments, consumables, reagents and software for drug research and development and for life science research. With innovative systems for cell and protein analysis, for example, the time-consuming development of new active ingredients can be significantly accelerated and the associated costs reduced by automating and digitizing key analysis steps. Bioanalytical methods are also increasingly used in the fast-growing market of advanced therapies.

In addition, the product portfolio of the Lab Products & Services Division includes a broad array of premium laboratory instruments such as laboratory balances and lab water systems, pipettes, and lab consumables such as filters and microbiological test kits. They are used, for example, in the preparation, cleaning or inspection of samples and help to simplify routine tasks and achieve more precise results. This portfolio is tailored to the life science industry and additionally focuses on research and quality control labs in other industries such as the chemical and food industries.

The services offered by the division cover the entire life cycle of bioanalytical and laboratory instruments, from installation and commissioning to validation, calibration, software updates, maintenance, and repair. These services are offered not only for Sartorius instruments, but also to a limited extent for equipment from other manufacturers. The broad range of services allows customers to limit the number of their service providers, thereby reducing complexity and costs.

With application labs in all regions, Lab Products & Services also offers customers the opportunity to test products with their own samples and to receive training.

BioAnalytics

Instruments, consumables, and reagents for drug discovery & development and life science research



Protein Analysis Cell Selection High-Throughput Cytometry Live Cell Analysis Media & Reagents



Premium lab instruments

Instruments and consumables for quality-critical work steps in laboratories



Lab Weighing Lab Filtration Liquid Handling Microbial Quality Control Lab Water



In the reporting year, the division expanded its bioanalytics portfolio for stem cell and organoid research. Organoids are mini-organs grown in the laboratory from human stem cells that mimic the functions of a real organ and can be used to better understand diseases and develop new treatments. A carrier plate for live-cell analysis has been developed that can be used to simultaneously generate and analyze a large number of robust 3D organoid cultures on a very small scale. In addition, the division is working with the start-up TheWell Bioscience to replace animal-based research models with organoids, enabling better predictions in drug research.

In the field of laboratory instruments, a new generation of premium laboratory balance was introduced that offers customers a particularly short stabilization time, a low minimum sample weight and easy cleaning. In May, a newly developed refill system for pipette tips that focuses on reducing plastic and packaging waste received the ACT label for sustainable laboratory products.

Sales Activities

The lab division primarily distributes its portfolio directly through its own sales force and via its eShop. In addition, some standard instruments and consumables are also offered through specialized laboratory dealers. The focus is on further expanding the direct channels.

In addition to expanding its distribution structures, the division also focuses on the continuous improvement of sales efficiency, in part by creating 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

In the field of bioanalytics, the division has extensive technological expertise, particularly in the analysis, characterization and selection of cells or cell systems, and in protein analysis. A major focus of the division's development work is the advancement of software and hardware and the integration of powerful data analysis applications. The result is a range of new analysis options that helps customers make better use of data, speed up experiments and accelerate drug development.

In addition to regulatory compliance, the most important requirements for laboratory instruments and materials are sustainable product design that enables efficient processes, improved process and data traceability, and ease of use in everyday laboratory work. Accordingly, these are the focus of product development, complemented by aspects such as data management, connectivity and process automation.

The division's largest development sites are in Ann Arbor, Michigan, USA, for bioanalytics, and at the Group headquarters in Göttingen, Germany, for laboratory instruments and materials. Other centers of excellence are located in the United States, Finland, the UK and China.

Production

The Lab Products & Services Division operates plants in Germany, China, Finland, the UK, and the USA. For most product groups, development and production take place in the same location. These plants serve as centers of competence and tend to focus on one product group or a small set of product groups. For example, laboratory balances are 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 membrane-based lab products in Germany.

The center of excellence at the Ann Arbor site in the USA was completed as planned in 2024. It brought together functions that had previously been housed at different locations, including the manufacturing of devices, consumables, and reagents for cell and protein analysis, as well as customer and repair services and product development.