

Life Science

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Key figures

€ million	2021	2020	Change	
			€ million	%
Net sales	8,990	7,515	1,475	19.6%
Operating result (EBIT) ¹	2,479	1,599	880	55.1%
Margin (% of net sales) ¹	27.6%	21.3%		
EBITDA ²	3,257	2,387	870	36.4%
Margin (% of net sales) ¹	36.2%	31.8%		
EBITDA pre ¹	3,286	2,405	881	36.6%
Margin (% of net sales) ¹	36.6%	32.0%		

¹ Not defined by International Financial Reporting Standards (IFRS).

² Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

Development of sales and results of operations

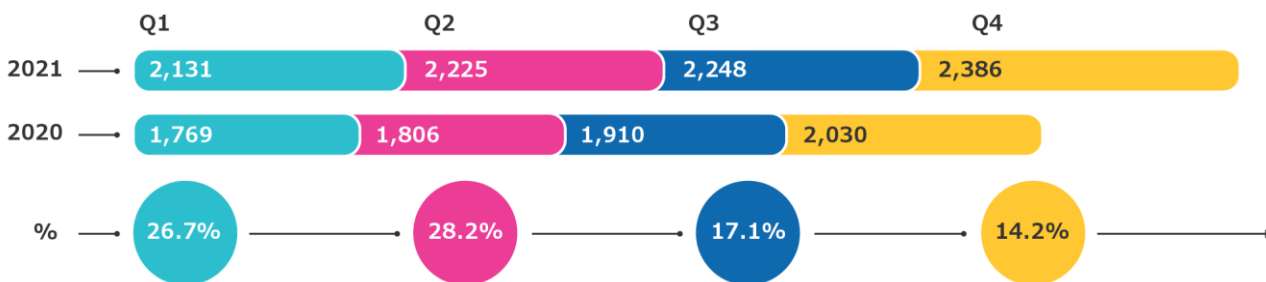
In fiscal 2021, Life Science posted an organic sales growth of 21.3% with an unfavorable foreign exchange impact of -1.6%, resulting in a total growth of 19.6% compared to the previous year. All three business units contributed to the organic growth, with the by far largest contribution coming from Process Solutions and followed by Research Solutions. Overall, Life Science net sales increased to € 8,990 million (2020: € 7,515 million).

The development of sales in the individual quarters in comparison with 2020 as well as the respective organic growth rates are presented in the following graph:

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Net sales and organic growth¹ by quarter²

€ million/organic growth in%



¹ Not defined by International Financial Reporting Standards (IFRS).

² Quarterly breakdown unaudited.

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Net sales by business unit¹

€ million	2021	Share	Organic growth ²	Exchange rate effects	Acquisitions / divestments	Total change	2020	Share
Process Solutions	4,645	52%	31.0%	-1.8%	-	29.2%	3,595	48%
Research Solutions	2,512	28%	15.1%	-1.7%	-	13.4%	2,215	29%
Applied Solutions	1,833	20%	8.8%	-1.3%	-	7.5%	1,705	23%
Life Science	8,990	100%	21.3%	-1.6%	-	19.6%	7,515	100%

¹ Previous year's figures have been adjusted due to internal realignment.

² Not defined by International Financial Accounting Standards (IFRS).

The Process Solutions business unit, which markets products and services for the pharmaceutical production value chain, generated organic sales growth of 31.0%, which was the highest rate within the Life Science business sector. The business experienced strong demand in both core business and Covid-19- related product and service offerings. With an unfavorable foreign exchange effect of -1.8%, net sales resulted in € 4,645 million in fiscal 2021 (2020: € 3,595 million). Process Solutions thus accounted for 52% of Life Science total net sales (2020: 48%). All regions experienced double-digit organic sales growth within Process Solutions.

The Research Solutions business unit, which provides products and services to support life science research for pharmaceutical, biotechnology, and academic research laboratories, recorded an organic sales growth of 15.1% in 2021. This was mainly driven by strong demand in the core business. With an unfavorable foreign exchange effect of -1.7%, net sales totaled € 2,512 million (2020: € 2,215 million). Research Solutions thus accounted for 28% of Life Science total net sales (2020: 29%). Double-digit organic sales growth was reported for almost all regions with North America, Asia-Pacific and Europe leading the growth.

The Applied Solutions business unit with its broad range of products for researchers as well as scientific and industrial laboratories accounted for a 20% share of Life Science sales (2020: 23%). Applied Solutions recorded an organic sales growth of 8.8% in fiscal 2021. Including an unfavorable foreign exchange effect of -1.3%, sales totaled € 1,833 million (2020: € 1,705 million). From a regional perspective, the strongest growth drivers in Applied Solutions were North America and Latin America each with double-digit organic sales growth.

Net sales of the business sector by region developed as follows:

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Net sales by region

€ million	2021	Share	Organic growth ¹	Exchange rate effects	Acquisitions / divestments	Total change	2020	Share
Europe	3,138	35%	21.1%	0.3%	0.1%	21.5%	2,583	35%
North America	3,187	36%	22.0%	-4.0%	-	18.0%	2,701	36%
Asia-Pacific (APAC)	2,286	25%	21.0%	-0.7%	-	20.3%	1,900	25%
Latin America	278	3%	20.7%	-5.3%	-	15.3%	241	3%
Middle East and Africa (MEA)	100	1%	9.5%	2.6%	-	12.1%	89	1%
Life Science	8,990	100%	21.3%	-1.6%	-	19.6%	7,515	100%

¹ Not defined by International Financial Accounting Standards (IFRS).

The following table presents the composition of EBITDA pre for 2021 in comparison with 2020. The International Financial Reporting Standards (IFRS) figures have been modified to reflect the elimination of adjustments included in the respective functional costs.

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Reconciliation EBITDA pre¹

€ million	2021			2020			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	8,990	-	8,990	7,515	-	7,515	19.6%
Cost of sales	-3,577	4	-3,573	-3,215	5	-3,210	11.3%
Gross profit	5,413	4	5,417	4,300	5	4,305	25.8%
Marketing and selling expenses	-2,119	5	-2,114	-1,995	4	-1,992	6.1%
Administration expenses	-352	22	-331	-354	32	-322	2.9%
Research and development costs	-351	1	-349	-313	1	-312	11.8%
Impairment losses and reversals of impairment losses on financial assets (net)	-3	-	-3	-1	-	-1	>100.0%
Other operating income and expenses	-109	7	-102	-38	-21	-59	72.2%
Operating result (EBIT)¹	2,479			1,599			
Depreciation/amortization/impairment losses/reversals of impairment losses	778	-11	767	789	-3	786	-2.4%
EBITDA²	3,257			2,387			
Restructuring expenses	26	-26	-	16	-16	-	
Integration expenses/IT expenses	21	-21	-	32	-32	-	
Gains (-)/losses (+) on the divestment of businesses	-	-	-	-	-	-	
Acquisition-related adjustments	-18	18	-	-30	30	-	
Other adjustments	-	-	-	-	-	-	
EBITDA pre¹	3,286	-	3,286	2,405	-	2,405	36.6%
of which: organic growth ¹							37.7%
of which: exchange rate effects							-0.9%
of which: acquisitions/divestments							-0.2%

¹ Not defined by International Financial Reporting Standards (IFRS).

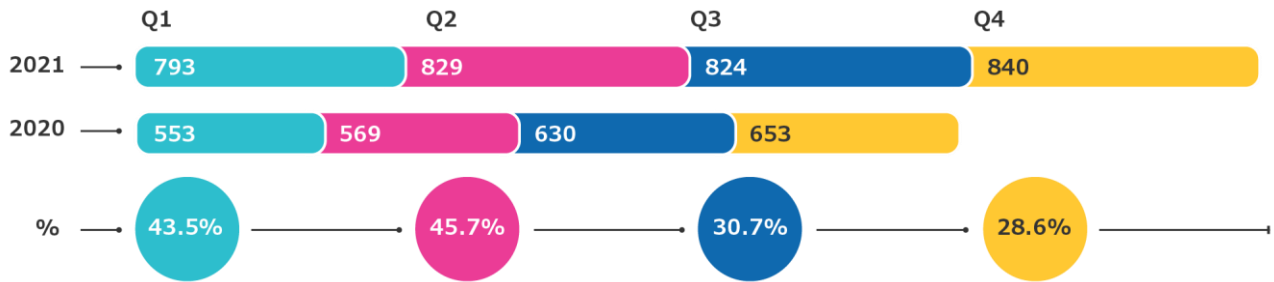
² Not defined by International Financial Reporting Standards (IFRS); EBITDA corresponds to operating result (EBIT) adjusted by depreciation, amortization, impairment losses, and reversals of impairment losses.

Adjusted gross profit increased by 25.8% to € 5,417 million (2020: € 4,305 million). The increase was mainly driven by a strong sales growth. Adjusted marketing and selling expenses increased by 6.1% to € 2,114 million (2020: € 1,992 million) due to higher logistics costs and increased personnel costs. Adjusted administration expenses increased by 2.9% to € 331 million (2020: € 322 million) and adjusted research and development costs increased by 11.8% to € 349 million (2020: € 312 million). EBITDA pre rose by 36.6% to € 3,286 million (2020: € 2,405 million) reflecting the strong performance of the Life Science business, both in the core business and from sales related to the Covid-19 pandemic. Organically, the EBITDA pre grew by 37.7% in 2021. The EBITDA pre margin, i.e. EBITDA pre as a percentage of net sales, improved to 36.6% (2020: 32.0%).

The development of EBITDA pre in the individual quarters in comparison with 2020 is presented in the following overview:

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EBITDA pre¹ and change by quarter²
 € million/change in%



¹ Not defined by International Financial Reporting Standards (IFRS).
² Quarterly breakdown unaudited.