

Life Science

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Key figures

€ million	2023	2022	Change	
			€ million	%
Net sales	9,281	10,380	-1,100	-10.6%
Operating result (EBIT) ¹	1,850	2,808	-958	-34.1%
Margin (% of net sales) ¹	19.9%	27.1%		
EBITDA ²	2,731	3,678	-946	-25.7%
Margin (% of net sales) ¹	29.4%	35.4%		
EBITDA pre ¹	2,820	3,760	-940	-25.0%
Margin (% of net sales) ¹	30.4%	36.2%		

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.

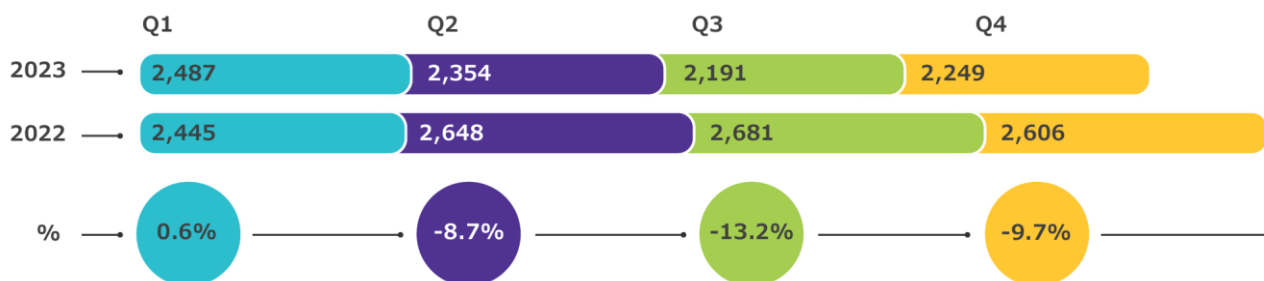
Development of sales and results of operations

The development of sales in the individual quarters in comparison with 2022 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 unit

€ million	2023	Share	Organic growth ¹	Exchange rate effects	Acquisitions / divestments	Total change	2022 ²	Share
Science & Lab Solutions	4,706	51%	-0.6%	-3.3%	-	-3.9%	4,898	47%
Process Solutions	3,782	41%	-14.4%	-2.3%	-	-16.7%	4,540	44%
Life Science Services	792	8%	-14.6%	-2.0%	0.6%	-15.9%	943	9%
Life Science	9,281	100%	-7.9%	-2.7%	0.1%	-10.6%	10,380	100%

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

² Previous year's figures were adjusted due to internal restructuring in the Life Science division.

- The Science & Lab Solutions business unit, which provides products and services to support life science research for pharmaceutical, biotechnology, academic research laboratories and researchers, and scientific and industrial laboratories, had organically stable sales in 2023. While the core business¹ generated organic growth in the first half of 2023, sales saw an organic decline in the second half of 2023 amid further decreasing pandemic-related demand as well as decreasing demand in China due to the current economic environment. Including an unfavorable foreign exchange effect of -3.3%, net sales decreased to € 4,706 million in 2023 (2022: € 4,898 million). Science & Lab Solutions accounted for 51% of Life Science net sales (2022: 47%). Geographically, Europe showed organic growth in 2023, while net sales in North America and Asia-Pacific (APAC) declined organically.
- The Process Solutions business unit, which markets products and services for the entire pharmaceutical production value chain, saw an organic mid-teens percentage decrease in sales for 2023. This was attributable to the continued decline in pandemic-related sales and a slowdown of the core business in 2023, driven mainly by the effects of destocking by key customers. Including an unfavorable foreign exchange effect of -2.3%, net sales decreased across all core regions (North America, Europe, Asia-Pacific (APAC)) with exception to Latin America and Middle East and Africa (MEA) to € 3,782 million in 2023 (2022: € 4,540 million). The percentage contribution of the Process Solutions business unit to Life Science net sales was 41% (2022: 44%).
- The Life Science Services business unit, which offers fully integrated Contract Development and Manufacturing Organization (CDMO) and contract testing services, recorded a significant organic sales decline in the mid-teens for 2023. This was driven by decreasing pandemic-related sale partially offset by growth in the core business. Including an unfavorable foreign exchange effect of -2.0%, net sales decreased across all regions to € 792 million (2022: € 943 million).

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

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Net sales by region

€ million	2023	Share	Organic growth ¹	Exchange rate effects	Acquisitions/divestments	Total change	2022	Share
Europe	3,178	34%	-7.6%	-0.2%	–	-7.8%	3,445	33%
North America	3,372	36%	-12.0%	-2.3%	0.1%	-14.2%	3,931	38%
Asia-Pacific (APAC)	2,263	25%	-5.1%	-5.6%	–	-10.7%	2,536	25%
Latin America	352	4%	10.3%	-10.8%	0.1%	-0.3%	353	3%
Middle East and Africa (MEA)	116	1%	5.3%	-5.5%	–	-0.1%	116	1%
Life Science	9,281	100%	-7.9%	-2.7%	0.1%	-10.6%	10,380	100%

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

¹ The core business consists of "Net sales excluding the Covid-19 pandemic business". This is a financial indicator that is not defined by International Financial Reporting Standards (IFRS). It should not be taken into account in order to assess the performance of our company in isolation or as an alternative to the financial indicators presented in the consolidated financial statements and determined in accordance with IFRS.

The following table presents the composition of EBITDA pre for 2023 in comparison with 2022. 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	2023			2022			Change
	IFRS	Elimination of adjustments	Pre ¹	IFRS	Elimination of adjustments	Pre ¹	Pre ¹
Net sales	9,281	-	9,281	10,380	-	10,380	-10.6%
Cost of sales	-4,236	6	-4,230	-4,280	7	-4,273	-1.0%
Gross profit	5,044	6	5,050	6,100	7	6,107	-17.3%
Marketing and selling expenses	-2,245	12	-2,232	-2,400	16	-2,384	-6.3%
Administration expenses	-425	53	-372	-400	22	-377	-1.4%
Research and development costs	-396	3	-393	-399	-0	-399	-1.5%
Impairment losses and reversals of impairment losses on financial assets (net)	-2	-	-2	-9	-	-9	-75.5%
Other operating income and expenses	-126	48	-78	-85	61	-24	>100.0%
Operating result (EBIT)¹	1,850			2,808			
Depreciation/amortization/impairment losses/reversals of impairment losses	881	-34	848	870	-24	845	0.3%
EBITDA²	2,731			3,678			
Restructuring expenses	30	-30	-	41	-41	-	
Integration expenses/IT expenses	53	-53	-	24	-24	-	
Gains (-)/losses (+) on the divestment of businesses	-	-	-	-	-	-	
Acquisition-related adjustments	6	-6	-	18	-18	-	
Other adjustments	-	-	-	-	-	-	
EBITDA pre²	2,820	-	2,820	3,760	-	3,760	-25.0%
of which: organic growth ¹							-21.4%
of which: exchange rate effects							-3.3%
of which: acquisitions/divestments							-0.3%

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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.

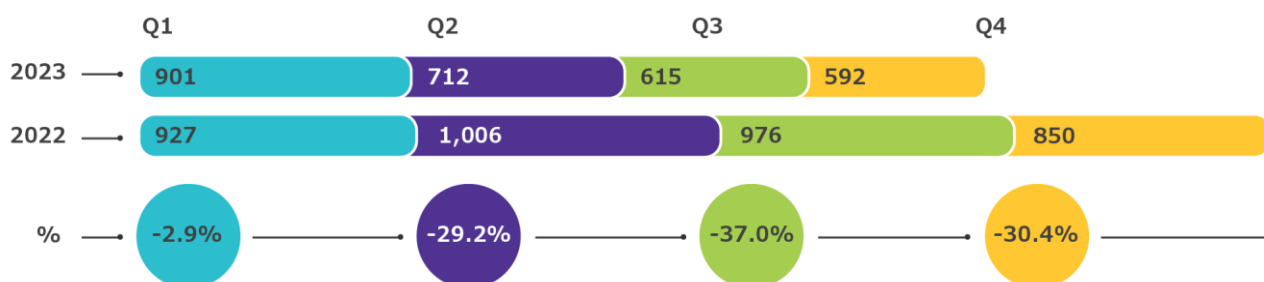
- Adjusted gross profit for the Life Science business sector was lower in 2023 in comparison with 2022. This was attributable to the organic sales decline following the continued decrease in pandemic-related sales combined with a slowdown of the core business as well as plant fix costs. At 54.4%, the adjusted gross margin in 2023 was below the year-earlier period (2022: 58.8%).
- The decrease in marketing and selling expenses in 2023 was largely driven by lower logistics costs following lower sales volume and a decline in personnel costs. In 2023, administration expenses and Research & Development costs remained organically largely stable in comparison to 2022. In addition to our organic development, positive foreign exchange effects impacted the development of costs compared to 2022. The net position of other operating income and expenses decreased compared to 2022 due to one-off effects in 2022 which did not repeat in 2023. Among other items, there was one-off income from a contractual arrangement with a supplier.
- In 2023, EBITDA pre saw an organic mid-twenties percentage decline compared to 2022, resulting in an EBITDA pre margin of 30.4% (2022: 36.2%).

The development of EBITDA pre in the individual quarters in comparison with 2022 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.