



# 75 Years & Beyond

Annual Report 2020

€86.5 million in investments

for the expansion of production capacities and locations worldwide, as well as for the modernization of office buildings.



3,783 employees worked for Eppendorf AG on average in 2020.



+20.3% increase in total revenue compared with the previous year.

€55.8 million invested in research & development at Eppendorf in the past year.



+22.5% EBIT margin charted by Eppendorf in comparison with the previous year. In absolute terms, EBIT increased by €73.5 million year-on-year to €217.7 million in the year under review.

Key financials (IFRS)

		+/- CAGR <sup>1</sup>	2020	2019	2018	2017	2016
Total revenue	in € thousand	+ 10.4%	967,165	803,891	729,170	690,336	651,544
Americas	%		35.2	38.0	36.8	37.7	37.8
Europe	%		37.1	35.0	36.1	36.3	35.7
Asia/Pacific/Africa	%		14.5	12.2	13.1	12.7	13.4
China	%		13.2	14.8	14.0	13.3	13.1
EBITDA	in € thousand	+ 11.3%	264,007	189,053	185,657	177,392	172,323
EBITDA margin	%		27.3	23.5	25.5	25.7	26.4
EBIT	in € thousand	+ 11.7%	217,666	144,213	153,717	145,511	139,619
EBIT margin	%		22.5	17.9	21.1	21.1	21.4
Net profit for the period	in € thousand	+ 12.2%	152,527	97,399	106,356	92,112	96,265
Net profit for the period	%		15.8	12.1	14.6	13.3	14.8
Gross cash flow <sup>2</sup>	in € thousand	+ 12.8%	203,305	136,238	138,819	131,448	125,509
Equity ratio	%		60.7	66.5	69.4	67.5	63.2
Total assets	in € thousand	+ 12.0%	1,332,706	1,105,124	974,071	869,981	846,465
R&D expenses	in € thousand	+ 12.5%	55,797	50,324	45,265	36,489	34,787
Number of employees, annual average (FTEs) <sup>3</sup>		+ 5.7%	3,783	3,576	3,292	3,134	3,029

<sup>1</sup> CAGR = Compound annual growth rate (2016-2020)

<sup>2</sup> Gross cash flow = profit after tax +/- depreciation, amortization, and impairment losses +/- other changes

<sup>3</sup> FTE = Full-time equivalent

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# Foreword

*Ladies and Gentlemen,  
Dear Colleagues,*

Our fiscal year 2020 was extraordinary in every respect. For one thing, the spread of the coronavirus had a serious impact, changing our working environment and the way we collaborate with each other. This demanded a great deal from all the employees at Eppendorf. Yet 2020 was also by far the best financial year in the company’s history. All the Eppendorf product groups and market regions as well as all the company’s divisions and subsidiaries saw a positive development. The Eppendorf Group recorded consolidated revenue of €967 million (prior year: €804 million). In comparison with the same period last year, this corresponds to an increase of 20.3% (prior year: 10.2%). EBIT at the Eppendorf Group climbed 51.0% above the level generated in the previous year with an EBIT margin of 22.5%.

**Excellent business performance in all market regions**

All market regions recorded growth in the year under review – a remarkable achievement, given that our local sales and service organizations faced severe constraints over many months due to lockdowns in almost all parts of the world.

Our business performance in Europe clearly exceeded expectations, with an increase of 27.6% over the previous year. The picture was similar in the Asia/Pacific/Africa region, which outperformed the prior-year period by a substantial 43.3%. This was the strongest rise in revenue in that region’s history. The market region China ended the year with an impressive 7.5% revenue gain over the prior-year period, more than compensating for the clear slump in revenue during the first half of the year under review. The Americas region also delivered excellent performance, with revenue up 11.3% looking at the same period of the previous year.

**Eppendorf product groups on a growth trajectory**

There was a gratifyingly positive revenue trend across all product groups during the period under review. This was particularly true for products supporting diagnostics laboratories and vaccine manufacturers in the fight against the coronavirus, such as consumables and ultra-low-temperature freezers, whose sales rose by 32.9% and 50.8%, respectively. Meanwhile the Business Unit Automation recorded exceptional growth, with Eppendorf pipetting robots’ revenue soaring by a remarkable 96.8%.

**Transformation advanced successfully**

The positive development of our business in 2020 affirms our commitment to continue investing time and energy in the further development of Eppendorf. It is clear that our work is needed – now and in the future! To ensure that we are equipped to meet this need, we set course for our future in a number of ways during the year under review. One measure consisted of restructuring the Business Portfolio and breaking it down into divisions. Another step was the further development of our Going-to-Market strategy, which we aligned more closely to the regional customer needs. We also made progress on our digitalization projects, implementing a global customer relationship management (CRM) system and relaunching the eShop on [www.eppendorf.com](http://www.eppendorf.com), for example. In addition, the CC2021 program marked the

start of the realignment of our Competence Centers, and we also further developed a number of key corporate functions. All these activities have helped Eppendorf progress from being a pure equipment manufacturer to becoming a solution provider for laboratory customers around the world.

**Investments to strengthen the core business**

With a view to the future, we also strengthened our core business through two investments during the year under review. In July 2020, Eppendorf acquired the centrifuge business of Koki Holdings Co., Ltd. from Japan. The company’s products are known and highly valued in the industry under the brand name Himac, which is why they will continue to be listed under this name in the Eppendorf portfolio. The acquisition opens up long-term growth opportunities for Eppendorf’s centrifuge business and will strengthen our leading market position in the field of separation technologies.

Furthermore, in August 2020, Eppendorf acquired a 13.7% stake in the U.S. life science company Promega Corporation. This highly innovative company manufactures products and system solutions for gene, protein and cell analysis as well as research on active ingredients. The partnership thus reinforces the Eppendorf pharma offense.

**Development of worldwide locations**

Eppendorf continued to invest in its worldwide locations in 2020, many of which were expanded or renovated. At the Competence Center in Oldenburg, Germany, two new production halls were opened during the year under review, enabling a 30% ramp-up in the production of high-quality laboratory consumables. Parts of House 10, a new building for our liquid handling business at our location in Hamburg, were also ready for occupation by the end of the year. Further investments were made at the German sites in Leipzig and Jülich, as well as in Kuala Lumpur, Malaysia, and at the Competence Center in Enfield, Connecticut, USA. Finally, the Eppendorf sales center for North America was relocated to a completely new site in Framingham, Massachusetts, near Boston, in May 2020.

**Focus on the future: Eppendorf 2025 strategy**

In the year under review, the Management Board instituted a new umbrella strategy for the company. It follows from the **“beEppendorf2021”** initiative launched in 2017 and, under the heading **“Eppendorf 2025”**, will devote itself to project areas related to innovation, customer centricity and further development. Above all, work will continue on the strategic core topics of digitalization and sustainability.

Eppendorf also took other steps toward the future in 2020, particularly in the area of sustainability activities. Thanks to the definition of concrete sustainability targets, in the future the Eppendorf Group will be able to conduct its business in a more deliberate and reflective manner, putting us in an even better position to meet our goal of being a company that acts sustainably. ➔

At the same time, Eppendorf is continuously working toward its goal of becoming the most attractive employer in the industry. The results of a global employee survey conducted in October 2020 have already yielded initial measures. Within the framework of “Eppendorf 2025”, we will continue to pursue this goal and work on offering applicants and employees of the company an even more appropriate working environment and attractive development opportunities in the future.

75 years of Eppendorf: anniversary celebrations

On November 19, 2020, employees in all market regions honored Eppendorf’s 75th anniversary by participating in our Global Cake Day. Our entire staff was invited to celebrate the company’s special milestone either at their locations or from their offices at home. The spotlight was on our evolution from being a regional company with fewer than ten employees to a group of companies in over 30 countries.

In addition, Eppendorf launched a global campaign with the slogan “TOMORROW LAB since 1945” to draw customer attention to the company’s anniversary. At the heart of the campaign stood our anniversary website with an image film titled “Celebrating 75 Years of Supporting Scientists.” An anniversary brochure as well as online and print advertisements with different themes were published to complement the campaign. The campaign was deliberately not designed as a product advertisement; instead, it aimed to attract attention to and enhance the image of the Eppendorf brand.

Outlook for the new fiscal year

As in the previous year, we expect 2021 to be dominated by the coronavirus pandemic. We therefore anticipate continued high demand for laboratory materials throughout the year, especially in the first half-year, resulting in sustained revenue growth. At this point in time, we are not in a position to forecast the exact impact of the pandemic on Eppendorf’s revenue and profit over the course of the fiscal year. What is clear, however, is that Eppendorf will continue to work resolutely on the transformation of the company in 2021.

Acknowledgment

The success of our company in the fiscal year 2020 is also the success of the Eppendorf Group’s global workforce. The remarkable growth we achieved this year reflects, above all, Eppendorf’s relevance around the world in the battle against the coronavirus. It is only thanks to the great commitment of our employees that the company has been able to live up to this relevance.

All staff members within the Group played their part in this success through their willingness to embrace new things, their flexibility and their perseverance. For this, we express our sincere thanks to them.

In addition, special thanks are due to our customers – for their loyalty, their enthusiasm for our products, their valuable suggestions and their excellent and trustful cooperation, especially under the challenging conditions we all faced in 2020.



*W. Plüster*

Dr. Wilhelm Plüster  
Chief Technology Officer

*Eva van Pelt*

Eva van Pelt  
Co-CEO & Chief Commercial Officer

*P. Fruhstorfer*

Dr. Peter Fruhstorfer  
Co-CEO & Chief Business Officer

*Axel Jaeger*

Axel Jaeger  
Chief Financial Officer

For more information, please visit the Eppendorf website at:  
[www.eppendorf.com](http://www.eppendorf.com) → About Us → Corporate Website → The Eppendorf Company → Eppendorf Group





## 1

## Improving human living conditions

2020 will go down as a special fiscal year in Eppendorf's history. Even during the crisis mode caused by the coronavirus, all the employees worked together to fulfill the mission of Eppendorf's founders: to improve human living conditions. 75 years of Eppendorf – A success story.

## 75 years of Eppendorf – A success story

A textbook example of a start-up: In the summer of 1945, immediately after the end of the Second World War, two visionary founders and a group of technicians and engineers in Hamburg take on the challenge of trying something completely new.



A special day for Eppendorf: The company's 75th anniversary was celebrated worldwide.

The story of the Eppendorf Group begins in the wooden barracks on the grounds of the University Medical Center Hamburg-Eppendorf (UKE). It is here that a group of people led by Dr. Heinrich Netheler and Dr. Hans Hinz begins repairing defective but urgently needed medical equipment and instruments in August 1945.

Just months later, at the request of the University Medical Center, the team starts to develop medical

equipment. "Dr. Netheler's working group" becomes "Elektromedizinische Werkstätten GmbH," showing remarkable inventiveness in developing, for example, the first electronic thermometer, a stimulation current generator and the Ophtalmochirurg, a precursor of today's eye lasers to treat retinal detachment. These and other innovative devices developed by the Eppendorf founders are regarded as waypoints of modern medical technology that have, over time, come to be used around the world. →

Soon the barracks are too small, and the company finds a new building outside the grounds of the medical center. Here, in 1961, the pioneers open the next chapter in Eppendorf's history: They develop an innovative piston-stroke pipette, bring it to series-production readiness, launch it on the market and thus revolutionize the handling of liquid samples. Previously, scientists had to suck these samples into narrow glass tubes with their mouths. For the first time, this pipette allows them to work faster and more precisely. In 1963, the company pulls off another coup by adding what – at first glance – appears to be an unremarkable little plastic container to the Eppendorf portfolio. At that point, no one even suspects that this reaction tube is destined to become a worldwide laboratory icon. Until this day,

you can find an Eppi® in every lab in the world, and it is hard to imagine laboratory work without it.

Construction of the new headquarters

In 1965, the foundation stone is laid for the company's new headquarters in Barkhausenweg in Hamburg, Germany where it is still located. These days, the site is home to production halls, office buildings, laboratories and a training center. By the time the founding fathers pass the reins into the hands of an external management team in early 1971, Eppendorf already has 400 employees.

In 1984, the Group's revenue reaches 100 million German marks for the first time, and the Eppendorf trademark is registered worldwide. One year later, in 1985, the Eppendorf Group hires its one-thousandth employee. This is also the year in which the cell itself becomes a reagent vessel, with the microinjector developed by Eppendorf allowing liquids to be injected into individual cells. Over the years, the development of the piston-stroke pipette gives rise to a holistic system of instruments and consumables for scientific work with liquids, finally culminating in the epMotion® 5070, Eppendorf's first automated liquid handling system.

The 1990s are characterized by innovations designed to optimize the processing of liquids: The Eppendorf Biomaster®, in combination with our Mastertips®, prevents the formation of aerosols, and the calibratable Titerman multichannel pipette can be converted from an 8-channel to a 12-channel

lion German marks. With the acquisitions of the U.S. company New Brunswick in 2007 and the German company DASGIP in 2012, Eppendorf strengthens its cell handling capabilities by adding shakers, incubators and fermenters to its portfolio. Customers can now be supported not only with cell manipulation but also in the cultivation of cell cultures for research and production.

In its 75th year, the former medical equipment manufacturer has become a globally successful supplier of laboratory instruments with more than 4,000 employees all over the world. The company's employees can look back on a dynamic and successful history full of innovations, but at the same time, they have a firm eye on the demands of the future. Eppendorf remains committed to the idea of supporting scientists and researchers in their efforts and enabling efficient and high-quality laboratory work. VisioNize® and our eLAB software are charting a course toward the future and laying the foundation for digitalized and connected laboratory work.

One look at the coronavirus pandemic, which defined Eppendorf's anniversary year, shows how important research and science are for people all over the world, and Eppendorf's mission of helping to improve human living conditions is likewise more relevant than ever. Thus, Eppendorf will continue its success story in the future – in the spirit of its founding fathers and, above all, thanks to its dedicated employees, who are at the service of customers around the world every day.



Whether for the 25th Eppendorf anniversary in Italy or Pink October in Brazil: There are plenty of occasions to get together with co-workers all over the world.

pipette with a single movement. In addition, Eppendorf develops a wide range of premium instruments for many different laboratory procedures and steps, from centrifuging, heating and freezing to mixing and analyzing.

In 2000, Eppendorf becomes a stock company

In 2000, Eppendorf GmbH is converted into a stock company, with its revenue now exceeding 250 mil-



The Eppendorf workforce at the company's headquarters in Hamburg around 1970.



1945

Dr. Heinrich Netheler and Dr. Hans Hinz start up the business on the grounds of the University Medical Center Hamburg-Eppendorf.



1961

Eppendorf launches its revolutionary piston-stroke microliter pipette, ringing in the age of fast, precise pipetting.



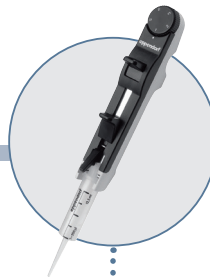
1963

The microliter system hits the market, with its holistic approach setting a new standard in the laboratory world in the 1960s.



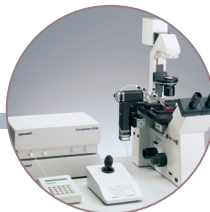
1963

The Eppi reaction tube is launched and quickly becomes an indispensable part of medical and scientific laboratories worldwide.



1978

The first Multipipette® with Combipips® is launched and becomes a bestseller.



1996

Eppendorf develops CellTram® air and oil microinjectors – for pressure control during manual microinjection and dosing of liquids.



2003

Market launch of the epMotion 5050, Eppendorf's first automated liquid handling system.



2018

The versatile multipurpose Centrifuge 5910 R® with a capacity of 4 liters, a universal rotor and adapter and the smallest footprint on the market expands Eppendorf's centrifuge portfolio.



# Eppendorf's contribution to the battle against the coronavirus

The Eppendorf Group supports scientists around the world with their work in the laboratory. In 2020, laboratory work took on a special significance in the fight against the coronavirus, and the Eppendorf Group clearly felt the effects of this.

Laboratories all over the world use Eppendorf products in their processes – even more so during the fiscal year 2020, when Eppendorf's materials were needed for the development of coronavirus vaccines or for coronavirus testing, for example. In Germany, Eppendorf directly or indirectly supplied consumables to approximately 300 diagnostic laboratories involved in detecting coronavirus infections and performing antigen testing. For this purpose, they used Eppendorf pipettes and pipetting robots as well as the associated laboratory consumables. The Eppendorf ultra-low-temperature freezers that were also highly requested are specifically designed for a very low temperature range. Their interiors are colder than the coldest point on earth.

Following the outbreak of the pandemic at the beginning of the year, demand for pipette tips rose abruptly and remained at an extremely high level throughout the 2020 financial year. Eppendorf increased production capacity at its site in Oldenburg, Germany, by 30% to meet the urgent demand for these consumables.

One of Eppendorf's declared goals is always to be ready to produce and deliver so that customers can

be provided with the best possible support at all times, especially for 2020 dominated by the pandemic. The early days of the global coronavirus outbreak were marked by worldwide lockdowns and extremely difficult working conditions for all employees of the Eppendorf Group. The global Eppendorf service teams faced particular challenges during this period, since it was extremely difficult to provide on-site support to customers at times. As a result, they even visited customers on weekends and serviced equipment at night to ensure that the operations of the laboratories in question were not disrupted. Technical training courses were held online, even for very complex instruments, and the calibration laboratories demonstrated maximum flexibility by organizing pick-up services.

The spread of the coronavirus and the risk of infection posed major challenges for the entire Eppendorf Group and placed great demands on all employees. "Safety first" was the top priority at all times, and so our company headquarters in Hamburg, Germany, was in close daily contact with the subsidiaries and locations worldwide. Everywhere, production conditions as well as working environments and processes were adapted to the new re-



The staff of Eppendorf Instrumente GmbH supported diagnostic test laboratories around the world with the epMotion built in Hamburg.



Safety first! Protecting its employees was always the top priority for Eppendorf.



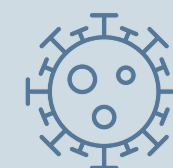
The first vaccine doses from BioNTech/Pfizer arrived in Ireland at the end of 2020 and were stored in ultra-low-temperature freezers from Eppendorf.

quirements, with a special focus on compliance with hygiene standards and social distancing rules. To achieve this, the plants reorganized their shift systems and defined strict rules of conduct. Wherever possible, employees around the world worked from home to minimize the risk of infection.

For more information, please visit the Eppendorf website at:  
[www.eppendorf.com](http://www.eppendorf.com) →  
 SARS-CoV-2 Research Solutions

“Despite difficult conditions, our employees around the world gave their all to avoid delivery bottlenecks and ramped up production of Eppendorf products that were in particularly high demand, such as consumables or automated pipetting systems. Their commitment and success make me very proud.”

Eva van Pelt,  
Co-CEO & Chief Commercial Officer



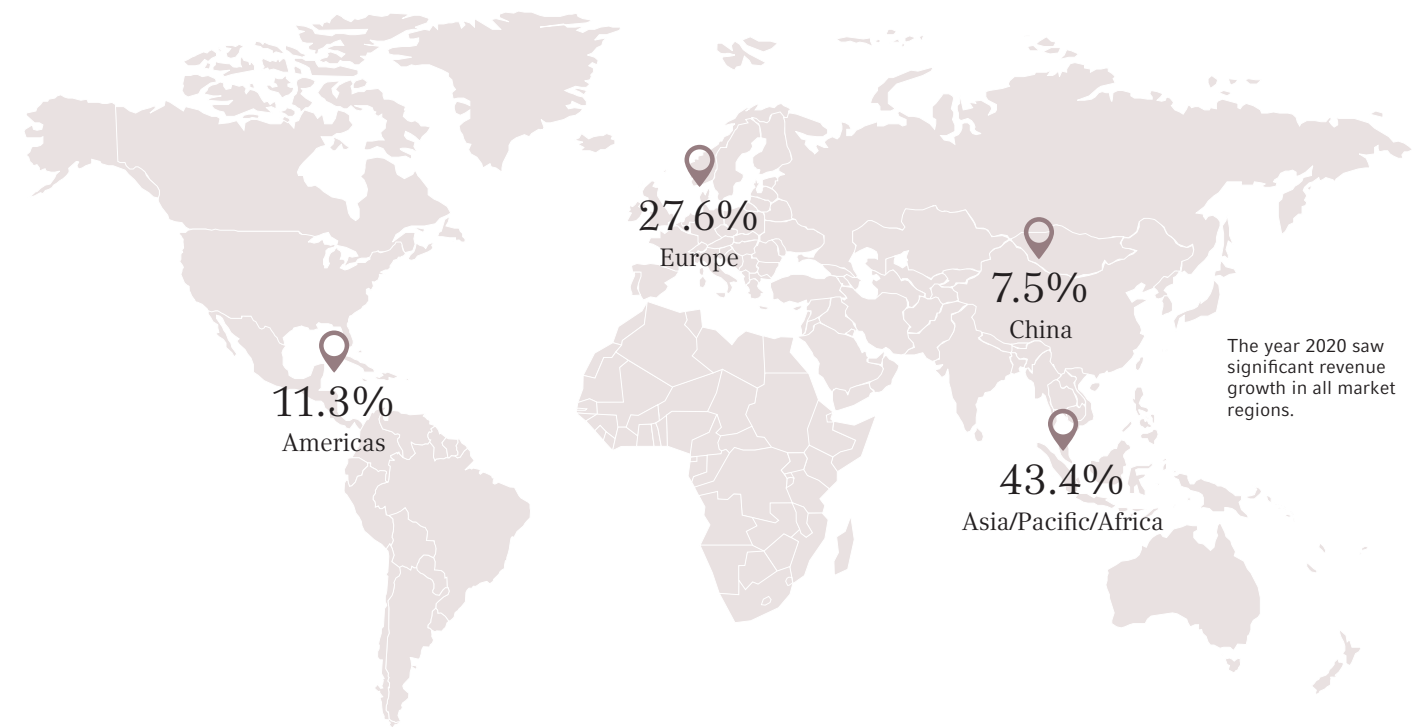
## Eppendorf products in action

With the loan of a Freezer 570h, Eppendorf was able to support the working group of virologist Professor Marylyn Addo, senior physician and head of the infectiology section at the University Medical Center Hamburg-Eppendorf (UKE) and eliminate severe capacity problems in sample storage.

# 2

## Shaping success

The Eppendorf Group can look back on a successful fiscal year, thanks in part to the company's consistent focus on the needs of its customers and the ongoing development of its business strategy, which is always geared to the challenges of the future.



## Remarkable growth in all regions

Eppendorf faced great challenges for service and sales due to the pandemic on the one hand and greatly changed customer behavior on the other. Nevertheless, ultimately the fiscal year was extremely successful.

**T**he year 2020 was an unusual but ultimately very positive one for Eppendorf's global service and sales teams. From the very beginning, it was dominated by the outbreak of the coronavirus pandemic, presenting the China market region with unprecedented challenges as early as January. In the weeks that followed, these challenges also began to affect employees in the other market regions of the Eppendorf Group. And yet, against all odds, the fiscal year 2020 turned out to be the most profitable year in Eppendorf's history. Eppendorf increased revenues significantly in all market regions – in spite of economic and social restrictions in many countries around the world, some of which were in place for months at a time.

The exceptionally strong revenue gains in Europe and the Asia/Pacific/Africa (APA) market region are particularly noteworthy. Our European business was up 27.6% on the previous year, and the Asia/Pacific/Africa region also performed remarkably well, with growth of 43.4% compared to the prior-year period.

### Growth in all market regions

Despite China's drastic lockdown during the first few months after the outbreak of the pandemic, Eppendorf was able to improve on its record revenue of the previous year and achieve growth of 7.5% in this important market region. We thus succeeded in turning around the →



sharp drop in revenue of the first quarter and posting a rise in revenue instead. In the Americas region, two countries – the USA and Brazil – were particularly negatively affected by the coronavirus pandemic. Even so, this region likewise performed extremely well, growing by 11.3% year-on-year and also exceeding expectations.

Our partner brands Starlab and USA Scientific were similarly successful, with a combined increase in revenue of 28.3% compared with the same period of the previous year. The same was true for the original equipment manufacturer (OEM) business at Eppendorf, which recorded a growth of 28.3%.

**Customer proximity in spite of the lockdown**  
One of the reasons why this unusual fiscal year developed so positively despite the coronavirus were the close and strong ties between our sales and service teams and Eppendorf’s customers. Even under the most difficult conditions, our customers always received the best possible support. When on-site visits were not an option, we used new digital communication channels and dialog formats all over the world. For example, service workshops, training sessions, events and trade shows took place via online channels, thereby enabling us to maintain contact with our customers.

Employees in all market regions demonstrated great flexibility and commitment in their use of digital channels and formats. Their activities were supported by a number of measures based on the results of the global customer survey conducted in 2019, which compiled statements from more than 1,000 interviews in six languages with end customers and dealers from 11 countries. This customer feedback was used to implement concrete measures designed to address customers in the most appropriate and targeted way possible, and these measures proved invaluable during the unique situation brought about by the coronavirus.

Furthermore, we strengthened our good customer contact by expanding and systematically driving forward our multi-channel approach, especially with smart channels, namely the digital connection both to the end customer and to channel partners and dealers. A key focus was on further developing the digital customer journey, a process that was defined in detail as part of the Going-to-Market strategy.

Among the measures undertaken in this context were the ongoing improvement of our global eShops and the re-launch of the Eppendorf website. Since the end of 2020, this central platform has boasted a modern, new look and feel as well as a clearer and thus more user-friendly design. Here, too, concrete feedback from the customer survey was incorporated to make specific improvements.

“Thanks to the great commitment and tireless efforts of all Eppendorf employees, we were able to achieve growth in all market regions and record the most profitable year in Eppendorf’s history.”

Eva van Pelt,  
Co-CEO & Chief Commercial Officer

**In focus: optimum customer contact**  
In 2020, Eppendorf invested a great deal of time and energy on the subject of addressing and communicating with customers. The customer relationship management (CRM) software that was introduced in 2020 supports further improvements in this area. It provided valuable stimuli in the year under review and helped us stay in close and direct contact with our customers, especially during the challenging periods of the pandemic. The new CRM system lays the foundation for a new, professional approach to managing customer relationships and is designed to achieve a long-term increase in customer satisfaction.

As part of this optimization initiative, we also organized special sales training courses to enable us to respond even more effectively to customer wishes. These have been tailored to regional and local needs, with successive global rollouts underway since 2020.



Extremely useful in the laboratory: Eppendorf Conical Tubes® are now also available with a 25 mL capacity.

**Supply chain of the future**  
Furthermore, we launched a strategic project to optimize the supply chain in the year under review. The goal of this transformation project is to align the global logistics at Eppendorf with the requirements of the future: The global life science markets are highly dynamic and constantly changing, and internationally operating companies such as Eppendorf must adapt their supply chains to be able to act quickly, flexibly and in the best interests of their customers.

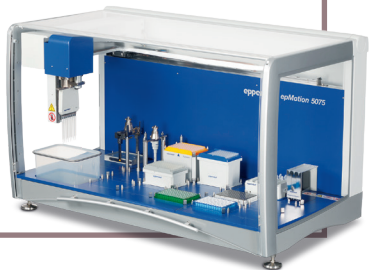
The abrupt change in demand in 2020 as a result of the coronavirus demonstrated what this means in practice.

The Eppendorf supply chain – from supply chain management for procurement to shipping logistics for deliveries to customers – had to adjust to completely new requirements within a very short period of time. Despite the many challenges posed by the pandemic, Eppendorf was able to keep customers in all regions and countries supplied, proving that we have set off on the right course with our supply chain project. For an ideal supply chain of the future, it is also important that the regional sales strategies dovetail perfectly with the ordering and delivery processes – and work on this continued throughout the reporting period, as announced in 2019.

## Easier next-generation sequencing

Eppendorf is expanding its epMotion series with the new, highly automated 5075t NGS solution.

Producing next-generation sequencing (NGS) libraries requires experience as well as maximum concentration and precision. The epMotion 5075t NGS solution automates the work on NGS libraries and increases productivity by providing highly reproducible results. In addition, it comes with a software interface that provides for intuitive operation.





Liquid  
Handling

Consumables

Separation &  
Instrumentation

Lab Solutions

# Major step towards the future – The new Business Portfolio organization

With the realignment of its Business Portfolio organization in October 2020, Eppendorf has taken another step forward in setting the course for the company's successful future. The organization now has a simpler structure and operates in clearly defined areas of business. This will further strengthen Eppendorf's innovative power and speed up the development of new products.

**T**he further development of the Business Portfolio organization is part of an extensive transformation process at Eppendorf. The realignment of the Business Portfolio is based on a comprehensive analysis of internal and external data on the international markets in which Eppendorf operates, on the company's overall portfolio and individual product groups, and on customer needs and business activities with great potential for the future.

## Core business with successful product groups

Following an in-depth analysis and the definition of the company's core business areas, in October 2020 the Business Portfolio was regrouped into four divisions. First of all, these are the three traditional core business areas of Eppendorf:

- Division Liquid Handling – with the manual pipettes product group

- Division Consumables – with the consumables product group
- Division Separation & Instrumentation – with the centrifuge, ultra-low-temperature freezer and cell manipulator product groups.

Eppendorf holds leading positions in the global markets with its products of these three divisions. The strategic goals for these business areas are clearly outlined. The divisions will consolidate and further expand their strong global market positions, tap into new customer segments by offering innovative solutions, exploit further market potential and contribute to the implementation of the Going-to-Market strategy. All this will help us grow faster than the life science market and gain further market share.

In addition to these three core business areas, Eppendorf has combined the digital solutions, molecular biology and cell biology segments into a new, future-oriented unit called:

- Division Lab Solutions.

It brings together what belongs together in the laboratory of the future, with Eppendorf developing and launching innovative workflow and process solutions for molecular and cell biology laborato-

ries. This process will take place on the basis of many years of application experience and together with industry partners. These new specific solutions will enable customers to reproduce their experiments without errors and provide them with the innovative productivity that is crucial to their research. In addition, the Division Lab Solutions will develop new digital products and solutions to make laboratory workflows simpler, more transparent and more productive. The division also incorporates Bio-ITech, a member of the Eppendorf Group based in the Netherlands, as well as Eppendorf Applications Technology, which is headquartered in Namur, Belgium. By pooling our strengths and competencies in this way, we are in an even better position to meet the growing customer demand for digital laboratory solutions and networked devices in the future.

## Well-positioned for the future

The realignment of the Business Portfolio reaffirms Eppendorf's consistent orientation towards the future. On the basis of the new structure, the company's development can be driven forward in a targeted manner. The new organization thus represents a significant step forward in our evolution from an equipment manufacturer to a provider of complete digital solutions, providing a solid foundation for our future success and further growth. →



“The new Business Portfolio organization strengthens our core business and allows us to step up the pace of our innovation efforts. We will thus be able to increase the speed of development and bring new or improved products to market more quickly.”

Dr. Peter Fruhstorfer,  
Co-CEO & Chief Business Officer

Growth of all product groups

The various Eppendorf products and lineups were consistently successful in the reporting year 2020. All the product groups offered by the Eppendorf Group grew compared to the previous year. Some were in such exceptionally high demand that they recorded remarkable revenue growth: Our business with laboratory consumables, for example, was up 32.9%. The ultra-low-temperature freezer business even rose by as much as 50.8%, surpassed only by the major surge in demand for epMotion, the Eppendorf pipetting robots, where our revenue increased by a remarkable 96.8%, almost doubling the previous year’s figure.

New products – Innovative technology

In 2020, Eppendorf launched Move It®, the first multichannel pipette with adjustable tip spacing. Its innovative technology speeds up the simultaneous pipetting of multiple samples and also increases precision during sample collection.

Another product innovation to hit the market was the refrigerated Centrifuge 5425 R®. This exceptionally quiet 24-place microcentrifuge reduces vibration thanks to its patented compressor technology, thus providing double protection for temperature-sensitive samples.

Eppendorf also presented the new modular bioreactor control system SciVario® twin to its bioprocess customers in 2020. Designed to provide more flexibility in the laboratory, it allows users to control two glass bioreactors in the volume range of 0.2 to 40 liters individually or in parallel from a computer or tablet using Eppendorf’s software VisioNize – without the need to change the configuration of the hardware.



Move It-Pipette



Centrifuge 5425 R



SciVario twin

Sustainability certificate for Eppendorf’s ultra-low-temperature freezers



In 2020, Eppendorf continued to work successfully on the sustainability of its products and devices. As a result, the international environmental organization My Green Lab awarded several of Eppendorf’s ultra-low-temperature freezers the ACT certification – a significant indicator of a company’s and the product’s environmental performance.



Environmentally friendly and highly efficient: Eppendorf’s ultra-low-temperature freezers bring sustainability to the laboratory.

laboratories, including devices, chemicals and consumables. It rates all the environmental aspects of laboratory devices and materials on a scale of 1 to 10 in the categories of production, energy and water consumption, packaging and disposal. The ACT label is awarded on the basis of a holistic score for the above-named categories over the entire life-cycle of a device.

Several of our ultra-low-temperature freezers, which can be used to store laboratory samples at temperatures as low as minus 80°C, have now received the ACT label. This is a great success for Eppendorf and its sustainability activities. This is because the targeted measures that continue to improve the environmental compatibility of Eppendorf products resulted in the ACT seal being awarded to ultra-low-temperature freezers for the very first time in 2018. In 2020, further devices were added to the certification process. In total, the following ultra-low-temperature freezers are now ACT certified: CryoCube® F570h, CryoCube FC660h, CryoCube F740hi and CryoCube F740hiw.

The criteria for the ACT label, also known as environmental impact factor (EIF) criteria, were developed with input from the industry. Scientists, sustainability officers and procurement experts all contributed to the comprehensive labeling program for life science products.

Product reviews and ratings provide customers with important information for their purchasing decisions. This is also true in the global life science industry, where sustainability and environmental certifications are becoming increasingly important. One such certification is the ACT label, which rates products with respect to accountability, consistency and transparency.

The environmental organization My Green Lab, which is headquartered in San Diego, California, USA, introduced the ACT label to help reduce the harmful environmental impact of products used in

You can find more information on sustainability at Eppendorf on page 30.



VisioNize and the eLAB software are building blocks for efficient digitalization and optimal instrument connectivity in the lab.

## In focus: The future of the Competence Centers

In 2020, a team of Eppendorf specialists began preparing the Competence Centers for the challenges of the future. These efforts will align the Eppendorf Group's plants even more closely to the needs of our customers. The aim is to better leverage potential and exploit synergies.

Optimization work on the Competence Center organization began in mid-2020 under the name CC2021. In a first step, the team of specialists drew up a concrete target for the organization's further development. This involved a thorough analysis of the Competence Center organization, with very satisfactory results: Eppendorf's Competence Centers have done an excellent job so far, this applies in particular to the period marked by the coronavirus. However, the results also revealed certain weaknesses and opportunities for improvement.

### CC2021 – Taking production to the next level

This is where CC2021 comes in. It develops ideas and concepts for four overarching goals:

- Greater consideration of the special features of local markets following the idea of a global footprint
- Increase in the amount of revenue generated with new products ("Young Revenues")
- Continuous improvements in operational excellence, i.e. of all processes, measures, projects and activities in day-to-day business



- Further development of our sense of community and the corporate culture in the Competence Centers as an important goal for continued success

To ensure that future products and services meet customer expectations and thus position the Competence Centers for further sustainable growth, we are particularly emphasizing enhancements in customer centricity, product innovation, digitalization and time-to-market. The CC2021 program is also taking an in-depth look at the topic of internationality, since it is important that the Competence Centers are able to leverage changes in global markets optimally for Eppendorf. Target images and measures were developed for these topics. They included the development of a very specific, new structure for the Competence Center organization.

### New organization for optimum dovetailing and successful goal achievement

The new global Competence Center organization forms the basis for close and optimal cooperation with the divisions of the new Business Portfolio organization and has all the interfaces required for this purpose. It also lays the foundation for achieving the central goals of the CC2021 program, which are as follows:

- Global alignment of Eppendorf's R&D and production operations
- Strengthening and accelerating technology and product development
- Ongoing optimization of operational excellence and production expertise

- Support and development opportunities for the Competence Centers' staff

With the successful implementation of the CC2021 program, the Competence Centers, together with the Business Portfolio and the Commercial Organization, will be able to further strengthen Eppendorf's portfolio, consistently increase our products' added value for the customer and align the Eppendorf Group's comprehensive range of services to the specific customer needs in all regions.

*"The CC2021 program is of fundamental importance for the future market success of Eppendorf. With its implementation, we are establishing a framework that will enable the entire Eppendorf Group to continue to operate successfully in the market and achieve sustainable growth."*

**Dr. Wilhelm Plüster,**  
Chief Technology Officer



# 3

## Securing growth

With its more than 4,000 employees, Eppendorf is active on every continent. The targeted expansion of our global locations and our strategic cooperation with partner brands continued to form the basis for sustainable growth throughout the Group in 2020.

## Foundation for further growth – Targeted expansion of Eppendorf locations

Eppendorf has its sights firmly set on the future. The Group made further targeted investments in the infrastructure of many of its worldwide locations in the past year, thus reinforcing its solid foundation for continued growth and creating new prospects for future success.



The Oldenburg location was expanded by two production halls in 2020, thus increasing its production capacity by 30 percent.

**P**roduction capacities were expanded, office buildings modernized, sites expanded, and the technical infrastructure of Eppendorf's subsidiaries were brought up to date. In 2020, global investments focused not only on the German production sites in Oldenburg, Leipzig, Jülich, and Hamburg, but also on international subsidiaries such as the U.S. competence center in Enfield, Connecticut. In addition, Eppendorf moved into new premises in Kuala Lumpur, Malaysia, and opened its new sales headquarters for North America in Framingham, Massachusetts.

### Substantial capacity expansion in Oldenburg

In Oldenburg, Germany, two new production halls went into operation in 2020, enabling production capacities at

the location to be increased by 30%. The two new halls are used to manufacture high-tech plastic products under clean-room conditions, including premium laboratory consumables such as pipette tips, microtiter plates and single-use vessels. Eppendorf makes sure that all its construction projects comply with special sustainability requirements, and the new buildings in Oldenburg are no exception: Their energy needs are met entirely by the on-site thermal power station.

Extensive infrastructure investments also laid the foundation for further growth at the company's headquarters in Hamburg. At the end of 2020, Eppendorf Liquid Handling started moving into the newly built House 10. It will →



“With the new production halls in Oldenburg, we are able to further increase our extensive availability of high-quality consumables for laboratories around the world.”

Dr. Wilhelm Plüster,  
Chief Technology Officer

provide around 3,300 square meters of additional development and production space once it is fully occupied, giving the agile development teams sufficient room for their interdisciplinary work. The additional space is essential for future innovation and further growth.

Successful expansion of the Leipzig location

At the Competence Center in Leipzig, measures to modernize and expand the available floor space have made it possible to ramp up the production of centrifuges. Since May 2020, the facility has an additional 1,500 square meters of office and laboratory space, as well as an additional 5,300 square meters of production and logistics space, where some of the centrifuge production has been relocated to. This expansion is an important step toward achieving further growth with our centrifuges, one of Eppendorf’s core business areas.

Ambitious goals are also being pursued in Jülich, where our subsidiary DASGIP GmbH is undertaking a major expansion project. To increase production capacities, the floor space is being extended by 30% to around 3,600 square meters. Construction work began in fiscal year 2020 and is expected to be completed by 2022. The location will then have a new building that meets the highest quality requirements in accordance with the Platinum Standard of the German Sustainable Building Council – for example, through the use of recycled building materials and the installation of a photovoltaic system that will fully cover the building’s energy requirements.

Structural enhancements were also made at the U.S. Competence Center in Enfield, Connecticut. In November 2020,

the comprehensive renovation of this location reached a final milestone before its completion: The Competence Center’s staff was able to move into the modernized and completely redesigned premises, which house the production, purchasing, quality management and production planning teams. This project, too, was aimed at making the working environment as pleasant as possible for the workforce and creating space for further growth.

In 2020, Eppendorf relocated its North American sales headquarters from Hauppauge, New York, to Framingham, Massachusetts. The new location is strategically situated just 30 minutes from Boston, within easy reach of numerous renowned colleges and universities as well as leading hospitals, pharmaceutical and biotech companies. Eppendorf’s new proximity to cutting-edge medical research in the “Boston Belt” will have a positive impact on our close exchange with resident scientists and researchers. In addition, it opens the door to new and intensified contacts within the pharmaceutical industry.

New premises in Kuala Lumpur

In February 2020, Eppendorf moved its business activities in Kuala Lumpur, Malaysia, to a new address. Sales, service and administrative staff now work in premises with a modern design, open office space and six training labs for product and service training.

The move to the new premises will significantly strengthen the company’s operations in Kuala Lumpur and represents a clear commitment to Malaysia, where Eppendorf has had a presence since 1995. It became necessary to move to new premises because Eppendorf has grown consistently in the Asia/Pacific/Africa market region over the past few years.

The new Customer Support Center, which is integrated into the new premises, includes laboratories, training rooms, a service workshop and a pipette calibration laboratory accredited according to ISO 17025. The new training rooms, in particular, have been designed to allow customers to learn first-hand how to use Eppendorf products in a real laboratory environment.



The Leipzig location was systematically expanded in 2020.

“The investments in our building infrastructure are critical for our future success. All these measures represent a massive investment in our future.”

Axel Jaeger, Chief Financial Officer



Expanded clean-room production in one of the two new production halls in Oldenburg.

For more information, please visit the Eppendorf website at:  
[www.eppendorf.com](http://www.eppendorf.com) → About Us → Corporate Website  
→ The Eppendorf Company → Locations

6,800 m<sup>2</sup>

of space has been added to the production and logistics areas of Eppendorf Zentrifugen GmbH in Leipzig, Germany.



Since opening in February 2020, the new Eppendorf facility in Kuala Lumpur has been home to employees working in sales, service and administration. The modern premises include open office space and six training labs for product and service training.



Renovation measures have enabled Eppendorf to further develop its important location in Enfield and create space for additional jobs.





Now also part of the Eppendorf family: the staff of Eppendorf Himac Technologies Co., Ltd.

## Targeted investments in the East and West

Eppendorf continuously monitors the markets and industries in which it operates, regularly reviewing potential investments and acquisitions that could be a good fit for the company. Two such opportunities presented themselves in 2020.

In July 2020, Eppendorf acquired the well-positioned centrifuge business of Koki Holdings Co., Ltd. from Japan. The business now operates as Eppendorf Himac Technologies Co., Ltd. with a facility north of Tokyo, and will continue to be active in the life science and pharmaceutical industries under the Himac brand name. The new Eppendorf subsidiary focuses on the development and production of floor-standing and high-speed centrifuges as well as clinical and automated centrifuges in the premium segment. These products ideally complement the existing centrifuge range offered by Eppendorf, which has a strong global position in bench-top centrifuges. The acquisition thus opens up further long-term growth opportunities for Eppendorf's centrifuge business. This ideal addition to the portfolio will strengthen our core business and enable us to further enhance our leading market position as a broad-based premium supplier of separation technologies in the rapidly growing pharmaceutical and life science markets.

In August 2020, Eppendorf acquired a 13.7% stake in the U.S. company Promega Corporation, headquartered in Madison, Wisconsin. This highly innovative life science company manufactures products – primarily reagents – and system solutions for gene, protein and cell analysis, and researches active ingredients. They are used for basic and applied research, especially in the pharmaceutical and diagnostics industries and in forensics. The partnership will give Eppendorf valuable insights into the practical work of companies in the pharmaceutical and diagnostics industries, with which Promega has cooperated closely for many years.

These insights and impulses are of great value for the targeted further development and expansion of Eppendorf's customer base and sales strategy. In addition, Eppendorf will obtain new and innovative ideas for its Business Portfolio. Another strong focus of the cooperation is on marketing existing products together, with possibilities ranging from co-marketing activities to joint distribution operations.

## Eppendorf partner brands: successful and sustainable

Despite the many challenges posed by the pandemic, the two subsidiaries USA Scientific and Starlab developed very positively in the past fiscal year and gained further momentum in their sustainability activities.

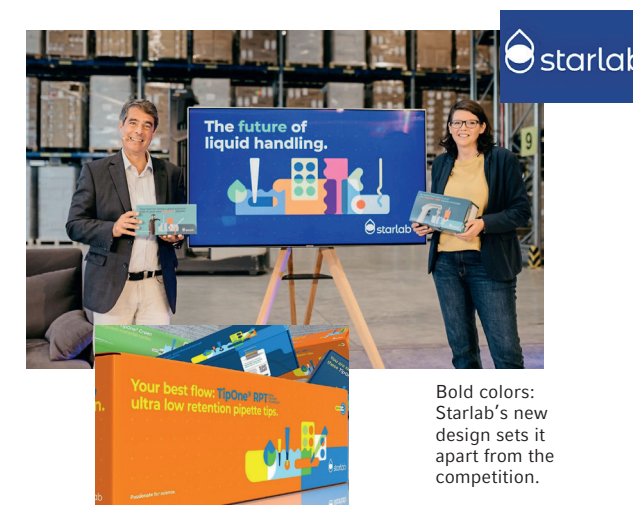
Starlab International GmbH, with headquarters in Hamburg, Germany, recorded a revenue increase of 27.4% compared with the previous year – a figure well above the industry average. This success was driven in particular by demand among diagnostic laboratories for products used to detect the coronavirus, but also by matching customer solutions and services. To be able to promote its products and services even more effectively and sustainably, Starlab undertook a complete relaunch of its corporate brand in the fall of 2020, with the aim of differentiating the company's identity from that of its competitors. In October, Starlab Europe presented its new look and feel to customers, which now clearly identifies it as a modern life science company with products for everyday laboratory applications that are both functional and fun to use. In addition to redesigning the company logo, Starlab introduced new product packaging. The color green plays an important role in the colorful new corporate design, because green stands for a clean environment – another important theme for Starlab in 2020.

The company continued to systematically develop its "Get Green with Starlab" sustainability initiative and successfully worked on more resource-friendly product solutions. With the TipOne® sterile refill system, for example, Starlab has developed an environmentally friendly system that specifically addresses ecological needs in the laboratory while at the same time meeting the stringent laboratory requirements for high-purity tips or filter tips. This development reduces the amount of waste by up to 65% compared with the use of racked tips.

Our partner brand USA Scientific was equally ambitious in working on its sustainability activities and implementing its growth strategy last year. It was able to achieve a considerable revenue jump in 2020, with a growth of 29.1% over the previous year. USA Scientific thus increased its

total revenue by almost a third year-on-year and once again exceeded the average performance of its competitors. At the heart of this success were the right products for, and an optimal focus on, customers and their needs.

USA Scientific targets its customers with increasingly refined sustainability activities. One example is the successful integration of SAP in the company's eShop, which will lead to a significant and sustainable reduction in the amount of paper used in the future. In addition, USA Scientific has laid the groundwork for an environmental certification and rating. Efforts are underway to bring the company's environmental management system up to the globally recognized ISO 14001 standard, which will be used as a basis for operation and continuous improvement. Yet the foundation has also been laid for an EcoVadis rating, which USA Scientific plans to use to improve its ability to manage, track and communicate its sustainability activities.



Bold colors: Starlab's new design sets it apart from the competition.



# 4

## Acting sustainably

For Eppendorf, responsible conduct and business success are inextricably linked. For this reason, in fiscal year 2020 the Group developed a global sustainability vision with ambitious targets. Our aim is to make Eppendorf's operations climate-neutral, minimize the use of natural resources and improve people's well-being along the entire value chain.



## For a world worth living in – Today and tomorrow

Eppendorf aspires to be a responsible company. For our Group, sustainability is not a passing trend or fashion, but a mandate to take tangible action. For this reason, we conducted a broad-based analysis to address pressing issues in connection with medium- to long-term corporate responsibility.

The analysis resulted in the definition of four key strategic issues that we are working on in a targeted manner. All of them fall under the auspices of the Management Board, with each member taking on one of the issues to ensure successful implementation: climate change (Axel Jaeger), use of natural resources (Dr. Peter Fruhstorfer), social compliance (Dr. Wilhelm Plüster) and social well-being (Eva van Pelt). The overall responsibility for both strategy and implementation lies with the corporate unit headed by Eva van Pelt, where a sustainability team manages the implementation of the jointly defined commitments and responsibilities.

### Climate change

Eppendorf sees climate change as one of the greatest challenges of our time. As a highly specialized industrial player, Eppendorf is committed to reducing

global warming as defined in the Paris Climate Agreement. It is the aim of the Eppendorf Group to become climate-neutral and enable our customers to achieve climate neutrality as well.

### Use of natural resources

Mankind is pushing the limits of the planet in its use of natural resources. Eppendorf strives to be a pioneer in the industry by minimizing resource consumption where it matters to the company and its customers. Eppendorf is therefore focused on efficient and alternative solutions for packaging and consumables, introducing circular economy concepts wherever possible.

### Social compliance

Complex global value chains pose challenges in terms of working conditions and human rights. Eppendorf is systematically addressing these





issues in its value chain and will provide its suppliers with appropriate support to help them make improvements.

Social well-being

As a global premium life science manufacturer, Eppendorf needs the best people to develop its business and provide its customers with the most ergonomic products. The Eppendorf Group aims to become the most attractive employer for global talent in its industry, fostering innovation through diversity and lifelong learning.

For Eppendorf, achieving its defined sustainability ambitions is both a major challenge and a great opportunity. They provide the company and its employees with a clear orientation for the future and show us how this future ought to be shaped. To this end, the Group has broken down its four key issues into 20 concrete individual topics along the entire value chain, and has compiled, evaluated and prioritized them in a materiality matrix.

The Management Board is convinced that for Eppendorf’s efforts to be successful, it is essential to take an efficient and results-oriented approach right from the start and, in particular, to include stakeholders in the process. We therefore involve employees and customers, as well as suppliers and business partners, by exchanging ideas with them in the search for the right path toward a sustainable future.

With this structured approach, Eppendorf is paving the way for integrating sustainability into its corporate strategy in a target-oriented manner that systematically advances its self-commitment to assume corporate responsibility.

For more information, please visit the Eppendorf website at:  
[www.eppendorf.com](http://www.eppendorf.com) → About Us  
→ Corporate Website → Sustainability

# Promoting research in times of the coronavirus

Eppendorf has been supporting young scientists for more than two decades, for example by awarding two research prizes and by making donations. The company felt it was particularly important to keep up this form of support in times of a worldwide pandemic.

The Eppendorf & Science Prize for Neurobiology traditionally honors young scientists from all over the world. Christopher Zimmerman, Ph.D. (Princeton Neuroscience Institute, New Jersey, USA) received the US\$25,000 award for 2020 for his research on drinking behavior. Owing to the worldwide restrictions caused by the coronavirus pandemic, however, Zimmerman was unable to accept this award at a formal ceremony in the USA, as is usually the case. Instead, Eppendorf hosted a virtual, international awards ceremony that recognized the finalists.

The European counterpart, the Eppendorf Award for Young European Investigators, was likewise not presented at a ceremony in 2020. Biomedical scientist Prof. Randall J. Platt (Swiss Federal Institute of Technology in Zurich, Switzerland) was nevertheless pleased to receive the €20,000 award for his development of a unique method to record gene expression trajectories.

For Co-CEO Eva van Pelt, promoting science is a matter close to the heart: “The pandemic has taught us how important research is and what successes



Beating cancer: Eppendorf donated €20,000 to Fördergemeinschaft Kinderkrebs-Zentrum Hamburg e. V., an association dedicated to supporting children with cancer.

can be achieved with the right funding. Through our support, we will continue to offer young scientists a platform to make their research more widely known and to honor their achievements. In parallel, Eppendorf assumes social responsibility and demonstrates its commitment through numerous donations. Besides charitable organizations, we also provide very targeted support for research projects.”

In 2020, this latter commitment included a cash donation of €20,000 to Forschungsinstitut Kinderkrebsforschung Hamburg. At this donation-funded institute, Prof. Ulrich Schüller and his team are doing research on the molecular mechanisms of the most common childhood cancers, specifically brain tumors, neuroblastomas and leukemias. The findings are used to develop better and more targeted therapies.



Randall Platt of the Swiss Federal Institute of Technology in Zurich, Switzerland, is delighted with the Eppendorf Award for Young European Investigators.



Won the 2020 Eppendorf & Science Prize for Neurobiology: Christopher Zimmerman of the Princeton Neuroscience Institute, New Jersey, USA.

- Head office
- Entity with regional/global sales, marketing, service, and product portfolio functions
- Sales subsidiary
- Sales office
- Distribution company and pipette calibration lab
- Distribution company and pipette calibration lab
- Calibration lab
- Competence center for research, development, and production
- Competence Center for research, development and production with sales company

# International Presence

## Americas

- Eppendorf Holding, Inc. Enfield, Connecticut/USA
- Eppendorf, Inc. Enfield, Connecticut/USA
- Eppendorf North America, Inc. Enfield, Connecticut/USA
- Cambridge/USA
- Framingham/USA
- San Diego/USA
- Shrewsbury/USA
- USA Scientific, Inc. Ocala, Florida/USA
- Eppendorf Canada Ltd. Mississauga (Toronto)/Canada
- Eppendorf do Brasil Ltda. São Paulo/Brazil
- Puebla/Mexico
- Eppendorf Manufacturing Corp. Enfield, Connecticut/USA

## Europe

- Eppendorf AG Hamburg/Germany
- Eppendorf Belgium N.V. - S.A. Aarschot/Belgium
- Eppendorf Ibérica S.L.U. San Sebastián de los Reyes (Madrid)/Spain
- Eppendorf Nederland B.V. Nimwegen/Netherlands
- Eppendorf Nordic A/S Hørsholm (Copenhagen)/Denmark
- Eppendorf Norge AS Oslo/Norway
- Eppendorf Russia ooo Moscow/Russia
- Eppendorf Vertrieb Deutschland GmbH Wesseling/Germany
- Berlin/Germany
- Heidelberg/Germany
- Penzberg/Germany
- Starlab France S.a.r.l. Orsay/France
- Starlab International GmbH Hamburg/Germany
- Starlab s.r.l., Milan/Italy
- Starlab (UK) Limited Milton Keynes/UK
- Eppendorf Austria GmbH Vienna/Austria
- Tata/Hungary
- Eppendorf Czech & Slovakia s.r.o. Říčany (Prague)/Czech Republic
- Brno/Czech Republic
- Bratislava/Slovakia
- Eppendorf France SAS Montesson (Paris)/France
- Eppendorf Poland sp. z o.o. Warschau/Poland
- Eppendorf s.r.l. Milan/Italy
- Eppendorf UK Ltd. Stevenage/UK
- Vaudaux-Eppendorf AG Schönenbuch (Basel)/Switzerland
- Calibration Technology Ltd. Limerick/Ireland
- Bio-ITech B.V. Groningen/Netherlands
- DASGIP Information and Process Technology GmbH Jülich/Germany
- Eppendorf Application Technologies S.A. Namur/Belgium
- Eppendorf CryoTech Ltd. Maldon/UK
- Eppendorf Instrumente GmbH Hamburg/Germany
- Eppendorf Liquid Handling GmbH Hamburg/Germany
- Eppendorf Polymere GmbH Oldenburg in Holstein/Germany
- Eppendorf Zentrifugen GmbH Leipzig/Germany

## China

- Eppendorf China Ltd. Hongkong/China
- Taipeh/China
- Eppendorf (Shanghai) International Trade Co., Ltd. Shanghai/China
- Beijing/China
- Guangzhou/China
- Hangzhou/China
- Jinan/China
- Nanjing/China
- Wuhan/China
- Eppendorf Lab Technologies (Shanghai) Co., Ltd. Shanghai/China

## Asia/Pacific/Africa

- Eppendorf Asia Pacific Sdn. Bhd. Kuala Lumpur/Malaysia
- Jakarta/Indonesia
- Eppendorf Co., Ltd. Tokyo/Japan
- Fukuoka/Japan
- Osaka/Japan
- Eppendorf Himac Technologies Co., Ltd. Ibaraki/Japan
- Eppendorf India Pvt. Ltd. Chennai/India
- Ahmedabad/India
- Bangalore/India
- Chandigarh/India
- Hyderabad/India
- Kolkata/India
- Lucknow/India
- Mumbai/India
- New-Delhi/India
- Pune/India
- Eppendorf Korea Ltd. Seoul/South Korea
- Daejeon/South Korea
- Eppendorf Middle East & Africa FZ-LLC Dubai/UAE
- Eppendorf South Pacific Pty. Ltd. Macquarie Park (Sydney), New South Wales/Australia
- Eppendorf (Thailand) Co., Ltd. Bangkok/Thailand



# Management report

## 1 Operating activities

Eppendorf develops, produces and sells first-class products and services primarily for academic and industrial laboratories around the world. As a premium provider in the life science industry, we play a leading role in the global laboratory products market, particularly in the public sector. It is our goal to strengthen this leadership by continuously developing the company and focusing on the high-growth areas of the life science markets. In the process, we will focus on the continual development and expansion of our product portfolio and the steady broadening of our customer base through greater customer access, especially in the industrial sectors.

Among the cornerstones of our business strategy is the consolidation of our global market position through targeted investments in technology and digitalization, in the ongoing optimization of our sales structures and channels and in the expansion of our training and service portfolio – with the goal of providing our customers with high-quality solutions that are geared to their specific needs.

## 2 Macroeconomic and industry-specific conditions

Eppendorf focuses its business activities on Europe, the Americas, China and the APA region. To assess the overall development in these regions, we use their respective gross domestic product (GDP) as a key economic indicator.

The coronavirus pandemic was the most characteristic element of the 2020 fiscal year, creating challenges for economies around the world. The worldwide economy recorded a decline in global economic output of 4.4% in 2020 as a whole. Following a severe slump in the first half of the year, there were initial signs of recovery in the third quarter. In the fourth quarter, however, the global economy suffered a further setback due to a renewed increase in the number of infections.

China, one of the first countries affected by the pandemic in late 2019, saw the number of infections fall again as early as the second quarter of 2020. Buoyed by government stimulus, China achieved a strong economic revival, reaching a level above its performance before the outbreak of the pandemic. However, at 1.9%, GDP growth in fiscal year 2020 was significantly lower than in the previous year (6.1%).

Economic activity in Europe took a severe hit in the first half of the year, but the economic downturn caused by the coronavirus pandemic was milder than originally anticipated. Economic performance recovered in the third quarter as containment measures were gradually lifted. For Europe, the International Monetary Fund recorded an overall decline in GDP of 7.2%. Among the most severely affected countries in the euro zone were the major member states Spain, Italy and France.

In other parts of the world, the recovery process did not begin until later, when lockdown measures were relaxed. This was the case in the USA, for example. After the economic slump caused by the coronavirus crisis in the second quarter, the U.S. economy grew strongly in the third quarter. Yet total economic output in 2020 was 4.3% below the pre-crisis level at the end of 2019.

Gross domestic product		
	2020	2019
in %		
China	1.9	6.1
Asia/Pacific	-2.3	4.4
USA	-4.3	2.2
Worldwide	-4.4	2.8
Germany	-6.0	0.6
Europe	-7.2	1.6

Source: International Monetary Fund (estimates as of February 1, 2021)

Like the rest of the world, the economies in Asia/Pacific faced significant challenges due to the COVID-19 pandemic. Monetary and fiscal stimulus measures were introduced to mitigate the economic shock, but although they helped offset the damage, economic output in the region dropped by 2.3%.

Political conflicts of interest also contributed to a slowdown in global trade in 2020. Besides the consequences of Brexit, the conflicts between the USA and China, involving more than just economic power positions, are likely to have had an additional negative impact on growth in 2020.

In 2020, the life science industry recorded a decline of 1.2% (previous year: +5%). This puts the industry ahead of the global economy despite the overall negative trend. The coronavirus pandemic impacted the life science industry very differently depending on the orientation and size of the companies. On the one hand, the industry saw an exponential rise in demand for consumables for PCR tests to detect infections. Yet at the other end of the spectrum, there was also a sharp downturn owing to prolonged laboratory closures, prohibitions on personal sales contacts or postponed investments in large, cost-intensive equipment.

Our outlook for 2020 published in the 2019 Annual Report predicted revenue growth in the mid-single-digit percentage range and EBIT on a par with the previous year (17.9%). The results for 2020 exceeded our expectations significantly. With revenue growth of 20.3% and an EBIT margin of 22.5% (prior year: 17.9%), we clearly surpassed the targets set for 2020.

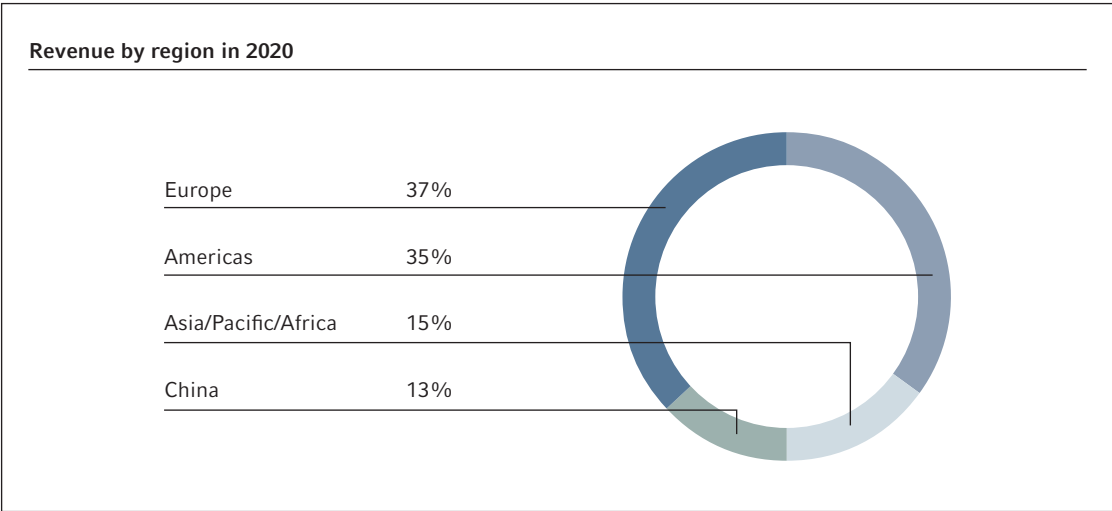


Our positive performance in fiscal year 2020 shows how important Eppendorf and the daily efforts of its employees are for people all over the world. Eppendorf’s mission of improving people’s living conditions has rarely been more visible than in 2020. And Eppendorf has the right solutions for its customers and offers them fitting products and services to do justice to this mission – that much is clear from the strong business performance of the past year.

3 Business and financial performance

Consolidated revenue reaches record high of more than €960 million

In terms of consolidated revenue, Eppendorf achieved by far the best result in the company’s history in fiscal year 2020. The figure rose to €967.1 million, well up on the previous year (€803.9 million), with all regions contributing to the company’s positive business performance. Overall, consolidated revenue increased by 20.3% (prior year: 10.2%), a growth rate well above that of the global industry.



Revenue by region			
in € millions	+/- prior year	2020	2019
Europe	27.6%	358.8	281.2
Americas	11.3%	340.1	305.7
Asia/Pacific/Africa	43.4%	140.2	97.8
China	7.5%	128.0	119.1
Total	20.3%	967.1	803.9

All market regions successfully contributed to the improvement in revenue

The Americas region suffered very badly under the coronavirus pandemic, but still managed to deliver an excellent revenue performance, growing by 11.3% year-on-year and thus exceeding expectations. Much of the revenue growth in the Americas was due to increased demand for SARS-CoV-2 tests in the diagnostics and public health markets, as well as the approval of the BioNTech/Pfizer vaccine in the United States, which led to additional demand for ultra-low-temperature freezers.

The Asia/Pacific/Africa (APA) region also posted notable revenue growth, significantly outperforming the prior-year period with a 43.4% increase spurred by COVID-19-driven demand. Likewise, the pandemic increased demand for molecular diagnostics capacity in traditional laboratories. Moreover, the region expanded its collaboration with regional distribution partners and adjusted its distribution through dealers and channel partners, leading to deeper market penetration in the core areas of pharmaceuticals, biotechnology and healthcare.

Growth rates in Europe developed very positively during the reporting year, with a revenue plus of 27.6% over the previous year. The region thus continues to enjoy very good growth and clearly exceeded expectations. In 2020, our European business benefited primarily from COVID-19-driven demand by test laboratories and biotechnology companies. Innovative sales concepts enabled Eppendorf to further enhance its market position.

The 7.5% growth rate achieved in China is particularly noteworthy, since the country was hit hard by the COVID-19 pandemic early in the year and responded with a complete lockdown, which lasted several weeks. In spite of this, the region succeeded in turning the first-quarter revenue losses into an overall revenue gain – a feat that is mainly attributable to orders from the healthcare and public sectors. There was particularly strong demand for laboratory consumables from test laboratories and pharmaceutical customers.

Our two partner brands Starlab and USA Scientific delivered a similarly impressive and unprecedented performance. Both grew considerably, generating a significant increase in revenue compared to the same period of the previous year. This was also true for our original equipment manufacturer (OEM) business, which registered a high order intake driven by COVID-19. Demand for laboratory consumables used in testing even exceeded the production capacities available in 2020. ➔



All divisions of the Eppendorf Group contributed to our consolidated revenue growth. Our business with consumables, for example, was up 32.8%. The Separation & Instrumentation division, which offers ultra-low-temperature freezers and centrifuges, achieved growth of 13.9%. This was exceeded only by the significant rise in demand for Eppendorf’s automated pipetting system, epMotion, leading to remarkable growth of 20.2% in our liquid handling business.

Revenue breakdown			
in € millions	+/- prior year	2020	2019
Separation & Instrumentation	13.9%	332.4	291.8
Consumables	32.8%	311.7	234.7
Liquid Handling	20.2%	242.5	201.8
Lab Solutions	6.5%	80.5	75.6
Total	20.3%	967.1	803.9

Gross profit influenced by product mix

Gross profit increased by €101.4 million to €566.7 million (prior year: €465.3 million), while the gross margin stood at 58.6% and was thus slightly higher than in the previous year (57.9%). Our gross profit in the reporting period benefited above all from demand generated by COVID-19.

Cost structure (income statement)					
in € millions	+/- prior year	2020	2019	2020	2019
Cost of sales	18.3%	400.5	338.6	41.4%	42.1%
Selling and marketing expenses	7.3%	202.9	189.1	21.0%	23.5%
Research and development expenses	10.9%	55.8	50.3	5.8%	6.3%
General and administrative expenses	9.5%	78.5	71.7	8.1%	8.9%

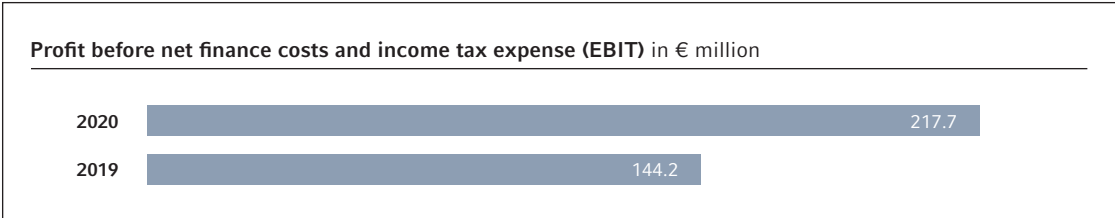
Operating expenses rose by 8.4% to a total of €337.2 million (prior year: €311.1 million). Distribution expenses, too, were up on the previous year, reaching €202.9 million (prior year: €189.1 million). This represents an increase of 7.3%. The rise in distribution expenses is mainly attributable to the expansion of the global sales force, the integration of the Himac sales operations from July 2020 and the reclassification of service employees from cost of sales to distribution expenses. This was offset by savings in global travel costs as a result of COVID-19. The usual industry trade shows were also canceled or held online in 2020.

Research and development expenses rose to €55.8 million in the reporting period (prior year: €50.3 million). This equates to an increase of 10.9% and reflects the Eppendorf Group’s efforts to tap into additional business segments in the life science market and further expand its market share through innovations in all product groups.

Administrative expenses as a percentage of consolidated revenue stood at 8.1%, down on the previous year’s level of 8.9%, and amounted to €78.5 million in fiscal 2020 (prior year: €71.7 million). The increase of €6.8 million relates mainly to personnel and consulting costs and is largely attributable to the Himac acquisition and the restructuring of the Business Portfolio, as well as the strategic adjustment of the Eppendorf organization to reflect the company’s strong growth. The IT, Finance and Controlling, and Human Resources departments were continuously expanded to lay a solid foundation for our ambitious growth targets for the future.

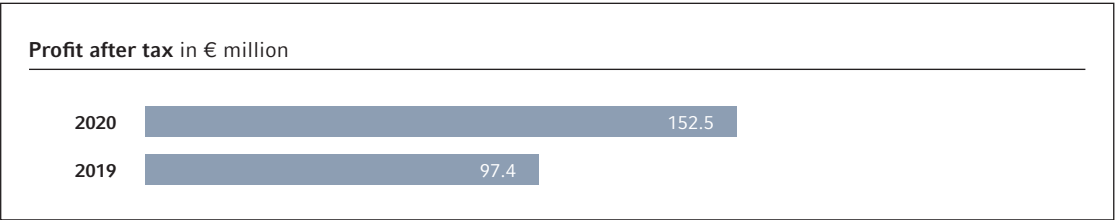
Other operating expenses were up from €12.8 million in the previous year to €22.2 million in 2020. They mainly comprised local reorganization expenses of €12.8 million (prior year: €9.1 million) and exchange rate losses of €7.9 million (prior year: €2.7 million). Local reorganization expenses of €10.9 million were incurred due to a merger of U.S. subsidiaries. Other operating income climbed from €7.3 million in the previous year to €13.9 million in 2020. This item was positively influenced by a merger gain of €11.2 million at the U.S. parent company. At €1.7 million, exchange rate gains were significantly lower than in the previous year (€4.4 million).

EBIT thus increased by €73.5 million or 51.0% to €217.7 million (prior year: €144.2 million), resulting in an EBIT margin of 22.5%, well up on the previous year’s figure of 17.9%.



Net finance income came to €–1.1 million (prior year: €–0.4 million), influenced mainly by lower interest income.

The income tax charge rose to €64.0 million in absolute terms (prior year: €46.4 million), with the tax rate remaining constant. The main reason for this was an increase in effective taxes due to the significantly improved profit growth both in Germany and internationally. The consolidated tax rate stood at 31.54% (prior year: 31.54%). Profit after tax soared by €55.1 million to €152.5 million (prior year: €97.4 million).

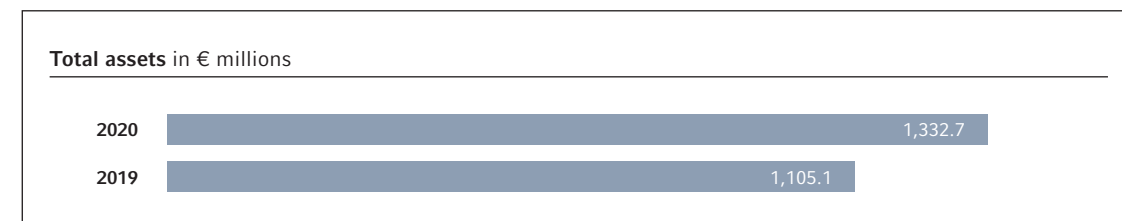


## 4 Financial position and net assets

### Non-current assets increase mainly due to targeted investments

Intangible assets from business combinations are composed of goodwill amounting to €163.6 million (prior year: €50.3 million), and acquired customer bases, brands and technologies amounting €68.9 million (prior year: €6.0 million). The increase in goodwill and intangible assets from business combinations is attributable to the acquisition of the centrifuge business of Koki Holdings Co., Ltd. in Japan.

Financial assets rose to €119.1 million, mainly as a result of the acquisition of shares in the U.S. company Promega Corporation, headquartered in Madison, Wisconsin.



Assets					
in € millions	+/- prior year	2020	2019	2020	2019
<b>Current assets</b>	<b>-17.3%</b>	<b>627.4</b>	<b>758.7</b>	<b>47.1%</b>	<b>68.7%</b>
Cash and cash equivalents	-43.9%	240.1	427.8	18.0%	38.7%
Trade receivables	28.5%	175.1	136.3	13.1%	12.3%
Inventories	8.9%	186.3	171.0	14.0%	15.5%
Other assets	9.7%	25.9	23.6	1.9%	2.1%
<b>Non-current assets</b>	<b>&gt;100%</b>	<b>705.3</b>	<b>346.4</b>	<b>52.9%</b>	<b>31.3%</b>
Property, plant, and equipment	23.6%	246.5	199.4	18.5%	18.0%
Intangible assets	>100%	255.8	73.4	19.2%	6.6%
Financial assets	>100%	119.1	1.4	8.9%	0.1%
Other assets	16.2%	83.9	72.2	6.3%	6.5%
<b>Total assets</b>	<b>20.6%</b>	<b>1,332.7</b>	<b>1,105.1</b>	<b>100.0%</b>	<b>100.0%</b>

The €47.1 million increase in property, plant and equipment from €199.4 million in the previous year to €246.5 million in the year under review was mainly due to investments in the expansion of our production capacities, the modernization of our office buildings and the further expansion of our locations. Apart from the German production facilities in Oldenburg, Leipzig, Jülich and Hamburg, our investments also targeted international locations such as the U.S. facility in Enfield, Connecticut.

### Solid financial position and capital structure

Other current provisions were up by €12.8 million from €69.3 million in the previous year to €82.1 million in the year under review, with the rise reflecting higher obligations to employees and customers. In addition, warranty provisions rose by approximately 21%, which is roughly equivalent to the growth in revenue for the year 2020.

Equity and liabilities					
in € millions	+/- prior year	2020	2019	2020	2019
<b>Current liabilities</b>	<b>28.4%</b>	<b>180.1</b>	<b>140.3</b>	<b>13.5%</b>	<b>12.7%</b>
Other provisions	18.5%	82.1	69.3	6.2%	6.3%
Financial liabilities	-1.0%	9.7	9.8	0.7%	0.9%
Trade payables	23.9%	39.4	31.8	3.0%	2.9%
Other liabilities	66.4%	48.9	29.4	3.7%	2.7%
<b>Non-current liabilities</b>	<b>49.6%</b>	<b>343.6</b>	<b>229.6</b>	<b>25.8%</b>	<b>20.8%</b>
Provisions for pensions and similar obligations	3.5%	197.4	190.7	14.8%	17.3%
Financial liabilities	>100%	133.3	32.9	10.0%	3.0%
Other liabilities	>100%	12.9	6.0	1.0%	0.5%
<b>Equity</b>	<b>10.0%</b>	<b>809.0</b>	<b>735.2</b>	<b>60.7%</b>	<b>66.5%</b>
<b>Total equity and liabilities</b>	<b>20.6%</b>	<b>1,332.7</b>	<b>1,105.1</b>	<b>100.0%</b>	<b>100.0%</b>

The main factor influencing the €73.8 million increase in equity was the strong earnings performance. This was offset above all by the dividend distribution of €24.9 million. At 60.7%, the equity ratio was below the level of the previous year (66.5%).

Provisions for pensions and similar obligations were subject to occasionally significant changes spurred by yearly changes in discount rates. The rise during the reporting year essentially corresponds to a normal increase excluding special actuarial effects.

The €100.3 million increase in noncurrent and current financial liabilities from €42.7 million in the previous year to €143.0 million in the year under review was largely due to the fact that we took out our first long-term loan in an amount of US\$120 million, which has a maturity of 4 years. →

Substantial increase in cash flows from operating activities

Cash flows from operating activities reached €182.5 million in the year under review, a substantial increase of €57.8 million over the previous year (€124.7 million). The main driver was the significant increase in profit after tax, with depreciation, amortization and impairment losses remaining relatively constant.

Cash flow statement		
in € millions	2020	2019
Profit after tax	152.5	97.4
Depreciation, amortization, and impairment losses	35.0	33.9
Change in working capital	−20.8	−11.5
Other changes	15.8	4.9
Cash flows from operating activities	182.5	124.7
Cash flows from investing activities	−422.8	−57.5
Cash flows from financing activities	60.6	−38.4
Effect of exchange rate changes on cash and cash equivalents	−8.0	1.9
Change in cash and cash equivalents	−187.7	30.7
Cash and cash equivalents at Jan. 1	427.8	397.1
Cash and cash equivalents at Dec. 31	240.1	427.8

At €422.8 million, net cash used in investing activities was considerably higher than in the previous year (€57.5 million). This sharp rise was mainly due to two strategic investments in the reporting year: the acquisition of the centrifuge business of Koki Holdings Co., Ltd. in Japan and our purchase of shares in the U.S. company Promega Corporation.

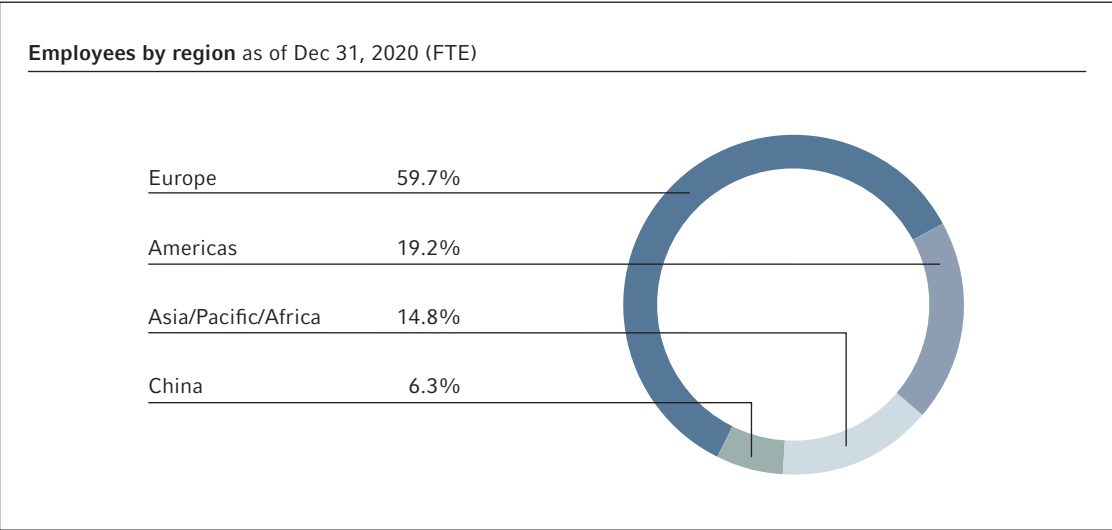
Our cash flows from financing activities of €60.6 million (prior year: €−38.4 million) were largely the result of raising our first-ever loan to finance part of the capital investments made in the reporting year.

5 Employees

Eppendorf has also experienced strong growth with respect to its employees – not just in terms of the size of the workforce, but also in terms of personal growth. In an effort to understand exactly what employees expect, Eppendorf launched its first global employee survey in 2020, and this will now become an annual exercise. The company has set its sights on the topics of personal development and career building in particular, and has launched three global initiatives at once. These are being elaborated in a joint co-creation process, which means that employees from a wide range of functions and locations are working together in a self-organized manner. But these initiatives are not the only way in which Eppendorf demonstrates that the transformation of the working world – referred to as New Work – is an integral part of our daily reality. New Work also means embracing new ways of learning. So in 2020, Eppendorf introduced a global learning platform, which can be accessed by all employees worldwide and allows them to learn in line with their individual needs and at their own pace to keep up to date with the latest developments in the field of digitalization. There are also many other learning and career opportunities that contribute to increasing Eppendorf’s ability and desire to learn, adapt and develop. This has made Eppendorf stronger, especially in the context of the pandemic.

To accommodate the growth trend, we have a brand-new trainee program and a relaunched career site, among other things. Eppendorf is a place for all people who like to work on new ideas.

On December 31, 2020, we had 4,028 employees (FTEs) worldwide (prior year: 3,683). Most notably, the Eppendorf Group expanded its personnel capacity in the areas of sales and research & development. Part-time staff have been included in the calculation based on their working hours. A large part of the staff additions were made in the APA region. The acquisition of the centrifuge business of Koki Holdings Co., Ltd., Japan, added 174 employees to the Eppendorf Group as of July 1, 2020.





Employees by region			
as of Dec 31, 2020 (FTE)	+/- prior year	Dec. 31, 2020	Dec. 31, 2019
Europe	6.2%	2,406	2,265
Americas	1.6%	772	760
Asia/Pacific/Africa	46.6%	595	406
China	1.2%	255	252
Total	9.4%	4,028	3,683

To allow a more flexible response to fluctuations in capacity utilization, the plants also use leased employees in addition to their permanent workforce. In light of the sharp rise in production volumes during the year under review, the number of leased employees also increased. A total of 133 leased employees were still working in the Eppendorf Group as of December 31, 2020; the annual average was 146 leased employees.

The Eppendorf Group employed an average of 3,783 people worldwide in fiscal year 2020, compared with 3,576 the year before (all employee figures represent full-time equivalents or FTEs). This corresponds to a 5.8% annual average increase in employee numbers.

Employees by region			
annual average (FTEs)	+/- prior year	2020	2019
Europe	-0.7%	2,312	2,187
Asia/Pacific/Africa	20.6%	481	399
Americas	1.6%	738	743
China	5.7%	252	248
Total	5.8%	3,783	3,577

## 6 Risks and opportunities

Eppendorf is exposed to risks that are primarily related to the company’s international activities, customers and sales channels, as well as to technological developments and competitor products. The most important risks are described in the following risk categories.

As a company that operates globally, Eppendorf is exposed to financial risks. A relatively large share of our sales transactions is billed in foreign currencies. In terms of the U.S. dollar, we partially offset the resulting exchange-rate risk by undertaking our own manufacturing activities in dollar-denominated territories. For any open currency positions beyond this, we carry out hedging transactions in individual cases, including in other currencies. Such transactions are regularly reviewed on the basis of developments expected on the international financial markets.

Market and business-environment risks can also influence our business. Economic and political changes, such as protectionism, can have a negative effect on the strength of the company’s sales and earnings. For this reason, our divisions and our regional sales management monitor market trends and, if necessary, initiate measures. In the context of economic and political changes, a preliminary analysis has shown that Brexit will have no significant direct impact on the Group’s net assets, financial position and earnings.

Eppendorf’s business is also subject to industry-specific risks. Our customers are primarily active in life science research, thus reductions in R&D budgets or public and private funding may adversely affect our sales. We counter this risk through diversification of our customer segments, the large number of sales channels Eppendorf uses and the breadth of the product portfolio.

It is part of Eppendorf’s strategy to introduce innovative products and applications to the market on an ongoing basis. However, this policy is associated with a variety of product risks, since it often involves new and cutting-edge technologies for which only limited experience of use is available, and which lie at the fringes of what is technically feasible. This could negatively affect product development or delay the introduction of new products. If these products are lacking in maturity and quality, this may result in warranty and product-liability obligations or delivery problems. To minimize such risks, Eppendorf has introduced a comprehensive quality assurance and project management system.

Eppendorf is dependent on the use of information technologies for its worldwide operations. This harbors risks with regard to data confidentiality and availability as well as the security of IT systems. Due to the increasing threat to information security, especially through cyberattacks, fraud or data theft, risk minimization measures are becoming increasingly more important. We always keep our security systems up to date to minimize data loss and protect systems and networks.

As an international company, Eppendorf is exposed to general business risks, such as those resulting from extreme weather conditions, natural disasters, war, terrorism and financial or government crises.



The ongoing search for suitable new products, technologies and applied fields is an integral part of our business strategy. For Eppendorf, opportunities emerge in particular through the use of our products in areas that offer great potential for growth, such as laboratories where medical and basic scientific research is performed, the biotechnology and pharmaceutical industries, the health and food industries and other industrial sectors. These industries profit from favorable factors such as increased life expectancy, rising health demands and demands on food quality and safety as well as environmental protection. This is particularly true for fast-growing economies that need to catch up in these areas.

Moreover, opportunities arise through the further stabilization of the global economy and positive exchange-rate movements. In particular, increases in the value of the U.S. dollar against the euro have a positive effect on our business.

7 Outlook

Global economic growth subject to major uncertainties and risks

The impact of the coronavirus pandemic on our health, society and the economy shaped 2020 and is likely to keep a grip on the world in 2021. Further economic developments will depend above all on how quickly we succeed in sustainably reducing the number of new infections. The economic recovery now underway could be slowed down again by further lockdowns. On the other hand, vaccines ready for widespread use should accelerate the upward trend.

How the global economy develops in 2021 will depend to a large extent on the progression of the coronavirus pandemic. After a projected 4.4% decline in global gross domestic product (GDP) in 2020 versus the previous year, the International Monetary Fund anticipates a gain of 5.2% – which would be the biggest increase in decades. However, the resurgence of the pandemic in early 2021 is causing disruptions to the economy as national authorities introduce new public health measures to contain the spread of COVID-19. The epidemiological situation means that growth estimates for the forecast period are extremely uncertain and risky.

Gross domestic product	
in %	Forecast 2021
China	8.2
Asia/Pacific	6.7
Worldwide	5.2
Europe	4.7
Germany	4.2
USA	3.1
Source: International Monetary Fund (estimates as of February 1, 2021)	

Demand for laboratory materials expected to remain high

Laboratories all over the world use Eppendorf products in their efforts to combat the coronavirus – for example to develop vaccines or perform SARS-CoV-2 tests. For this purpose, they use Eppendorf pipettes and pipetting systems as well as the associated laboratory consumables. Eppendorf also supports vaccination centers worldwide with ultra-low-temperature freezers, since the coronavirus vaccine produced by BioNTech/Pfizer must be stored at minus 80 degrees Celsius.

For 2021 as a whole, we anticipate continued high demand for laboratory materials along with further, sustainable revenue growth as Eppendorf continues to play its part in containing the coronavirus pandemic.

In its consistent pursuit of transforming the company from a pure equipment manufacturer to a process-oriented solution provider, Eppendorf will make substantial investments in technology and digitalization measures as well as in infrastructure projects and its workforce. These investments will lead to an increase in expenditure this year, but will secure Eppendorf’s long-term success and thus consolidate our position as a foundation for further profitable and sustainable growth. For fiscal year 2021, Eppendorf is targeting revenue growth in the mid-single-digit percentage range.

What we achieved in 2020 makes us optimistic that we will reach the targets we have set for 2021.

Since it is hard to predict how the coronavirus pandemic will pan out, the economic outlook remains highly uncertain. An increase in infection rates could prompt renewed local or national lockdown measures, which may suspend the upward trend and exacerbate the risks once again.

Eppendorf AG  
– The Management Board –  
Hamburg, March 26, 2021



# Consolidated Financial Statements

in accordance with the IFRS (abbreviated version)

## Consolidated income statement

for fiscal year 2020

in € thousand	2020	2019
Revenue	967,165	803,891
Cost of sales	–400,475	–338,630
<b>Gross profit</b>	<b>566,690</b>	<b>465,261</b>
Selling and marketing expenses	–202,912	–189,059
Research and development expenses	–55,797	–50,324
General and administrative expenses	–78,506	–71,756
<b>Operating profit</b>	<b>229,475</b>	<b>154,122</b>
Other operating income	13,864	7,277
Other operating expenses	–22,180	–12,807
Amortization of intangible assets from business combinations	–3,493	–4,379
<b>Earnings before interest and taxes (EBIT)</b>	<b>217,666</b>	<b>144,213</b>
Net finance costs	–1,330	–498
Other financial income (expense)	205	121
<b>Profit before tax</b>	<b>216,541</b>	<b>143,836</b>
Income tax expense	–64,013	–46,437
<b>Net profit</b>	<b>152,527</b>	<b>97,399</b>
thereof attributable to equity holders of the parent	151,692	96,553
thereof attributable to non-controlling interests	835	846

## Consolidated statement of comprehensive income

for fiscal year 2020

in € thousand	2020	2019
<b>Net profit</b>	<b>152,527</b>	<b>97,399</b>
<b>Items that may be reclassified to profit or loss in the future</b>		
Gains/losses from the measurement of hedging instruments	–5,566	783
Gains/losses from currency translation	–36,654	4,934
<b>Items that will not be reclassified to profit or loss</b>		
Gains/losses from the remeasurement of defined benefit plans	–5,234	–14,170
<b>Other comprehensive income after tax</b>	<b>–47,453</b>	<b>–8,454</b>
<b>Total comprehensive income</b>	<b>105,074</b>	<b>88,945</b>
thereof attributable to equity holders of the parent	104,780	88,072
thereof attributable to non-controlling interests	294	873

## Consolidated balance sheet

as of December 31, 2020

Assets	Dec. 31, 2020	Dec. 31, 2019
in € thousand		
Cash and cash equivalents	240,134	427,812
Trade receivables and contract assets	175,099	136,262
Inventories	186,269	170,988
Current tax refund claims	10,264	13,941
Other current assets	15,612	9,683
<b>Current assets</b>	<b>627,378</b>	<b>758,686</b>
Property, plant, and equipment	204,511	159,822
Right-of-use assets	41,986	39,585
Intangible assets	255,829	73,436
Investments in associates	1,473	1,397
Other financial assets	117,668	–
Other noncurrent assets	1,043	566
Deferred tax assets	82,818	71,631
<b>Non-current assets</b>	<b>705,328</b>	<b>346,438</b>
<b>Total assets</b>	<b>1,332,706</b>	<b>1,105,124</b>

## Equity and liabilities

	Dec. 31, 2020	Dec. 31, 2019
in € thousand		
Trade payables	39,436	31,789
Current contract liabilities	6,282	6,516
Financial liabilities	9,737	9,811
Provisions for income taxes	16,271	7,974
Other current provisions	82,064	69,265
Current tax liabilities	–	2,874
Other current liabilities	26,396	12,036
<b>Current liabilities</b>	<b>180,186</b>	<b>140,265</b>
Provisions for pensions and similar obligations	197,411	190,675
Noncurrent contract liabilities	330	305
Financial liabilities	133,289	32,924
Other noncurrent liabilities	739	566
Deferred tax liabilities	11,793	5,202
<b>Non-current liabilities</b>	<b>343,562</b>	<b>229,672</b>
Subscribed capital	51,132	51,132
Other equity items	755,696	681,263
Non-controlling interests	2,130	2,792
<b>Equity</b>	<b>808,958</b>	<b>735,187</b>
<b>Total equity and liabilities</b>	<b>1,332,706</b>	<b>1,105,124</b>



## Consolidated cash flow statement

for fiscal year 2020

in € thousand	2020	2019
Net profit	152,527	97,399
Depreciation, amortization, and impairment losses	34,970	33,952
Change in pension provisions	9,583	22,146
Change in		
Inventories	–6,342	–8,659
Trade receivables and contract assets	–45,872	–5,664
Trade payables and current provisions	36,753	7,988
Other changes	887	–22,504
<b>Cash flows from operating activities</b>	<b>182,506</b>	<b>124,658</b>
Payments for investments in property, plant, equipment, and intangible assets	–85,187	–58,545
Proceeds from disposal of property, plant, equipment, and intangible assets	5,720	1,412
Payments for the acquisition of subsidiaries, equity-accounted entities, and other financial assets	–343,327	–352
<b>Cash flows from investing activities</b>	<b>–422,794</b>	<b>–57,485</b>
Dividends paid to shareholders of Eppendorf AG	–24,032	–26,589
Dividends paid to non-controlling interests	–866	–846
Proceeds from non-current borrowings	97,792	–
Repayment of lease liabilities	–12,332	–10,922
<b>Cash flows from financing activities</b>	<b>60,562</b>	<b>–38,357</b>
Cash change in cash and cash equivalents	–179,726	28,816
Effect of exchange rate changes on cash and cash equivalents	–7,952	1,894
<b>Change in cash and cash equivalents</b>	<b>–187,678</b>	<b>30,710</b>
<b>Cash and cash equivalents at Jan. 1</b>	<b>427,812</b>	<b>397,103</b>
<b>Cash and cash equivalents at Dec. 31</b>	<b>240,134</b>	<b>427,812</b>

## Consolidated statement of changes in equity

as of December 31, 2020

in € thousand	Subscribed capital	Reserves	Net re-tained profits	Other comprehensive income	Equity attributable to shareholders of Eppendorf AG	Non-controlling interests	Total
<b>Balance at Jan. 1, 2020</b>	<b>51,132</b>	<b>541,199</b>	<b>174,694</b>	<b>–34,630</b>	<b>732,394</b>	<b>2,793</b>	<b>735,187</b>
Change in pension obligations	–	–	–	–5,232	–5,232	–1	–5,233
Currency translation	–	–	–	–41,680	–41,680	–540	–42,220
Other comprehensive income, net of tax	–	–	–	–46,912	–46,912	–541	–47,453
Net profit for the period	–	–	151,692	–	151,692	835	152,527
Total comprehensive income	–	–	151,692	–46,912	104,780	294	105,074
Allocation to retained earnings	–	40,115	–40,115	–	–	–	–
Dividend for prior year	–	–	–24,032	–	–24,032	–866	–24,898
Change in scope of consolidation	–	–	–6,314	–	–6,314	–	–6,134
Acquisition of non-controlling interests	–	–	–	–	–	–92	–92
<b>Balance at Dec. 31, 2020</b>	<b>51,132</b>	<b>581,314</b>	<b>255,925</b>	<b>–81,542</b>	<b>806,829</b>	<b>2,129</b>	<b>808,958</b>
<b>Balance at Jan. 1, 2019</b>	<b>51,132</b>	<b>480,184</b>	<b>168,061</b>	<b>–26,149</b>	<b>673,227</b>	<b>2,610</b>	<b>675,837</b>
Financial instruments	–	–	–	–87	–87	–	–87
Change in pension obligations	–	–	–	–14,169	–14,169	–1	–14,170
Currency translation	–	–	–	5,775	5,775	28	5,803
Reclassification	–	–	–	–	–	–	–
Net profit for the period	–	–	96,553	–	96,553	846	97,399
Other comprehensive income, net of tax	–	–	–	–8,481	–8,481	27	–8,454
Total comprehensive income	–	–	96,553	–8,481	88,072	873	88,945
First-time adoption of IFRS 16	–	–2,316	–	–	–2,316	–	–2,316
Allocation to retained earnings	–	63,331	–63,331	–	–	–	–
Dividend for prior year	–	–	–26,589	–	–26,589	–713	–27,302
Acquisition of non-controlling interests	–	–	–	–	–	23	23
<b>Balance at Dec. 31, 2019</b>	<b>51,132</b>	<b>541,199</b>	<b>174,694</b>	<b>–34,630</b>	<b>732,394</b>	<b>2,793</b>	<b>735,187</b>



# Report of the Supervisory Board

**Focal points of the Supervisory Board’s activities**

The year 2020 was strongly influenced by the global coronavirus pandemic, which had a major impact on the work of all employees of the Eppendorf Group.

Thanks to everyone’s joint efforts, the company was able to overcome all challenges and turn 2020 into Eppendorf’s most successful year to date. Never before has the guiding principle to improve human living conditions been as relevant as it was this year.

2020 was also the year of Eppendorf’s 75th anniversary. The festivities that had been planned could not take place. As an alternative, the company organized a virtual anniversary celebration for the workforce so that all employees were able to experience this special day together despite the coronavirus restrictions – either at their locations or in their offices at home.

Throughout fiscal year 2020, Eppendorf launched, implemented and, in some cases, completed initiatives and projects to ensure that the company continues to be well-positioned for the future. Activities here concentrated mainly on technology, digitalization, customer solutions and benefits, as well as on the permanent optimization of the value-creation processes and product portfolio.

**Collaboration between Management Board and Supervisory Board**

In the year under review, the Supervisory Board of Eppendorf AG continuously monitored and advised the Management Board. The Management Board provided the Supervisory Board with regular, timely, and comprehensive information about the company’s business performance and major business transactions. In addition, the Chairman of the Supervisory Board was kept constantly informed by the two Co-CEOs and was consulted in cases of doubt or far-reaching decisions.

**Main issues discussed at the individual Supervisory Board meetings**

The Supervisory Board convened for a total of five meetings in the past fiscal year.

At the meeting on March 13, 2020, the Supervisory Board discussed the planned acquisition of the centrifuge business of Koki Holdings Co., Ltd. (Japan). The acquisition and spin-off into a new company (Eppendorf Himac Technologies Co., Ltd.) was approved and subsequently implemented.

At the meeting to approve the financial statements on March 26, 2020, the Supervisory Board reviewed and approved the annual financial statements and the consolidated financial statements. Furthermore, it adopted the 2020 budget, discussed the possibility of changing the legal form of Eppendorf AG into an SE and debated and approved the investment in Promega Corporation.

At the Supervisory Board meeting on June 19, 2020, the Management Board provided an overview of how the coronavirus pandemic had impacted the individual divisions.

The Supervisory Board meeting on September 22, 2020, focused on analyzing the company’s business performance in the first half of 2020, particularly with regard to the effects of the coronavirus pandemic on production and sales. Further topics of discussion included the medium-term plan and an update on the ongoing development of the company with regard to its global production sites.

At the Supervisory Board meeting on December 4, 2020, the Management Board reported on the business performance in 2020 and presented the Going-to-Market strategy for Europe. The Supervisory Board approved the budget and the investment plans for 2021.

**Activities of the Supervisory Board committees**

The Supervisory Board continues to have two committees, the Audit Committee and the Compensation Committee, which prepare the deliberations and resolutions of the Supervisory Board. The chairpersons of these committees report regularly at meetings of the Supervisory Board about the work of the committees.

**Personnel matters**

On May 15, 2020, Mr. Axel Jaeger was appointed to the Management Board. He is in charge of Group Controlling, Global Finance, Internal Audit, Global IT, and Global Real Estate Management. The Supervisory Board looks forward to working with him in a constructive relationship based on mutual trust.

**Annual and consolidated financial statements as of December 31, 2020**

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The consolidated as well as the annual financial statements of Eppendorf AG, the management report and the Group management report were audited by the auditor, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, which was elected by the Annual General Meeting and commissioned by the Supervisory Board. On March 26, 2021, the auditor issued an unqualified audit opinion. The documents named above and the associated audit reports, including the relevant reports prepared by the Management Board, were made available to all members of the Supervisory Board and were discussed.

The auditor informed the Audit Committee and the Supervisory Board of the key findings of its audit. The Audit Committee and the Supervisory Board duly noted the results of the audit conducted by the auditor. In the course of their own reviews of the annual financial

statements and management report of Eppendorf AG as well as the consolidated financial statements and Group management report, they found no cause for objection. The Audit Committee recommended that the Supervisory Board approve the annual financial statements and the consolidated financial statements of February 26, 2021. The Supervisory Board approved the consolidated financial statements prepared by the Management Board on February 26, 2021, and the annual financial statements of Eppendorf AG. The annual financial statements are hereby adopted. In addition, the Supervisory Board also reviewed and concurred with the proposal for the appropriation of profit.

The Audit Committee was additionally informed about the work of the Internal Audit department in fiscal year 2020.

The Supervisory Board would like to thank the Management Board and all the employees of the Eppendorf Group in Germany and internationally for their dedicated efforts and successful work for the company in fiscal year 2020.

Hamburg, March 26, 2021



Philipp von Loeper  
Chairman of the Supervisory Board

# Boards

## Supervisory Board

**Philipp von Loeper**  
Chairman

**Dr. Elmar Hinz**  
Vice Chairman

**William A. Linton**  
Vice Chairman

**Thomas Heydler**  
Member of the Supervisory Board

**Marlis Kripke**  
Employee representative

**Peter Schmidt**  
Employee representative

## Management Board

**Dr. Peter Fruhstorfer**  
Co-CEO & Chief Business Officer

**Eva van Pelt**  
Co-CEO & Chief Commercial Officer

**Axel Jaeger**  
Chief Financial Officer

**Dr. Wilhelm Plüster**  
Chief Technology Officer

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Vacuum concentrators



Himac centrifuges

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Biological shakers



CO<sub>2</sub> incubators



Fermentors and bioreactors

### Molecular Biology



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Thermocyclers



Automated liquid handling

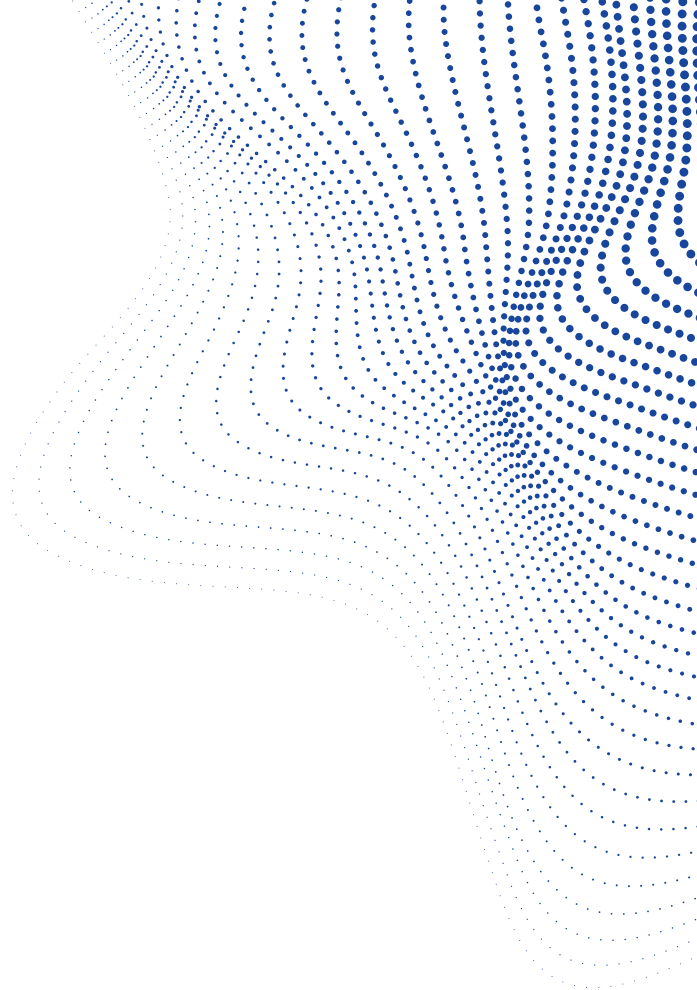
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