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ASIA EDITION

Ã¢â?¬Å?Asia is constantly strengthening its digitisation and connectivity, making it an attractive market to invest inÃ¢â?¬Â•

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Eppendorf, a leading global company, catering instruments, consumables, solutions and services for life science institutes and businesses worldwide recently inaugurated its new subsidiary in Singapore's Biopolis Science Centre. This centre focuses on biomedical research projects and enables close cooperation between public and private scientific institutions. BioSpectrum Asia caught up with Eva van Pelt, Co-Chief Executive Officer, Eppendorf SE to discuss the company's expansion into the Asia/Pacific/Africa region. Edited excerpts;



How would you describe the accomplishments at Eppendorf for FY 21-22, particularly in the APAC market? What drives your investment in Asia?

Globally we operate through our four market regions, Americas, Europe, Asia/Pacific/Africa (APA), and China. The consolidated global revenue at Eppendorf has been impressive, especially, by achieving the highest revenue of €1.1 billion for the year 2021 marking a remarkable milestone amidst the pandemic challenges, the chip crisis, global supply chain bottlenecks and more. An annual sales growth of around 14 per cent was observed in 2021 which aligns with nearing 20 per cent growth in 2020, making them key profitable developments. This was supported by an increased R&D budget of 15.6 per cent accounting for €64.5 million.

The APAC region continues to be one of the major contributors in the same period, with Asia/Pacific/Africa (APA) and China being the vital pillars of our growth strategy. APA boosted its revenue by 23 per cent, and China performed similarly, gaining 20.4 per cent over the year 2021. Asia is an extremely important market for the Eppendorf Group, already accounting for around one-third of our total revenue.

Further, the year 2021 saw an impressive financial performance with progressing transformational programmes. We introduced major strategic transformations and initiatives into our global team to leverage new products to the market. We are enhancing our customer proximity through global expansions around different regions to leverage our customer-centric services.

Despite the overwhelming demand and response from the customers, the business was uninterrupted. At the onset of the pandemic, our warehouses had a surplus of stock to meet the industry's demands. Although the production capacity was challenged by the growing demand, we stretched production capacity to meet demand and established an additional distribution hub in Europe to streamline our supply chain.

Asia is ahead in technology adoption and innovation. In addition, Asia is constantly strengthening its digitisation and connectivity, making it an attractive market to invest in. Furthermore, evolving innovation and research hubs especially in China and India are placing Asia in high demand. The diagnostics market in Asia is also gaining momentum, creating hubs for research and manufacturing. Overall, Asia with all its adoption and innovation, and wide dynamic markets has a lot of potential and is an attractive destination to invest in.

What major plans does Eppendorf hold for FY 22-23? Please talk about your forthcoming product launches, investments, and expansion.

Eppendorf’s growth strategy and investment/expansion plans were in place much before the pandemic. Despite the hurdles in production capacity, global logistics, and supply chains during the pandemic years, we are constantly investing in different establishment projects involving manufacturing facilities, logistic sites, corporate offices, as well as service and lab calibration units.

For the year 2022 we are exploring different dynamics and markets, thus expecting growth globally and also looking at Asia/Pacific/Africa (APA) specifically. We anticipate moderate growth in revenue in 2022.

Additionally, customer centricity through customer proximity serves through our global existence. In APA and China, we are over proportionately investing compared to other regions, because these markets have demonstrated their capability of being growth pillars for the Eppendorf Group. Hence, we are launching new offices, service units, warehouses, R&D, and manufacturing capacities in APA and China to enhance our proximity with Asian customers. Simultaneously, we have established a couple of new computer-integrated manufacturing (CIM) systems to strengthen manufacturing and address the service requirements, while developing a multi-dimensional supply chain.

Further, we are gradually upgrading our interfaces through digitisation to accelerate Eppendorf’s capacity and capabilities. We are leveraging our strategy in all aspects of the value chain and streamlining end-to-end services.

What is the growth outlook for FY 22-23 and what might drive it? Can you share recent and current Asia Pacific initiatives by Eppendorf?

To complement our commitments, we are quite active in different parts of APA and China. Some of the recent developments have been impeccable and enabled our customers with the right solution within their geographical proximity and quicker shipment time.

In November 2020, to meet the needs of the Chinese market, Eppendorf launched an e-commerce sub-brand, LAVIBE, the online store, custom designed for the Chinese local market that covers the full range of consumables portfolio from pipette tips, and centrifuge tubes to PCR consumables. Our customers in China can browse through the real-time inventory of LAVIBE’s full range of products and procure them in a seamless mode. LAVIBE is also helping us to gain in-depth insights into the Chinese market and customer needs. Additionally, to this new brand, we decided at the beginning of this year to expand our R&D and manufacturing hub in China while improving business flexibility.

In 2021 we established a new office in South Korea with a warehouse in Seoul. Also in Tokyo, we have built a new office that will be inaugurated soon in 2022.

In July 2020, Eppendorf acquired the centrifugation business of Koki Holding Co., Ltd. in Japan. Following the acquisition, the wholly owned Japanese subsidiary of Eppendorf SE is named “Eppendorf Himac Technologies Co., Ltd.”. As part of our strategy as the world-leading full-range provider of top-quality centrifugation solutions, this acquisition expanded our product range to include floor standing, ultra-centrifuges as well as clinical and automated centrifuges as additional products.

Furthermore, in Chennai, India, we recently launched a new Sophisticated Pipette Laboratory and Service Hub (SPLASH), a world-class pipette calibration facility that can calibrate up to 100,000 pipettes a year. The novel automated proprietary technology calibrates pipettes with minimal human intervention. The unit has eight workstations, which will substantially reduce Turn Around Time (TAT) and hosts exclusive facilities such as ‘Speedcal mobile’ the multichannel pipette calibration balance, and epMotion, automated liquid handling workstations.

Moving on to our current investment, on August 1, 2022, we officially opened a new subsidiary and warehouse site in Singapore which will act as a centre for Asian life science growth markets, and is expected to strengthen our track in Asia.

Could you please share more about the new Eppendorf subsidiary in Singapore?

Singapore as a life sciences hub holds large growth potential. We are therefore pleased to be part of Singapore’s dynamic life science ecosystem and be able to further intensify and expand our existing customer relationships in South East Asia.

The new subsidiary is located in Singapore’s Biopolis Science Centre spread across approx. 400 square meters with sufficient room for extension and expansion as needed. The site is equipped with a high-tech pipette calibration laboratory and a demo laboratory along with sales and service activity workstations. Both the Singapore market, as well as South-East Asian markets, benefit from the customer-centric high-quality services in their proximity.

In addition to modern office space, there is a service centre for all Eppendorf equipment, offering repairs, maintenance, calibrations, and validations, as well as a state-of-the-art calibration laboratory for pipettes. The additional purpose-built Bioprocess Centre provides scientific and technical support to customers and partners throughout the Asia Pacific region. In Asia, this investment allows us to participate even better in the growth of the life science industry and to maintain our customer-centric strategic approach with Singapore as the new central warehouse and logistics hub for South East Asia, offering faster and more reliable delivery in the region.

How has Eppendorf mapped its strategy for achieving carbon neutrality in the near future?

Being aware of its own contribution and responsibility towards society and the environment Eppendorf recently announced its ambitious sustainability strategy, setting the clear target of becoming climate-neutral by 2028. To achieve this, Eppendorf has anchored the core topic of sustainability as an essential aspect of its corporate strategy. EU Climate Law has proposed global climate neutrality by 2050, but Eppendorf will be ahead of the EU Law with its comprehensive plan and strategy in place, to be carbon neutral across our global company.

All our locations worldwide are being upgraded to renewable energy entities as part of our climate strategy. Our existing buildings are being optimised for energy efficiency, increasing the climate standards, and also future establishments will be aligned accordingly. Moreover, we are reducing our volume of air freight, reorganising our vehicle fleet for climate neutrality, and promoting environmentally friendly travel. Our operations, warehouses, production sites, and offices (administrative and commercial) have already adopted an energy efficiency model. We are simultaneously exploring renewable energy sources in new dimensions. 98 per cent of our operations are already working with renewable energy, targeting to be 100 per cent. As part of its sustainability strategy, Eppendorf tracks environmental and sustainability measures using extensive data such as the company's CO2 emissions and energy consumption.

For instance, the Eppendorf Bioprocess site in Germany is awarded according to the highest energy standards, for being a highly efficient and sustainable operation. German sites as well as the plants in Enfield, Connecticut, USA, and Maldon, England, have relied on CO2-neutral electricity from renewable energy sources. We strive to minimise our plants' energy consumption. The opening of regional centres in APAC, further reduces long-distance shipments from non-APAC regions and thus contributes to reducing the group’s carbon footprint.

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